



Bayside Council
Serving Our Community

Financial Reserves Policy

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Financial Reserves Policy

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Τηλεφωνικές Υπηρεσίες Διερμηνέων

بخدمة الترجمة الهاتفية

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Служба за преведување по телефон

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1 Introduction

1.1 Background

Financial Reserves are established to set aside funds for Council to allocate to specific projects, as required.

Every Reserve created should have a clear and specific purpose and relate back to the adopted Integrated Planning and Reporting (IP&R) strategies and plans of Council. There should be a clear link between this Policy, and the Reserves created under it, to the Operational Plan, Delivery Program, and where appropriate, the Council's asset management plans and community plans.

The purpose of this policy is to provide clarity and transparency in the sequestering of funds from annual operations in order to provide for longer term expenditure. That transparency encompasses the method of calculation of both the fund in total and its annual movements.

1.2 Definitions

The definitions of certain terms are:

Externally Restricted Reserves

Externally restricted reserves are created as a result of a legislative requirement governing the use of the funds. These funds must be fully expended for the specific purpose defined and cannot be used by Council for general operations.

Internally Restricted Reserves

Internally restricted reserves are funds that the Council has determined to be used for specific purposes. The Council may resolve to change the purpose of these funds.

1.3 Policy statement

Council is committed to best practice financial reserves accounting, in accordance with external statutory and internal management reporting requirements.

1.4 Scope of policy

This policy covers all externally and internally restricted reserves.

2 Financial Reserves

2.1 Creation, Alteration, Cessation of Reserves

This Policy requires Council to undertake certain processes in dealing with Financial Reserves. All significant decisions in relation to Council's Financial Reserves are required to be by Council resolution. The creation of new Reserves, alterations to existing Reserves, or the cessation of any existing Reserve may only be undertaken by resolution of the Council.

A schedule of existing Financial Reserves is appended to this policy outlining, for each Reserve, its purpose, the basis on which it is calculated, its target balance, the

name of the Council position/committee responsible for controlling the reserve and Council Approval Date/Minute No. where known. Given that they form part of an Appendix to this policy, amendments to individual Reserves may be made by Council resolution without the need to amend the policy itself.

The creation of a Reserve, cessation of a Reserve or transferring funds to and from a Reserve may only be authorised by resolution of Council. Such a resolution should be based on a thorough and detailed report setting out all of the implications involved. Any such resolution must specify the amount of the transfer.

2.2 Accounting of Reserves

2.2.1 No transfer from any Reserve shall exceed the amount of the existing balance of the Reserve at the time of transfer, unless a Reserve overdraft has been approved by resolution of Council and the full impact of such overdraft taken into account for any financial management plans, and there is sufficient funds within the total Reserves balance to allow a temporary overdraft.

2.2.2 Interest should be paid from the overdrawn Reserve account if the balance is material.

2.2.3 Each Quarterly Budget Review Statement is to include a schedule of Reserves, showing:

- Opening actual balance at 1 July;
- Estimated transfer to Reserve;
- Estimated transfer from Reserve; and
- Estimated Closing balance at 30 June.

3 Policy Implementation

3.1 Policy responsibilities

3.1.1 The responsible officer or parties named in this policy shall be responsible for the relevant reserves:

3.1.1.1 Strategic approach and target; and

3.1.1.2 Integrity in line with its strategic approach, target, purposes and restrictions.

3.1.2 The Manager Finance has the responsibility of maintaining a schedule of all Financial Reserves in addition to overseeing all of the accounting functions in relation to the Reserves including regular reporting through the Quarterly Budget Review Statement.

3.2 Procedures

Procedures to support this policy shall be approved by the Director City Performance.

3.3 Breaches

Inappropriate use of Externally Restricted Reserves will generally constitute a breach of the Local Government Act and may result in punitive measures being imposed upon the Council.

4 Document Control

4.1 Review

This policy is reviewed at least every four years and when relevant legislation changes.

The Director City Performance or Manager Executive Services may approve non-significant and/or minor editorial amendments that do not change the policy substance.

4.2 Related documents

- Local Government Act, 1993
- Local Government (General) Regulation, 2005
- NSW Local Government Code of Accounting Practice and Financial Reporting

4.3 Version history

Version	Release Date	Author	Reason for Change
1.0	14/10/2020	Finance Project Officer	New document
2.0	11/11/2020	Financial Strategy & Reporting Manager	Parking Infrastructure Reserve added
3.0	10/03/2021	Financial Strategy & Reporting Manager	Affordable Housing Program added

Appendix 1 – Schedule of Externally Restricted Financial Reserves

Reserve Name	Advertising SEPP64
Purpose	<p>Cash collected under planning agreements/State Environmental Planning Policy No 64 - Advertising & Signage for the following purposes:</p> <p>(a) to ensure that signage (including advertising):</p> <ul style="list-style-type: none"> (i) is compatible with the desired amenity and visual character of an area, and (ii) provides effective communication in suitable locations, and (iii) is of high quality design and finish, and <p>(b) to regulate signage (but not content) under Part 4 of the Act, and</p> <p>(c) to provide time-limited consents for the display of certain advertisements, and</p> <p>(d) to regulate the display of advertisements in transport corridors, and</p> <p>(e) to ensure that public benefits may be derived from advertising in and adjacent to transport corridors.</p> <p>In accordance with the Department of Planning and Environment “Transport Corridor Outdoor Advertising and Signage Guidelines November 2017”:</p> <p>a. The monies are to fund a public benefit works program developed in partnership with RMS or Transport for NSW in relation to public transport matters. Both council and RMS or Transport for NSW will identify and prioritise projects in the LGA that require investment in transport safety, public transport or amenity improvements that are in addition to the core activities and services provided by the council.</p> <p>b. When the council is the advertising proponent, an annual fee need not be paid. However, as with RMS and Transport for NSW, Sydney Trains and NSW Trains, the council must set aside revenue raised from outdoor advertising to fund a public benefit works program. The council must record the total amount of outdoor advertising revenue received each year in their financial accounts and their Annual Reports. This includes fees collected from proponents as well as revenue raised directly from advertising signage where council is the proponent. The Annual Reports must also report on the amount of outdoor advertising revenue invested by the council in transport safety, amenity improvements or other public works, including a list of specific projects.</p> <p>c. Improvements to traffic safety for drivers, pedestrians and cyclists are a priority for expenditure of advertising revenue. This may include works such as installation of flashing lights or other safety infrastructure in school zones, provision of cycle ways, provision of pedestrian refuges or installation of pedestrian bridges to improve safety and traffic flow.</p>
Calculation Basis	Partial Cost Recovery - as per adopted Fees and Charges
Target Balance	No Target. Advertising SEPP64 cash received fully expended in accordance with items identified under planning agreement.

Responsible	Manager City Infrastructure
Approval	Adopted in the 2018/19 Financial Statements at Council 11 December 2019
Reserve Name	Community Safety Levy
Purpose	Effective from 1 July 2007, this Special Rate Levy is paid annually through the rates notice by residents of the former Rockdale City Council to fund an annual program consisting of graffiti removal, CCTV, safety audits and community education programs.
Calculation Basis	Raised on all properties in former Rockdale City Council and calculated using a base rate (fixed \$ per assessment) + an ad valorem
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager Community Life
Approval	
Reserve Name	Developer Contributions - General
Purpose	<p>Cash contributions received under S7.11 Environmental Planning and Assessment Act 1979 - Contribution towards provision, extension or augmentation of the public amenities and public services concerned, to meet the increased demand created by development.</p> <p>Cash contributions received under S7.12 Environmental Planning and Assessment Act 1979 - Fixed development consent levies applied towards the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation), to meet the increased demand created by development. The application of the money is subject to any relevant provisions of the contributions plan.</p> <p>In accordance with Environmental Planning and Assessment Regulation 2000 Part 4, Division 5, clause 35 Council must maintain accounting records that allow monetary section 7.11 contributions, section 7.12 levies, and any additional amounts earned from their investment, to be distinguished from all other money held by the council.</p>
Calculation Basis	In accordance with contribution rates detailed in Contribution Plans.
Target Balance	Developer contribution cash received all fully expended in accordance with contribution plan works program and Delivery Program and Operational plan.
Responsible	Manager Strategic Planning
Approval	
Reserve Name	Domestic Waste Management
Purpose	Section 496 of the Local Government Act 1993 (the Act) requires Council to make and levy an annual charge for the provision of domestic waste management services for each parcel of rateable land for which the service is available. Section 502 of the Act then allows Council to

	make a charge for a service referred to in section 496 according to the actual use of the service.
Calculation Basis	Limited to recovering the reasonable cost of providing the domestic waste management service. Cash received for the service is transferred to this reserve and expenditure incurred for the service is transferred from this reserve. Also, cash received from the sale of garbage vehicles is transferred to this reserve. Expenditure incurred in acquiring garbage vehicles is funded, as a transfer from this reserve. Domestic waste management charge can cover: <ul style="list-style-type: none"> ▪ change-over cost for garbage vehicles, ▪ replacement of garbage bins, ▪ remediation of contaminated old tip sites.
Target Balance	Cash collected needs to be supported by the 10 year Domestic Waste Management (DWM) Long Term Financial Plan. Manager Waste & Cleansing to develop a 10 year DWM Long Term Financial Plan.
Responsible	Manager Waste & Cleansing
Approval	
Reserve Name	Infrastructure Levy Reserve
Purpose	This levy which is funded by a Special Rate Variation came into effect on 1 July 2007 and which was supplemented by a further Special Rate Variation granted for the 4 years from 1 July 2014, and remaining permanently in the Council's rate base after the last year of the special variation (2017/18), for the purposes of renewal of capital expenditure on existing infrastructure assets and to enhance financial sustainability through the repayment of borrowings for infrastructure renewal.
Calculation Basis	Raised on all properties in former Rockdale City Council and calculated using a base rate (fixed \$ per assessment) + an ad valorem
Target Balance	No Target. Cash fully expended in accordance with City Projects program.
Responsible	Manager City Infrastructure
Approval	
Reserve Name	Local Area Funds
Purpose	Special rates levied on business in certain local business areas, to fund the cost of works, services, facilities or activities that are carried out to specifically benefit those business areas.
Calculation Basis	Raised on all business properties in former Rockdale City Council and calculated solely using an ad valorem rate except for Ramsgate Beach which is calculated using a base rate (fixed \$ per assessment) + an ad valorem.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager Strategic Planning
Approval	

Reserve Name	Mascot Main Street
Purpose	Local area rates applicable to rateable businesses in this area, to fund the cost of works, services, facilities or activities that are carried out to specifically benefit this business area.
Calculation Basis	Raised in former City of Botany Bay Council and calculated solely using an ad valorem rate.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager Strategic Planning
Approval	
Reserve Name	Mascot Parking Rate
Purpose	Local area rates applicable to rateable businesses in this area, to fund the cost of works, services, facilities or activities that are carried out to specifically benefit this business area.
Calculation Basis	Raised in former City of Botany Bay Council and calculated solely using an ad valorem rate.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager Strategic Planning
Approval	
Reserve Name	Planning Agreements
Purpose	Cash collected under S7.4 (2) Environmental Planning and Assessment Act 1979 for following purposes, the: <ul style="list-style-type: none"> a) provision of (or the recoupment of the cost of providing) public amenities or public services, b) provision of (or the recoupment of the cost of providing) affordable housing, c) provision of (or the recoupment of the cost of providing) transport or other infrastructure relating to land, d) funding of recurrent expenditure relating to the provision of public amenities or public services, affordable housing or transport or other infrastructure, e) monitoring of the planning impacts of development, f) conservation or enhancement of the natural environment.
Calculation Basis	Partial Cost Recovery - as per adopted Fees and Charges
Target Balance	No Target. Planning agreements cash received fully expended for purpose collected.
Responsible	Manager Strategic Planning
Approval	
Reserve Name	Roads Reserve
Purpose	S43 Roads Act 1993 - Disposal of land comprising former public road owned by Council. This land is vested in Council and forms part of a

	former public road. Land is operational land for the purposes of the Local Government Act 1993 unless, before the land becomes vested in the council, the council resolves that it is to be community land, in which case the land is community land. The gross sale proceeds less associated fees are transferred to this reserve. Money received by a council from the proceeds of sale of the land is not to be used by the council except for acquiring land for public roads or for carrying out road work on public roads.
Calculation Basis	Market value
Target Balance	No Target. Gross sale proceeds less associated fees received to be fully expended acquiring land for public roads or for carrying out road work on public roads.
Responsible	Manager City Infrastructure
Approval	
Reserve Name	Specific Purpose Unexpended Grants
Purpose	Council receives grant funds for specific projects and purposes. It is common that grants will be unexpended across different financial years and this reserve allows unexpended grant funds to be isolated and retained for expenditure on the project for which the grant was received.
Calculation Basis	Unexpended grant at year end, restricted by contractual obligations, as set out in grant agreement.
Target Balance	No Target - income variable.
Responsible	Manager Finance
Approval	
Reserve Name	Stormwater Management
Purpose	Council charges a Stormwater Levy to every household and business in accordance with the policy gazetted by the Minister in October 2005 to improve the management of stormwater. The Stormwater Levy allows Council to undertake significant improvements to the stormwater system to provide a cleaner and safer environment for the benefit of owners, residents and visitors.
Calculation Basis	The maximum amounts of the Levy are set by Legislation, and included in the Delivery Program and Operational plan.
Target Balance	No Target - Cash received to be fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager City Infrastructure
Approval	

Appendix 2 – Schedule of Internally Restricted Financial Reserves

Reserve Name	Affordable Housing Program
Purpose	To receive net rental proceeds from the Affordable Housing Tenancy Program for the specific purpose of future upgrades and maintenance of affordable housing stock, new capital works and acquisition and or leasing of additional affordable housing properties
Calculation Basis	Net discounted rental proceeds and cash contributions received for affordable housing purposes from developers as part of the negotiated Planning Agreement process.
Target Balance	No Target. Cash fully expended in accordance with Affordable Housing Program in the Delivery Program and Operational Plan.
Responsible	Manager Property & Manager Community Life
Approval	Council 10/03/2021 Minute 2021/052
Reserve Name	Audit & Legal
Purpose	Established in 2017/18 to fund legal costs associated with Operation Ricco (ICAC); additional audit related costs in relation to the amalgamation and path towards an unmodified audit opinion.
Calculation Basis	Council received insurance funds of approximately \$4.8M in 2017/18. The recovery cash is set aside to use to fund the ongoing legal expenses of recoveries from various parties. Any remaining funds to go to infrastructure works in Botany.
Target Balance	Reserve to be closed once all available funds expended. Once remuneration and legal recovery activities are finalised, the balance of the reserve be utilised for key projects within the former City of Botany Bay Council.
Responsible	Manager Governance & Risk
Approval	Adopted in the 2017/18 Financial Statements at Council 10 April 2019.
Reserve Name	Arncliffe Youth Centre
Purpose	Reserve established by former Rockdale City Council, to fund construction/fit out phase of Arncliffe Youth Centre.
Calculation Basis	\$3m transferred from budget in 2012-13.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Director City Life
Approval	15 May 2013 ORD08
Reserve Name	Botany Aquatic Centre
Purpose	To fund the Botany Aquatic Centre development.

Calculation Basis	Consolidation of funds from the following reserves: Domestic Waste Management (Botany); Infrastructure Replacement; O'Riordan Street Cables; and Public Works.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational Plan.
Responsible	Executive Manager City Projects
Approval	
Reserve Name	Brighton Bath Amenities Building
Purpose	Reserve established by former Rockdale City Council, with income received from the users within the Brighton Bath Amenities building, with the funds collected to be allocated to fund other improvement works in the future.
Calculation Basis	Income received from the users within the building transferred to this reserve.
Target Balance	In Council adopting the 2020/21 budget on 24 June 2020, it was resolved that there be no further annual transfers to the Brighton Baths Amenities reserve and the uncommitted balance (estimated at around \$1.6 million) of the reserve be retained for future essential works around the site. Reserve to be closed once all available funds expended.
Responsible	Manager City Infrastructure
Approval	Council 2 May 2007
Reserve Name	Business Improvements & Efficiencies
Purpose	To fund business improvements and efficiencies.
Calculation Basis	Annual budget allocation transferred to this reserve from General Revenue.
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	General Manager
Approval	
Reserve Name	Community & Environmental Projects
Purpose	In accordance with deed of agreement between Sydney Airport Corporation Limited (SACL) and Bayside Council, Clause 26.2(a) Payments, signed 28 November 2018, Clause 14 states that in 2019/2020, Council will allocate \$1,000,000 of the 2019/2020 Clause 26.2(a) Payments upon payment by Sydney Airport to a fund (Community and Environmental Projects Reserve Fund) to be used for the development or improvement of infrastructure for community use or to improve environmental outcomes in the Bayside LGA (Projects).
Calculation Basis	In accordance with deed of agreement between SACL and Bayside Council Clause 26.2(a) Payments, signed 28 November 2020, Clause 16 states that In 2020/21 and subsequent years, Council will allocate an amount to the Community and Environmental Projects Reserve

	<p>Fund equal to the previous year's allocation increased by the IPART limit applicable to that year.</p> <p>In accordance with Memorandum of Understanding between Sydney Airport and Bayside Council Community and Environmental Projects Reserve Fund, signed 21 December 2018, Clause 6 (d) additional funding to deliver Projects may be sourced from third party organisations, including from governments or other private or public sector organisations.</p>
Target Balance	<p>No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational Plan. In accordance with Memorandum of Understanding between Sydney Airport and Bayside Council Community and Environmental Projects Reserve Fund, signed 21 December 2018, Clause 6 (c) The projects to be considered by the Panel are to be identified from the Bayside Council draft Operational Plan or City Projects Program. This is to be undertaken on an annual basis prior to Bayside Council placing the annual Bayside Council draft budget for the upcoming financial year on public exhibition.</p>
Responsible	<p>Director City Futures</p> <p>In accordance with Memorandum of Understanding between Sydney Airport and Bayside Council Community and Environmental Projects Reserve Fund, signed 21 December 2018:</p> <p>Clause 6 (a) The Chief Executive Officer of Sydney Airport and the General Manager of Bayside Council shall each nominate 2 representatives, who will comprise the panel responsible for jointly recommending Projects for funding (Panel).</p> <p>Clause 6 (b) The Chief Executive Officer of Sydney Airport and the General Manager of Bayside Council are jointly responsible for selecting Projects, based on recommendations made to them by the Panel. The selected projects are to be submitted to Bayside Council to consider approving the allocation of a budget from the Fund.</p>
Approval	CM 18/185424 and 18/194841
Reserve Name	Contribution to Works
Purpose	Funds received from external stakeholders for projects undertaken by Council, where Council may partially contribute to project.
Calculation Basis	Based on agreement between external stakeholder and Council
Target Balance	No Target
Responsible	Manager Finance
Approval	
Reserve Name	Council Election
Purpose	Reserve established by former Rockdale City Council, to finance the costs of elections and spreading the costs over four (4) years.
Calculation Basis	Transfers to (an annual budget allocated from general revenue each year) and from the Reserve are based upon the estimated costs of conducting general elections every four years

Target Balance	Building up to estimated costs of conducting general election, over each four year period and reviewed after each election.													
Responsible	Manager Governance													
Approval	Rockdale City Council 16 June 2010													
Reserve Name	Deposits, Retentions & Bonds													
Purpose	Cash held for Security bonds, deposits and retentions held as liabilities in the balance sheet.													
Calculation Basis	Percentage of Security bonds, deposits and retentions liabilities transferred to this reserve annually. Percentage based on transition to 50-70% of liability over ten (10) years from 2021/22.													
Target Balance	100 % of total Security bonds, deposits and retentions liabilities.													
Responsible	Manager Finance													
Approval														
Reserve Name	Employee Leave Entitlement Reserve													
Purpose	Provide available cash for the payment of employee leave entitlements such as long service leave, vesting sick leave, annual leave, on the retirement or eligible resignation of staff members. Further, this reserve ensures that the funding of leave entitlements is provided for in the year that it accrues, thereby ensuring future years' ratepayers are not burdened with the payment of liabilities from prior years.													
Calculation Basis	Transfers to and from the Reserve will be based upon projected end of year liabilities relating to employee leave entitlements. The calculation of such liabilities takes into consideration the anticipated timing of employee leave entitlement payments based on a number of factors, including the age demographic of employees.													
Target Balance	<p>The target balance will be based upon the age and anticipated pay-out date for each employee. The following levels of funding will be held to fund various age bands, based on expected employee leave liabilities at financial year end.</p> <table border="1"> <thead> <tr> <th>Age Band</th> <th>% Funding of gross entitlement</th> </tr> </thead> <tbody> <tr> <td>60+</td> <td>100%</td> </tr> <tr> <td>55 - 60</td> <td>80%</td> </tr> <tr> <td>50 - 55</td> <td>40%</td> </tr> <tr> <td>45 - 50</td> <td>20%</td> </tr> <tr> <td>< 45</td> <td>10%</td> </tr> </tbody> </table> <p>Range of 20% to 25% of the total outstanding ELE liability as at 30 June each year will be targeted. The minimum amount to be held should always cover the 55+ groupings and funding requirement.</p>		Age Band	% Funding of gross entitlement	60+	100%	55 - 60	80%	50 - 55	40%	45 - 50	20%	< 45	10%
Age Band	% Funding of gross entitlement													
60+	100%													
55 - 60	80%													
50 - 55	40%													
45 - 50	20%													
< 45	10%													
Responsible	Manager Finance													
Approval														

Reserve Name	Financial Assistance Grants in Advance
Purpose	To reduce the financial impact of the first year overstatement of actual FAG received versus budget and to reflect the true Financial Assistance Grant (FAG) received, relating to a particular financial year.
Calculation Basis	General and Roads component of FAG actually received (may include advance payment) in financial year be transferred to reserve. The actual FAG grant relating to a financial year be transferred from this reserve.
Target Balance	No Target. Reserve at end of financial year must reflect FAG received in advance (if applicable) for following financial year.
Responsible	Manager Finance
Approval	
Reserve Name	General Revenue funded Carry-Over Works (Revotes)
Purpose	City Projects Program (CPP) capital projects and grant funded operational projects not completed at 30 June, funded by General Revenue and carried forward to following financial year.
Calculation Basis	General revenue funding source of City Projects Program (CPP) capital projects and grant funded operational projects.
Target Balance	No Target. Reserve cleared to zero at end of each financial year.
Responsible	Manager Finance
Approval	
Reserve Name	Internal borrowings against consolidated internal restrictions
Purpose	Cash borrowed from consolidated internal restrictions to fund various projects, to be repaid from General Revenue.
Calculation Basis	Borrowed amount to equate to budget for project.
Target Balance	No Target. To return to a zero balance through progressive annual repayments.
Responsible	Manager Finance
Approval	
Reserve Name	Mascot Oval
Purpose	Unknown
Calculation Basis	Unknown
Target Balance	Reserve to be closed once all available funds expended.
Responsible	Manager Sport & Recreation
Approval	Reserve established by former City of Botany Bay Council
Reserve Name	Office Equipment & IT Reserve
Purpose	Cash restricted for use in replacing office equipment and IT software and infrastructure.

Calculation Basis	Cash received from the sale of office equipment and IT infrastructure is transferred to this reserve. In addition, an annual transfer is made to this reserve, in line with the IT Strategy. Expenditure incurred in acquiring office equipment and IT software and infrastructure is funded, as a transfer from this reserve.
Target Balance	In accordance with 10 year IT Strategy.
Responsible	IMT Committee. Key stakeholder Manager Information Technology
Approval	
Reserve Name	Parking Infrastructure
Purpose	To fund parking infrastructure programs and initiatives
Calculation Basis	Funds collected from parking fines above budget
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager City Infrastructure
Approval	Adopted by Council 11/11/2020
Reserve Name	Plant & Equipment
Purpose	Cash restricted for use in replacing plant and equipment (except garbage vehicles).
Calculation Basis	Cash received from the sale of plant and equipment is transferred to this reserve. Expenditure incurred in acquiring plant and equipment is funded, as a transfer from this reserve. Internal plant hire recovery covers change-over cost.
Target Balance	In accordance with 10 year Replacement program.
Responsible	Manager Procurement & Fleet
Approval	
Reserve Name	Planning Proposals
Purpose	Cash collected under Part 2 Clause 11 Environmental Planning and Assessment Regulation 2000 for operational costs and expenses incurred by Council in undertaking studies and other matters required in relation to a planning proposal.
Calculation Basis	Partial Cost Recovery - as per adopted Fees and Charges
Target Balance	No Target. Planning proposal cash received fully expended for purpose collected.
Responsible	Manager Strategic Planning
Approval	
Reserve Name	Public Liability Claims
Purpose	Reserve established by former Rockdale City Council, due to timing of claims under excess not being able to be controlled. This reserve is provided by setting aside the unexpended budget allocation in a

	particular year, to offset a higher number of claims and increasing excesses in a subsequent year. This reserve may also be used to fund unexpected increases to public liability and professional indemnity insurance premiums which may result due to an increase in claims made or general market forces. In addition, current management practice has been to transfer any surpluses returned to Council from Civic Risk to this reserve.
Calculation Basis	Saving in public liability and professional indemnity premium paid versus budget transferred annually to this reserve. Expenditure incurred in payment of claims under the excess is funded, as a transfer from this reserve.
Target Balance	No Target
Responsible	Manager Governance and Risk
Approval	Rockdale City Council 16 June 2010
Reserve Name	Strategic Priorities
Purpose	Reserve established by former Rockdale City Council. The gross sales proceeds less associated fees of unencumbered land is to be transferred to this reserve, to be used on projects of strategic importance as resolved by Council. Reserve also provides additional funds required to provide the assets and works as outlined in Council's s7.11 (previously s94) Contributions Plan, unfunded s7.11 liabilities and land reservations.
Calculation Basis	Gross sale proceeds less associated fees from the sale of unencumbered land. In addition, salary and wages savings are transferred to this reserve.
Target Balance	No target
Responsible	Executive
Approval	Rockdale City Council 16 June 2010
Reserve Name	Synthetic Fields
Purpose	To fund future synthetic fields, whole of life costs (maintenance and replacement costs) through lease agreements, casual use revenue and shortfall from general revenue. Executive to consider changing purpose to future renewal and replacement of existing synthetic fields, rather than future synthetic fields.
Calculation Basis	Cash collected net of expense, from the hire of synthetic fields for all Council's existing and new synthetic fields,
Target Balance	No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational plan.
Responsible	Manager Sport & Recreation
Approval	Sport & Recreation Committee 14 May 2018 Report Item 5.1 Recommendation 2; Council 13 June 2018 Minute 2018/114.

Reserve Name	Work Health & Safety
Purpose	StateCover rebates received, expended on work health & safety initiatives.
Calculation Basis	StateCover rebates are transferred to this reserve.
Target Balance	No Target. StateCover rebates fully expended in accordance with expenditure program in Delivery Program and Operational Plan.
Responsible	Manager Business Improvement and Organisational Development
Approval	