



Our Vision

Nambucca Valley ~ Living at its best

Our Mission Statement

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

1.0 Policy objective

To ensure that Council creates and funds, within the parameters of its revenue capacity, appropriate Financial Reserves, excluding those required by statutory external restrictions, to meet known future expenditures and distribute the financial impact more evenly over time.

With regards statutory external restrictions, it is mandatory that these reserves are fully funded.

2.0 Related legislation

Local Government Act 1993
Local Government Regulation 2005

3.0 Definitions

4.0 Policy Content

4.1 EXTERNALLY RESTRICTED ASSETS. That Council maintain fully funded reserves for all externally imposed restricted assets, such as Section 64 and 94 contributions, Unexpended Grants and Unexpended Loan Funds.

4.2 EMPLOYEES LEAVE ENTITLEMENTS RESERVE. That Council's ELE reserve be reviewed annually to ensure that sufficient funds are available to meet expected commitments over the ensuing five years with the reserve to be no less than 30% of the accrued leave liability as at 30 June or the fifth year.

4.3 OFFICE EQUIPMENT RESERVE. That Council maintain a reserve for the purchase of office equipment and computer hardware and software that will ensure sufficient funds are available to allow the acquisition of equipment needed to keep pace with changes in technology and absorb the effects of growth in the Valley.

4.4 QUADRENNIAL ELECTION RESERVE. That Council establish a reserve to fund the quadrennial elections by transferring an amount estimated to be a quarter of the cost of holding the next election, each year.

4.5 LAND DEVELOPMENT RESERVE. That Council maintain a reserve for the development of Land by transferring to and from the reserve amounts required for expenditure on land development and the profit on sale of land developed from the reserve. Council review the balance of the reserve each year to ensure sufficient funds are available to allow opportunities for purchase of appropriate land stock to be considered.

4.6 PLANT REPLACEMENT RESERVE. That Council maintain a reserve for the continual replacement and upgrading of its plant fleet.

To allow flexibility with regards the various financing options available for the purchase, hire or lease of plant, Council review the balance of the reserve each year to ensure sufficient funds are available to support the ensuing years plant replacement program and the long term plant requirements.

4.7 COUNCIL BUILDING RESERVE. That Council establish a reserve for the purpose of preserving its buildings to a satisfactory condition.

4.8 LAWN CEMETERY. That Council establish a reserve to fund the establishment of a lawn cemetery in the existing Blackbutt Cemetery.

4.9 WASTE DEPOT. That Council establish a reserve to commission a new waste depot with progressive construction of new cells and rehabilitation of decommissioned depot and exhausted cells.

4.10 ASSET MANAGEMENT RESERVE. That Council establish a reserve for the operation and ongoing development of a system of asset management to secure a strategic programmed approach to the rehabilitation, upgrading, reassessment and replacing or developing its network of infrastructure assets.

4.11 AQUATIC CENTRE PUMP REPAIR & REPLACEMENT, HYDROTHERPY/GYMNASIUM UPKEEP RESERVE. That Council establish a reserve for the purpose of preserving the Aquatic Centre and respective assets.

4.12 BEACH PERMITS SURPLUS RESERVE. That Council maintain a reserve and transfer surplus funds from its Beach Permit revenue for the maintenance and renewal of beaches and beach access.

Note: Given the significance of asset management and the constraints on Council's general revenue capacity where it is impracticable to establish an infrastructure reserve, this reserve will provide a system that will enable Council's control of its infrastructure in providing them at a satisfactory standard.

The magnitude of buildings and infrastructure assets is such that it is impossible to fully fund depreciation. It is argued that maintenance and repair and yearly capital expenditure is a form of funding depreciation, however, ultimately assets will wear out and funds will be needed to refurbish or replace them. This situation will be directly influenced by Council's revenue capacity.

Natural growth in a development area will also impose community expectations on Council to provide for their increased social, cultural and recreational activities.

5.0 Guidelines

1 That all reserves are to be represented by cash or investments.

2 Interest earned on the reserves, except externally restricted assets and water supply and sewerage services reserves, is to be retained as operating revenue in general fund. Interest on externally restricted assets, water supply and sewerage services reserves is to be added to the reserve each year.

3 Transfers to and from the reserves can only be made by resolution of Council in conjunction with the annual budget and budget reviews and ratified at time of presentation of the annual financial reports.

4 The expenditure of reserve funds is restricted to those purposes for which they are intended, however Council use of the operating revenue funded reserves can be undertaken on an internal loan basis with the reserve repaid in full within an acceptable period.

6.0 History

Department:	Corporate Services	Last Reviewed	Resolution Number
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