



On Exhibition

PUBLIC NOTIFICATION

Draft Treasury Policy - Reserves and Restrictions

At the Ordinary Meeting of Council held 8 September 2026 it was resolved that the draft Treasury Policy - Reserves and Restrictions be placed on public exhibition for 28 days. Council is required to notify the public and provide the opportunity for submissions regarding this policy.

The draft Treasury Policy - Reserves and Restrictions may be viewed at the Council Chambers, 1 Benerembah Street Griffith, the Griffith City Library and on Council's website.

Anyone wishing to make comment on the draft policy can do so in writing addressed to the General Manager, Griffith City Council, PO Box 485, GRIFFITH NSW 2680 or visit connect.griffith.nsw.gov.au to provide an online submission.

Submissions received will be included in a report to be presented to an Ordinary Meeting of Council. As such, copies of all submissions (including the writer's name and address) will form part of Council's Business Paper and be available to the public. Should you wish to have your contact details withheld it is recommended that you request this in your submission.

Comments or submissions will be received up to **4.00 pm, 8 October 2026.**

CLAUSE	CL04
TITLE	Endorsement of Treasury Policy - Reserves and Restrictions for Public Exhibition
FROM	Matthew Hansen, Director Business, Cultural & Financial Services
TRIM REF	26/91019

SUMMARY

This report seeks Council's endorsement of a new Treasury Policy on Reserves, together with the supporting three-tier reserve governance framework comprising the Policy itself, an individual Reserve Operating Charter for each of Council's 24 reserves and restricted funds, and a consolidated Master Reserve Register.

Endorsement is sought for the purpose of public exhibition. The framework establishes a consistent, transparent and legislatively sound basis for the creation, funding, utilisation and oversight of Council's reserves and restricted funds, and consolidates arrangements that are presently recorded across separate resolutions, budget papers and corporate records. The draft framework was considered by the Audit, Risk and Improvement Committee (ARIC) at its meeting of 27 August 2026.

RECOMMENDATION

That Council:

- (a) Endorse the draft Treasury Policy on Reserves and Restrictions at Attachment (a) as a draft policy.**
- (b) Endorse the 24 draft Reserve Operating Charters listed at Table 1 of this report, at Attachment (c), as draft charters.**
- (c) Endorse the draft Master Reserve Register at Attachment (b).**
- (d) Place the draft Policy, Reserve Operating Charters and Master Reserve Register on public exhibition for a period of not less than 28 days.**
- (e) Note that, should no submissions be received during the exhibition period, the Policy, the Reserve Operating Charters and the Master Reserve Register be adopted at the conclusion of that period without further report to Council.**
- (f) Note that, should submissions be received during the exhibition period, a further report be presented to Council addressing those submissions prior to adoption.**

REPORT

Background

Council holds a significant number of externally restricted funds, governed by legislation or contractual agreement, and internally restricted reserves established by Council resolution, across its General, Water and Sewer Funds. These include statutory funds such as the Water and Sewer Funds and developer contributions, together with a broad range of internally restricted reserves supporting asset renewal, strategic infrastructure, plant and

fleet replacement, employee leave liabilities, and business-unit self-funding models such as the Griffith Airport and Griffith Saleyards Reserves.

The governance of these reserves has not previously been consolidated into a single policy framework. Individual reserves have been established over time by separate Council resolutions, with operating rules, funding bases and utilisation criteria recorded inconsistently across budget papers, financial statements and corporate memory rather than in a single authoritative document. Given the number and diversity of reserves now held, this creates governance, audit and continuity risk.

The gap was identified through a broader review of financial and governance policies within the Business, Cultural and Financial Services directorate, and is consistent with external audit feedback regarding the need for clearer documentation of reserve purpose, funding basis and utilisation rules. The proposed Policy is intended to operate alongside, and be read consistently with, the existing Treasury Policy on Investments.

Governance gaps addressed

The proposed framework closes four specific gaps in the current approach to reserve management:

- **Inconsistent documentation:** reserve purpose, funding source and utilisation rules are not consistently recorded in a single, accessible document for each reserve.
- **Absence of an overarching policy:** there is no single Council policy setting out the principles, criteria and controls applying to the establishment, funding and use of reserves generally.
- **Limited transparency for reporting and audit:** without a consolidated register, it is difficult to demonstrate at any point in time that all reserves are fully cash-backed, reconciled, and being used consistently with their original purpose.
- **No formal link to investment strategy:** reserve balances and their expected utilisation horizons are not formally linked to the liquidity and investment-horizon settings in the Treasury Policy on Investments.

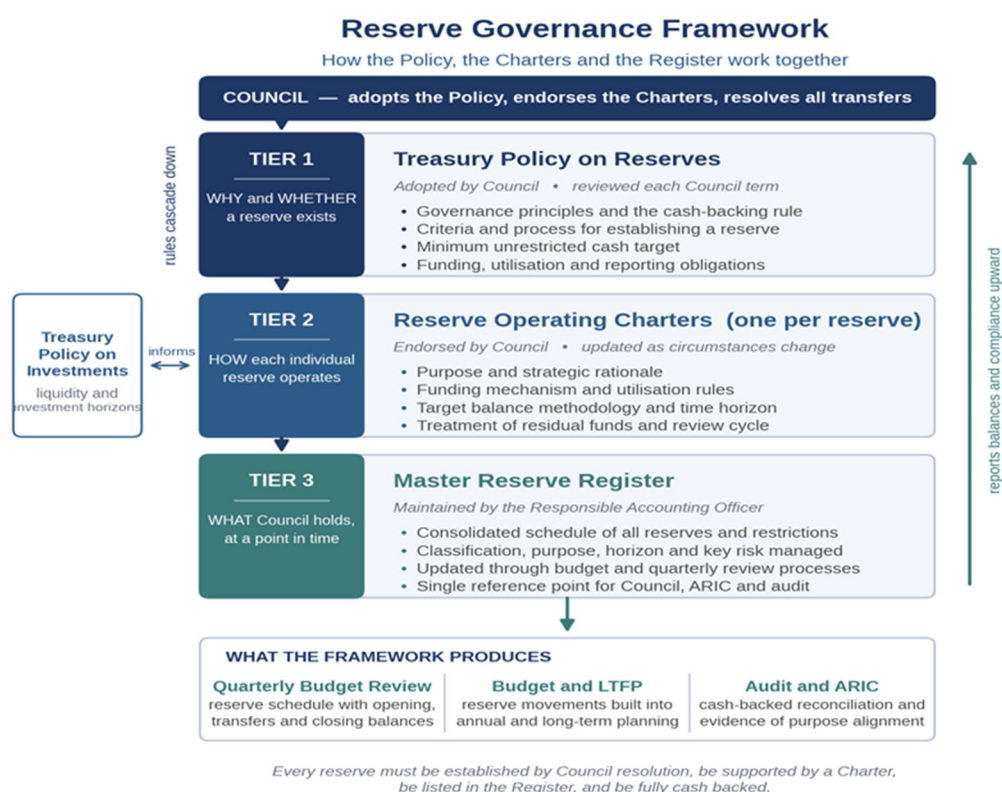
The three-tier framework

The Policy establishes a structured, three-tier framework for reserve governance. The framework deliberately separates strategic policy content, which changes infrequently and requires Council adoption, from reserve-specific operational detail, which may need to be updated periodically as circumstances change, and from consolidated reporting, which is maintained administratively by the Responsible Accounting Officer (RAO).

- **Tier 1 – Treasury Policy on Reserves:** establishes Council-wide governance principles, the criteria and process for establishing a reserve, minimum unrestricted cash requirements, funding and utilisation rules, and reporting and review obligations.
- **Tier 2 – Reserve Operating Charters:** a Charter for each individual reserve, documenting its specific purpose and strategic rationale, funding mechanism, utilisation rules, target balance methodology, investment and cashflow characteristics, and governance and reporting requirements.
- **Tier 3 – Master Reserve Register:** a consolidated schedule of all externally and internally restricted funds, maintained by the RAO, supporting transparency, budget development, Long-Term Financial Plan (LTFP) alignment and Council reporting.

This mirrors the approach applied elsewhere in the directorate's policy framework, separating policy, procedure and register-level documents to reduce the volume of matters requiring formal Council amendment while preserving Council's authority over substantive matters.

The relationship between the three tiers is illustrated in Figure 1.



In practical terms, the Policy determines whether a reserve may exist and on what terms; the Charter for that reserve determines how it operates day to day; and the Register records what Council holds at any point in time. Authority flows downward from Council, and reporting and assurance flow upward through the quarterly budget review, the annual financial statements and audit.

Key policy provisions

The key provisions of the draft Policy at Attachment (a) are summarised below:

- **Cash backing:** all reserves and restrictions must be fully cash backed. "Notional" or unfunded reserves are not permitted, and reserve balances must reconcile to total cash holdings.
- **Authority for establishment:** all reserves must be established by formal resolution of Council. A new internal reserve must meet at least one of four criteria – asset management, liability management, strategic requirement, or contractual and legislative necessity – demonstrate alignment with the Community Strategic Plan, Delivery Program and LTFP, and be supported by a Reserve Operating Charter defining its operating parameters.
- **Prioritisation of unrestricted cash:** Council will prioritise achieving its minimum unrestricted cash target, being the greater of 10% of General Fund operating revenue or \$5 million, before establishing or increasing reserves, unless required by legislation or co-funding conditions, or determined by Council as a strategic priority.
- **Funding and utilisation:** reserves may be funded from operating surpluses, grants and contributions, asset sale proceeds, budget allocations and interest earnings. Use of reserve funds requires alignment with the reserve's Charter, formal Council authorisation through the Budget or a Quarterly Budget Review Statement (QBRs), and RAO verification of fund availability. No transfer from a reserve may exceed its existing balance.

- **Integration with investment strategy:** reserve classifications directly inform investment horizons and liquidity categories under the Treasury Policy on Investments, ensuring funds are invested consistently with their expected use.
- **Reporting and review:** each QBRs must include a reserve schedule showing opening balance, estimated transfers to and from reserves, estimated closing balance and actual current balance, and the Senior Management Team will conduct an annual strategic review of all reserves.
- **Governance and accountability:** Council retains sole authority to establish, amend or close a reserve; the Senior Management Team provides strategic treasury oversight; and the RAO is responsible for maintaining the Master Reserve Register, ensuring reserves are fully cash-backed, verifying fund availability, and ensuring Policy compliance.

Reserve Operating Charters

A Reserve Operating Charter has been prepared for each of the 24 reserves and restricted funds currently identified in the Master Reserve Register. The Charters are provided in full at Attachment (c) and endorsement is sought for each of them.

Each Charter addresses, at a minimum:

- **Reserve overview:** name, type, classification, fund, legislative or contractual basis, and responsible directorate.
- **Purpose and objectives:** core purpose statement and strategic rationale.
- **Operating parameters:** funding mechanism, utilisation mechanism, target balance methodology, and maturity or time horizon.
- **Strategic alignment:** linkage to the Community Strategic Plan, Delivery Program and LTFP, and to budgetary impact and risk management.
- **Governance:** treatment of residual funds, review cycle, and RAO financial integrity obligations.
- **Compliance and version control:** document ownership, version history and review dates.

The Charters submitted for endorsement are listed in Table 1.

Table 1 – Reserve Operating Charters submitted for endorsement

Reserve Operating Charter	Classification	Responsible Directorate
Developer Contributions – General Fund	Externally Restricted	Sustainable Development
Developer Contributions – Water & Sewer Funds	Externally Restricted	Utilities
Sewer Fund (Statutory)	Externally Restricted	Utilities
Water Fund (Statutory)	Externally Restricted	Utilities
Stormwater Management	Externally Restricted	Infrastructure & Operations
Specific Purpose Unexpended Grants – General Fund	Externally Restricted	Business, Cultural and Financial Services
Waste Reserve	Internal Restriction (Externally Constrained)	Utilities
Community Centre Sinking Fund Reserve	Internal Restriction (Sinking Fund)	Sustainable Development
St Vincent's Private Hospital	Internal Restriction	Sustainable Development

Reserve Operating Charter	Classification	Responsible Directorate
Sinking Fund Reserve	(Externally Constrained – Lease)	
Arts and Culture Reserve	Internal Restriction	Business, Cultural & Financial Services
Floodplain and Drainage Mitigation Reserve	Internal Restriction	Utilities / Infrastructure & Operations
Corporate Facilities Reserve	Internal Restriction	Sustainable Development
Griffith Pioneer Park Museum Reserve	Internal Restriction	Business, Cultural & Financial Services
Lake Wyangan Water Quality Reserve	Internal Restriction	Sustainable Development
Major Projects Reserve	Internal Restriction	Business, Cultural & Financial Services
Parks and Playgrounds Infrastructure Reserve	Internal Restriction	Infrastructure & Operations
Roads and Pathways Strategic Reserve	Internal Restriction	Infrastructure & Operations
Digital Transformation Reserve	Internal Restriction	Economic & Organisational Development
Employee Leave Entitlements Reserve	Internal Restriction	Business, Cultural & Financial Services
Plant Replacement Reserve	Internal Restriction	Infrastructure & Operations
Financial Assistance Grant (Advance Payment) Reserve	Internal Restriction	Business, Cultural & Financial Services
Griffith Health Facilities Reserve	Internal Restriction (Externally Constrained – Legacy)	Business, Cultural & Financial Services
Griffith Airport Reserve	Internal Restriction	Sustainable Development
Griffith Saleyards Reserve	Internal Restriction	Utilities

Because the Charters carry reserve-specific operational detail rather than policy settings, the Policy provides for them to be updated administratively where the change is consistent with the reserve's endorsed purpose and with the Policy. Any change to a reserve's purpose, or the establishment, amendment or closure of a reserve, remains a matter for Council

Master Reserve Register

The Master Reserve Register at Attachment (b) consolidates all 24 externally and internally restricted funds currently held by Council, recording for each reserve its type, classification, legislative or contractual basis, primary purpose, Investment Policy classification, time horizon, responsible directorate, key risk managed, and date established.

The Register spans statutory funds, including the Water Fund, Sewer Fund, Stormwater Management and developer contributions; infrastructure lifecycle reserves, including Waste, Parks and Playgrounds, Roads and Pathways, and Corporate Facilities; sinking funds linked to specific leases and facilities; and business-unit reserves for the Griffith Airport and Griffith Saleyards.

The Register will be maintained by the RAO and updated as part of the budget and quarterly review processes and the annual strategic review of reserves, providing Council and ARIC with a single point of reference for the status and characteristics of all reserves at any time.

Audit, Risk and Improvement Committee

The draft framework was reported to ARIC at its meeting of 27 August 2026 for advice, consistent with the Committee's role in advising Council on financial management and internal control.

ARIC advised the policy and associated register should also include how interest earned on restricted funds should be treated – i.e., retained in the reserve or treated as general revenue. The Committee's advice is reflected in the draft documents now presented for endorsement.

Public exhibition

Endorsement is sought for the purpose of public exhibition. Subject to Council's resolution, the draft Policy, the Reserve Operating Charters and the Master Reserve Register will be exhibited for a period of not less than 28 days, with the exhibition notified through Council's website and usual communication channels

Should no submissions be received, the documents will take effect at the conclusion of the exhibition period. Should submissions be received, a further report will be presented to Council addressing those submissions prior to adoption.

OPTIONS

OPTION 1

The recommendation as written.

OPTION 2

Any other recommendation.

POLICY IMPLICATIONS

The Treasury Policy on Reserves is a new Council policy. It operates alongside the Treasury Policy on Investments and does not amend or displace that policy.

No other Council policy requires amendment as a consequence of its adoption.

FINANCIAL IMPLICATIONS AND RISK

Adoption of the Policy has no direct budget impact and does not alter reserve balances or the purposes for which existing reserves are held. It strengthens governance through consistent management arrangements, with implementation costs absorbed within existing resources.

The framework reduces governance and audit risk by ensuring reserves remain cash-backed, properly controlled, documented and audit-ready. No additional risks are anticipated from implementation.

Minor Low Risk: Low financial loss <\$10,000

COMPLIANCE / LEGAL / STATUTORY IMPLICATIONS AND RISK

The reserves and restrictions framework assists Council mitigate the risk associated with managing its restricted cash by ensuring the purpose of each restrictions is clearly indicated and the restricted funds are managed appropriately.

Minor Low Risk: Policy or regulatory breach has no impact.

ENVIRONMENTAL IMPLICATIONS AND RISK

Minor Low Risk: Minimal environmental impact handled internally.

REPUTATION / COMMUNITY IMPLICATIONS AND RISK

There is a reputational risk to Council where the purpose of reserve balances cannot be clearly explained to the community, particularly where significant funds are held at a time of constrained rates and service levels. Without documented purpose and utilisation rules, accumulated balances can be perceived as funds withheld from service delivery, or as available for purposes other than those for which they were set aside.

The framework mitigates this risk by recording the purpose, funding basis and intended timing of each reserve, and by requiring the reserve schedule to be reported quarterly, so that Council is able to demonstrate publicly why each balance is held and when it is expected to be applied.

Moderate Low Risk: Minor adverse public/staff reaction and/or negative publicity. Resolved with Manager or Director Comment. No impact on staff morale.

SERVICE DELIVERY IMPLICATIONS AND RISK

Minor Low Risk: Nil impact to service delivery.

WHS / HR IMPLICATIONS AND RISK

Minor Low Risk: No injuries/Nil impact to service delivery.

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item 3.2 Ensure Council's financial sustainability through effective financial management that is transparent and accountable.

CONSULTATION

Senior Management Team

Audit Risk and Improvement Committee

ATTACHMENTS

- (a) Treasury Policy on Reserves and Restrictions - FS-CP-306- reconciled (under separate cover)
- (b) Reserve Operating Charters - Compendium - DRAFT June 2026 (under separate cover)



Treasury Policy – Reserves and Restrictions FS-CP-306 (PUBLIC POLICY)

1 Policy History

Revision No.	Council Meeting Date	Minute No.	Adoption Date
1	08/09/2026	xx/xxxx	dd/mm/yyyy

2 Policy Objective

This Policy establishes the framework for the creation, management and use of Council's reserves and restricted funds to:

- ensure sound financial management and long-term sustainability
- support asset renewal and capital delivery
- maintain adequate liquidity in alignment with the Treasury Policy on Investments
- comply with legislative and accounting requirements
- strengthen financial transparency, planning and risk management

This Policy forms a coordinated approach to reserve allocation, utilisation and investment.

3 Scope

This Policy applies to:

- all cash and investments held by Council
- all externally restricted, internally restricted and unrestricted funds
- budget, financial planning and reporting processes

All funds identified under this Policy must be managed in accordance with the security, liquidity and prudence principles set out in the Treasury Policy on Investments.

4 Policy Statement

4.1 Policy Principles

Council will manage reserves in accordance with the following principles

Integration with Investment Policy

Reserve classifications directly inform investment horizons and liquidity categories

Funds will be invested consistent with their expected use:

- short-term → high liquidity
- long-term reserves → longer-duration investments



Investment decisions must maintain sufficient liquidity to meet reserve obligations.

Cash Backing of Reserves

All reserves and restrictions must be fully cash backed.

- No reserve may exist without supporting cash or investments
- Reserve balances must reconcile to total cash holdings
- “Notional” or unfunded reserves are not permitted

Liquidity First Principle

Consistent with the Investment Policy, Council must maintain sufficient liquidity for:

- operational needs
- capital commitments
- contingencies

Reserve allocations must not compromise liquidity requirements

Strategic Financial Management

Reserves will:

- support intergenerational equity
- align with the Long-Term Financial Plan (LTFP)
- reduce financial volatility and risk
- provide funding certainty for major projects

4.2 Establishment

Authority for Establishment

All reserves must be established by formal resolution of Council.

- Internal reserves will only be established where aligned with long-term financial objectives
- External reserves will only be created where required by legislation or contract

Criteria for Establishment

A new internal reserve must satisfy at least one of the following:

- **Asset Management:** Funding asset renewal requirements from adopted Asset Management Plans
- **Liability Management:** Funding known or forecast liabilities



- **Strategic Requirement:** Supporting future strategic priorities
- **Contractual / Legislative Necessity:** Meeting externally imposed obligations

Reserves should only be established where the financial impact is material and multi-year in nature.

Strategic Alignment (IP&R)

Each reserve must demonstrate clear alignment with:

- Community Strategic Plan
- Delivery Program
- Long-Term Financial Plan

Required Operating Parameters

Prior to establishment, the following must be defined:

- Name and Purpose
- Funding Basis
- Utilisation Basis
- Budgetary Impact
- Interest Treatment
- Residual Funds

These parameters are formally documented in a Reserve Operating Charter.

Prioritisation of Unrestricted Cash

Council will prioritise achieving its minimum unrestricted cash target (greater of 10% of operating revenue or \$5 million) before establishing or increasing reserves, unless:

- required by legislation
- required for co-funding
- determined by Council as a strategic priority

4.3 Funding and transfers

Transfers to Reserves

Reserves may be funded from:

- Operating surpluses
- Grants and contributions
- Asset sale proceeds
- Budget allocations (Annual Plan or QBRS)



- Interest earnings (where applicable)

Interest on Reserves and Restricted Funds

Interest earned on Council's investments will be allocated in a manner that reflects the nature and requirements of each fund. Not all reserves and restrictions retain interest.

- **Externally restricted funds:** Interest will be credited to the fund where required by legislation, a grant agreement or a contract, for example developer contributions held under the *Environmental Planning and Assessment Act 1979* and the Water and Sewer Funds. Where no such requirement applies, interest is treated as general income.
- **Internally restricted reserves:** Interest will be credited to a reserve only where Council has determined that it be retained, with that treatment recorded in the reserve's Operating Charter. Where no such determination has been made, interest is credited to unrestricted general revenue.
- **Unallocated interest:** Interest not attributed to a specific reserve or restriction forms part of unrestricted general revenue and is available to fund Council's operations.

The interest treatment applying to each reserve is documented in its Reserve Operating Charter and summarised in the Master Reserve Register. Where interest is retained, it will be allocated using a consistent methodology determined by the Responsible Accounting Officer, based on the reserve's cash balance over the relevant period.

Council may vary the interest treatment of an internal reserve by resolution, including where directing interest to unrestricted general revenue supports the minimum unrestricted cash target in section 4.4.

Transfers from Reserves (Utilisation)

Use of reserves is subject to:

- **Purpose Alignment:** Expenditure must align with the reserve's Charter
- **Formal Authorisation:** Council approval (Budget or QBRS) is required
- **Financial Verification:** RAO must confirm availability prior to approval

Reserve Balances and Overdraft Management

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

Reporting and Review

To ensure transparency, Council will adhere to the following reporting standards:



- **Quarterly Reporting:** Each Quarterly Budget Review Statement (QBRs) must include a schedule of reserves showing:
 - Opening Balance (at 1 July);
 - Estimated Transfers **to** Reserves;
 - Estimated Transfers **from** Reserves;
 - Estimated Closing Balance (at 30 June); and
 - Actual Current Balance.
- **Annual Review:** The Senior Management Team will conduct an annual review of the strategic document of all reserves to confirm they remain consistent with this Policy and Council's strategic goal.

4.4 Unrestricted Cash

Unrestricted cash provides the liquidity necessary to manage day-to-day working capital, financial flexibility for strategic opportunities, and a contingency buffer against unanticipated future costs.

Council will maintain a minimum unrestricted cash balance in the General Fund at the greater of:

- 10% of General Fund operating revenue; or
- \$5 million.

Achieving this target is a primary financial priority. Unrestricted cash levels will be monitored to ensure reserve allocations do not compromise operational liquidity.

4.5 Authorised Restrictions and Reserves

The management of reserves and restricted funds operates under a structured three-tier framework:

1. **This Policy** – establishes governance principles, requirements and controls
2. **Reserve Operating Charters** – define detailed operating rules for each reserve
3. **Master Reserve Register** – provides a consolidated overview for reporting and oversight

This framework ensures:

- clear governance and accountability
- consistency in reserve management
- alignment with financial planning and investment strategies

Externally Restricted Funds



Externally restricted funds are governed by legislation or contractual agreements and must be used strictly for their intended purpose.

These include (but are not limited to):

- Specific purpose grants and contributions
- Developer contributions (Sections 7.11, 7.12 and Section 64)
- Water and Sewer statutory funds
- Other legislatively or contractually restricted funds

The balance of each fund reflects total unspent amounts at the reporting date.

Internal Restrictions (Reserves)

Internal reserves are established by Council resolution to fund specific future purposes including:

- asset renewal
- capital programs
- liabilities
- strategic initiatives

Each reserve must have clearly defined:

- purpose
- funding basis
- utilisation framework
- target balance

These parameters are formally documented in the Reserve Operating Charter for each reserve.

Reserve Operating Charters

Each reserve is governed by an individual **Reserve Operating Charter**, which defines:

- purpose and strategic rationale
- funding mechanisms
- utilisation rules
- target balance methodology
- investment and cashflow characteristics
- governance and reporting requirements

Operating Charters are the **primary reference document** for reserve management and must be periodically reviewed to ensure alignment with Council's financial planning framework and strategic objectives.



Master Reserve Register

Council maintains a Master Reserve Register, which provides a consolidated summary of all externally and internally restricted funds.

The Register:

- lists all reserves and restrictions
- identifies their classification, purpose and key characteristics
- supports transparency, reporting and strategic financial management

The Register is maintained by the Responsible Accounting Officer and:

- forms part of Council's internal financial management framework
- supports budget development and Long-Term Financial Planning
- is reported to Council as part of financial reporting processes where appropriate

The current Master Reserve Register is provided at Appendix A.

4.6 Governance and Accountability

Authority and Oversight

- **The Council:** Retains the sole authority to establish, amend, or close a reserve through a formal resolution. All allocations to and from reserves must be made via Council resolution.
- **Senior Management Team:** Provides strategic treasury oversight to ensure reserves remain aligned with the Long-Term Financial Plan and community priorities.

Responsible Accounting Officer (RAO)

The RAO is responsible for:

- maintaining the Master Reserve Register
- ensuring all reserves are fully cash-backed
- verifying availability of funds
- ensuring compliance with this Policy

Statutory Compliance and Audit

- **Standard Alignment:** All reserves must be managed in accordance with the *Local Government Code of Accounting Practice and Financial Reporting* and relevant Australian Accounting Standards.



- **Investment Integration:** Reserve management must remain consistent with the security and prudence principles of the *Treasury Policy on Investments*.
- **Audit Readiness:** Detailed workings for all reserves must be prepared and made available for external audit review as of 30 June each year to ensure statutory transparency

5 Definitions

- **Reserves:** Cash held by Council for specific purposes such as asset renewal, projects, or statutory needs.
- **Externally Restricted Funds:** Funds legally or contractually restricted (e.g. developer contributions, grants, water/sewer) and not available for general use.
- **Internally Restricted Funds:** Funds set aside by Council resolution for specific purposes, which can be changed by a future resolution.
- **Unrestricted Cash:** Unallocated funds available for unexpected costs and working capital flexibility.

6 Exceptions

NIL

7 Legislation

Local Government Act 1993

Local Government Code of Accounting Practice and Financial Reporting

8 Related Documents

Treasury Policy on Investments

9 Directorate

Business, Cultural and Financial Services



Treasury Policy – Reserves and Restrictions FS-CP-306 (PUBLIC POLICY)

Appendix A – Master Reserve Register

This Appendix provides a consolidated summary of all externally and internally restricted funds maintained by Council.

It supports:

- transparency and financial reporting
- alignment with the Long-Term Financial Plan
- oversight of reserve purpose, structure and risk

Detailed operating parameters for each reserve are documented in the relevant Reserve Operating Charter.

This Register is maintained by the Responsible Accounting Officer (RAO).

Detailed funding, utilisation and governance rules are documented in individual Reserve Operating Charters.

The Register is reviewed and updated:

- as part of the budget and quarterly review processes, and
- during the annual strategic review of reserves.

Reserve classifications align with Council's Treasury Policy for Investments, including liquidity and investment horizon requirements.

The Register records the interest treatment applying to each reserve, determined in accordance with section 4.3. Where a reserve retains interest, that interest is credited to the reserve or fund; in all other cases interest is credited to unrestricted general revenue.



DRAFT

Record No.:

Treasury Policy – Reserves and Restrictions – CC-CP-401

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Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Developer Contributions – General Fund	External Restriction – Regulated Infrastructure Funding Reserve	Externally Restricted	EP&A Act 1979 (Sections 7.11 & 7.12)	Hold developer contributions for infrastructure required to support development	Short–Medium to Long Term Restricted Fund	Medium to long-term horizon	Sustainable Development	Under- or over-collection of contributions, infrastructure funding gaps, and legislative non-compliance.	N/A	Retained – interest credited to the fund as required by the EP&A Act 1979
Developer Contributions – Water & Sewer Funds	External Restriction – Regulated Infrastructure Funding Reserve	Externally Restricted	LG Act 1993 (Section 64)	Hold developer contributions for infrastructure required to support development	Short–Medium to Long Term Restricted Fund	Medium to long-term horizon	Utilities	Infrastructure funding gaps, non-compliance with legislative requirements, and development demand mismatch.	N/A	Retained – interest credited to the fund as required by the LG Act 1993 (Section 64)
Sewer Fund (Statutory)	External Restriction – Statutory Utility Fund	Externally Restricted	LG Act 1993 and relevant sewer pricing and regulatory frameworks	Fund the delivery, operation, maintenance and renewal of sewerage services	Long Term Strategic and Restricted Infrastructure Fund	Long-term, rolling planning horizon (30 years)	Utilities	Environmental non-compliance, asset failure, and underfunded infrastructure.	N/A	Retained – interest credited to the fund



Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Water Fund (Statutory)	External Restriction – Statutory Utility Fund	Externally Restricted	LG Act 1993 and relevant water pricing and regulatory frameworks	Fund the delivery, operation, maintenance and renewal of water supply services	Long Term Strategic and Restricted Infrastructure Fund	Long-term, rolling planning horizon (30 years)	Utilities	Environmental non-compliance, asset failure, and underfunded infrastructure.	N/A	Retained – interest credited to the fund
Stormwater Management	External Restriction – Statutory Service Charge Fund	Externally Restricted	LG Act 1993 – Stormwater Service Charge	Fund construction, management and maintenance of stormwater drainage infrastructure	Short–Medium to Long Term Restricted Infrastructure Fund	Short to medium-term horizon	Infrastructure & Operations	Drainage system failure, localised flooding, and infrastructure deterioration.	N/A	Retained – interest credited to the fund



Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Specific Purpose Unexpended Grants – General Fund	External Restriction – Grant Holding Reserve	Externally Restricted	Grant funding agreements	Hold unspent grant and contribution proceeds for specific purposes	Operating Liquidity / Short-Term Restricted Funds	Short to medium-term horizon	Business, Cultural and Financial Services	Grant non-compliance, misapplication of funds, and audit findings.	N/A	Retained only where the relevant funding agreement requires interest to be applied to the grant; otherwise credited to unrestricted general revenue
Waste Reserve	Infrastructure Lifecycle + Regulated Revenue	Internal Restriction (Externally Constrained)	LG Act 1993 – Domestic Waste Management Charges	Funding waste infrastructure lifecycle and landfill replacement	Long Term Strategic and Infrastructure Fund	Multi-phase (accumulation, drawdown in 2026/27–2027/28, recovery)	Utilities	Regulatory non-compliance, underfunding of major capital (\$10M landfill), and revenue volatility.	N/A	Retained – interest credited to the reserve



Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Griffith Airport Reserve	Self-Funding Infrastructure / Business Unit Reserve	Internal Restriction	Not applicable	Support the self-funding operation and lifecycle management of Griffith Airport	Long Term Strategic and Reserve Fund	5 to 20+ years	Sustainable Development	Asset deterioration, underfunded capital programs, and operational funding shortfalls.		Not retained – interest credited to unrestricted general revenue
Griffith Saleyards Reserve	Self-Funding Infrastructure / Business Unit Reserve	Internal Restriction	Not applicable	Support the self-funding operation and lifecycle management of Griffith Saleyards	Long Term Strategic and Reserve Fund	5 to 15+ years	Utilities	Asset deterioration, animal welfare and biosecurity compliance failures, and underinvestment.		Not retained – interest credited to unrestricted general revenue
Community Centre Sinking Fund Reserve	Sinking Fund (Income-Generating Asset)	Internal Restriction (Sinking Fund)	Not applicable	Funding long-term renewal and replacement of community centre assets	Long Term Strategic and Reserve Fund	5 to 20+ years	Sustainable Development	Underfunded asset renewal, irregular capital funding demands, and asset deterioration.		Not retained – interest credited to unrestricted general revenue



Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
St Vincent's Private Hospital Sinking Fund Reserve	Contractual Sinking Fund Reserve	Internal Restriction (Externally Constrained – Lease)	Lease – St Vincent's Private Hospital	Funding long-term renewal, replacement and major maintenance of hospital infrastructure	Long Term Strategic and Reserve Fund	10 to 20+ years	Sustainable Development	Lease non-compliance, asset failure, and unplanned capital expenditure liability.		Not retained – interest credited to unrestricted general revenue
Arts and Culture Reserve	Strategic Infrastructure / Cultural Projects Reserve	Internal Restriction	Not applicable	Funding Council's contribution to cultural infrastructure upgrades and improvements	Long Term Strategic and Reserve Fund	2 to 7 years	Business, Cultural & Financial Services	Grant dependency, project delays, and reliance on ad hoc funding for cultural assets.	8 June 2021	Not retained – interest credited to unrestricted general revenue
Floodplain and Drainage Mitigation Reserve	Strategic Infrastructure Reserve	Internal Restriction	Not applicable	Funding floodplain and drainage mitigation works	Long Term Strategic and Reserve Fund	2 to 7 years	Utilities / Infrastructure & Operations	Flood risk, legislative non-compliance, and financial risk from infrastructure failures.		Not retained – interest credited to unrestricted general revenue
Corporate Facilities Reserve	Infrastructure Lifecycle / Corporate Facilities Reserve	Internal Restriction	Not applicable	Funding upgrades and improvements to Council's core workplace facilities	Long Term Strategic and Reserve Fund	2 to 7 years	Sustainable Development	Workplace safety risks, asset condition deterioration, and operational disruption.		Not retained – interest credited to unrestricted general revenue

Record No.:

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Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Griffith Pioneer Park Museum Reserve	Infrastructure Lifecycle / Cultural Asset Reserve	Internal Restriction	Not applicable	Funding upkeep, renewal and strategic improvement of Pioneer Park Museum	Long Term Strategic and Reserve Fund	2 to 7 years	Business, Cultural & Financial Services	Heritage asset deterioration and loss of community investment value.	June 2021	Not retained – interest credited to unrestricted general revenue
Lake Wyangan Water Quality Reserve	Environmental Management / Strategic Infrastructure Reserve	Internal Restriction	Not applicable	Funding initiatives and works to improve and maintain water quality in Lake Wyangan	Long Term Strategic and Reserve Fund	2 to 7 years	Sustainable Development	Environmental / regulatory risks and financial shocks from unplanned remediation costs.		Not retained – interest credited to unrestricted general revenue
Major Projects Reserve	Strategic Infrastructure / Capital Projects Reserve	Internal Restriction	Not applicable	Providing dedicated funding for major strategic capital projects	Long Term Strategic and Reserve Fund	2 to 7 years	Business, Cultural & Financial Services	Funding gaps, capital volatility, and underfunded infrastructure delivery.		Not retained – interest credited to unrestricted general revenue
Parks and Playgrounds Infrastructure Reserve	Infrastructure Lifecycle Reserve	Internal Restriction	Not applicable	Funding renewal of parks, gardens and playground infrastructure	Long Term Strategic and Reserve Fund	2 to 7 years	Infrastructure & Operations	Asset failure, service disruption, and renewal backlog.		Not retained – interest credited to unrestricted general revenue

Record No.:

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Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Roads and Pathways Strategic Reserve	Strategic Infrastructure / Growth Reserve	Internal Restriction	Not applicable	Funding Council's contribution to growth-related road and pathway infrastructure	Long Term Strategic and Reserve Fund	2 to 7 years	Infrastructure & Operations	Missed grant opportunities, growth lag, and unplanned large capital contributions.		Not retained – interest credited to unrestricted general revenue
Digital Transformation Reserve	Strategic / Program Delivery Reserve	Internal Restriction	Not applicable	Funding major ICT and digital transformation initiatives	Short to Medium Term Restricted Fund	2 to 4 year period	Economic & Organisational Development	Operational budget volatility, underfunded system upgrades, and project delivery risk.		Not retained – interest credited to unrestricted general revenue
Employee Leave Entitlements Reserve	Risk / Liability Reserve	Internal Restriction	Not applicable	Funding termination-related employee leave liabilities	Short to Medium Term Restricted Fund	1 to 5 year horizon	Business, Cultural & Financial Services	Payout volatility, liquidity risk, and financial impact of unplanned large leave payouts.		Not retained – interest credited to unrestricted general revenue
Plant Replacement Reserve	Infrastructure Lifecycle (Revolving) Reserve	Internal Restriction	Not applicable	Funding replacement of plant and fleet assets in line with lifecycle requirements	Short to Medium Term Restricted Fund	1 to 5 years	Infrastructure & Operations	Asset failure, service disruption, and financial shocks from large asset purchases.		Not retained – interest credited to unrestricted general revenue

Record No.:

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Reserve Name	Reserve Type	Classification	Legislative /Contractual Basis	Primary Purpose	Investment Policy Classification	Time Horizon	Responsible Directorate	Key Risk Managed	Date established /Minute	Interest Treatment
Financial Assistance Grant (Advance Payment) Reserve	Operating Liquidity / Timing Adjustment Reserve	Internal Restriction	Not applicable	Holding advance FAG payments to align revenue recognition with the correct financial period	Operating Liquidity Fund	Less than 12 months	Business, Cultural & Financial Services	Revenue distortion, structural budget imbalance, and cashflow timing risks.		Not retained – interest credited to unrestricted general revenue
Griffith Health Facilities Reserve	Legacy / Strategic Holding Reserve	Internal Restriction (Externally Constrained – Legacy)	Constitution of Griffith Health Facilities Limited	Holding and managing residual public contributions for health infrastructure	Short Term Restricted Fund (Dormant / Strategic Holding)	Not applicable	Business, Cultural & Financial Services	Governance risks, misalignment with donor intent, and reputational risk.		Retained – interest credited to the reserve as required by the constitution of Griffith Health Facilities Limited

Reserve Operating Charters

Griffith City Council

Compendium of all Reserve Operating Charters

DRAFT – June 2026

Charters are presented in the order of the Master Reserve Register at Appendix A of the Treasury Policy on Reserves and Restrictions (FS-CP-306).

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Reserve Operating Charter

Developer Contributions (General Fund)

1. Reserve Overview

Reserve Name	Developer Contributions – General Fund
Reserve Type	External Restriction – Regulated Infrastructure Funding Reserve
Classification	Externally Restricted
Fund	General Fund
Legislative / Contractual Basis	<i>Environmental Planning & Assessment Act 1979</i> (Sections 7.11 and 7.12)
Primary Purpose	Hold developer contributions for infrastructure required to support development
Strategic / Program Alignment	Contributions Plans and Infrastructure Delivery Programs
Investment Policy Classification	Short–Medium to Long Term Restricted Fund
Interest Treatment	Retained
Responsible Directorate	Sustainable Development
Established	Ongoing (as contributions are collected)
Council Minute	Not applicable (statutory requirement)

2. Purpose and Objectives

Core Purpose Statement:

The Developer Contributions Reserve is established to hold contributions collected from development for the provision of community infrastructure in accordance with legislated contribution frameworks and adopted contribution plans.

Strategic Rationale:

This reserve ensures that:

- Development contributes fairly to the cost of required infrastructure
- Funds are applied in accordance with legislated contribution plans
- Council can deliver infrastructure in alignment with growth and demand
- Financial management reflects long-term infrastructure funding obligations

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Contributions received under Sections 7.11 and 7.12 of the EP&A Act 1979
- Interest earned on invested balances (as required by legislation)

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on infrastructure as specified in:
 - Adopted Contributions Plans
 - Associated infrastructure schedules
- In accordance with:
 - legislative requirements
 - approved capital works programs

Target Balance

The target balance is equal to the total unspent developer contributions and accumulated interest

The balance reflects

- Contributions collected but not yet expended
- Timing differences between collection and infrastructure delivery

Maturity/Time Horizon

This reserve operates over a **medium to long-term horizon**, aligned with infrastructure delivery programs and development timing

Investments must be structured to:

- Reflect forecast infrastructure expenditure timing
- Maintain sufficient liquidity for committed works and project delivery schedules
- Comply with Council's Treasury Policy for Investments

Where expenditure timing is uncertain a **balanced maturity approach** must be adopted, combining liquidity with investment return

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities with planned infrastructure delivery

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **restricted infrastructure funding reserves**.

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the *Environmental Planning and Assessment Act 1979* and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the Treasury Policy on Reserves and Restrictions, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Delivery of infrastructure required to service development
- Implementation of Contributions Plans
- Alignment of growth with infrastructure provision

Budgetary Impact and Risk Management

This reserve supports:

- Transparent management of developer-funded infrastructure
- Reduction in financial burden on general revenue
- Alignment of infrastructure expenditure with development timing
- Mitigation of risks associated with:
 - under- or over-collection of contributions
 - infrastructure funding gaps
 - non-compliance with legislative requirements

5. Governance and Financial Management

External Restriction Requirement

Funds held within this reserve are externally restricted and must be applied strictly in accordance with:

- *Environmental Planning & Assessment Act 1979*
- Adopted Contributions Plans

Council has **no discretion** to vary the purpose of these funds outside of approved legislative mechanisms.

Residual Funds

Residual funds:

- Must remain allocated for infrastructure within the Contributions Plan
- May only be reallocated in accordance with:
 - legislative provisions; or
 - formal amendment of the Contributions Plan

Review Cycle

This Charter must be reviewed periodically to ensure alignment with:

- Contributions Plans
- Infrastructure delivery programs
- Legislative requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the reserve is fully cash-backed at all times
- funds are separately identifiable within Council's financial systems
- sufficient liquidity is maintained to meet funding obligations
- funds are applied strictly in accordance with:
 - adopted Contribution Plans
 - legislative requirements
- investment structures align with:
 - forecast infrastructure expenditure
 - medium to long-term delivery programs.

6. Compliance & Version Control

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8.



Reserve Operating Charter

Developer Contributions (Water & Sewer Funds)

1. Reserve Overview

Reserve Name	Developer Contributions – Water & Sewer Funds
Reserve Type	External Restriction – Regulated Infrastructure Funding Reserve
Classification	Externally Restricted
Fund	Water Fund/Sewer Fund
Legislative / Contractual Basis	<i>Local Government Act 1993 (Section 64)</i>
Primary Purpose	Hold developer contributions for infrastructure required to support development
Strategic / Program Alignment	Water / Sewer Asset Management Plans
Investment Policy Classification	Short–Medium to Long Term Restricted Fund
Interest Treatment	Retained
Responsible Directorate	Utilities
Established	Ongoing (as contributions are collected)
Council Minute	Not applicable (statutory requirement)

2. Purpose and Objectives

Core Purpose Statement:

The Developer Contributions Reserve is established to hold contributions collected from development for the provision of water and sewer infrastructure in accordance with legislated contribution frameworks and adopted contribution plans.

Strategic Rationale:

This reserve ensures that:

- Development contributes fairly to the cost of required infrastructure
- Funds are applied in accordance with legislated contribution plans
- Council can deliver infrastructure in alignment with growth and demand
- Financial management reflects long-term infrastructure funding obligations

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Contributions received under Section 64 of the *Local Government Act 1993*
- Interest earned on invested balances (as required by legislation)

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on infrastructure as specified in:
 - Adopted Contributions Plans
 - Associated infrastructure schedules
- In accordance with:
 - legislative requirements
 - approved capital works programs

Target Balance

The target balance is equal to the total unspent developer contributions and accumulated interest

The balance reflects

- Contributions collected but not yet expended
- Timing differences between collection and infrastructure delivery

Maturity/Time Horizon

This reserve operates over a **medium to long-term horizon**, aligned with infrastructure delivery programs and development timing

Investments must be structured to:

- Reflect forecast infrastructure expenditure timing
- Maintain sufficient liquidity for committed works and project delivery schedules
- Comply with Council's Treasury Policy for Investments

Where expenditure timing is uncertain a **balanced maturity approach** must be adopted, combining liquidity with investment return

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities with planned infrastructure delivery

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **restricted infrastructure funding reserves**.

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the *Local Government Act 1993 (Section 64)* and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the *Treasury Policy on Reserves and Restrictions*, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Delivery of infrastructure required to service development
- Implementation of Contributions Plans
- Alignment of growth with infrastructure provision

Budgetary Impact and Risk Management

This reserve supports:

- Transparent management of developer-funded infrastructure
- Reduction in financial burden on general revenue
- Alignment of infrastructure expenditure with development timing
- Mitigation of risks associated with:
 - under- or over-collection of contributions
 - infrastructure funding gaps
 - non-compliance with legislative requirements

5. Governance and Financial Management

External Restriction Requirement

Funds held within this reserve are externally restricted and must be applied strictly in accordance with:

- *Local Government Act 1993*
- Adopted Contributions Plans

Council has **no discretion** to vary the purpose of these funds outside of approved legislative mechanisms.

Residual Funds

Residual funds:

- Must remain allocated for infrastructure within the Contributions Plan
- May only be reallocated in accordance with:
 - legislative provisions; or
 - formal amendment of the Contributions Plan

Review Cycle

This Charter must be reviewed periodically to ensure alignment with:

- Contributions Plans
- Infrastructure delivery programs
- Legislative requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the reserve is fully cash-backed at all times
- funds are separately identifiable within Council's financial systems
- sufficient liquidity is maintained to meet funding obligations
- funds are applied strictly in accordance with:
 - adopted Contribution Plans
 - legislative requirements
- investment structures align with:
 - forecast infrastructure expenditure
 - medium to long-term delivery programs.

6. Compliance & Version Control

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Reserve Operating Charter

Sewer Fund (Statutory)

1. Reserve Overview

Reserve Name	Sewer Fund (Statutory)
Reserve Type	External Restriction – Statutory Utility Fund
Classification	Externally Restricted
Fund	Sewer Fund
Legislative / Contractual Basis	Local Government Act 1993 and relevant sewer pricing and regulatory frameworks
Primary Purpose	Fund the delivery, operation, maintenance and renewal of sewerage services
Strategic / Program Alignment	Sewer Asset Management Plan and Long-Term Financial Plan
Investment Policy Classification	Long Term Strategic and Restricted Infrastructure Fund
Interest Treatment	Retained
Responsible Directorate	Utilities
Established	Ongoing statutory requirement
Council Minute	Not applicable (statutory requirement)

2. Purpose and Objectives

Core Purpose Statement:

The Sewer Fund is established to ensure the financially sustainable delivery of sewer supply services, including the operation, maintenance, renewal and upgrade of sewer infrastructure over the long term.

Strategic Rationale:

This fund ensures that:

- Sewerage services are financially self-sustaining
- Infrastructure is maintained and renewed in line with lifecycle requirements
- Pricing and revenue support long-term service delivery
- Council meets its obligations under relevant legislative and regulatory frameworks

3. Operating Parameters

Funding Mechanism (In)

The Sewer Fund is funded through:

- User charges and fees for sewer services
- Statutory charges and levies
- Contributions and grants for sewer infrastructure
- Interest earned on the Fund

Utilisation Mechanism (Out)

Funds may only be drawn:

- In accordance with:
 - legislative requirements
 - approved capital works programs

Funds may be used for:

- Operation and maintenance of sewerage services
- Capital works, including:
 - asset replacement
 - upgrades
 - network expansion
- Expenditure in accordance with:
 - Asset Management Plans
 - Long-Term Financial Plan
 - IP&R framework

Restriction Requirement

All funds are externally restricted and must be applied solely to:

- Sewerage operations
- Sewer infrastructure
- Associated regulatory and service delivery requirements

Council has no discretion to use these funds for general purposes.

Target Balance

The Sewer Fund does not operate to a fixed balance target.

Instead, the funding objective is:

To maintain a financial position sufficient to support long-term service delivery, asset renewal and financial sustainability, as defined in adopted Asset Management Plans and the Long-Term Financial Plan.

This includes:

- adequate cash reserves
- lifecycle funding capacity

- liquidity to meet operational and capital requirements

Maturity/Time Horizon

The Sewer Fund operates over a **long-term, rolling planning horizon (typically 30 years)**.

Investments must be structured to:

- align with long-term cashflow requirements
- support staged asset renewal programs
- maintain sufficient liquidity for operational needs
- comply with Council's Treasury Policy for Investments

A **maturity laddering approach** should be applied to balance:

- return on funds
- liquidity requirements
- long-term capital delivery

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Restricted Infrastructure Funds**

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the *Local Government Act 1993* and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the *Treasury Policy on Reserves and Restrictions*, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This fund supports:

- Delivery of essential sewerage services
- Long-term infrastructure planning
- Sustainable pricing and financial management
- Compliance with regulatory requirements

Budgetary Impact and Risk Management

The Sewer Fund supports:

- Financial sustainability of sewer services
- Predictable funding of infrastructure renewal
- Avoidance of sudden rate shocks or funding gaps
- Mitigation of risks including:
 - Environmental non-compliance
 - asset failure or system breakdown
 - underfunded infrastructure

5. Governance and Financial Management

Legislative and Regulatory Compliance

The Sewer Fund must be managed in accordance with:

- *Local Government Act 1993*
- Relevant sewer pricing and regulatory frameworks
- Asset management and financial planning requirements

Residual Funds

All funds remain within the Sewer Fund and must be retained for:

- ongoing service delivery
- asset renewal and replacement

Review Cycle

This Charter must be reviewed periodically to ensure alignment with:

- Asset Management Plans
- Long-Term Financial Plan
- Regulatory requirements
- Service delivery standards

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the fund is fully cash-backed by actual investments
- financial sustainability is maintained over the long term
- sufficient liquidity is available to meet:
 - operational requirements
 - capital works programs
- funds are applied strictly for:
 - sewer service delivery
 - infrastructure purposes
- investment structures align with:
 - long-term cashflow forecasting
 - asset lifecycle funding requirements

6. Compliance & Version Control

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Reserve Operating Charter

Water Fund (Statutory)

1. Reserve Overview

Reserve Name	Water Fund (Statutory)
Reserve Type	External Restriction – Statutory Utility Fund
Classification	Externally Restricted
Fund	Water Fund
Legislative / Contractual Basis	Local Government Act 1993 and relevant water pricing and regulatory frameworks
Primary Purpose	Fund the delivery, operation, maintenance and renewal of water supply services
Strategic / Program Alignment	Water Asset Management Plan and Long-Term Financial Plan
Investment Policy Classification	Long Term Strategic and Restricted Infrastructure Fund
Interest Treatment	Retained
Responsible Directorate	Utilities
Established	Ongoing statutory requirement
Council Minute	Not applicable (statutory requirement)

2. Purpose and Objectives

Core Purpose Statement:

The Water Fund is established to ensure the financially sustainable delivery of water supply services, including the operation, maintenance, renewal and upgrade of water infrastructure over the long term.

Strategic Rationale:

This fund ensures that:

- Water supply services are financially self-sustaining
- Infrastructure is maintained and renewed in line with lifecycle requirements
- Pricing and revenue support long-term service delivery
- Council meets its obligations under relevant legislative and regulatory frameworks

3. Operating Parameters

Funding Mechanism (In)

The Water Fund is funded through:

- User charges and fees for water services
- Statutory charges and levies
- Contributions and grants for water infrastructure
- Interest earned on the Fund

Utilisation Mechanism (Out)

Funds may only be drawn:

- In accordance with:
 - legislative requirements
 - approved capital works programs

Funds may be used for:

- Operation and maintenance of water supply services
- Capital works, including:
 - asset replacement
 - upgrades
 - network expansion
- Expenditure in accordance with:
 - Asset Management Plans
 - Long-Term Financial Plan
 - IP&R framework

Restriction Requirement

All funds are externally restricted and must be applied solely to:

- Water supply operations
- Water infrastructure
- Associated regulatory and service delivery requirements

Council has no discretion to use these funds for general purposes.

Target Balance

The Water Fund does not operate to a fixed balance target.

Instead, the funding objective is:

To maintain a financial position sufficient to support long-term service delivery, asset renewal and financial sustainability, as defined in adopted Asset Management Plans and the Long-Term Financial Plan.

This includes:

- adequate cash reserves
- lifecycle funding capacity

- liquidity to meet operational and capital requirements

Maturity/Time Horizon

The Water Fund operates over a **long-term, rolling planning horizon (typically 30 years)**.

Investments must be structured to:

- align with long-term cashflow requirements
- support staged asset renewal programs
- maintain sufficient liquidity for operational needs
- comply with Council's Treasury Policy for Investments

A **maturity laddering approach** should be applied to balance:

- return on funds
- liquidity requirements
- long-term capital delivery

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Restricted Infrastructure Funds**

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the *Local Government Act 1993* and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the *Treasury Policy on Reserves and Restrictions*, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This fund supports:

- Delivery of essential water supply services
- Long-term infrastructure planning
- Sustainable pricing and financial management
- Compliance with regulatory requirements

Budgetary Impact and Risk Management

The Water Fund supports:

- Financial sustainability of water services
- Predictable funding of infrastructure renewal
- Avoidance of sudden rate shocks or funding gaps
- Mitigation of risks including:
 - Drinking water quality or environmental non-compliance
 - asset failure or system breakdown
 - underfunded infrastructure

5. Governance and Financial Management

Legislative and Regulatory Compliance

The Water Fund must be managed in accordance with:

- *Local Government Act 1993*
- Relevant water pricing and regulatory frameworks
- Asset management and financial planning requirements

Residual Funds

All funds remain within the Water Fund and must be retained for:

- ongoing service delivery
- asset renewal and replacement

Review Cycle

This Charter must be reviewed periodically to ensure alignment with:

- Asset Management Plans
- Long-Term Financial Plan
- Regulatory requirements
- Service delivery standards

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the fund is fully cash-backed by actual investments
- financial sustainability is maintained over the long term
- sufficient liquidity is available to meet:
 - operational requirements
 - capital works programs
- funds are applied strictly for:
 - water service delivery
 - infrastructure purposes
- investment structures align with:
 - long-term cashflow forecasting
 - asset lifecycle funding requirements

6. Compliance & Version Control

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Reserve Operating Charter

Stormwater Management (Statutory)

1. Reserve Overview

Reserve Name	Stormwater Management
Reserve Type	External Restriction – Statutory Service Charge Fund
Classification	Externally Restricted
Fund	General Fund
Legislative / Contractual Basis	Local Government Act 1993 – Stormwater Management Service Charge
Primary Purpose	Fund construction, management and maintenance of stormwater drainage infrastructure
Strategic / Program Alignment	Stormwater Management Program and Drainage Capital Works Program
Investment Policy Classification	Short–Medium to Long Term Restricted Infrastructure Fund
Interest Treatment	Retained
Responsible Directorate	Infrastructure & Operations
Established	Ongoing statutory service charge
Council Minute	Not applicable (statutory requirement)

2. Purpose and Objectives

Core Purpose Statement:

The Stormwater Management Fund is established to ensure the sustainable funding of stormwater drainage infrastructure and services, including construction, maintenance and improvement of drainage systems.

Strategic Rationale:

This fund ensures that:

- Stormwater infrastructure is effectively managed and maintained
- Service charge revenue is applied to drainage-related works only
- Council can deliver planned and reactive stormwater improvements
- Long-term risks associated with drainage capacity and performance are managed

3. Operating Parameters

Funding Mechanism (In)

The Stormwater Fund is funded through:

- Revenue from the Stormwater Management Service Charge
- Interest earned on the Fund

Utilisation Mechanism (Out)

Funds may only be used for:

- Construction of stormwater infrastructure
- Maintenance and renewal of drainage systems
- Stormwater management projects, including:
 - flood mitigation works (where applicable)
 - drainage improvements
- Expenditure in accordance with:
 - Council's stormwater and drainage programs
 - approved capital works programs

Restriction Requirement

All funds are externally restricted and must be applied solely to:

- Sewerage drainage infrastructure
- Stormwater-related services and projects

Council has no discretion to use these funds for general purposes.

Target Balance

The Stormwater Fund does not operate to a fixed balance target.

Instead, the funding objective is:

To maintain a sufficient balance to support ongoing stormwater service delivery, asset maintenance and planned drainage improvement works

This includes:

- accumulated service charge revenue
- timing of infrastructure delivery
- planned and reactive works requirements

Maturity/Time Horizon

The Stormwater Fund operates across a **short to medium-term horizon**, with some longer-term capital planning elements.

Investments must be structured to:

- maintain appropriate liquidity for:
 - operational maintenance
 - planned capital works

- align with expected expenditure timing
- comply with Council's Treasury Policy for Investments

Where project timing is uncertain:

- a **conservative investment approach** must be adopted

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Short to Medium Term Restricted Infrastructure Funds**

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the *Local Government Act 1993* and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the *Treasury Policy on Reserves and Restrictions*, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This fund supports:

- Drainage and stormwater infrastructure programs
- Local flood risk and water management initiatives
- Sustainable management of urban runoff

Budgetary Impact and Risk Management

The Stormwater Fund supports:

- Dedicated funding for drainage infrastructure
- Improved planning and delivery of stormwater works
- Reduction of reliance on general revenue
- Mitigation of risks including:
 - drainage system failure
 - localised flooding impacts
 - deterioration of infrastructure

5. Governance and Financial Management

Legislative and Regulatory Compliance

The Stormwater Fund must be managed in accordance with:

- *Local Government Act 1993* (Stormwater Management Service Charge provisions)
- Relevant Council policies and programs

Residual Funds

All funds remain within the Stormwater Fund and must be retained for:

- Future stormwater and drainage works
- ongoing service delivery

Review Cycle

This Charter must be reviewed periodically to ensure alignment with:

- stormwater management programs
- capital works planning
- service delivery requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the fund is fully cash-backed by actual investments
- sufficient liquidity is maintained to meet operational requirements and planned and reactive works
- funds are strictly applied to stormwater infrastructure and drainage-related services
- investment structures align with cashflow forecasting and project delivery timing

6. Compliance & Version Control

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1.0		Initial version	



Reserve Operating Charter

Specific Purpose Operating Grants – General Fund

1. Reserve Overview

Reserve Name	Specific Purpose Unexpended Grants – General Fund
Reserve Type	External Restriction – Grant Holding Reserve
Classification	Externally Restricted
Fund	General Fund
Legislative / Contractual Basis	Grant funding agreements and applicable legislation
Primary Purpose	Hold unspent grant and contribution proceeds for specific purposes
Strategic / Program Alignment	Various – aligned to individual grant-funded programs and projects
Investment Policy Classification	Operating Liquidity / Short-Term Restricted Funds
Interest Treatment	Conditional
Responsible Directorate	Business, Cultural and Financial Services
Established	Ongoing
Council Minute	Not applicable (externally imposed restriction)

2. Purpose and Objectives

Core Purpose Statement:

The Specific Purpose Unexpended Grants Reserve is established to hold unspent grant and contribution funds that are externally restricted to specific projects, programs or activities, ensuring they are applied in accordance with funding agreements.

Strategic Rationale:

This reserve ensures that:

- Grant funding is quarantined from general operations
- Funds are applied strictly in accordance with external funding conditions
- Financial reporting reflects unspent obligations
- Council maintains compliance with legislative and contractual requirements

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Unspent grant and contribution proceeds received:
 - in the current financial year; or
 - carried forward from previous financial years
- Interest earned on restricted funds (where required by the funding agreement or legislation)

Utilisation Mechanism (Out)

Funds may only be drawn for expenditure on the **specific projects, programs or activities** for which the funding was provided in accordance with grant funding agreements, legislative requirements, and approved project budgets

Target Balance

The target balance is equal to the **total unspent externally restricted grant funding** at the reporting date

The balance fluctuates based on funding received and project expenditure

Maturity/Time Horizon

This reserve operates over a **short to medium-term horizon**, aligned with the delivery timing of funded projects.

Investments must be structured to:

- Maintain high liquidity, ensuring funds are available when required
- Reflect project delivery schedules and expected drawdown timing
- Comply with Council's Treasury Policy for Investments

Where project timing is uncertain funds must be held in highly liquid or short-duration investments

The Responsible Accounting Officer (RAO) must incorporate this reserve into short-term cashflow forecasts, and ensure investment maturities align with anticipated expenditure

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Operating Liquidity and Short-Term Restricted Funds**.

Interest Treatment

Interest is credited to this fund only where the relevant funding agreement requires interest earned on unspent funds to be applied to the funded purpose. Where the agreement is silent or permits otherwise, interest is credited to unrestricted general revenue. The treatment applying to each grant is determined when the funds are received and recorded against that grant.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Delivery of grant-funded initiatives across Council services
- Implementation of the Community Strategic Plan and Delivery Program

- Externally funded infrastructure, services and community outcomes

Budgetary Impact and Risk Management

This reserve supports:

- Accurate recognition of unspent grant funding liabilities
- Clear separation between restricted and unrestricted funds
- Compliance with grant conditions and reporting obligations
- Mitigation of risk associated with misapplication of funds, grant non-compliance, and audit findings

5. Governance and Financial Management**External Restriction Requirement**

Funds held within this reserve are externally restricted and must be applied strictly in accordance with grant funding agreements and governing legislation

Council has no discretion to vary the purpose of these funds.

Residual Funds

Residual funds must remain restricted until applied to the intended purpose or returned to the funding provider (where required)

Review Cycle

This Charter must be reviewed regularly to ensure alignment with:

- active grant agreements
- project delivery schedules
- financial reporting requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the reserve is fully cash-backed at all times
- funds are separately identifiable within Council's financial systems
- sufficient liquidity is maintained to meet funding obligations
- funds are applied strictly in accordance with:
 - grant agreements
 - approved project budgets
- investment structures align with:
 - the short-term nature of the reserve
 - project-based drawdown requirements

6. Compliance & Version Control

Document Title	Reserve Operating Charter – Specific Purpose Unexpended Grants (General Fund)
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Author	

7. Version History

Version	Date	Description of Changes	Author
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8.

DRAFT



Reserve Operating Charter

Waste Services Reserve

1. Reserve Overview

Reserve Name	Waste Reserve
Reserve Type	Infrastructure Lifecycle + Regulated Revenue
Classification	Internal Restriction (Externally Constrained + Strategic Infrastructure)
Fund	General Fund (Waste Services)
Legislative / Contractual Basis	Local Government Act 1993 (NSW) – Domestic Waste Management Charges
Primary Purpose	Funding waste infrastructure lifecycle and landfill replacement
Strategic / Program Alignment	Waste Strategy – Landfill Replacement Program (2027/28)
Investment Policy Classification	Long Term Strategic and Infrastructure Fund
Interest Treatment	Retained
Responsible Directorate	Utilities
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Waste Reserve is established to fund the operation, maintenance, upgrade and eventual replacement of Council's waste management infrastructure, including landfill facilities, in accordance with legislative requirements and long-term asset planning.

Strategic Rationale:

This reserve has been established to:

- Ensure funds raised through waste management charges are applied in accordance with legislative requirements
- Support the long-term sustainability of waste management infrastructure
- Provide funding for major capital works, including landfill upgrades and replacement
- Smooth the financial impact of significant infrastructure investment
- Maintain compliance with environmental and regulatory obligations

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Revenue from waste-related charges, including:
 - Kerbside collections
 - Waste disposal charges (landfill usage)
- Interest earned on reserve balances

Funds collected under Domestic Waste Management and Recycling Charges must only be used for permitted waste management purposes in accordance with legislative requirements

Utilisation Mechanism (Out)

Funds may only be drawn:

- For waste-related purposes, including:
 - Landfill operations and upgrades
 - Waste infrastructure improvements
 - Environmental compliance works
 - Waste service delivery costs where permitted under legislation

Where funds originate from Domestic Waste Management and Recycling Charges:

- Expenditure must strictly comply with **legislative restrictions and pricing framework requirements**

This reserve must not be used for:

- Non-waste related purposes
- General Council expenditure

Target Balance

The target balance is dynamic and aligned to:

- Planned lifecycle and capital requirements of waste infrastructure
- Future landfill replacement and major upgrade programs

In the medium term:

- The reserve will be substantially drawn down to fund the planned landfill replacement in **2027/28 (~\$10 million)**
- Funding will comprise:
 - Reserve balance; and
 - Borrowings (loan funding)

Following completion:

- The reserve is expected to be materially depleted
- Contributions will be structured to:
 - Support loan repayments; and

- Gradually rebuild the reserve balance over time

Maturity/Time Horizon

This reserve operates across a long-term infrastructure lifecycle, encompassing accumulation, major capital drawdown, and post-project recovery phases.

Pre-Construction Phase

- Funds accumulated to support major capital works
- Investment strategy aligned to known future drawdown (landfill replacement)

Construction Phase (2027/28)

- Significant drawdown of reserve
- Increased liquidity required

Post-Construction Phase

- Reserve balance largely depleted
- Focus shifts to:
 - Supporting loan servicing
 - Rebuilding reserve through ongoing revenues

Investments must be structured to:

- Align with forecast capital expenditure timing
- Maintain sufficient liquidity for major project delivery
- Reflect transition from accumulation to depletion and rebuild

The Responsible Accounting Officer (RAO) must actively manage this reserve within long-term cashflow forecasting frameworks.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Infrastructure Funds**.

- Capital accumulation phases
- Major drawdown events
- Post-project liquidity and recovery requirements

Interest Treatment

Interest earned on the balance of this reserve is retained and credited to the reserve, as determined by Council. This treatment may be varied by resolution of Council. Interest is allocated in accordance with section 4.3 of the Treasury Policy on Reserves and Restrictions, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Long-term waste management sustainability
- Environmental protection and compliance

- Efficient delivery of essential waste services

It also ensures that infrastructure funding aligns with Council's broader waste strategy and long-term financial planning.

Budgetary Impact and Risk Management

This reserve supports:

- Funding of **major capital infrastructure (~\$10M landfill replacement)**
- Reduction of financial shock through staged accumulation
- Compliance with legislative restrictions on waste charges
- Long-term financial sustainability of waste operations

Key risks include:

- Underfunding of future landfill replacement
- Misapplication of legislatively restricted funds
- Volatility in waste revenue streams
- Borrowing exposure during infrastructure delivery

5. Governance & Financial Management

Residual Funds

Funds must remain restricted for waste management purposes unless otherwise permitted under legislation or resolved by Council.

Review Cycle

This Charter must be reviewed annually to ensure alignment with:

- Waste management strategies
- Long-Term Financial Plan
- Capital works program (including landfill replacement)
- Legislative requirements

Reporting and Compliance Monitoring

Periodic reporting must be provided on:

- Waste reserve balance and movements
- Revenue from waste charges
- Compliance with legislative restrictions on Domestic Waste Management Charges
- Funding progress toward landfill replacement
- Post-project reserve recovery and loan servicing capacity

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed at all times
- Funds are applied strictly in accordance with legislative requirements governing waste charges

- Segregation and tracking of restricted revenues (e.g. Domestic Waste Management Charges)
- Sufficient liquidity is maintained to meet:
 - Planned capital expenditure
 - Landfill replacement program requirements
 - Ongoing waste infrastructure needs
- The reserve is appropriately managed across:
 - Accumulation phase
 - Major capital drawdown
 - Post-project rebuild phase
- Borrowing arrangements associated with landfill replacement are integrated into the reserve strategy and long-term financial planning

6. Compliance & Version Control

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Reserve Operating Charter

Griffith Airport Reserve

1. Reserve Overview

Reserve Name	Griffith Airport Reserve
Reserve Type	Self-Funding Infrastructure / Business Unit Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Support the self-funding operation and lifecycle management of Griffith Airport
Strategic / Program Alignment	Asset Management and Maintenance Programs
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Sustainable Development
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Griffith Airport Reserve is established to support a self-funded financial model for airport operations, ensuring that operating revenues are sufficient to fund both ongoing operational costs and long-term asset renewal requirements.

Strategic Rationale:

Support a full cost-recovery model for airport operations

- Ensure airport-generated revenue funds both operational and capital lifecycle requirements
- Maintain the financial sustainability of airport services
- Enable structured funding of asset renewal aligned with Airport Asset Management Plans
- Avoid reliance on general rate revenue for airport operations and infrastructure

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

Annual transfer equivalent to:

- the net operating surplus generated by airport operations; and
- depreciation expense associated with airport assets

Airport revenue streams (including charges, leases and commercial income) contribute to the operating result that determines the annual transfer.

Utilisation Mechanism (Out)

Funds may only be drawn:

- For capital expenditure associated with airport assets, including:
 - asset renewal and replacement
 - infrastructure upgrades required to maintain service levels
 - works identified in Airport Asset Management and Maintenance Plans
- In accordance with:
 - approved capital works programs
 - Long-Term Financial Plan

Target Balance

The target balance is aligned to:

- the cumulative retention of:
 - annual operating surpluses; and
 - depreciation funding
- anticipated capital expenditure requirements identified in:
 - Airport Asset Management Plans
 - lifecycle renewal schedules

The reserve is expected to:

- accumulate funds over time to meet major capital renewal requirements
- fluctuate based on:
 - operating performance
 - timing of capital works

Maturity/Time Horizon

This reserve supports long-term infrastructure funding with planning horizons typically ranging from **5 to 20+ years**, reflecting the lifecycle of airport assets.

Investments must be structured to:

- support long-term accumulation of funds

- align with staged capital drawdowns
- maintain sufficient liquidity for planned capital works
- comply with Council's Treasury Policy for Investments

A **maturity laddering approach** should be applied to balance:

- return on funds
- liquidity requirements
- capital expenditure timing

The Responsible Accounting Officer (RAO) must:

- incorporate this reserve into long-term cashflow forecasts
- align investment maturities with asset renewal schedules

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Sustainable operation of Griffith Airport
- Long-term airport infrastructure planning and renewal
- Maintenance of service levels and operational capability
- Financial self-sufficiency of airport operations

Budgetary Impact and Risk Management

This reserve supports:

- elimination of reliance on general revenue for airport activities
- structured funding of major capital works
- smoothing of financial impacts from large infrastructure replacement
- mitigation of risks including:
 - asset deterioration
 - underfunded capital programs
 - operational funding shortfalls

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for airport capital works unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Airport asset management plans
- Long-Term Financial Plan
- Operating performance and pricing models

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the reserve is fully cash-backed by actual investments
- annual transfers reflect:
 - operating performance
 - depreciation funding requirements
- sufficient liquidity is maintained to meet:
 - planned capital works
 - variations in infrastructure timing
- funds are applied strictly to airport infrastructure and capital programs
- investment structures align with:
 - long-term accumulation requirements
 - forecast asset renewal expenditure

6. Compliance & Version Control

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Reserve Operating Charter

Griffith Saleyards Reserve

1. Reserve Overview

Reserve Name	Griffith Saleyards Reserve
Reserve Type	Self-Funding Infrastructure / Business Unit Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Support the self-funding operation and lifecycle management of Griffith Saleyards
Strategic / Program Alignment	Asset Management and Maintenance Programs
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Utilities
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Griffith Saleyards Reserve is established to support a self-funded financial model for saleyard operations, ensuring that operating revenues are sufficient to fund both ongoing operational costs and long-term asset renewal requirements.

Strategic Rationale:

Support a full cost-recovery model for saleyard operations

- Ensure saleyard-generated revenue funds both operational and capital lifecycle requirements
- Maintain the financial sustainability of the facility
- Enable structured funding of asset renewal aligned with Saleyards Asset Management Plans
- Avoid reliance on general rate revenue for saleyards operations and infrastructure

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Annual transfer equivalent to:
 - Net operating surplus generated by saleyard operations; and
 - depreciation expense associated with saleyard assets

Utilisation Mechanism (Out)

Funds may only be drawn:

- For capital expenditure associated with airport assets, including:
 - asset renewal and replacement
 - infrastructure upgrades
 - compliance or operational improvement works
- In accordance with:
 - Saleyards Asset Management Plan
 - Maintenance schedules
 - approved capital works programs

Target Balance

The target balance is aligned to:

- the cumulative retention of:
 - annual operating surpluses; and
 - depreciation funding
- anticipated capital expenditure requirements identified in:
 - asset renewal
 - compliance upgrades
 - operational improvements

The reserve is expected to:

- accumulate funds over time to meet major lifecycle works
- fluctuate based on:
 - operating performance
 - timing of capital expenditure

Maturity/Time Horizon

This reserve supports long-term infrastructure funding with planning horizons typically ranging from **5 to 15+ years**, reflecting the lifecycle of saleyard assets.

Investments must be structured to:

- support long-term accumulation of funds
- align with staged capital drawdowns
- maintain sufficient liquidity for planned capital works

- comply with Council's Treasury Policy for Investments

A **maturity laddering approach** should be applied to balance:

- return on funds
- liquidity requirements
- capital expenditure timing

The Responsible Accounting Officer (RAO) must:

- incorporate this reserve into long-term cashflow forecasts
- align investment maturities with asset renewal schedules

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Sustainable operation of Griffith Saleyards
- Long-term infrastructure planning and renewal
- Maintenance of service levels for livestock operations
- Financial self-sufficiency of the facility

Budgetary Impact and Risk Management

This reserve supports:

- elimination of reliance on general revenue funding
- structured funding of major capital works
- smoothing of financial impacts from large infrastructure replacement
- mitigation of risks including:
 - asset deterioration
 - compliance failures (animal welfare/biosecurity)
 - operational funding due to underinvestment

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for saleyards capital works unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Saleyards asset management plans
- Long-Term Financial Plan
- Operating performance and pricing models

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- the reserve is fully cash-backed by actual investments
- annual transfers reflect:
 - operating performance
 - depreciation funding requirements
- sufficient liquidity is maintained to meet:
 - planned capital works
 - variations in infrastructure timing
- funds are applied strictly to saleyards infrastructure and capital programs
- investment structures align with:
 - long-term accumulation requirements
 - forecast asset renewal expenditure

6. Compliance & Version Control

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7. Version History

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Reserve Operating Charter

Community Centre Sinking Fund Reserve

8. General Information

Reserve Name	Community Centre Sinking Fund Reserve
Reserve Type	Sinking Fund (Income-Generating Asset)
Classification	Internal Restriction (Sinking Fund)
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding long-term renewal and replacement of community centre assets
Strategic / Program Alignment	Asset Management Plans – Community Centre Lifecycle Renewal
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Sustainable Development
Established	[Insert Date]
Council Minute	[Insert]

9. Purpose and Objectives

Core Purpose Statement:

The Commercial Centre Sinking Fund is established to fund the planned future renewal and replacement of commercial property assets, ensuring these income-generating facilities remain functional, compliant and financially sustainable over their lifecycle.

Strategic Rationale:

Provide a structured and predictable funding source for major lifecycle renewals of commercial assets

- Support a self-funding model, where income generated from commercial operations contributes to long-term asset sustainability
- Align funding with the consumption and replacement cycle of building components
- Avoid large, irregular capital funding demands on Council's budget
- Protect and sustain Council's income-generating asset base

10. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Net income generated from commercial centre operations, including:
 - Rental income from long-term leases
 - Other commercial income streams associated with the asset
 - Less operating, maintenance and management costs
- Any additional contributions determined through Council's budget process

Utilisation Mechanism (Out)

Funds may only be drawn:

- For **planned renewal or replacement of major building components** (e.g. structural works, services, refurbishments)
- In accordance with Asset Management Plans or approved capital works programs

This reserve must not be used for:

- Routine maintenance or operational costs
- New developments, expansions or upgrades beyond like-for-like replacement

Any variation must be supported by a business case and approved by Council.

Target Balance

The target balance is aligned to the **forecast lifecycle renewal requirements** of the commercial centre as identified in Asset Management Plans.

Funding contributions should ensure that:

- Net operating income supports long-term renewal requirements
- The reserve remains sufficient to meet known future renewal liabilities

The balance is to be reviewed annually and adjusted based on:

- Asset condition assessments
- Lifecycle forecasts
- Income performance of the asset

Maturity/Time Horizon

The reserve supports lifecycle renewal programs with planning horizons typically ranging from **5 to 20+ years**, reflecting building component replacement cycles.

Investments must be structured to:

- Reflect long-term accumulation and staged drawdowns
- Maintain sufficient liquidity for known renewal events
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

A **maturity laddering strategy** should be applied to optimise returns while ensuring funds are available when required.

The Responsible Accounting Officer (RAO) must incorporate this reserve into long-term cashflow forecasts and align investment maturities with planned renewal expenditure.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

11. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Ongoing functionality, safety and compliance of community facilities
- Long-term sustainability of Council's built infrastructure

Budgetary Impact and Risk Management

This reserve supports:

- Sustainable funding of major capital renewal works
- Protection of Council's commercial income streams
- Reduction of financial shocks associated with major asset replacement
- Improved long-term asset and financial planning

12. Strategic Intention

Residual Funds

As a sinking fund, balances are retained and accumulated for future scheduled renewal requirements and must not be diverted without Council approval.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Asset Management Plans
- Long-Term Financial Plan
- Lifecycle modelling assumptions

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned renewal works
 - Timing variations in asset replacement
- Funds are applied strictly in accordance with:

- Asset Management Plans
 - Approved renewal programs
- Investment structures align with:
 - Long-term accumulation requirements
 - Forecast lifecycle expenditure

13. Compliance & Version Control

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Reserve Operating Charter

St Vincent's Private Hospital Sinking Fund Reserve

1. Reserve Overview

Reserve Name	St Vincent's Private Hospital Sinking Fund Reserve
Reserve Type	Contractual Sinking Fund Reserve
Classification	Internal Restriction (Externally Constrained – Lease Obligation / Sinking Fund)
Fund	General Fund
Legislative / Contractual Basis	Agreement for Lease & Lease – St Vincent's Private Hospital
Primary Purpose	Funding long-term renewal, replacement and major maintenance of hospital infrastructure
Strategic / Program Alignment	Lease Obligation – Private Hospital Lifecycle Renewal
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Sustainable Development
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The St Vincent's Private Hospital Sinking Fund is established to accumulate and manage funds required to meet Council's obligations for the future renewal, replacement and major maintenance of the Private Hospital and associated facilities in accordance with the lease agreement.

Strategic Rationale:

This reserve has been established to:

- Comply with Council's contractual obligations under the Lease with St Vincent's & Mater Health Sydney Ltd
- Provide a structured and sustainable funding source for long-term lifecycle renewal of hospital infrastructure
- Ensure the ongoing functionality, compliance and safety of a critical health asset

- Support a disciplined, asset lifecycle-based funding model consistent with sinking fund principles
- Avoid significant unplanned capital expenditure impacts on Council

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Annual **Sinking Fund Contributions** paid by the tenant (St Vincent's), being:
 - **\$50,000 per annum (plus GST)** at commencement
 - Adjusted annually in accordance with CPI under the lease
- Additional contributions where required to restore the fund to its target balance

The tenant is required to continue contributions:

- Until the fund reaches the agreed target balance
- And recommence contributions where the balance falls below target

Utilisation Mechanism (Out)

Funds may only be drawn:

- For purposes permitted under the lease, including:
 - Major repairs and maintenance
 - Replacement of building components
 - Structural and capital works
 - Renewal of plant and infrastructure
 - Building-related obligations of the landlord

The fund **must not** be used for:

- Routine operational maintenance
- Tenant responsibilities
- New works or expansion beyond replacement scope

Use of the fund is strictly limited to landlord lifecycle obligations under the lease.

Target Balance

The target balance is:

- **\$500,000 (indexed annually by CPI)** under the lease agreement

The reserve must:

- Accumulate to this level over time
- Be replenished if it falls below the target

This target reflects:

- Expected long-term renewal liabilities
- Lease-driven funding requirements

Maturity/Time Horizon

The reserve supports lifecycle funding aligned to **10 to 20+ year horizons**, consistent with building component cycles and lease duration

Investments must be structured to:

- Support long-term accumulation and periodic drawdowns
- Align with forecast renewal events
- Maintain liquidity for major works as required

A **laddered investment approach with longer-duration exposure** should be applied where appropriate.

The Responsible Accounting Officer (RAO) must incorporate this reserve into long-term cashflow forecasting and align investment maturities accordingly.

Investment Policy Alignment

Funds held within this reserve must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to Long Term Strategic and Reserve Funds.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Long-term sustainability of critical health infrastructure
- Council's role in providing enabling infrastructure for regional health services
- Financial sustainability through structured asset funding

Budgetary Impact and Risk Management

This reserve supports:

- Compliance with legally binding lease obligations
- Mitigation of risks associated with asset failure or regulatory non-compliance
- Avoidance of significant unplanned capital expenditure
- Protection of Council's long-term asset position

Failure to adequately fund or manage this reserve may result in:

- Lease non-compliance
- Financial liability exposure
- Asset condition deterioration

5. Governance and Financial Management

Residual Funds

Funds must remain restricted to lease-compliant purposes unless otherwise varied by formal agreement or Council resolution consistent with contractual obligations

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Lease requirements
- Long-Term Financial Plan
- Asset condition and lifecycle planning

Reporting and Compliance Monitoring

Periodic reporting must be provided on:

- Sinking fund balance vs target level
- Contributions received and indexed adjustments
- Expenditure against lease-permitted purposes
- Alignment with lifecycle renewal requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Funds are applied strictly in accordance with:
 - Lease obligations
 - Approved lifecycle renewal requirements
- Sufficient liquidity is maintained to meet:
 - Planned renewal works
 - Unexpected major asset requirements
- Investment structures align with:
 - Long-term accumulation requirements
 - Forecast drawdown for renewal works

6. Compliance & Version Control

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Reserve Operating Charter

Arts and Culture Reserve

1. Reserve Overview

Reserve Name	Arts and Culture Reserve
Reserve Type	Strategic Infrastructure / Cultural Projects Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding Council's contribution to cultural infrastructure upgrades and improvements
Strategic / Program Alignment	Cultural Precinct Masterplan
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Business, Cultural & Financial Services
Established	8 June 2021
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Arts and Culture Reserve is established to fund Council's contribution to improvements and upgrades to cultural facilities.

Strategic Rationale:

This reserve has been established to:

- Provide a dedicated funding source for cultural infrastructure projects
- Enable Council to co-contribute and match government grant funding opportunities
- Support the enhancement of community cultural assets
- Enable planned investment in arts and cultural facilities without reliance on ad hoc funding

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise General funds allocated as available through Council's budget process

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on cultural infrastructure and facility improvements
- As co-contributions required to secure external grant funding
- In accordance with Council's adopted budget or by specific Council resolution

This reserve must not be used for:

- General operational expenditure
- Non-strategic or minor works not aligned with cultural infrastructure outcomes

Target Balance

The target balance is aligned to the total estimated Council contribution required for identified cultural infrastructure projects.

The balance is to be reviewed annually and adjusted based on project scope and delivery timing.

Maturity/Time Horizon

The reserve supports improvement works with planning and delivery horizons typically ranging from **2 to 7 years**, depending on project scale and funding opportunities.

Investments must be structured to:

- Reflect forecast expenditure timing for planned works
- Maintain appropriate liquidity as project delivery approaches
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to Long Term Strategic and Reserve Funds.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy

- Investment in cultural infrastructure and community facilities
- Enhancement of community access to arts and cultural experiences

Budgetary Impact and Risk Management

This reserve supports:

- Planned and sustainable funding of cultural infrastructure projects
- Reduction of reliance on opportunistic funding
- Improved financial planning for community asset development
- Capacity to respond to external funding opportunities

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for future cultural infrastructure projects and co-contribution requirements unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Cultural infrastructure priorities
- Grant funding opportunities and project delivery schedules.

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned project commitments
 - Co-contribution requirements
 - Variations in project timing
- Funds are applied strictly in accordance with:
 - Approved cultural infrastructure programs
 - Council resolutions
- Investment structures align with:
 - Forecast project expenditure timing
 - Medium-term capital delivery requirements

6. Compliance & Version Control

Document Title	Reserve Operating Charter – Arts and Culture Reserve
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7. Version History

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Reserve Operating Charter

Floodplain and Drainage Mitigation Reserve

1. Reserve Overview

Reserve Name	Floodplain and Drainage Mitigation Reserve
Reserve Type	Strategic Infrastructure Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding floodplain and drainage mitigation works
Strategic / Program Alignment	Floodplain Risk Management Plans and Capital Works Programs
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Utilities/Infrastructure & Operations
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Floodplain & Drainage Mitigation Reserve is established to fund planned capital works, projects and initiatives aimed at reducing flood risk and improving drainage infrastructure across the local government area.

This reserve operates separately from the Stormwater Management Fund, which is funded through a statutory service charge. This reserve supports broader floodplain and drainage initiatives funded through Council allocations and strategic programs.

Strategic Rationale:

This reserve has been established to:

- Ensure funds raised under the Stormwater Management Services Charge (s496A) are applied for their intended purpose
- Provide a sustainable funding source for stormwater infrastructure and flood mitigation works
- Support delivery of Council's floodplain risk management and stormwater strategies
- Enable proactive investment in drainage upgrades and risk reduction initiatives

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- General fund allocations through Council's annual budget process
- Contributions provided to support floodplain and drainage mitigation works
- External grant funding where applicable

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on drainage infrastructure and flood mitigation works
- In accordance with Council's adopted capital works program, floodplain risk management plans, or by specific Council resolution

This reserve must not be used for general infrastructure or unrelated capital works.

Target Balance

The target balance is aligned to:

- Planned floodplain and drainage mitigation works identified in:
 - Floodplain Risk Management Studies and Plans
 - Capital Works Programs
 - Long-Term Financial Plan

The balance is to be reviewed annually and adjusted in line with project delivery schedules, risk profiles and funding inflows.

Maturity/Time Horizon

The reserve supports asset renewal programs with planning and delivery horizons typically ranging from **2 to 7 years**, based on long-term asset management planning.

Investments must be structured to:

- Reflect forecast expenditure timing for drainage and flood mitigation works
- Maintain appropriate liquidity for project delivery and emerging flood or stormwater risk responses
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing or risk response requirements are uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Environmental resilience and climate adaptation initiatives
- Management of flood risk and protection of community assets
- Delivery and maintenance of essential stormwater infrastructure

Budgetary Impact and Risk Management

This reserve supports:

- Compliance with the legislative intent of the Stormwater Management Services Charge
- Long-term planning and delivery of flood mitigation infrastructure
- Reduction of financial risk associated with flood events and infrastructure failures
- Capacity to respond to emerging stormwater and drainage risks

5. Governance and Financial Management

Residual Funds

Unspent funds must remain restricted for stormwater management and flood mitigation purposes consistent with the Stormwater Management Services Charge unless otherwise permitted by legislation or resolved by Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Stormwater and floodplain risk management plans
- Council's Long-Term Financial Plan
- Legislative requirements under Section 496A

Reporting and Compliance Monitoring

This reserve is distinct from statutory stormwater funding arrangements. Funds collected under the Stormwater Management Service Charge are held and managed separately and must not be transferred into or from this reserve.

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to:
 - Support planned capital works

- Respond to emergent stormwater and flood events
- Investment structures align with:
 - Forecast project delivery timing
 - Risk-based funding requirements

6. Compliance & Version Control

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Reserve Operating Charter

Corporate Facilities Reserve

1. Reserve Overview

Reserve Name	Corporate Facilities Reserve
Reserve Type	Infrastructure Lifecycle / Corporate Facilities Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding upgrades and improvements to Council's core workplace facilities
Strategic / Program Alignment	Corporate Asset Management – Workplace Facilities Program
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Sustainable Development
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The GCC Facilities Reserve is established to fund future improvements and upgrades to Council's core workplace facilities, including the Administration Office and Depot.

Strategic Rationale:

This reserve has been established to:

- Provide a dedicated funding source for workplace improvements
- Support safe, functional and efficient working environments
- Enable planned upgrades without reliance on ad hoc operational funding

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise general funds allocated as available through Council's budget processes

Utilisation Mechanism (Out)

Funds may only be drawn:

- For approved upgrades and improvements to core Council workplaces, including the Administration Office and Depot
- In accordance with Council's adopted budget or by specific Council resolution

This reserve must not be used for routine operational expenditure or minor maintenance not aligned with planned improvement programs.

Target Balance

The target balance is sufficient to fund planned improvement works as identified through Council's asset management and capital planning processes.

The balance is to be reviewed annually and adjusted to reflect updated project priorities.

Maturity/Time Horizon

The reserve supports improvement works with planning and delivery horizons typically ranging from **2 to 7 years**, depending on the nature and timing of projects.

Investments must be structured to:

- Reflect forecast expenditure timing for planned works
- Maintain appropriate liquidity as project delivery approaches
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Maintenance and improvement of Council's operational infrastructure

- Provision of safe, functional and efficient workplace environments

Budgetary Impact and Risk Management

This reserve supports:

- Planned and sustainable funding of facility upgrades
- Reduction in operational disruption from deferred maintenance
- Improved risk management relating to workplace safety and asset condition
- Enhanced long-term planning of corporate infrastructure

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for future workplace improvements unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Asset management priorities
- Capital works planning

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned facility upgrade works
 - Variations in project timing
- Funds are applied strictly in accordance with:
 - Approved capital works programs
 - Council resolutions
- Investment structures align with:
 - Forecast expenditure timing
 - Medium-term infrastructure planning

6. Compliance & Version Control

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Reserve Operating Charter

Griffith Pioneer Park Museum Reserve

1. Reserve Overview

Reserve Name	Griffith Pioneer Park Museum Reserve
Reserve Type	Infrastructure Lifecycle / Cultural Asset Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding upkeep, renewal and strategic improvement of Pioneer Park Museum
Strategic / Program Alignment	Griffith Pioneer Park Museum Strategic Plan
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Business, Cultural & Financial Services
Established	June 2021
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Griffith Pioneer Park Museum Reserve is established to fund the upkeep, renewal and strategic improvement of the Pioneer Park Museum, ensuring the preservation and ongoing enhancement of this key cultural and heritage asset.

Strategic Rationale:

This reserve has been established to:

- Provide a dedicated funding source for the ongoing upkeep and improvement of Pioneer Park Museum
- Support preservation of heritage assets and community cultural infrastructure
- Enable planned investment in strategic upgrades and maintenance works
- Avoid reliance on ad hoc operational funding for museum-related projects

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Initial allocation of **\$100,000 resolved by Council (June 2021)**
- Future general fund allocations as determined through Council's budget process

Utilisation Mechanism (Out)

Funds may only be drawn:

- For upkeep, renewal, restoration and improvement works associated with Pioneer Park Museum
- For strategic projects that enhance the value, functionality or preservation of the facility
- In accordance with Council's adopted budget or by specific Council resolution

Target Balance

The target balance is sufficient to support:

- Planned upkeep and renewal works
- Identified strategic improvement projects for the museum

The balance is to be reviewed annually and adjusted based on asset condition, project priorities and long-term planning.

Maturity/Time Horizon

The reserve supports asset renewal and improvement programs with planning and delivery horizons typically ranging from **2 to 7 years**, based on long-term asset management planning.

Investments must be structured to:

- Reflect forecast expenditure timing for maintenance and improvement works
- Maintain appropriate liquidity for project delivery and emerging risk responses
- Comply with the liquidity, risk and duration parameters of the Treasury Policy for Investments

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Preservation and enhancement of cultural heritage assets
- Community access to historical and cultural experiences

Budgetary Impact and Risk Management

This reserve supports:

- Sustainable funding of heritage asset upkeep and improvements
- Reduction of risk associated with asset deterioration
- Improved long-term planning for cultural infrastructure
- Protection of Council's investment in a significant community asset

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for Pioneer Park Museum purposes unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Asset condition and maintenance programs
- Strategic priorities for the museum

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned upkeep and renewal works
 - Variations in project timing
- Funds are applied strictly in accordance with:
 - Approved budgets
 - Council resolutions
- Investment structures align with:
 - Forecast maintenance and renewal expenditure
 - Medium-term asset lifecycle requirements

6. Compliance & Version Control

Document Title	Reserve Operating Charter – Griffith Pioneer Park Museum Reserve
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Reserve Operating Charter

Lake Wyangan Water Quality Reserve

1. Reserve Overview

Reserve Name	Lake Wyangan Water Quality Reserve
Reserve Type	Environmental Management / Strategic Infrastructure Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding initiatives and works to improve and maintain water quality in Lake Wyangan
Strategic / Program Alignment	Environmental Sustainability – Lake Wyangan Water Quality Program
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Sustainable Development
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Lake Wyangan Water Quality Reserve is established to fund initiatives, programs and capital works aimed at improving and maintaining water quality outcomes in Lake Wyangan.

Strategic Rationale:

This reserve has been established to:

- Provide a dedicated funding source for water quality improvement initiatives
- Support long-term environmental sustainability and regulatory compliance
- Enable proactive investment in remediation and infrastructure solutions
- Mitigate financial risk associated with potentially significant future costs

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- General funds allocated as available through Council's budget process
- Any future contributions or external funding directed toward Lake Wyangan water quality initiatives

Utilisation Mechanism (Out)

Funds may only be drawn:

- For projects, programs or capital works that directly improve water quality in Lake Wyangan
- In accordance with Council's adopted budget or by specific Council resolution

Target Balance

The target balance is sufficient to fund planned and anticipated water quality improvement works, as identified in Council's strategic plans and reviews regarding the Lake.

The balance is to be reviewed annually and adjusted in line with updated project scope, environmental requirements and funding strategies.

Maturity/Time Horizon

The reserve supports improvement works with planning and delivery horizons typically ranging from **2 to 7 years**, depending on the nature and urgency of works..

Investments must be structured to:

- Reflect forecast expenditure timing for planned works
- Maintain appropriate liquidity as project delivery approaches
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds held within this reserve must be invested in accordance with Council's Treasury Policy for

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Environmental sustainability and protection of natural assets
- Responsible water resource management
- Long-term ecological health of Lake Wyangan

Budgetary Impact and Risk Management

This reserve supports:

- Long-term financial planning for environmental infrastructure and remediation
- Mitigation of financial shocks from large, unplanned environmental costs
- Improved capacity to respond to regulatory or environmental risks
- Staged and sustainable funding of high-value works

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for Lake Wyangan water quality initiatives unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Environmental management priorities
- Capital works planning
- Regulatory and compliance requirements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned environmental works
 - Potential reactive or regulatory-driven interventions
- Funds are applied strictly in accordance with:
 - Approved environmental programs
 - Council resolutions
- Investment structures align with:
 - Forecast expenditure timing
 - Medium-term environmental program delivery

6. Compliance & Version Control

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Reserve Operating Charter

Major Projects Reserve

1. Reserve Overview

Reserve Name	Major Projects Reserve
Reserve Type	Strategic Infrastructure / Capital Projects Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Providing dedicated funding for major strategic capital projects
Strategic / Program Alignment	Community Strategic Plan & Delivery Program – Major Capital Projects
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Business Cultural & Financial Services
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Major Projects Reserve is established as a dedicated internal restriction to provide absolute funding certainty for major community infrastructure and strategic capital projects. This mechanism ensures that Council's most significant long-term commitments are insulated from competing short-term operational demands.

Strategic Rationale:

This reserve has been established to:

- Provide funding certainty for large-scale capital initiatives
- Reduce reliance on general revenue for significant one-off expenditures
- Smooth the financial impact of major capital investment
- Support delivery of Council's long-term infrastructure priorities

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve are sourced from funds generated through the commercial use of specific Council assets.

Utilisation Mechanism (Out)

Funds are to be utilized solely for expenditure on strategic capital projects that have been formally adopted by Council.

Funds may only be drawn:

- For expenditure on **strategic capital projects formally adopted by Council**
- In accordance with:
 - The Long-Term Financial Plan (LTFP)
 - Delivery Program and Operational Plan; or
 - Specific Council resolution

This reserve must not be used for:

- Routine operational expenditure
- Minor capital works not classified as strategic projects

Target Balance

A target balance determined by the aggregate funding requirements of approved major projects within the Long-Term Financial Plan (LTFP), reviewed annually and adjusted in line with updated capital forecasts

Maturity/Time Horizon

This reserve supports major capital projects with medium to long-term delivery horizons, typically ranging from 2 to 7 years,

Investments must be structured to:

- Reflect forecast project expenditure timing
- Maintain adequate liquidity as delivery approaches
- Comply with the liquidity, risk and duration parameters of the Treasury Policy for Investments

Where project timing is uncertain, a shorter-duration investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into cashflow forecasts and apply maturity laddering to balance liquidity and return.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to Long Term Strategic and Reserve Funds.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Delivery of the Community Strategic Plan
- Implementation of the Resourcing Strategy
- Long-term infrastructure planning and financial sustainability

Budgetary Impact and Risk Management

This reserve supports:

- Reduction in financial volatility associated with major capital expenditure
- Protection of the General Fund from sudden capital funding pressures
- Improved planning and delivery of large-scale projects
- Mitigation of risk associated with underfunded or delayed infrastructure delivery

5. Governance and Financial Management

Residual Funds

Unexpended funds from completed projects must remain restricted within the reserve

Reallocation of funds may only occur to other approved capital priorities; or be returned to unrestricted cash through formal Council resolution

Review Cycle

This Charter must be reviewed annually to ensure alignment with:

- Long-Term Financial Plan
- Delivery Program and capital works pipeline
- Council's strategic infrastructure priorities

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Approved project delivery schedules
 - Variations in timing of capital expenditure
- Funds are applied strictly in accordance with:
 - Approved major project funding allocations
 - Council resolutions
- Investment structures align with:
 - Forecast capital expenditure timing
 - Medium to long-term project delivery profiles

6. Compliance & Version Control

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Reserve Operating Charter

Parks and Playgrounds Infrastructure Reserve

1. Reserve Overview

Reserve Name	Parks and Playgrounds Infrastructure Reserve
Reserve Type	Infrastructure Lifecycle Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding renewal of parks, gardens and playground infrastructure
Strategic / Program Alignment	Asset Management Plans – Parks & Playgrounds Renewal Program
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Infrastructure & Operations
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Parks and Playgrounds Infrastructure Reserve is established to fund the renewal of parks, gardens, and playground infrastructure in line with asset lifecycle requirements.

Strategic Rationale:

This reserve has been established to:

- Provide a sustainable funding source for parks and playground asset renewal
- Align funding with asset consumption and depreciation
- Maintain safe, functional and compliant community infrastructure
- Avoid large, irregular capital impacts on Council's budget

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Allocations made through Council's budget process to support the future asset renewal program
- Funding aligned with Asset Management Plans and lifecycle requirements

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on parks, gardens and playground asset renewal projects
- In accordance with Council's Asset Management Plans and adopted capital works program

This reserve must not be used to fund new or expanded infrastructure that increases the overall asset base unless separately approved by Council.

Target Balance

The target balance is aligned to the funding requirements identified in Council's Asset Management Plans for parks, gardens and playground infrastructure.

The balance is to be reviewed annually and adjusted to reflect asset condition, renewal forecasts and funding gaps.

Maturity/Time Horizon

The reserve supports asset renewal programs with planning and delivery horizons typically ranging from **2 to 7 years**, based on long-term asset management planning.

Investments must be structured to:

- Reflect forecast renewal expenditure timing
- Maintain appropriate liquidity to support the capital works program
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy

- Sustainable provision of parks, gardens and recreational assets
- Maintenance of safe, accessible and high-quality public open space

Budgetary Impact and Risk Management

This reserve supports:

- Sustainable funding of asset renewal programs
- Reduction in the risk of asset failure or service disruption
- Improved long-term financial planning for recreational infrastructure
- Mitigation of the backlog of renewal works

5. Strategic Intention

Residual Funds

Unspent funds remain restricted for parks and playground infrastructure renewal unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Asset Management Plans
- Council's Parks and Playground strategies
- Long-Term Financial Plan
- Capital works program priorities

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Planned asset renewal works
 - Variations in project timing
- Funds are applied strictly in accordance with:
 - Asset Management Plans
 - Approved capital works programs
- Investment structures align with:
 - Forecast renewal expenditure timing
 - Medium-term lifecycle funding requirements

6. Compliance & Version Control

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Reserve Operating Charter

Roads and Pathways Strategic Reserve

1. Reserve Overview

Reserve Name	Roads and Pathways Strategic Reserve
Reserve Type	Strategic Infrastructure / Growth Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding Council's contribution to growth-related road and pathway infrastructure
Strategic / Program Alignment	Infrastructure & Growth Planning – Transport Networks and Development Enablement
Investment Policy Classification	Long Term Strategic and Reserve Fund
Interest Treatment	Not retained
Responsible Directorate	Infrastructure & Operations
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Roads and Pathways Reserve is established to fund Council's contribution to essential road and pathway infrastructure required to support new residential and industrial development, including enabling timely delivery of works as development opportunities arise.

Strategic Rationale:

This reserve has been established to:

- Provide a dedicated funding source for growth-related transport infrastructure
- Enable Council to co-contribute to government grant-funded road projects
- Support developer-partnered infrastructure delivery, including gap funding where required
- Facilitate timely delivery of infrastructure aligned with development and growth

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- General fund allocations through Council's budget process
- Any contributions identified for strategic road and pathway infrastructure (including reallocations or project savings)

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on strategic road and pathway infrastructure
- As co-contributions required to secure external grant funding
- To support Council's share of developer-funded works, including funding gaps or enabling infrastructure
- In accordance with Council's adopted budget or by specific Council resolution.

This reserve must not be used for:

- Routine maintenance or operational expenditure
- Minor works not aligned with strategic infrastructure outcomes

Target Balance

The target balance is aligned to:

- Council's required contributions to identified and anticipated road and pathway projects
- Expected co-funding requirements for grant opportunities and development-driven works

The balance is to be reviewed annually and adjusted based on development activity, infrastructure priorities and funding opportunities.

Maturity/Time Horizon

The reserve supports improvement works with planning and delivery horizons typically ranging from **2 to 7 years**, depending on project scale and development timing.

Investments must be structured to:

- Reflect forecast expenditure timing for infrastructure projects and co-contributions
- Maintain appropriate liquidity as project delivery approaches
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Where project timing is uncertain, a conservative (shorter-duration) investment approach must be adopted.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly, including the use of maturity laddering where appropriate.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Long Term Strategic and Reserve Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- The Community Strategic Plan and Resourcing Strategy
- Delivery of transport infrastructure supporting growth, connectivity and accessibility
- Alignment between infrastructure provision and development activity

Budgetary Impact and Risk Management

This reserve supports:

- Council's ability to secure external funding through co-contributions
- Delivery of infrastructure required to support population and industrial growth
- Reduction of financial pressure from large, unplanned capital contributions
- Improved readiness to respond to time-sensitive grant opportunities and development triggers

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for strategic road and pathway infrastructure unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Infrastructure and traffic planning priorities
- Development activity and grant funding opportunities

Financial Integrity Command

The Responsible Accounting Officer (RAO) is strictly mandated to ensure this reserve is fully cash-backed by actual investments at all times. No notional or unfunded balances are permitted. The RAO must verify that the physical liquidity of Council's investment portfolio is sufficient to cover the total balance of the reserve, ensuring financial integrity and timely availability of funds aligned to project delivery schedules.

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Approved infrastructure commitments
 - Co-funding obligations

- Variations in project timing
- Funds are applied strictly in accordance with:
 - Approved capital works programs
 - Council resolutions
- Investment structures align with:
 - Forecast infrastructure delivery timing
 - Medium-term capital funding requirements

6. Compliance & Version Control

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Reserve Operating Charter

Digital Transformation Reserve

1. Reserve Overview

Reserve Name	Digital Transformation Reserve
Reserve Type	Strategic / Program Delivery Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding major ICT and digital transformation initiatives
Strategic / Program Alignment	ICT Strategy – Digital Transformation Program
Investment Policy Classification	Short to Medium Term Restricted Fund
Interest Treatment	Not retained
Responsible Directorate	Economic & Organisational Development
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Digital Transformation Reserve is established to provide a structured and sustainable funding source for major digital and ICT transformation initiatives, enabling Council to modernise systems and service delivery over time.

Strategic Rationale:

This reserve has been established to:

- Smooth funding requirements for large-scale IT and ICT projects
- Avoid significant year-to-year volatility in operational budgets
- Enable delivery of Council's adopted ICT Strategy
- Support long-term improvements in service efficiency, data capability and customer experience

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- General funds allocated as required through Council's budget process
- Any identified funding set aside for ICT transformation initiatives

Utilisation Mechanism (Out)

Funds may only be drawn:

- For expenditure on major IT and ICT initiatives
- In accordance with Council's adopted ICT Strategy, Operational Plan, or by specific Council resolution.

This reserve must not be used for:

- General operational expenditure unrelated to ICT transformation
- Non-strategic or routine ICT costs unless specifically approved

Target Balance

The target balance is sufficient to meet the funding requirements of Council's adopted ICT Strategy and transformation program.

The balance is to be reviewed annually and adjusted in line with project scope, delivery timelines and future rebuild requirements.

Annual reporting must be provided to Council on the remaining funding requirement for the transformation program and the projected timing of reserve depletion

Maturity/Time Horizon

This reserve supports a defined transformation program expected to be delivered over a **2 to 4 year period**. The reserve will be progressively drawn down as the digital transformation program is delivered.

Investments must be structured to:

- Reflect the staged rollout and expenditure profile of ICT initiatives
- Maintain adequate liquidity to meet project milestones and vendor commitments
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

As the reserve balance declines, investment durations must shorten to align with remaining program commitments.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Short to Medium Term Restricted Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Delivery of Council's ICT Strategy
- Improvements in organisational capability and service delivery
- Enhanced customer experience through digital transformation
- Efficient use of technology to support long-term sustainability

Budgetary Impact and Risk Management

This reserve supports:

- Smoothing of significant ICT capital expenditure over multiple years
- Reduction of operational budget volatility
- Improved planning and delivery of complex IT projects
- Mitigation of risk associated with underfunded or delayed system upgrades

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for ICT initiatives or future system upgrades unless reallocated by formal resolution of Council

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's ICT Strategy
- Long-Term Financial Plan
- Progress and staging of the transformation program

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - ICT project milestones
 - Vendor and contractual payment obligations
- Funds are applied strictly in accordance with:
 - Approved ICT strategies
 - Council-approved program delivery
- Investment structures are progressively adjusted to reflect:
 - Declining reserve balance
 - Remaining program commitments

6. Compliance & Version Control

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Reserve Operating Charter

Employee Leave Entitlements Reserve

1. Reserve Overview

Reserve Name	Employee Leave Entitlements Reserve
Reserve Type	Risk / Liability Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable (linked to employment obligations and accounting requirements)
Primary Purpose	Funding termination-related employee leave liabilities
Strategic / Program Alignment	Resourcing Strategy – Workforce Plan
Investment Policy Classification	Short to Medium Term Restricted Fund
Interest Treatment	Not retained
Responsible Directorate	Business, Cultural & Financial Services
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Employee Leave Entitlement Reserve is established to manage the financial risk associated with the payment of employee leave entitlements, particularly where liabilities crystallise upon termination.

Strategic Rationale:

This reserve has been established to:

- Provide financial capacity to meet termination-related leave payments
- Reduce the impact of large, unplanned leave payouts on Council's operating result and liquidity
- Support financial sustainability and workforce risk management
- Align funding with the risk profile of accrued leave liabilities, including vesting risk

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Annual allocations based on assessed leave liability risk
- Adjustments to align reserve balance with the adopted funding model

Utilisation Mechanism (Out)

Funds may only be drawn:

- For employee leave entitlements payable on termination
- Where individual or aggregated payouts materially impact operating results (guideline: >\$20,000)
- In accordance with Council's adopted budget or financial delegations

Target Balance

The target balance is determined using an **age-based funding model**, reflecting the risk of leave entitlements crystallising:

- **100%** of liability for employees aged **60+**
- **60%** for employees aged **55–60**
- **40%** for employees aged **50–55**
- **20%** for employees aged **45–50**
- **10%** for employees aged **under 45**

This model is designed to:

- Reflect the probability of termination and payout timing
- Ensure adequate coverage of vesting leave liabilities
- Align reserve funding with workforce risk exposure

The target balance must be reviewed annually and updated based on:

- Workforce demographics
- Total leave liability
- Organisational change risks

Where the reserve falls materially below the target funding level, a strategy must be developed to restore funding over a defined period.

Maturity/Time Horizon

The reserve supports liabilities that may crystallise over a **1-to-5-year horizon**, depending on workforce turnover and organisational factors.

Investments must be structured to:

- Maintain sufficient liquidity to meet potential termination payouts
- Reflect the uncertain timing of liability crystallisation
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Given the uncertainty of timing, a **conservative and liquid investment profile** must be maintained.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and ensure funds are readily accessible.

Investment Policy Alignment

Funds held within this reserve must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Short to Medium Term Restricted Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports the Resourcing Strategy by ensuring Council can meet its employee obligations without compromising financial sustainability. It also strengthens workforce resilience by ensuring funding is aligned to emerging liability risks.

Budgetary Impact and Risk Management

This reserve supports:

- Mitigation of financial risk from large termination payouts
- Improved stability of operating results
- Alignment with Council's Risk Management Framework, particularly financial sustainability and governance risks
- Capacity to respond to changes in workforce structure, including restructures or turnover

5. Governance and Financial Management

Residual Funds

Unspent funds remain restricted for employee leave entitlement obligations unless reallocated by formal resolution of Council.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's Long-Term Financial Plan
- Workforce composition and risk profile
- Leave liability movements

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity exists within Council's investment portfolio to meet potential termination liabilities as they arise
- Funds remain readily accessible and aligned with the short to medium-term nature of the underlying liabilities

6. Compliance & Version Control

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Reserve Operating Charter

Plant Replacement Reserve

1. Reserve Overview

Reserve Name	Plant Replacement Reserve
Reserve Type	Infrastructure Lifecycle (Revolving) Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	Not applicable
Primary Purpose	Funding replacement of plant and fleet assets in line with lifecycle requirements
Strategic / Program Alignment	Asset Management Plans – Plant & Fleet Replacement Program
Investment Policy Classification	Short to Medium Term Restricted Fund
Interest Treatment	Not retained
Responsible Directorate	Infrastructure & Operations
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Plant Replacement Reserve is established to fund the ongoing replacement of Council's plant and fleet assets, ensuring that operational equipment is renewed in line with lifecycle requirements

Strategic Rationale:

This reserve has been established to:

- Provide a sustainable funding mechanism for plant and fleet replacement
- Align asset funding with depreciation and usage
- Avoid large, irregular capital impacts on the budget
- Ensure continuity of service delivery through timely asset renewal

This reserve is intended to fund **asset replacement only** and not fleet expansion.

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Surpluses generated from internal plant hire and cost recovery charges
- Depreciation funding allocated for plant and fleet assets

Utilisation Mechanism (Out)

Funds may only be drawn:

- For the replacement of existing plant and fleet assets on a like-for-like or equivalent basis in accordance with the approved plant replacement program
- In line with Council's asset management plans and adopted budget

This reserve must not be used to fund the acquisition of new or additional plant that expands Council's fleet capacity. Such acquisitions must be funded through general revenue or subject to a separate business case and Council approval.

Target Balance

The target balance is aligned to the funding requirements of the approved plant replacement schedule.

The balance is to be reviewed regularly to ensure sufficient funding is available to meet short to medium term replacement needs.

Maturity/Time Horizon

The reserve operates on a **continual turnover basis**, with funds regularly accumulated and drawn down in line with the plant replacement cycle (typically **1 to 5 years**).

Investments must be structured to:

- Align with the expected timing of plant replacement expenditure
- Maintain sufficient liquidity for scheduled asset purchases
- Comply with the liquidity, risk and duration parameters of the Treasury Policy

Given the cyclical nature of this reserve, a **laddered investment approach** should be used to balance liquidity and return.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's cashflow forecasting framework and align investment maturities accordingly.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Short to Medium Term Restricted Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports the Community Strategic Plan and Resourcing Strategy by ensuring Council maintains a reliable and efficient operational fleet and plant asset base.

Budgetary Impact and Risk Management

This reserve supports:

- Smoothing of capital expenditure for plant replacement
- Reduction of financial shocks from large asset purchases
- Improved asset lifecycle management
- Mitigation of operational risk associated with ageing plant and equipment

5. Governance and Financial Management

Residual Funds

As a revolving reserve, funds remain restricted for plant and fleet replacement and are continuously recycled through the replacement program.

Review Cycle

This Charter is to be reviewed annually by the Senior Management Team to ensure alignment with:

- Council's asset management plans
- Plant replacement schedules
- Long-Term Financial Plan

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet:
 - Scheduled plant replacement commitments
 - Variations in timing of asset purchases
- Funds are applied strictly in accordance with:
 - Approved plant replacement programs
 - Council's asset management framework
- Investment structures reflect:
 - The cyclical nature of the reserve
 - The timing of replacement expenditure

6. Compliance & Version Control

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Reserve Operating Charter

Financial Assistance Grant (Advance Payment) Reserve

1. Reserve Overview

Reserve Name	Financial Assistance Grant (Advance Payment) Reserve
Reserve Type	Operating Liquidity / Timing Adjustment Reserve
Classification	Internal Restriction
Fund	General Fund
Legislative / Contractual Basis	<i>Local Government Act 1993 – General Purpose Funding (FAG)</i>
Primary Purpose	Holding advance FAG payments to align revenue recognition with the correct financial period
Strategic / Program Alignment	Long Term Financial Plan and Operating Budget
Investment Policy Classification	Operating Liquidity Fund
Interest Treatment	Not retained
Responsible Directorate	Business, Cultural and Financial Services
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Financial Assistance Grant (Advance Payment) Reserve is established to hold the portion of untied Financial Assistance Grant (FAG) funding received in advance (June 2026) that relates to the subsequent financial year, ensuring it is recognised and applied in a manner consistent with its intended funding period.

Strategic Rationale:

This reserve ensures that:

- Advance FAG funding is not prematurely expended
- Revenue recognition aligns with intended service delivery periods
- Council maintains financial stability and inter-period equity
- Budget allocations reflect the original intent of quarterly FAG distributions

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise Financial Assistance Grant received in advance relating to, and committed to expenditure in, the following financial year.

Utilisation Mechanism (Out)

Funds are to be drawn down and transferred to operating revenue in four equal instalments aligned with the intended FAG payment cycle:

- August
- November
- February
- May

Target Balance

The reserve balance must reflect:

- The remaining unrecognised portion of advance FAG funding at any point in time
- Reducing progressively to zero across the financial year as funds are released

Maturity/Time Horizon

The reserve operates over a time horizon of less than 12 months, with a fixed drawdown schedule.

Investments must be structured to:

- Align with the fixed quarterly drawdown schedule
- Maintain very high liquidity to ensure funds are available when required
- Comply with the liquidity, risk and duration parameters of the Treasury Policy for Investments

Funds should predominantly be held in at-call or short-term investments (≤ 3 months) to minimise liquidity risk.

The Responsible Accounting Officer (RAO) must incorporate this reserve into Council's short-term cashflow forecasts and ensure investment maturities align with scheduled release dates.

Investment Policy Alignment

Funds must be invested in accordance with Council's Treasury Policy for Investments and consistent with the parameters applicable to **Operating Liquidity Funds**.

Interest Treatment

Interest earned on the balance of this reserve is not retained. Interest attributable to this reserve is credited to unrestricted general revenue and is available to fund Council's operations. This treatment may be varied by resolution of Council.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports:

- Sound financial management practices
- Accurate revenue recognition and reporting
- Stability of Council's operating budget

Budgetary Impact and Risk Management

The reserve:

- Prevents distortion of operating results due to early receipt of FAG funding
- Supports accurate revenue matching across financial years
- Reduces risk of structural budget imbalance
- Provides certainty of funding availability throughout the year

5. Governance and Financial Management**Residual Funds**

No residual balance is expected at year-end. Any variation must be reviewed and adjusted through Council's budget or financial reporting processes.

Review Cycle

This Charter is to be reviewed annually to ensure continued alignment with FAG payment arrangements and Council's financial planning framework.

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve is fully cash-backed by actual investments at all times
- No notional or unfunded balances are maintained
- Sufficient liquidity is maintained to meet all scheduled drawdown requirements
- Funds are:
 - Applied strictly in accordance with intended funding periods
 - Managed in compliance with Council's Treasury Policy
- Investment structures align with:
 - The short-term nature of the reserve
 - Fixed quarterly release timing

6. Compliance & Version Control

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Reserve Operating Charter

Griffith Health Facilities Reserve

1. Reserve Overview

Reserve Name	Griffith Health Facilities Reserve
Reserve Type	Legacy / Strategic Holding Reserve
Classification	Internal Restriction (Externally Constrained – Legacy / Strategic Holding)
Fund	General Fund
Legislative / Contractual Basis	Constitution of Griffith Health Facilities Limited
Primary Purpose	Holding and managing residual public contributions for health infrastructure and future fundraising capacity
Strategic / Program Alignment	Community Health Infrastructure – Legacy Fund (St Vincent's Private Hospital)
Investment Policy Classification	Short Term Restricted Fund (Dormant / Strategic Holding)
Interest Treatment	Retained
Responsible Directorate	Business Cultural & Financial Services
Established	[Insert Date]
Council Minute	[Insert]

2. Purpose and Objectives

Core Purpose Statement:

The Griffith Health Facilities Reserve is established to hold and manage public contributions raised for the construction of St Vincent's Private Hospital and to ensure any remaining funds are applied in accordance with their original intent, while retaining the structure to support future fundraising activity if required.

Strategic Rationale:

This reserve has been established to:

- Hold funds originating from public tax-deductible contributions raised for the hospital project
- Ensure funds are applied in a manner consistent with their original purpose and community intent
- Preserve financial integrity and transparency associated with charitable contributions
- Provide a mechanism for managing residual funds following completion of the project

- Maintain an appropriate structure to support future public fundraising initiatives for health-related infrastructure

3. Operating Parameters

Funding Mechanism (In)

Transfers to this reserve comprise:

- Historical public tax-deductible contributions raised for the construction of St Vincent's Private Hospital
- Interest earned on cash balances held by Griffith Health Facilities Ltd

No further routine inflows are currently anticipated.

However, the reserve structure is retained to enable future public contributions to be received and managed where Council undertakes further fundraising for health-related infrastructure.

Utilisation Mechanism (Out)

Funds may only be drawn:

- For purposes consistent with the original intent of the reserve, including:
 - Supporting construction-related obligations (historical or residual commitments)
 - Health infrastructure initiatives aligned with the intent of contributors
- For costs associated with the governance and administration of Griffith Health Facilities Ltd, including:
 - Annual audit fees
 - ASIC and ACNC regulatory charges
 - Other costs necessary to maintain the entity and its compliance obligations
- In accordance with Council resolution and subject to any legal, trust or donor constraints

Target Balance

The target balance is:

- The **total value of unexpended public contributions received**, being the residual balance of funds originally raised

The reserve is not intended to be actively accumulated at present but:

- Retained until an appropriate and compliant use of funds is determined; or
- Reactivated through future fundraising initiatives

Maturity/Time Horizon

This reserve is maintained as a **short-term, highly liquid holding fund** reflecting its current dormant status and small balance.

The current balance is held in **a transaction bank account in the name of Griffith Health Facilities Ltd**,

Given:

- The relatively small balance
- The absence of a defined expenditure program

- The requirement for flexibility to support potential future fundraising or governance obligations

Funds are to be:

- Maintained in highly liquid, at-call banking facilities
- Managed with a primary focus on capital preservation
- Not subject to long-term investment strategies

The Responsible Accounting Officer (RAO) must ensure that:

- Liquidity is maintained at all times
- The administrative structure of Griffith Health Facilities Ltd can be supported as required
- Funds remain readily available for any approved future use or compliance costs

Investment Policy Alignment

Given the size and purpose of the reserve, formal investment beyond at-call banking arrangements is not considered appropriate.

Funds must still comply with Council's Treasury Policy principles of capital preservation, liquidity and low risk.

Interest Treatment

Interest earned on the balance of this fund is retained and credited to the fund. This treatment is required by the constitution of Griffith Health Facilities Limited and is not able to be varied by Council resolution. Interest is allocated in accordance with section 4.3 of the *Treasury Policy on Reserves and Restrictions*, using the methodology determined by the Responsible Accounting Officer.

4. Strategic Intention and Alignment

Strategic Alignment (IP&R)

This reserve supports Council's commitment to:

- Transparency and accountability in managing community contributions
- Sustaining health-related infrastructure outcomes
- Maintaining capacity for future community-supported health initiative

Budgetary Impact and Risk Management

This reserve supports:

- Proper stewardship of **community-donated funds**
- Mitigation of reputational and governance risk
- Maintenance of a clear and auditable funding history

Key risks include:

- Misalignment of expenditure with donor intent
- Inappropriate repurposing of funds
- Loss of governance clarity over time

5. Governance and Financial Management

Residual Funds

All funds must remain restricted unless:

- Applied to purposes consistent with original intent; or
- Reallocated by formal Council resolution following appropriate consideration of legal, donor or governance obligations

Future Use and Activation

Where applicable governance considerations relating to **Griffith Health Facilities Ltd** must be taken into account.

Should Council undertake future fundraising for health-related infrastructure, this reserve may be reactivated as the primary vehicle for receiving and managing public contributions.

Any such activation must be supported by:

- Clear definition of purpose
- Alignment with contributor intent
- Appropriate governance and reporting arrangements

Council should undertake a formal review prior to any future fundraising activity to confirm the ongoing suitability of this reserve for that purpose.

Review Cycle

This Charter is to be reviewed annually to:

- Confirm continued relevance of the reserve
- Assess whether a formal decision regarding future use, reactivation or closure is required.

Reporting and Compliance Monitoring

Reporting must consider:

- Reserve balance and movements
- Source and nature of funds
- Any proposed or approved utilisation
- Governance arrangements relating to Griffith Health Facilities Ltd

Financial Integrity Command

The Responsible Accounting Officer (RAO) must ensure:

- The reserve remains fully cash-backed at all times
- Funds are held in, and reconciled with, the transaction bank account of Griffith Health Facilities Ltd
- Sufficient liquidity is maintained at all times to meet:
 - Ongoing governance and compliance costs of the entity, including audit, ASIC and ACNC charges

- Any approved expenditure consistent with the purpose of the reserve
- Interest earned on the balance is retained within the reserve
- Funds are preserved and not applied inconsistently with the original intent of public contributions
- Any movement of funds between Griffith Health Facilities Ltd and Council is appropriately authorised, documented and auditable
- The financial position and activity of the reserve is subject to appropriate oversight through both:
 - Council financial systems; and
 - The governance arrangements applying to Griffith Health Facilities Ltd

6. Compliance & Version Control

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