

Financial Reserves Policy

Objective

The Objective of the policy is to ensure that cash funds set aside at the discretion of Council for a specific purpose are applied to that purpose and managed accordingly.

Policy

Reserves are a part of the Shire's overall equity position. Reserves are funds which have been set aside for purposes and projects to be undertaken in future years.

Reserves are established by Council to achieve Strategic Community Plan and Corporate Business Plan objectives and are to be extinguished once the Reserve purpose has been achieved. The retention of obsolete Reserves restricts cash that could be utilised for funding other initiatives and can impact on cash ratios.

In order to ensure efficient Reserve management, the Shire will:

1. Only establish Reserves for the following purposes:
 - a. Funding future projects (community infrastructure) identified in the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan;
 - b. Specific Projects earmarked to be funded by proceeds from the airport operations;
 - c. Statutory requirements;
 - d. Any other requirements at the discretion of Council
2. Review the number of, and funding of, all Reserves on an annual basis through the planning and budget process;
3. Interest earned on Reserves is to be re-allocated to the individual reserve.

Reserve Name	Purpose
Alice Springs Road	To help maintain the road link to Alice Springs from Marble Bar to the Northern Territory border.
Heavy Road Plant	To fund the purchase of heavy plant that is needed for the operation of the Shire.
Cape Keraudren Development	For the maintenance, development and enhancement of the Cape Keraudren Reserve.
Computer Technology	For the replacement, enhancement and upgrading of computer hardware and software.
Newman Airport	For the upgrading, maintenance and enhancement of the Newman Airport facilities.
Employee Entitlements	To provide for payment of employee entitlements to staff.
Recreation Facilities	For the upgrading, enhancement and replacement of all recreation facilities.
Staff and Community Housing	For the maintenance, upgrading and replacement of Staff and Community Housing Assets.

Newman Town Centre Revitalisation	For the revitalisation, upgrade and maintenance of the Newman Town Centre Precinct.
Waste Management	For the development, maintenance and enhancement of waste management facilities.
Public Art	For the development, maintenance and enhancement of Public Art within the three towns of the East Pilbara Shire.
Newman House	For the maintenance, upgrading and replacement of Newman House.
Public Building Maintenance	For the maintenance, upgrading and replacement of all Council Public Buildings.
Martumili Operations	To hold and utilise the surplus funds from the Martumili Artist operations.
Martumili Infrastructure Project	For the maintenance, upgrading and replacement of Martumili Infrastructure.
Open Space and Parking Reserve	For the provision, construction and maintenance of open spaces and car parking facilities as provided as “cash in lieu” payments.
Future Projects	To fund or assist in funding the delivery of projects that supports the Shire’s long term service delivery objectives.

NOTE: The purposes set out in this policy can be varied in accordance with section 6.11 of the *Local Government Act 1995* and/or regulation 18 of the *Local Government (Financial Management) Regulations 1996*, such as where funds are needed for emergency response purposes.

Authorisation Details

References	<i>Local Government Act 1995</i> section 6.11 <i>Local Government (Financial Management) Regulations 1996</i> regulation 18.		
Authorised by:	Council		
Date:	25 October 2013	Item No.	11.2.7
Review/Amendment Date	28 June 2019	Item No.	10.1.3
Review/Amendment Date	3 July 2026	Minute No.	2026/193
Next Review	Annual to coincide with the adoption of the Annual Budget		
Responsible Directorate	Corporate Services		
Responsible Officer	Manager Financial Services		
File No.			