

Policy Number	Version number	Section 113	Policy Owner: Business Unit	Document Type	Effective date	
0902	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Network Services Unit	Policy	01/07/2023	
Responsible Manager			Date created	Approved by	Review Cycle	Next review
Craig Craigie, A/g Manager Network Services			2 March 2023	Council: 15 June 2023	Every 5 years	June 2028

1. Purpose

This policy identifies the statutory obligations of Local Aboriginal Land Councils (LALCs) regarding LALC Budgets and stipulates the particulars that are required to be included in the Budget on LALC operations.

2. Scope

This policy applies to all LALCs.

3. Policy Statement

The Aboriginal Land Rights Act (1983) (ALRA) requires each LALC to prepare a detailed budget relating to the LALCs proposed operations for that coming financial year. The policy requires that LALC Budgets include the particulars for the reporting year/period in accordance with the associated template.

3.1. Guiding Principles

LALC budgets are critical planning instruments for ensuring that LALC resources are efficiently utilised to meet all statutory and operational financial obligations.

Section 158 of the ALRA requires each LALC to prepare and adopt a detailed budget relating to the LALCs proposed operations for the upcoming financial year.

Section 158 also requires LALCs to prepare these budgets in accordance with any applicable NSWALC policy.

Further, Section 158 authorises the NSWALC to require a LALC to resubmit a budget if NSWALC is satisfied that the budget does not meet the requirements under section 158, including the obligations of this policy and related procedure in relation to the preparation of LALC budgets.

Section 160 of the ALRA authorises the NSWALC to give directions to LALCs relating to the form, contents, and method of preparation of budgets, and to the keeping of accounts, records, and the making of reports. LALCs are required to comply with such directions.

3.2. Budget Requirements

- The budget includes all details of the LALCs proposed operations, including operations to be funded by persons or bodies other than the NSW Aboriginal Land Council (NSWALC);
- Income and expenditure related to any NSWALC grant is separately identified;
- Income and expenditure for all subsidiary and controlled entities is separately identified;
- Income and expenditure for all Community Benefit Schemes, including residential accommodation is separately identified;
- All other income and expenditure for the LALC (i.e., activities) is separately identified;
- Provision has been made for all statutory obligations, including rates;
- Provision has been made for staff wages, entitlements and on costs;
- Provision has been made for the management of any existing debts, including debts subject to a debt repayment agreement that the LALC has with NSWALC;
- That all payments to Board members are paid in accordance with the LALCs policy that has been approved by the members and be included in the annual budget;
- The budget does not contain expenditure for activities beyond the authority conferred on the LALC by its Community Land and Business Plan and *the Aboriginal Land Rights Act (1983) (ALRA)*;
- The budget is realistic (e.g., the income and expenditure assumptions have a sound basis), responsible (e.g., the budget will enable the LALC to pay its operating costs for the year and enable a reduction of any debt) and achievable (e.g., that rental projections are in line with those achieved in the recent past);
- Community Benefits Schemes, including residential accommodation, must be operated in accordance with the approval conditions;
- The budget meets the requirements of any further written direction of the NSWALC made pursuant to section 160 of the ALRA;
- It is the responsibility of the LALC to ensure it complies with the ALRA, the LALC Budget Policy and Procedures;
- Failure to comply with the LALC Budget Policy and Procedures may be grounds for the cessation of funding, or eligibility for future Funding Agreements, under the NSWALC Funding Policy;
- Failure to comply with section 158 of the ALRA, the obligations in the NSWALC related policy and procedures in relation to the preparation of LALC budgets, may result in a LALC being required to resubmit a budget to NSWALC;
- Failure to comply with the obligations identified in the LALCs Budget Policy and Procedures may provide grounds for the issuance of section 160 directions from NSWALC, or a compliance direction by the Registrar of the ALRA;
- Failure to comply with the statutory obligations identified in the LALCs Budget Policy and Procedures, may provide grounds for the appointment of an advisor, an investigator, or an administrator to a LALC by the Registrar of the ALRA; and
- If a budget variation is required, the variation is to be treated in accordance with the provision in the executed Funding Agreement.

LALCs are directed to provide NSWALC with the LALC budget, adopted by the LALC Board, with the LALC common seal affixed, and the minutes of the Board meeting at which the budget was adopted, no later than the 21st of April of the financial year to which the budget relates.

Section 52G(1)(f) of the ALRA requires LALCs to have adopted budgets receipted by a resolution of the voting members of the LALC.

LALCs are directed to present the adopted budget for receipt by the members at the next meeting of the LALC after it has been adopted;

4. Related Policy and Procedures

NSWALC Funding Policy

NSWALC LALC Budget Template

NSWALC Budget Template User Guide

5. Related legislation and policy

Aboriginal Land Rights Act (1983)

6. Definitions

ALRA – Aboriginal Land Rights Act (1983)

LALC – Local Aboriginal Land Council

NSWALC – NSW Aboriginal Land Council

7. Approval and Version History

Approval and Version History	Details
Council 15 June 2023	444 th Council Meeting 15/06/2023
Version History and dates and other notes	(If relevant, add notes to alert readers about the document/s this one replaces, e.g., this document consolidated and replaces X Policy, Y Procedure and Z Procedure)