



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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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

Externally Restricted Financial Reserves

Externally restricted financial reserves are created as a result of a legislative requirements or a binding contractual arrangement governing the use of the funds. These reserves must be fully expended for the specific purpose defined and cannot be used by Council for its general operations.

Internally Restricted Financial Reserves

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

1.3 Policy statement

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

1.4 Scope of policy

This policy covers all externally and internally restricted financial 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 made by Council resolution. The creation of new Reserves, alterations to existing Reserves, or the cessation of any existing Reserve may only be undertaken by a resolution of the Council.

A schedule of existing Financial Reserves is appended to this policy outlining the following, for each Reserve:

- its purpose;
- the basis on which it is calculated or collected;
- its target balance;
- the name of the Council position/committee responsible for controlling the reserve; and
- Council Approval Date (including Minute No. where known).

Amendments to individual Reserves may be made by Council resolution without the need to amend the policy itself, given that it forms part of an appendix to this policy.

The creation of a Reserve, cessation of a Reserve or transferring funds to and from a Reserve may only be authorised by a 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 and purpose of the transfer.

2.2 Accounting for Financial Reserves

Maximum transfer from financial reserves

No transfer from any reserve shall exceed the amount of the existing balance of the reserve at the time of transfer.

Borrowing against internally restricted financial reserves

Council may from time to time decide to temporarily borrow from one or several financial reserves for specific priority projects. This process needs to be formally approved by Council via a resolution.

The resolution must include, at a minimum, the following:

- The purpose of the temporary borrowing;
- The total amount borrowed;
- The term of the borrowing (including drawdown dates);
- The specific reserve(s) against which the borrowing will occur; and
- An appropriate repayment schedule at council's internal rate of return (IRR).

Internally approved borrowing against reserves cannot exceed the total balance of all internally restricted financial reserves at the time of borrowing.

Borrowing against externally restricted financial reserves

Should council wish to borrow against financial reserves that are externally restricted by legislation, ministerial approval may be required in accordance with the relevant legislation in addition to fulfilling all the requirements of clause 2.2.2 of this policy.

Reporting of financial reserves

Financial reserves are to be reported through Council's Quarterly Budget Review Statement (QBRs) under the Local Government (General) Regulation 2021. Each Quarterly Budget Review Statement is to include a schedule of financial reserves, which includes, at a minimum, the following:

- The opening balance of the reserve at 1 July;
- The estimated transfer to the reserve during the financial year;
- The estimated transfer from the reserve during the financial year; and
- The forecast closing balance of the reserve at 30 June.

Financial reserve balances as at 30 June are also required to be disclosed in Councils annual financial statements as defined in the Local Government Code of Accounting Practice and Financial Reporting.

3 Policy Implementation

3.1 Policy responsibilities

The responsible officer or parties named in this policy and appendices shall be responsible for the strategic management of the relevant reserves and its integrity in line with its defined purpose and restrictions.

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 and annual financial statements.

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 4 years and/or when required by industry / legislative changes. The Director City Performance or Manager Governance and Risk may approve non-significant and/or minor editorial amendments that do not change the substance of the policy.

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 |

| Version | Release Date | Author | Reason for Change |
|----------------|--|--|--|
| 3.0 | 10/03/2021 | Financial Strategy & Reporting Manager | Affordable Housing Program added |
| 4.0 | 26/06/2024 (Council) 05/06/2024 (CP Comm) | Head of Financial Strategy & Reporting | <ul style="list-style-type: none"> • Addition of the Smart Compliance & Infrastructure Maintenance Reserve • Removal of the Arncliffe Youth Centre & Energy Efficiency Reserve • Consolidation of Council's audit & legal and the public liability reserves • Consolidation of the Parking Infrastructure Reserve into the Infrastructure Maintenance Reserve • Other minor changes and updates to the policy |

5 Appendix 1 - Schedule of Externally Restricted Financial Reserves

| Reserve Name | Advertising Sign Planning Agreement Revenue |
|--------------------------|---|
| Purpose | <p>Cash collected under planning agreements/State Environmental Planning Policy (Industry and Employment) 2021 for the following purposes:</p> <ul style="list-style-type: none"> (a) to ensure that signage (including advertising): <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 (b) to regulate signage (but not content) under Part 4 of the Act, and (c) to provide time-limited consents for the display of certain advertisements, and (d) to regulate the display of advertisements in transport corridors, and (e) to ensure that public benefits may be derived from advertising in and adjacent to transport corridors. <p>In accordance with the Department of Planning and Environment 'Transport Corridor Outdoor Advertising and Signage Guidelines November 2017':</p> <ul style="list-style-type: none"> a. 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. b. Improvements to traffic safety for drivers, pedestrians and cyclists are a priority for expenditure. This may include works such as improving bicycle rider safety, installation of pedestrian refuges, bus shelters/seats, signage, speed calming devices, new and upgraded footpath, safety devices (e.g. raised pedestrian crossings or signals). |
| Calculation Basis | Partial Cost Recovery - as per adopted Fees and Charges |
| Target Balance | No Target. Advertising Sign Planning Agreement revenue received fully expended in accordance with items identified under planning agreement. |
| Responsible | Manager City Infrastructure |

| 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 Compliance & Community Safety |

| 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 |

| 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 Name | Domestic Waste Management |
|-----------------------|---|
| | <p>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:</p> <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 |

| 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 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 |

| 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 business properties in former Rockdale City Council and is 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 will be fully expended in accordance with expenditure program in Delivery Program and Operational plan. |
| Responsible | Manager Strategic Planning |

| Reserve Name | Local Area Funds - 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 will be fully expended in accordance with expenditure program in Delivery Program and Operational plan. |
| Responsible | Manager Strategic Planning |

| Reserve Name | Local Area Funds - 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 will be fully expended in accordance with expenditure program in Delivery Program and Operational plan. |
| Responsible | Manager Strategic Planning |

| 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 Council's Planning Agreement Policy |
| Target Balance | No Target. Planning agreements cash received fully expended for purpose collected. |
| Responsible | Manager Strategic Planning |

| 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 |

| Reserve Name | Special 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 |

| 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 |

6 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 to be 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 | Botany Aquatic Centre |
|--------------------------|--|
| Purpose | To fund the Botany Aquatic Centre redevelopment. |
| 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 to be expended in accordance with expenditure program in Delivery Program and Operational Plan. |
| Responsible | 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 improvement projects and efficiencies. |
| Calculation Basis | An annual budget allocation is transferred to this reserve from General Revenue. |
| Target Balance | No Target. Cash to be 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 | <p>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 Fund equal to the previous year's allocation increased by the IPART limit applicable for 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 | No Target. Cash to be expended in accordance with expenditure program in the 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. |
| 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> |

| Reserve Name | Community & Environmental Projects |
|---------------------|--|
| | 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. |
| Approval | CM 18/185424 and 18/194841 |

| Reserve Name | Council Election |
|--------------------------|--|
| Purpose | Reserve established by former Rockdale City Council, to fund the costs of elections. |
| Calculation Basis | Transfers to and from the Reserve are based upon the estimated costs of conducting general elections every four years over a regular council term. An annual budget allocation is transferred to the reserve from general revenue each year based on the cost of elections in the previous cycle plus an appropriate factor for cost increases. |
| Target Balance | Estimated cost of conducting general elections based on the cost of elections in the previous cycle plus an appropriate factor for cost increases. |
| Responsible | Manager Mayoral & Councillor Support |
| 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 |

| Reserve Name | Employee Leave Entitlement Reserve | | | | | | | | | | | | |
|-----------------------|--|----------|--------------------------------|-----|------|---------|-----|---------|-----|---------|-----|------|-----|
| | 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 balance at end of financial year must reflect FAG received in advance (if applicable) for following financial year. |
| Responsible | Manager Finance |
| Approval | |

| Reserve Name | General Funded Revotes |
|--------------------------|--|
| Purpose | To carry forward funding for general revenue funded capital projects and grant funded operating projects that are on-going as at 30 June. |
| Calculation Basis | General revenue funding source of City Projects Program (CPP) capital projects and grant funded operational projects. |
| Target Balance | <p>No Target.</p> <p>Reserve balance carried forward from previous year is to be cleared to zero at end of each financial year before including funds to be carried over for the current year.</p> |

| Reserve Name | General Funded Revotes |
|---------------------|--|
| | The balance of the reserve at the end of the financial year should only reflect the amount of previously approved unspent funding that is required be carried forward for on-going capital projects and grant funded operating projects at the end of that financial year, in order for those projects to be completed in the next financial year. |
| Responsible | Manager Finance |
| Approval | |

| Reserve Name | Infrastructure Maintenance |
|--------------------------|---|
| Purpose | This reserve is set up as part of Council's improvement plan which is to be used to offset the increased Council's infrastructure renewal and maintenance gap over the long-term. |
| Calculation Basis | The Executive Committee is to identify savings in the operational budget to be transferred to the reserve on an annual basis. |
| Target Balance | Council resolved to target approximately \$5m for every three years. |
| Responsible | Manager City Infrastructure |
| Approval | Council 09/09/2020 |

| Reserve Name | Legal and Public Liability |
|--------------------------|--|
| Purpose | To fund any of Council's liabilities as determined by the Executive |
| Calculation Basis | Savings 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. Plus any remaining funds from the insurance funds of approximately \$4.8M that Council received in 2017/18. |
| Target Balance | No Target |
| Responsible | Manager Governance & Risk |
| Approval | |

| Reserve Name | Mascot Oval |
|--------------------------|---|
| Purpose | Unknown |
| Calculation Basis | Unknown |
| Target Balance | Reserve to be closed once all available funds are expended. |
| Responsible | Manager Libraries & Lifestyle |
| Approval | Established by the 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 | IT Steering Committee. Key stakeholder - Chief Information Officer |
| Approval | |

| Reserve Name | Plant & Equipment |
|--------------------------|---|
| Purpose | Cash restricted for use in replacing plant and equipment (excluding 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 all costs related to managing Council's fleet operation. |
| 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 to be expended for purpose collected. |
| Responsible | Manager Strategic Planning |
| Approval | |

| Reserve Name | Revenue Received in Advance |
|--------------------------|---|
| Purpose | Funds received from external stakeholders for projects that may be undertaken or co-funded by Council in a future period. |
| Calculation Basis | Based on agreement between external stakeholder and Council |
| Target Balance | No Target |
| Responsible | Manager Finance |
| Approval | |

| Reserve Name | Smart Compliance |
|--------------------------|--|
| Purpose | To fund the deployment and replacement of intelligent CCTV Networks across the LGA |
| Calculation Basis | 50% of all net infringement revenue from fixed Licence Plate Recognition (LPR) cameras (i.e. infringement income after Revenue NSW fees is paid) |
| Target Balance | No Target. Cash fully expended in accordance with expenditure program in Delivery Program and Operational Plan. |
| Responsible | Manager Compliance and Community Safety |
| Approval | Council 03/11/2021 Minute 2021/308 |

| 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. Funds are 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 Committee |
| Approval | Rockdale City Council 16 June 2010 |

| Reserve Name | Synthetic Fields |
|--------------------------|---|
| Purpose | To fund future synthetic fields, whole of life costs 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 | Net income generated (net of direct costs including maintenance costs), from the hire of synthetic fields for all Council's existing and new synthetic fields. |
| Target Balance | No Target. Cash to be expended in accordance with expenditure program in Delivery Program and Operational plan. |
| Responsible | Manager Libraries & Lifestyle |
| Approval | Recommendation 2; Council 13 June 2018 Minute 2018/114. |

| Reserve Name | Work Health & Safety |
|--------------------------|---|
| Purpose | To fund work health & safety initiatives. |
| Calculation Basis | StateCover rebates are transferred to this reserve. |
| Target Balance | No Target. Cash to be expended in accordance with expenditure program in Delivery Program and Operational Plan. |
| Responsible | Manager Business Transformation |
| Approval | WH&S Committee Meeting Minutes Item 3.2 |