

FILE NO: PSC2009-02488

TITLE: FINANCIAL RESERVES POLICY

OWNER: FINANCIAL SERVICES SECTION MANAGER

1. PURPOSE:

1.1 The purpose of the Financial Reserves Policy (the policy) is to provide a framework for the responsible establishment and sustainable management of Port Stephens Council's (Council's) financial reserves.

2. CONTEXT/BACKGROUND:

2.1 With Council having significant cash, cash equivalents, and investments, financial reserves are an important part of Council's Financial Sustainability Strategy. Reserves enable Council to provide quality services, asset management, longer term expenditure for the community, and meet its legislative requirements.

2.2 Reserves in a financial sense are an allocation of money set aside for specific purposes in future periods. Reserves do not have bank accounts of their own but are a theoretical split up of the accumulated cash surplus that a council has on hand and can be separately identified in the balance sheet as an asset.

2.3 Reserves should have a clear and specific purpose and relate back to the adopted Integrated Planning and Reporting (IP&R) strategies and plans of Council.

3. SCOPE:

3.1 The policy applies to all financial reserves held by Council including external and internal restrictions as well as unrestricted cash.

3.2 All restrictions and cash balances are reported annually to the public in Council's Annual Report – Financial Statements, the monthly Cash and Investment Report and the Quarterly Budget Review Statement.

4. DEFINITIONS:

4.1 An outline of the key definitions of terms included in the policy.

External Restrictions	Funds that are restricted as a result of a legislative requirement governing the use of the funds. These funds must be fully expended for the specific purpose defined and cannot be used by Council for general operations.
Internal Restrictions	Funds that are restricted as a result of a Council resolution governing the use of the funds for a specific purpose.
Unrestricted Cash	All cash and cash equivalents other than restricted funds that is available to meet daily business liquidity requirements and assist with unforeseen budget shocks.
Emergency	An event, actual or imminent, which endangers or threatens to endanger life, property or the environment, and which requires a significant and coordinated response.
Cash Back	Refers to the sufficient amount of cash and cash equivalents that Council has on hand at a given point in time to adequately cover the calculated balance of the reserves.

5. STATEMENT:

5.1 Consistent identification, administration and use of cash reserves will enable Council to:

- a) Set funds aside to meet legislative requirements.
- b) Allocate funds against future projects and operational activities.
- c) Ensuring financial sustainability in the short, medium and long term.

5.1.1 Council will fully cash back all the external restrictions regardless of the circumstances. Internal restrictions can be adjusted in cases of insufficient cash, such as delays in receipts and payments.

5.2 Establishment

5.2.1 The establishment and closure of any reserve may only be undertaken by resolution of Council, or through adoption of budgets via Quarterly Budget Reviews, Long Term Financial Plan, Annual Financial Statement or required by legislation or contract.

5.2.2 The establishment of a reserve must be documented in **(APPENDIX 1)** and must include the following at a minimum:

- a) Name of the reserve.
- b) Purpose of the reserve, including the reasons for a restriction.
- c) Source of funds and calculation basis.
- d) Use of funds - what the reserve can be used for.
- e) Optimum balance or minimum amount to be held.
- f) Internal accountability.
- g) Term of reserve.

5.2.3 In order to not dilute general revenue, any new internally restricted reserves are only to be established in conjunction with a new income stream and where the purpose of the reserve is not considered as part of the general operations and/or required for a specific use.

5.3 Transfer funds between reserves

5.3.1 The transfer of funds between reserves that differ from the original source of funds and must satisfy the agreed purpose for which the reserve was created.

5.3.2 Notification for such transfers may be given through:

- a) Budget process, by virtue of the adoption of the Long Term Financial Plan or the Quarterly Budget Review Statement or the Monthly Cash and Investment Statement.
- b) Adoption of the Annual Financial Statements.

5.4 Use of funds and administration

5.4.1 Use of funds must be in accordance with **(APPENDIX 1)** and the establishment resolution for the reserve.

5.4.2 Unspent funds of a particular reserve will be returned to that reserve each financial year.

5.4.3 Any funds spent over may be drawn upon in the following financial year.

5.4.4 Internal and external reserves will have an annual administration charge applied, where appropriate, based on the function of the reserve.

5.5 Closure

5.5.1 The Council resolution to close a reserve must include the following at a minimum:

- a) Name of the reserve.
- b) Purpose of the reserve.

- c) Reason for closure.
- d) Treatment of any balance of funds, including transfer to another reserve.

5.6 Interest and Indexation

5.6.1 Certain external restrictions require interest to be applied by legislation. The calculation of interest will be performed monthly and based on the 90 day Bank Bill Swap rate – BBSW (unless another rate or methodology is required by legislation).

5.6.2 For internal reserves there will be no interest income applied. However where the source of funds is an allocation from general revenue that allocation will be indexed by the rate cap each year.

5.7 Borrowings

5.7.1 Consent from the Minister of Local Government is required in order to borrow funds from externally restricted reserves.

5.7.2 Council will be informed of any borrowings from internally restricted reserves through the Quarterly Budget Review Statements.

5.8 Order of funds – unforeseen economic event or natural disaster emergency

5.8.1 Should Council encounter an unforeseen economic event or natural disaster the General Manager may approve access to reserves funds for an appropriate response.

5.9 Order of funds – multi funding projects

5.9.1 Council makes every attempt to utilise external funding sources in the first instance to fund projects. The following order stipulates the preference in the order that funds should be accessed:

- a) External restrictions.
- b) Internal restrictions.

5.10 Liquidity Risk Management

5.10.1 Council's operating bank account is to be kept at a level no greater than is required to meet immediate working capital requirements.

5.10.2 Any surplus funds are to be applied to reduce debt or invested to generate more income in accordance with Council's Cash Investment Policy.

5.11 Borrowing Risk Management

5.11.1 To manage the risk associated with borrowings:

- a) Council approval is required for all new loans. A cash reserve or repayment of the loan must be included at the time of the approval.
- b) The term of borrowings should match the need for funds.
- c) Loans are to be tendered to at least 3 Authorised Deposit Taking institutions.

6. **RESPONSIBILITIES:**

6.1 The Financial Services Section Manager shall:

- a) Provide guidance to Council, the Executive Team and Council staff as to the implementation of this policy.
- b) Be responsible for monitoring, evaluating and reviewing compliance with this policy.
- c) Submit Monthly Cash and Investment Statements, Quarterly Budget Review Statements, Long Term Financial Plans, and Annual Financial Statements to Council on the position of Council's financial reserves.

6.2 All managers are responsible for the budget provided to them by each reserve and complying with the policy.

7. **RELATED DOCUMENTS:**

- 7.1 Acquisition and Divestment of Land Policy.
- 7.2 Property Investment and Development Policy.
- 7.3 Cash Investment Policy.
- 7.4 Community Groups Loan Policy.
- 7.5 Financial Business Rules Management Directive.
- 7.6 Annual Financial Statements.
- 7.7 Quarterly Budget Review Statement.
- 7.8 Resourcing Strategy - Long Term Financial Plan.
- 7.9 Australian Accounting Standards.
- 7.10 Roads Act 1993.
- 7.11 Crown Lands Management Act 2016.
- 7.12 Environmental Planning and Assessment Act 1979.
- 7.13 Local Government Act (General) Regulation 2021.
- 7.14 Local Government Act 1993.
- 7.15 Local Government Code of Accounting Practice and Financial Reporting.

CONTROLLED DOCUMENT INFORMATION:

This is a controlled document. Hardcopies of this document may not be the latest version. Before using this document, check it is the latest version; refer to Council's website: www.portstephens.nsw.gov.au .			
EDRMS container No.	PSC2009-02488	EDRMS record No.	TBA
Audience	Elected Council and all Council staff		
Process owner	Financial Services Section Manager		
Author	Financial Services Section Manager		
Review timeframe	3 years	Next review date	TBA
Adoption date	TBA		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	TBA	Financial Services Section Manager	New policy.	TBA

APPENDIX 1: LIST OF COUNCIL'S CASH RESTRICTIONS/ RESERVES

Given that the listing of reserves forms part of an Appendix to this policy, amendments to individual reserves may be made by Council resolution, as outlined in the policy, without the need to amend the policy itself.

Council will assess at least annually the adequacy of each internal cash restriction during the preparation of the Long Term Financial Plan and annual budget to ensure long term financial sustainability.

1. DEPOSITS, BONDS AND RETENTIONS

Restriction Type	External.
Source of Funds	Any person or company that has paid a deposit, retention monies or bond to Council.
Purpose	Council requires bonds or security deposits to be paid with development applications and contract works. Bonds are released when the relevant conditions of development consent have been met. Where these conditions are not met, Council retains the funds with the intent of undertaking the works in lieu of the developer.
Maximum balance or minimum amount	Minimum amount - 100% of total Security bonds, refundable deposits and retentions liabilities.
Term of the reserve	This reserve will operate in perpetuity.

2. SPECIFIC PURPOSE UNEXPENDED GRANTS

Restriction Type	External.
Source of Funds	External funding bodies.
Purpose	An external restriction is placed on grant funding that has been received for a specific purpose that has not been spent by the end of the financial year.
Maximum balance or minimum amount	Minimum amount - 100% of grant funds unspent that have a specific purpose and can only be spent on certain activities.
Term of the reserve	This reserve will operate in perpetuity.

3. DEVELOPER CONTRIBUTIONS

Reserve Type	External.
Source of Funds	Developer contributions as levied in accordance with Council's adopted Local Infrastructure Contributions Plan.
Purpose	By virtue of the Environmental Planning & Assessment Act 1979 (the Act), legislation enables consent authorities (councils) to levy developer contributions, as a condition of development consent, towards the cost of providing local public infrastructure and facilities required as a consequence of expanding local population. The Act requires Council to set these funds aside to be used specially for the provision of these facilities.
Maximum balance or minimum amount	Minimum amount - 3 months operational expenditure of civic administration, bank loan repayments and pre-committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

4. DOMESTIC WASTE MANAGEMENT

Restriction Type	External.
Source of Funds	Domestic Waste Services and Management Levy.
Purpose	By virtue of Section 496 of the Local Government Act 1993 (as amended), Council must levy a separate charge for domestic waste management services, which include garbage and recycling services. Under the legislation Council cannot finance these services from ordinary rates so the charge must be sufficient to recover reasonable costs of providing these services. Council is obliged to set these funds aside and use them for their specific purpose.
Maximum balance or minimum amount	Minimum amount – 3 months of domestic waste operational expenses, bank loan repayments and pre committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

5. CROWN RESERVE

Restriction Type	External.
Source of Funds	Fees and charges from operations on Crown Lands.
Purpose	By virtue of the Crown Lands Management Act the net surplus derived from holiday parks and parking meters on Crown Land are retained for utilisation and reinvestment back into holiday parks or other assets on Crown Land.
Maximum balance or minimum amount	Minimum amount – 3 months of holiday park and parking meter operational expenses, bank loan repayments and pre committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

6. EMPLOYEE LEAVE ENTITLEMENTS (ELE)

Restriction Type	Internal.
Source of Funds	Employee on costs rate.
Purpose	Council shall restrict a portion of its accrued employee leave entitlements to pay for leave payments in excess of employee costs provided for in the annual budgets. Leave entitlements include annual leave, long service leave, accrued sick leave entitlements in accordance with the sick leave policy.
Maximum balance or minimum amount	Target balance is based on a calculation of outstanding ELE and the age profile of Council's employees.
Term of the reserve	This reserve will operate in perpetuity.

7. ADMINISTRATION BUILDING

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue.
Purpose	To provide funds for maintenance and future upgrades and improvement works to the Administration Building.
Maximum balance or minimum amount	Minimum amount – 3 months of administration building operational expenses, bank loan repayments and pre committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

8. ASSET REHABILITATION & ROAD RESEALING

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue. Net profit received from the sale of closed roads will be allocated to the Asset Rehabilitation reserve as per Section 43 of the Roads Act 1993.
Purpose	To ensure adequate funds are available to renew and rehabilitate existing civil and recreational assets to their previous level of service across the Council area.
Maximum balance or minimum amount	No minimum amount - funds may be spent in accordance with the reserves purpose and Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

9. COMMERCIAL PROPERTIES

Restriction Type	Internal.
Source of Funds	Surplus from Council's commercial property portfolio, net profits from land developments, bio banking credits, royalties, investments and sale of operational land.
Purpose	To set aside net proceeds received from commercial property activity and royalties for future reinvestment into income generating or cost reduction activities for Council.
Maximum balance or minimum amount	Minimum amount - 3 months of operational expenses for the Strategic Property business unit, bank loan repayments and pre-committed capital expenditure. The remaining funds may be transferred to the Resilience Fund for strategic projects spent in accordance with the reserves purpose under the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

10. COMMUNITY BUILDINGS

Restriction Type	Internal.
Source of Funds	Fees and Charges generated from the hiring of Council's community buildings that are not managed by a 355c Committee.
Purpose	<p>To use the funds generated by hiring community buildings for the purpose of paying for operational, maintenance and capital costs of the asset class.</p> <p>Any funds received by the reserve directly from the dissolution of a 355c hall committee will be committed within the reserve for the future maintenance of that hall.</p>
Maximum balance or minimum amount	Minimum amount - 3 months of operational expenses for community buildings not managed by a 355c Committee, bank loan repayments and pre committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

11. SURF CLUBS – CROWN LANDS

Restriction Type	External.
Source of Funds	Income generated from the leasing and hiring of Council's surf clubs on Crown Land.
Purpose	By virtue of the Crown Lands Management Act the net surplus generated by surf clubs for the purpose of paying for operational, maintenance and capital costs of the asset class.
Maximum balance or minimum amount	Minimum amount - 3 months of operational expenses for surf clubs, bank loan repayments and pre committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

12. COMMUNITY LOANS

Restriction Type	Internal.
Source of funds	Once off allocation from general revenue.
Purpose	To provide a low cost loan to community and recreational groups to assist with major asset upgrades on Council owned property subject to application.
Maximum balance or minimum amount	Maximum pools of funds available will be \$200,000 subject to any current loans provided for. Loan repayments from community groups will go back into the reserve annually until the target balance has been reached. Interest on the loan will be allocated to general revenue.
Term of the reserve	This reserve will operate in perpetuity.

13. DRAINAGE

Restriction Type	Internal.
Source of funds	3.065061% of ordinary Rates.
Purpose	Council charges a drainage levy to every household and business to improve drainage through the local government area (LGA). The levy allows Council to undertake significant improvements to the drainage system to provide a cleaner and safer environment for the benefit of owners, residents and visitors.
Maximum balance or minimum amount	No minimum - funds are to be fully expended in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

14. ELECTION RESERVE

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue.
Purpose	To set aside funds for the local government elections which are normally conducted every 4 years.
Maximum balance or minimum amount	Minimum amount – estimated cost of the local government elections divided by the number of years in the Council term multiplied by the years passed.
Term of the reserve	This reserve will operate in perpetuity.

15. ENHANCED SERVICES FOCUS AREAS

Restriction Type	Internal.
Source of Funds	Special Rate Variation.
Purpose	To set aside a portion of funds generated from the Special Rate Variation applicable from 1 July 2023 for the purpose of enhancing services in the 4 focus areas set out in Council's Special Rate Variation Application. This does not include funds used for financial sustainability and to fund current services at existing levels.
Maximum balance or minimum amount	No minimum - funds are to be fully expended in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will cease at the conclusion of the enhanced services works program.

16. FLEET

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue, plant hire, fuel rebates and fleet trade ins.
Purpose	To ensure sufficient funds are available to finance the ongoing replacement of Council's plant and fleet.
Maximum balance or minimum amount	Minimum amount – 3 months of fleet administration, operational expenses, bank loan repayments and pre-committed capital expenditure. The remaining funds may be spent in accordance with the reserves purpose and the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

17. RESILIENCE FUND

Restriction Type	Internal.
Source of Funds	Commercial property revenue surplus to needs and the Newcastle Airport Partnership dividends.
Purpose	To set aside funds from excess non-rate revenue for significant projects, investments or initiatives to achieve the key strategies of Council.
Maximum balance or minimum amount	<p>The fund can take any of the following forms of investment:</p> <ul style="list-style-type: none"> • Land or improvements to land. • Operations owned by Council with a commercial return. • Investments made in accordance with the prevailing Ministerial Investment Order and the Local Government Act, 1993 (the Act). <p>The fund will hold a minimum amount at all times based on the liquidity of the investment form. Financial returns from these investments or any amount above the minimum holding will form the amount available for distribution. The distribution of funds will only be available when the reserve holds \$5,000,000 or more in cash and investments. Only infrastructure projects listed on Council's Strategic Asset Management Plan (SAMP) will be considered for distribution.</p>
Term of the reserve	This reserve will operate in perpetuity.

18. GRANTS RECEIVABLE

Restriction Type	Internal
Source of Funds	Once off allocation.
Purpose	To provide a pool of funds that can be used on grant funded projects where Council is waiting on the funding body to pay outstanding claims without impacting on the progress of the project.
Maximum balance or minimum amount	Maximum pools of funds available will be \$3,000,000. The reserve will be reimbursed once the grant claim has been paid.
Term of the reserve	This reserve will operate in perpetuity.

19. IT RESERVE – BUSINESS TECHNOLOGY

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue.
Purpose	To ensure sufficient funds are available to finance the ongoing replacement and enhancement of Council's digital equipment and software.
Maximum balance or minimum amount	No minimum - funds are to be fully expended in accordance with the reserves purpose under the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

20. NATURAL DISASTER AND EMERGENCY

Restriction Type	Internal.
Source of Funds	Annual top up allocation when required.
Purpose	The reserve is for emergency response expenditure in relation to a declared natural disaster or significant natural event. The reserve will be reimbursed by any claims received from State and Federal Government for emergency response. Emergency works are defined as any urgent activities necessary to temporarily restore an essential public asset, enabling it to operate at an acceptable and safe level of efficiency to support the immediate recovery of a community.
Maximum balance or minimum amount	Minimum - \$3,000,000 Maximum - \$7,000,000. Emergency works funding is limited to works undertaken during the period of up to 3 months. For immediate reconstruction works or essential public asset reconstruction works the reserve will fund any non-claimable expenditure as well as timing differences between the work being performed and reimbursement from the State and Federal Government.
Term of the reserve	This reserve will operate in perpetuity.

21. OTHER WASTE SERVICES

Restriction Type	Internal.
Source of Funds	Fees and charges from Salamander Waste Transfer Station.
Purpose	To set aside the net proceeds from the Salamander Waste Transfer Station to fund future works at the transfer station.
Maximum balance or minimum amount	Minimum amount – 3 months of other waste operational expenses. The remaining funds may be spent in accordance with the reserves purpose under the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

22. PARKING METERS

Restriction Type	Internal.
Source of Funds	Fees and charges from parking meters (not on Crown Land).
Purpose	This restricted asset is to set aside funds that are collected from parking meters on Council land to fund future works within adopted infrastructure plans/ programs where the funds were collected for that individual parking precincts. Funds could be internally borrowed between parking precincts in order to bring forward any essential works which are accounted through individual parking precincts cost centres to track the total income and expenditure. Internally borrowed between precincts must be paid back within a reasonable timeframe.
Maximum balance or minimum amount	Minimum amount – 3 months of parking meter operational expenses. The remaining funds must be spent in accordance with the reserves purpose under the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

23. REPEALED FUNDS

Restriction Type	Internal.
Source of Funds	Unspent contributions levied on developments from previous Local Infrastructure Contributions Plans.
Purpose	Upon commencement of a new Local Infrastructure Contributions Plan any remaining unspent funds under the previous plans are rolled over in the repealed funds reserve and are expended in accordance with projects previously identified to support public infrastructure and facility requirements.
Maximum balance or minimum amount	No minimum amount - funds may be spent in accordance with the reserves purpose and Delivery Program and Operational Plan.
Term of the reserve	This reserve will cease once all funds are used.

24. SUSTAINABLE ENERGY AND WATER

Restriction Type	Internal.
Source of Funds	Once off allocation from general revenue.
Purpose	To set aside funds for the purpose of operating a Revolving Energy Fund (REF) is an internal fund that provides financing to implement energy efficiency, renewable energy, and other sustainability projects that generate cost savings.
Maximum balance or minimum amount	Maximum pools of funds available will be \$200,000 subject to any current projects provided for. Cost savings from the project will be used to repay the funds back into the reserve until the maximum balance has been reached. Once the project has repaid its capital outlay future savings will be absorbed by general revenue.
Term of the reserve	This reserve will operate in perpetuity.

25. TRANSPORT AND ENVIRONMENT

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue.
Purpose	To set aside revenue received from the roads and environmental special rate for those specific purposes. Funding will be split 50/50 towards road projects that reduce environmental impacts from road related infrastructure. The remaining balance will contribute towards natural services day to day operations.
Maximum balance or minimum amount	No minimum amount - funds may be spent in accordance with the reserves purpose and Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity.

26. UNEXPENDED LOAN FUNDS

Restriction Type	Internal.
Source of Funds	Bank loans.
Purpose	This reserve contains unspent loan funding tied to a specific purpose.
Maximum balance or minimum amount	No minimum - funds received are to be fully expended in accordance with the purpose of the bank loan taken out under the Delivery Program and Operational Plan.
Term of the reserve	This reserve will operate in perpetuity whilst there is unspent loans funds.

27. MAYORAL & WARD FUNDS

Restriction Type	Internal.
Source of Funds	Annual allocation from general revenue.
Purpose	To provide an annual allocation of funds to assist the Mayor and Councillors to provide financial assistance in each ward under section 356 of the NSW Local Government Act.
Maximum balance or minimum amount	No minimum - funds are to be fully expended in accordance with the reserves purpose and in accordance with section 356 of the NSW Local Government Act.
Term of the reserve	This reserve will operate in perpetuity.

28. FEDERAL ASSISTANCE GRANT IN ADVANCE

Restriction Type	Internal.
Source of Funds	Advance Federal Assistance Grant.
Purpose	To record the financial impact of receiving the Financial Assistance Grant (FAG) in advance for the following year. The FAG is paid to local councils to help them deliver services to their communities. The funds are paid annually by the Australian Government. Councils are free to use these funds at their discretion.
Maximum balance or minimum amount	No minimum – the reserve at the end of the financial year must reflect FAG received in advance (if applicable) for the following financial year.
Term of the reserve	This reserve will operate in perpetuity whilst there is advance FAG payments.

29. NEWCASTLE AIRPORT PARTNERSHIP

Restriction Type	Internal.
Source of Funds	Newcastle Airport Partnership.
Purpose	To record and disclose the impact on Council's cash balances upon preparing consolidated financial statements with the Newcastle Airport Partnership.
Maximum balance or minimum amount	No minimum – the reserve at the end of the financial year is a financial statement disclosure only and must reflect the balance of Newcastle Airport's cash balances that have been consolidated with Council's. The funds cannot be used by Council.
Term of the reserve	This reserve will operate in perpetuity.

30. SECTION 355C COMMITTEES

Restriction Type	Internal.
Source of Funds	User fees and charges.
Purpose	To record and disclose the impact on Council's cash balances upon preparing consolidated financial statements which includes the operations of Council's 355c Committees.
Maximum balance or minimum amount	No minimum – the reserve at the end of the financial year is a financial statement disclosure only and must reflect the balance of all 355c Committee cash balances under Council's control.
Term of the reserve	This reserve will operate in perpetuity.