

10.4. Draft Restricted Reserves Policy - post-exhibition report

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ATTACHMENTS	1. Submission 1 Draft Restricted Reserves Policy 'Your Say' [10.4.1 - 3 pages] 2. Restricted Reserves Policy [10.4.2 - 10 pages]
CSP LINK	Outcome 5 – A thriving and resilient local economy ED1. Revitalise and grow the North Sydney CBD as an accessible high-amenity top-tier office precinct Outcome 8 – An effective, accountable and sustainable Council that serves the community G1. Develop clear goals, create a plan to achieve them, and track progress with transparency and honesty G4. Manage risks and maintain independent oversight in business operations and decision-making G8. Manage Council’s finances through robust long-term planning and ongoing financial management

PURPOSE:

The purpose of this report is for Council to consider the adoption of the draft Restricted Reserves Policy after the finalisation of the public exhibition period.

EXECUTIVE SUMMARY:

- The draft Restricted Reserves Policy was endorsed for public exhibition at the Council meeting of 27 October 2025.
- Council resolved to review the results of the public exhibition period to consider any submissions received to adopt the amended policy.
- One submission was received, containing 12 points. The details of the submission and the resulting amendments are presented in the report.

RECOMMENDATION:

1. THAT Council note the outcome of the public exhibition, including the submission received, and adopt the amended Restricted Reserves Policy as attached to this report.

Background

The draft Restricted Reserves Policy was presented to the meeting of Council on 27 October 2025. The Restricted Reserves Policy establishes a robust framework to strengthen Council's financial decision-making, transparency, and control in the management of restricted reserves.

The policy has been developed in response to internal audit recommendations focused on ensuring legal compliance, oversight, and management of externally restricted reserves.

The policy applies to all Council-managed cash and investments, ensuring that both restricted and unrestricted funds are managed in accordance with legislative, contractual, and strategic requirements.

Key objectives of the policy include:

- establishing consistent practices for the classification, establishment, and management of restricted reserves;
- improving transparency in the allocation and use of funds not required for immediate operations;
- enabling effective tracking of reserve accumulation and usage over time; and
- supporting long-term financial planning by aligning reserve balances with Council's strategic priorities and future obligations.

The policy distinguishes between externally and internally restricted reserves.

The policy also sets out clear provisions for the establishment, use, transfer, and closure of reserves, as well as minimum liquidity targets for unrestricted funds.

Roles and responsibilities are clearly defined for Council staff, management, and elected representatives to ensure accountability and compliance.

The policy is aligned with relevant legislation, regulations, and accounting standards, and is supported by related Council policies and plans.

Report

The draft policy was placed on public exhibition for 28 days, closing on 27 November 2025.

An outline of the engagement activity in relation to the public exhibition is below.

'Your Say' website engagement statistics

Terminology

Aware: the number of unique visitors who have viewed the project page, minus any visitors who have undertaken any activity e.g., downloaded a document, viewed a video, completed a survey etc.

Informed: any unique visitor who has viewed a document, viewed a FAQ minus any user that has engaged e.g., done a poll, survey, ideas wall, interactive mapping, interactive document, forum.

Engaged: any unique visitor who has done a poll, survey, ideas wall, interactive mapping, interactive document, forum.

'Your Say' site statistics

Total page views: 270

Total unique visitors: 183

Aware Stakeholders: 145

Informed Stakeholders: 80

Engaged Stakeholders: 1

Draft Policy viewed/downloaded: 63 by 56 unique visitors

Report to Council viewed/downloaded: 41 times by 36 visitors

Email submissions

The engagement team did not receive any emails regarding the project

E-newsletters

Featured in four eNewsletters

E-newsletter	Recipients Opened	Total Clicks	Unique Visitors
Precinct eNews 31 October to 6 November	240	3	2
Precinct eNews 7 - 13 November	251	0	0
Precinct eNews 14 to 20 November	245	0	0
Precinct eNews 21 to 27 November	247	2	1
Council November eNews	1327	5	3

The Submission Response

One submission was received through the 'Your Say' website.

The table below summarises the questions received and the subsequent changes made to the Policy.

Number	Submission comment	Council response
1	4.4 Borrowing from Internally restricted reserves Use of words "cashflow" interchangeably with "cash flow"	Terminology was standardised and all references updated to "cash flow".
2	Consistent use of "unrestricted/restricted reserves"	References to restricted and unrestricted funds are aligned with the general principles outlined in the

Number	Submission comment	Council response
		<p>Policy, and these terms are used consistently before introducing the definitions relating to the reserves.</p> <p>The change made in the Definitions section replaces 'Unrestricted Cash' with 'Unrestricted Funds'.</p>
3	Section 4.1.3 Trust Funds - Inclusion of the Trust Funds to the Policy	<p>Acknowledging the distinction, a paragraph has been added to clarify that trust funds are not reserves and are managed separately in accordance with legislative requirements:</p> <p>"Trust funds are not reserves and are therefore not governed by this Policy."</p> <p>This wording has been retained in the Policy to clarify that trust funds are not part of, nor treated as, restricted reserves, thereby removing any potential confusion between the two.</p>
4	Section 4.6 "Councils" is used when "Council's" is intended.	Amended
5	Appendix 1: List of Restricted Reserves Spelling of word "bonds"	Amended
6	Section 4.1.2 Internally Restricted Reserves Re-allocation of the Employee Leave Entitlements reserve and application of the Corporate Act 2001	<p>The Corporations Act 2001 does not apply to local government entities. Under s220 of the Local Government Act 1993 (NSW), a council is constituted as a 'body politic of the State' and operates under the legislative framework of the Local Government Act rather than the Corporations Act.</p> <p>Employee leave entitlements are fully recognised on Council's balance sheet as a liability, in accordance with current accounting standards and legislative requirements. This recognition ensures that all accrued leave obligations, including annual leave and long service leave, are appropriately measured and reported as part of Council's financial position.</p> <p>While the provision of a Leave Entitlement Reserve, in addition to recognising the full balance as a liability, is not required under the Local Government Act, it represents a prudent financial management practice that is common across the industry.</p> <p>The reallocation of Employee Leave Entitlements reserve remains within the policy; however, any such allocation must be approved by Council, with</p>

Number	Submission comment	Council response
		the associated risks and consequences clearly outlined, as indicated in the policy.
7	Section 4.3 Borrowing from Externally restricted reserves and Section 4.4 Borrowing from Internally restricted reserves Application of 'allocation from' instead of 'borrowing'	A definition for 'Borrowing from Restricted Reserves' has been added to the Definitions section. This is a common terminology used across other Councils. The term borrowing is retained because certain internal reserves are established for specific purposes and are required to accumulate sufficient funds to meet those purposes—for example, infrastructure asset renewals. Any transfer from such a reserve must be restored to ensure that adequate funds remain available for its intended purpose.
8	Section 4.4 Borrowing from Internally restricted reserves Specification of interest on funds allocated from internal reserves.	The Policy already provides for the application of interest where applicable, ensuring that reserves are not disadvantaged when funds are temporarily reallocated. In practice, interest is applied when the nature and duration of the transfer would otherwise result in a material loss of earnings to the reserve. This approach maintains the financial integrity of restricted reserves while allowing flexibility for short-term internal cashflow management when interest impacts are immaterial. No changes.
9	Section 4.4 Borrowing from Internally restricted reserves No borrowing should be permitted from the Employee Leave Entitlement Reserve.	The reallocation of Employee Leave Entitlements remains within the policy; however, any such allocation must be approved by Council, with the associated risks and consequences clearly outlined, as indicated in the policy. No changes.
10	Section 4.4 Borrowing from Internally restricted reserves Clarification on the determination of borrowing timeframes from internally restricted reserves	As outlined in Section 4.4 Borrowing from Internally Restricted Reserves, any transfer requires Council approval and must include a defined repayment period and schedule. The final sentence of the paragraph has been amended to: 'A repayment plan will be prepared by the Finance team to ensure funds are returned within the timeframe specified in the Council resolution.'
11	Appendix 1: List of Restricted Reserves Establishment of an internal reserve for the North Sydney Olympic Pool Renewals	The Infrastructure Renewal Reserve is established to fund asset renewals in accordance with the Asset Management Plan. The North Sydney Olympic Pool renewal is included within the scope of this reserve. No changes.

Number	Submission comment	Council response
12	Section 4.1.2 Internally Restricted Reserves Closure of Internally Restricted Reserves and Policy Revision	Section 4.1.2 has been updated to clarify that the closure of any internally restricted reserve must be supported by a Council resolution and accompanied by a revised version of the Policy. This ensures that the reserve listing in the Appendix 1 and all relevant provisions are updated at the time of the decision.

Other changes

In order to improve clarity of the report, the following amendments have been made. These do not change the substance of the Policy but enhance its readability.

Section	Changes
3. Definitions	The term “ Unrestricted Funds ” has been replaced with “ Working Funds ”, with no change to the underlying definition.
3. Definitions	The term “ Externally Unrestricted Funds ” has been replaced with “ Unrestricted Funds ”, with no change to the underlying definition.
4.5 Minimum Liquidity Target and 4.6 Monitoring and Reporting	The liquidity target previously included in section 4.5 Minimum Liquidity Target has been moved to section 4.6 Monitoring and Reporting to reflect that it is a management monitoring measure, not a Policy target.
Appendix 1	Employee Leave Entitlements: requires the reserve to hold 50% of the total leave liability.
Appendix 1	Deposits, Bonds and Retentions: requires the reserve to hold 100% of the related liability.

Consultation requirements

The Draft Restricted Funds Policy was placed on public exhibition for 28 days.

Financial/Resource Implications

The policy also sets out clear provisions for the establishment, use, transfer, and closure of reserves, as well as minimum liquidity targets for unrestricted funds.

Legislation

The attached policy, which includes a comprehensive list of all relevant legislation considered during the preparation of this policy.

My feedback is indicated below in the form of revision proposals.

Regards,
PA

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Revisions that are quick to make

Observation 1: “cashflow” is used interchangeably with “cash flow”.

Action: Consistency is required.

Observation 2: Regularly the document refers to “unrestricted funds” or “restricted funds” when it should refer to “Unrestricted reserves” or “restricted reserves”. This first occurs in 2. SCOPE.

Action: Consistent use of “Unrestricted reserves” or “restricted reserves” is required.

Observation 3: Section 4.1.3 Trust Funds is irrelevant. A trust fund and a reserve are entirely different things.

Action: remove section 4.1.3

Observation 4: Section 4.6 “Councils” is used when “Council’s” is intended.

Action: revise section 4.6

Observation 5: In the Appendix “bonds” is once spelt as “binds”

Action: correct spelling error.

Revisions that require some thought

Observation 6: In section 4.1.2 there should be an exception in respect to re-allocation of reserves for Employee Entitlements. The reserve for Employee Entitlement is sound in terms of legislative control upon the entity should it ever have to be wound up (section 556 of the Corporations Act 2001). While reallocations should be permitted with respect to other reserves, the reserve for Employee Entitlement should be preserved. Perhaps Council could be more precise – Executive had keenly put this Policy to Council without concern for their own employee entitlements so perhaps the exception should be for ‘Employee entitlements of all personnel other than members of the Executive’. The Corporations Act 2001 should be identified as Related Legislation in Section 7.

Observation 7: In Section 4.3 and Section 4.4 the notion of “borrowing” is quite odd. One does not borrow from a reserve but instead make an allocation from it. The notion of borrowing needs to be better explained in the document. Notably, section 3 has no definition of borrowing.

Observation 8: In Section 4.4 it is evident that interest is optional. Interest should not be optional but instead compulsory. Any “borrowing” from a reserve should include an interest rate to ensure that the reserve from which the monies are borrowed benefits from the same interest gain that it would have had in circumstances where the money was not borrowed. Also, by setting an interest rate the project for which the monies are borrowed needs to be assessed at a hurdle rate (Net Present Value or Internal Rate of Return) that includes the interest cost.

Observation 9: Following my comment in respect Employee Entitlements above, there should be no “borrowing” permitted from the Employee Entitlements.

Observation 10: In the last paragraph of Section 4.4 who are the parties who “agree” a timeframe and when do they agree it? I believe these questions arise as a function of how you have not first defined borrowing. What is the maximum period of borrowing?

Observation 11: Council should establish a specific Infrastructure Renewal Reserve for North Sydney Olympic Pool. It is evident that the pool will require significant renewal works on a cycle of, say 30 years, and it is sound for that money to be set in reserve from year-to-year.

Observation 12: For Section 4.1.2 it should state that a Council resolution for closure of an internally restricted reserve should be made only in circumstances where a revised version of the Policy is put to Council. The revised Policy could be duly updated for the listing of reserves in the Appendix.

RESTRICTED RESERVES POLICY

ADOPTED/:

xxx

NEXT REVIEW:

xxx

DOCUMENT TYPE:

Council Policy

POLICY OWNER:

Director Corporate Services

POLICY REFERENCE:

CNCL_POL_ECMxxxxxxx



1. PURPOSE

1.1. This policy aims to strengthen financial decision-making, transparency, and control in the establishment, use, and management of restricted reserves.

1.2. It provides a structured framework to:

- Establish consistent practices for the classification and management of restricted reserves
- Improve transparency in the allocation and use of funds not required for immediate operations
- Enable effective tracking of reserve accumulation and usage over time
- Support long-term financial planning by aligning reserve balances with strategic priorities and future obligations.

2. SCOPE

This policy applies to all Council-managed cash and investments, including both restricted and unrestricted funds.

3. DEFINITIONS

TERM	DEFINITION
3.1 Restricted Reserves	Funds set aside for a specific purpose, including externally and internally restricted reserves.
3.2 Externally Restricted Reserves	Funds subject to legislative or contractual restrictions. They must be used only for the specific purpose for which they were provided.
3.3 Internally Restricted Reserves	Funds allocated by Council resolution for a specific strategic or operational purpose. These may be reallocated at Council's discretion.
3.4 Unrestricted Working FundsCash	Funds available for operational needs, contingencies and emergencies. These funds are not allocated to a specific purpose.
3.5 Externally Unrestricted Funds	The balance of all cash and investment not assigned to the externally restricted reserves.
3.6 Reserve Transfers	The movement of funds into or out of restricted reserves, typically supported by Council resolution or as part of the adopted budget process.
<u>Borrowing from the Restricted Reserves</u>	<u>The temporary transfer of funds from reserves that are designated for specific externally or internally determined purposes, with the intention that the funds will be repaid at a later date.</u>

4. PROVISIONS

4.1. ESTABLISHMENT OF RESERVES

4.1.1. Externally restricted reserves

Externally restricted reserves are automatically established when funds are received with legislative, contractual or funding agreement conditions.

No Council resolution is required to establish externally restricted reserves.

Externally restricted reserves cannot be closed or repurposed unless the original legislative or contractual restriction has expired or been fulfilled.

4.1.2. Internally restricted reserves

These reserves must be established by a formal Council resolution that clearly states:

- the purpose of the reserve
- How funds are to accumulate
- Approved use of the funds
- Whether interest will be applied and at what rate

Internally restricted reserves can be closed or reallocated by Council resolution.

Upon closure, any remaining funds must be reallocated to another reserve, or returned to unrestricted cash, subject to Council approval.

Following Council's resolution, Appendix 1 of the Policy will be updatedrevised accordingly.

4.1.3. Trust Funds

Under section 411 of the Local Government Act 1993, all trust funds are held in a separate Trust Fund account and can only be used in accordance with trust conditions.

Trust funds are not reserves and are therefore not governed by this Policy.

Council holds funds in trust for Wendy Whiteley Secret Garden Trust.

4.2. RESERVES TRANSFERS

All transfers to or from restricted reserves must:

- Be approved through Council's adopted budget or a Quarterly Budget Review Statement.
- Be supported by clear documentation stating the purpose of the transfer.

- Be recorded in Council's financial systems and reflected in reporting.

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4.3. BORROWING FROM EXTERNALLY RESTRICTED RESERVES

Borrowing from externally restricted reserves is not permitted. If this needs to be done, the borrowing from externally restricted reserves must follow legislative processes, including Council resolution and Ministerial approval.

4.4. BORROWING FROM INTERNALLY RESTRICTED RESERVES

Council may borrow from internal reserves through a formal resolution of Council, that must specify:

- Purpose of borrowing
- Permitted use of the funds
- Source reserve
- Applicable interest (if any) and rate
- Repayment period and schedule

Internal reserves may also be used temporarily to manage short-term cash flow fluctuations during the year.

A repayment plan will be prepared by the Finance team to ensure funds are returned within the ~~agreed~~ timeframe specified in the Council resolution.

4.5. MINIMUM LIQUIDITY TARGETS

~~4.5.1. Externally Unrestricted Funds~~

~~Council will maintain a minimum externally unrestricted cash and investment balance equivalent to three months of operating expenses, plus loan repayments, excluding operating expenses related to the Domestic Waste Management reserve.~~

~~This reserve will be utilised to support Council's operating cash flow requirements, fund asset renewals, contribute to Council's planned projects, and provide a contingency for unplanned asset renewal or replacement arising from asset failure or other unforeseen risks.~~

~~4.5.2.4.5.1. Working~~Unrestricted Funds

Council will maintain a minimum unrestricted cash balance equivalent to one month of operating expenses, plus loan repayments, excluding operating expenses related to domestic waste management.

This balance is intended to support operating cash flow and provide a contingency for unforeseen risks.

4.6. MONITORING AND REPORTING

Balances of restricted reserves are reported annually in Council's Annual Financial Statements.

Monthly investment reports and Quarterly Budget Review Statements include reconciliations of reserve movements.

Reports must detail:

- Opening balance
- Transfers in and out
- Closing balance for each reserve

Where unrestricted funds drop below 3 months of operating expenses, plus loan repayments, excluding operating expenses related to the Domestic Waste Management reserve, management will undertake a financial risk assessment and include this assessment together with any recommendation regarding reserve levels to Council within the monthly investment report.

4.7. ANNUAL REVIEW OF INTERNALLY RESTRICTED RESERVES

4.7.1. Internally restricted reserves will be reviewed annually as part of the budget process to identify projects to be funded from the reserves and ensure they remain relevant and aligned with Council priorities.

4.7.2. Council may amend or remove internally restricted reserves based on evolving operational or strategic priorities.

5. ROLES & RESPONSIBILITIES

RESPONSIBLE	ACCOUNTABLE
5.1 Responsible Officer	The Chief Financial Officer is the responsible officer for this policy and is accountable for its currency and communication as well as monitoring legislative requirements and funding agreements.
5.2 Mayor and Councillors	The Mayor and Councillors have a governance role in relation to Council policies. They are responsible for reviewing and

	adopting policies that reflect legislative requirements and community expectations.
5.3 Chief Executive Officer	Council has delegated the Chief Executive Officer the authority to exercise the responsibilities detailed in this Policy.
5.4 Executive Leadership Team	ELT are responsible for ensuring their departments adhere to the requirements of this Policy and providing guidance in respect of the strategic objectives of the Policy within their Division and the organisation.
5.5 Project Managers and Service Unit Managers	Use restricted reserves strictly for their intended purposes. Collaborate with Finance to track reserve usage and support reporting requirements.
5.6 All Council Staff	Comply with all requirements of this policy within their area of responsibility. Promote accountability, transparency, and proper financial stewardship in the use of reserve funds.

6. RELATED DOCUMENTS

DOCUMENT	LOCATION
6.1 Financial Management Policy	As published on Council's website
6.2 Long Term Financial Plan	As published on Council's website

7. RELATED LEGISLATION AND GUIDANCE

LEGISLATION/GUIDANCE	NOTES
7.1 Local Government Act 1993 (NSW)	Governs the financial management responsibilities of councils, including the requirement to maintain accurate accounting records and use funds in accordance with statutory and community obligations.
7.2 Local Government (General) Regulation 2021 (NSW)	Provides detailed requirements for budgeting, financial reporting, and the treatment of restricted funds.
7.3 Environmental Planning and Assessment Act 1979	Enable Council to levy contributions on developments. The Act requires Council to set these funds aside to be used specifically for the provision of these facilities and services.
7.4 Code of Accounting Practice and Financial Reporting (latest version issued by the Office of Local Government NSW)	Provides a consistent framework for accounting and financial reporting in NSW councils, including treatment and disclosure of restricted reserves

7.5 Australian Accounting Standards (AASB)	<p>AASB 101 – Presentation of Financial Statements</p> <p>AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors</p> <p>AASB 1058 – Income of Not-for-Profit Entities</p> <p>These standards guide the recognition, presentation, and disclosure of restricted funds and reserve balances in financial statements.</p>
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8. VERSION HISTORY

Version	Date Approved	Approved by	Resolution No.	Review Date
1	TBA	Council	TBA	TBA

9. Appendix 1: List of Restricted Reserves

The table below outlines the nature and purpose of each reserve held by Council at the time of drafting this policy:

Externally Restricted	
Developer Contributions	
Purpose:	Section 7.11 and 7.12 of the <i>Environmental Planning & Assessment Act 1979</i> enable Council to levy contributions on developments. These contributions are essential in providing quality facilities and services to an expanding local population. The Act requires Council to set these funds aside to be used specifically for the provision of these facilities and services.
Source of funds:	Developer Contributions as levied in accordance with Council's adopted Contributions Plans.
Unexpended Grants	
Purpose:	An external restriction is placed on grant funding that has been received for a specific purpose that has not been spent by the end of the financial year.
Source of funds:	Grant funding that is for a specific purpose is provided to Council from various sources.
Domestic Waste Management	
Purpose:	By virtue of Section 496 of the <i>Local Government Act 1993</i> (as amended), Council must levy a separate charge for domestic waste management

	services, which include garbage and recycling services. Under the legislation Council cannot finance these services from ordinary rates so the charge must be sufficient to recover reasonable costs of providing these services. Council is obliged to set these funds aside and use them for their specific purpose.
Source of funds:	Domestic Waste Services and Management Levy.
Stormwater Management	
Purpose:	In accordance with Section 496A of the <i>Local Government Act 1993</i> (as amended), Council may levy an annual charge for the provision of stormwater management services on rateable land. The funds collected are used specifically for stormwater management, including improving stormwater quality, flood mitigation, infrastructure maintenance, and environmental protection.
Source of funds:	Stormwater Management Levy.
Unexpended Special Rates	
Purpose:	Relates to rates and levies collected by Council. These funds must be used exclusively for the purpose for which they were levied and cannot be redirected to general operations.
Source of funds:	Revenue from infrastructure and environmental levy.
Unspent Loan Funding	
Purpose:	To restrict the use of cash which has been borrowed externally for a specific purpose but not yet spent.
Source of funds:	Proceeds from loans.
Other Specific Purpose Contributions	
Purpose:	An external restriction is placed on contributions that has been received for a specific purpose that has not been spent by the end of the financial year.
Source of funds:	Special purpose contributions from Transport for NSW and other government agencies.
Roads Reserve	
Purpose:	Under the Roads Act 1993 Part 4 Division 6 Section 43.4, money received by council from the proceeds of sale of the land from closed council roads is restricted use toward acquiring land for public roads or for carrying out road work on public roads.

Source of funds:	Sale of land comprising former public roads.
Internally Restricted	
Infrastructure Renewal	
Purpose:	Funds are allocated to this reserve to ensure future asset renewal investment can be aligned to its Asset Management Plans. Council will aim to allocate a minimum amount equivalent to 100% of annual infrastructure depreciation less actual renewal.
Source of funds:	General revenue
Infrastructure New/Upgrade to Fund Development Contributions Plan Projects	
Purpose:	Funds are allocated to this reserve to cover the portion of projects identified in the Development Contribution Plan that are not funded by the plan itself. Allocations to this reserve will be made only after all other internal reserves have been funded and the targeted unrestricted cash reserve level has been achieved.
Source of funds:	General revenue
Carry Forward Works	
Purpose:	This reserve restricts funds for projects that are carried forward from one year to the next.
Source of funds:	General revenue
Property Reserve	
Purpose:	Reserve to fund future property development or to acquire suitable property for strategic land use, infrastructure or environmental purposes.
Source of funds:	Income from property sales.
Employee Leave Entitlements	
Purpose:	This reserve is used to hold a level of funds anticipated to cover the short to medium term liability for employee leave entitlements. <u>It is reviewed annually to ensure it maintains an appropriate balance, holding 50% of accrued annual and long service leave entitlements.</u> The reserve will be reviewed annually to ensure levels are adequate to cover accrued annual

Source of funds:	General revenue
Deposits, Bonds and Retentions	
Purpose:	This reserve balance reflects the Council's liability to repay deposits, retentions and bonds. Council reconciles this fund at the end of each financial year to ensure it is sufficient to cover its liabilities, maintaining 100% of the required amount. This reserve balance reflects the Council's liability to repay deposits, retentions and bonds. Council reconciles this fund at the end of
Source of funds:	Deposits, b onds and retentions received.
Plant and Vehicle Replacement	
Purpose:	This reserve funds Council's plant replacement program.
Source of funds:	Income from internal plant charges.
Elections Reserve	
Purpose:	As Council elections are held every four years, Council will allocate funding to this reserve to balance the expenses over a 4-year period.
Source of funds:	General revenue
Financial Assistance Grant Advance Payment	
Purpose:	This reserve is used to allocate the prepayment of the Financial Assistance Grant (FAG) received in the prior financial year. The purpose of the reserve is to align timing of utilisation of grant with the financial year it relates to.
Source of funds:	Financial Assistance Grant received in advance.