Local Authority Project and Discretionary Funding Policy v3

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1. Legislation

Council manages local authorities in adherence to Part 5.1 of the Northen Territory's *Local Government Act 2019* (LG Act):

- The establishment and maintenance of local authorities in accordance with Guideline 1: Local Authorities and the Local Authority Project Funding Guidelines (s76).
- The constitution of a local authority (s77).
- The functions and limits on functions of a local authority (s78 and s79).
- The reporting required of *the Council* and the local authority (s80).
- How *the Council* must work with the local authority (s81).

2. Definitions

Council means the MacDonnell Regional Council's administration.

The Council means the Councillors, President and Deputy President.

Member means any person appointed to a local authority.

CEO means the Chief Executive Officer.

Staff is any person who carries out work for Council including (but not limited to) employees, contractors, consultants or volunteers.

3. Statement

This policy provides the principles to:

- provides guidance on how project funds granted by the Northern Territory Government and discretionary funds provided by Council to local authorities can be spent.
- Projects meet the interests of Council and the community.

4. Policy

4.1 Principles

4.1.1 Responsible and Sustainable Use of Funds

Funding is not spent in a way that risks the financial, environmental or social sustainability of Council.

4.1.2 Transparent and Compliant Decision-Making

All decisions must comply with relevant legislation, policies (such as Conflict of Interest and Procurement), and maintain transparency in Council operations.

4.1.3 Fair and Community-Focused Allocation

Funds must be used in a fair and equitable way that benefits the whole or most of the community and aligns with community priorities.

4.1.4 Ensuring Legal Compliance

Promote transparency in Council business to ensure Council operates in a way that aligns with legislation, regulation and any relevant guidelines the Minister may make.

4.2 Discretionary Funding from *the Council*

4.2.1 Each year *the Council* allocates a certain amount to local authorities to spend as they see fit. The amount is recorded in the Delegation Register. This funding can be spent as the community sees fit.

4.2.2 The funding must be used in a fair and equitable way and should benefit the whole or most of the community.

4.2.3 Cash will not be given out under any circumstances.

4.2.4 The use of discretionary funds must be approved at a Local Authority meeting with a full quorum or be signed off by the majority of members. This means more than half of the members need to sign the relevant forms.

4.3 Project Funding from the Northern Territory Government

4.3.1 Local Authority Project Funding (LAPF) is funding provided to regional councils to support priority projects in individual communities recommended by a local authority through a community consultation process. The LAPF Guidelines should be read in conjunction with Guideline 1: Local Authorities.

4.3.2 Projects that rely on in-kind support from Council must be related to core local government services and must get prior approval from Council, the CEO or the relevant Director.

4.3.3 Cash will not be given out under any circumstances.

4.3.4 Funding should not go to projects that are the responsibility of another level of government.

4.3.5 Salaries can be included to a limited extent where staff are directly working on delivery of the approved project.

4.3.6 Funding cannot be used for vehicles and/or fuel.

4.3.7 The use of project funds must be approved at a local authority meeting with a full quorum.

4.3.8 Funding should support the relevant community's priority projects as maintained in the **Local Authority Project Register**.

4.3.9 A major project is where more than two years of project funding is combined for use in a single project.

4.3.9.1 A local authority may seek to combine funding from more than two years into a single project by requesting approval from *the Council*, who will consider the request and if in agreement see approval from the Northern Territory Government.

4.3.9.1 Specific details of any approved major projects will be published in the Council's annual budget.

4.3.10 The LAPF Guidelines provide guidance as to what projects can and cannot be approved.

4.3.10.1 Examples of what funding can be used for:

- Repairs and maintenance of community assets controlled or owned by the council. For example, park fencing, solar lighting, road repairs and ablution facilities.
- Acquisition of plant and equipment directly related to local government service delivery. For example, trailers, graders, garden maintenance equipment such as brush cutters, lawn mowers and pressure cleaners, rubbish bin enclosures /stands.
- Upgrade/enhancement of community facilities. For example, sporting venues, upgrade of community ovals, basketball courts and playgrounds, shade structures, picnic areas, seating and park furniture, tree planting and irrigation, upgrade of women's or men's sheds/shelters.

- Festivals or other events to be conducted within the local authority area that the funding has been provided for.
- Community based programs – including music, art or dance, uniforms for sporting events; or preservation of culture or traditions.

4.3.10.2 Examples of what funding shouldn't be used for:

- Purchase of vehicles and fuel expenses
- Payment of recurrent salaries or recurrent operating costs of council
- Cash prizes or sponsorships
- Meeting costs and payments to local authority members
- Travel costs or any form of allowances
- Administration and/or project management fees
- Purposes that are not related to local government services and that should be addressed by another government agency.

4.3.11 Funding must be fully expended within two years, or in the case of major projects within four years, of receipt of funding. Failure to do so may result in the Northern Territory Government taking action, including but not limited to withholding further grant payments under the program or requesting unspent funds to be repaid.

4.4 Decision Making

4.4.1 A meeting with a quorum is delegated by *the Council* to approve the expenditure of project funding, except in the case of a major project.

4.4.2 Where a quorum is not present or a local authority wishes to create a major project, their recommendation will be made to *the Council* which will review and consider any necessary application to allow the project to go ahead.

4.4.3 Council will work collaboratively with the local authorities to advance the interests of its communities.

4.5 Allocation of Funding to Youth Boards

4.5.1 The annual Regional Plan allocates a set amount of the project funding from the Northern Territory Government to local Youth Board identified projects. These projects must comply with the requirements specified at **4.3**.

5. Breaches and Consequences

Action or behaviour that does not comply with any element of this policy can be found to have breached the Code of Conduct. Such action or behaviour must be referred to as 'suspected misconduct' until a decision is made that the action or behaviour amounts to a breach of the Code of Conduct.

6. Authority

The Council, 17 April 2026

7. Owner

Office of the CEO, Governance and Strategy

8. Review Date

30 April 2029

9. Related Documents

Guideline 1 - Local Authorities
Local Authority Project Funding Guidelines
Procurement Policy