

14. RESUMPTION OF MEETING IN OPEN

PRESENT

Mayor M. Paterson (Chair)

Deputy Mayor A. Bitar

Councillor M. Banks

Councillor S. Brown

Councillor M. Coffey

Councillor K. Hopper

Councillor E. Melky

Councillor G. Morris

OFFICERS IN ATTENDANCE

Mr A. Wilshire – Chief Executive Officer

Mr J. Andrew – Director Technical Services

Ms N. Battle – Director Community Development

Mr J. McCabe – Acting Director Corporate Services

Mrs K. Sanders – Executive Assistant (Minutes)

Mrs E. Williams – Governance Project Officer (Minutes) (via Zoom)

15. Opening of the Open Meeting by the Mayor (Chair) and Acknowledgement of Country

Mayor Matt Paterson declared the meeting open at **11.00am** and welcomed all present to the meeting.

Mayor Matt Paterson acknowledged the Central Arrernte people who are the traditional owners and custodians of Alice Springs.

Mayor Matt Paterson advised that this meeting is being recorded and will be placed on Council's website. By speaking at a Council meeting, you agree to being recorded. Alice Springs Town Council accepts no liability for any defamatory or offensive remarks or gestures made during the course of this Council meeting.

Media present – ABC Alice Springs

16. PRAYER

Karen Zirinsky – Chabad of Rara

17. APOLOGIES AND LEAVE OF ABSENCE

Councillor M. Liddle

Moved – Councillor Coffey

Seconded – Councillor Brown

That the apology from Councillor Michael Liddle be received and accepted.

CARRIED (22824)

18. WELCOME

Mayor Paterson welcomed members of the public in the gallery.

19. PUBLIC QUESTION TIME

19.1 Tom Shilling – Resident

Mr Shilling asked if Council have a road safety committee, and if so, when do they meet and who sits on the committee

The Mayor responded that Council no longer has a road safety committee as it was operational and that Council have it included in its Strategic Plan to complete a road safety audit.

19.2 Tom Shilling – Resident

Mr Shilling asked if Council checks the qualifications of potential staff or is it taken on face value?

CEO responded that Council undertakes verification of references.

19.3 Tom Shilling – Resident

Mr Shilling asked who signs off on the completed works around town carried out by Council.

CEO responded that it is dependent on internal or external certification. If internal it is the supervisor / team leader and if external it is contract led.

19.4 Tom Shilling – Resident

Mr Shilling asked if Council is aware of the speed limit change to 60km within some parts of the CBD and the corresponding signage and raised concerns around the incorrect installation and lack of speed management signs within the CBD.

The CEO took the question on notice.

19.5 Tom Shilling – Resident

Mr Shilling advised of the misaligned curbing around the CBD.

Director Technical Services advised that these will be rectified and asked that Mr Shilling please provide a list of his concerns so that they can be reviewed and tabled at a subsequent Council meeting.

19.6 Sally Westaway – Resident

Ms Westaway spoke of her recent experience with criminal behaviour and asked that the community show their gratitude to the police for the great work they are doing.

20. DECLARATION OF INTEREST OF COUNCIL MEMBERS AND OFFICERS

Nil

21. CONFIRMATION OF PREVIOUS MINUTES

21.1 Minutes of the Ordinary Open Meeting held on 24 October 2023

Moved – Deputy Mayor Bitar

Seconded – Councillor Morris

That the minutes of the Ordinary Meeting of the Council held on Tuesday 24 October 2023 be confirmed as a true and correct record of the proceedings of that meeting.

CARRIED (22825)

21.2 Business Arising from the Minutes

Nil

22. MAYORAL REPORT

22.1 Mayor's Report
Report No. 210 / 23 cncl

Moved – Councillor Morris

Seconded – Councillor Brown

That the Mayor's report be received and noted.

CARRIED (22826)

22.2 Business Arising from the Report

Nil

23. ORDERS OF THE DAY

23.1 That Elected Members and officers provide notification of matters to be raised in General Business.

23.1.1 Councillor Melky – Crime, Law and Order

23.1.2 Councillor Hopper – Tree Maintenance

23.1.3 Councillor Coffey – Verge Stewardship

23.1.4 Councillor Brown – Taxi Availability After Hours

24. MEMORIALS

Nil

25. PETITIONS

Nil

26. NOTICES OF MOTION

26.1 Deputy Mayor Bitar – Alice Springs Art Collection Storage Agreement Review

Moved – Deputy Mayor Bitar

Seconded – Councillor Hopper

1. That the Council review the agreement with Araluen for storage and exhibition of the Alice Springs Art collection and provide a report to Council.

2. That the Council develop a policy for the Alice Springs Art Collection.

CARRIED (22827)

26.2 Business Arising from the Motion

26.2.1 Councillor Coffey – Policy Development

Councillor Coffey asked that as Council develop the policy also consider the National Aboriginal Art Gallery and what that will mean around the Art Collection.

26.3 Councillor Hopper – Declaration of Buffel Grass as Class A Weed

Moved – Councillor Hopper

Seconded – Mayor Paterson

That Alice Springs Town Council write to the Minister for Environment outlining our concerns with the management of Buffel Grass in the municipality of Alice Springs and request their expert advice on solutions and better practices for management.

CARRIED (22828)

26.4 Business Arising from the Motion

Nil

27. FINANCE

27.1 Finance Report
Report No. 206 / 23 cncl

Moved – Councillor Morris

Seconded – Councillor Banks

That this report be received and noted.

CARRIED (22829)

27.2 Business Arising from the Report

27.2.1 Deputy Mayor Bitar – Replacement of Swings in Parks

Deputy Mayor Bitar what parks are due to have their swings replaced.

Director Technical Services took the question on notice.

27.2.2 Councillor Coffey – Interest and Investment Earnings

Councillor Coffey asked why the interest and investment earnings do not match in the reports.

Director Corporate Services took the question on notice.

28. REPORTS OF OFFICERS

28.1 CHIEF EXECUTIVE OFFICER

28.1.1 CEO Report
Report No. 209 / 23 cncl

Moved – Councillor Hopper
Seconded – Councillor Melky

- 1. That this report be received and noted.**
- 2. That Council approve the CEO applying for membership of the Local Government Chief Officers Group and associated attendance requirements.**

CARRIED (22830)

28.1.2 Business Arising from the Report
Nil

28.1.3 Regional Precincts and Partnerships Program
Report No. 217 / 23 cncl

Moved – Councillor Morris
Seconded – Councillor Coffey

Council resolve applying to the Regional Precincts and Partnerships Program for a grant to develop a Master Plan for the Alice Springs Central Business District.

CARRIED (22831)

28.1.4 Business Arising from the Report
Nil

28.2 CORPORATE SERVICES

28.2.1 End of Year Financial Position and First Budget Revision 2023/24
Report No. 218 / 23 cncI

Item transferred from Confidential Agenda item 9.2.1

Moved – Councillor Coffey

Seconded – Deputy Mayor Bitar

1. **That the report entitled End of Year Financial Position and First Budget Revision Report be received and noted.**
2. **That Council adopt the amendments to the budget as summarised in Attachment 2 and detailed in Attachment 3, pursuant to section 203 (2) of the Local Government Act 2019, and that the appropriate budget adjustments be made to transfer \$7,699,146 to reserves for asset renewal purposes as reflected in the report and attachment 9 (Reserve Funds listing).**
3. **That Council adopt the carried forward funding listed in Attachment 1, totaling \$5,811,796 (\$4,955,309 capital and \$856,487 for operational).**
4. **That Council endorse the Allocation of Surplus Funds Policy as shown in Attachment 4.**
5. **That Council endorse the Financial Reserves Policy as shown in Attachment 5 and retire the Funds Reserves Policy (No.508)**
6. **That Council adopt the Reserve Funds listing as set out in Attachment 9.**
7. **That the Resolution, Report and Attachments be moved to Open Ordinary Council Meeting with the exception of Attachment 3.**

CARRIED (22819)

28.3 COMMUNITY DEVELOPMENT

28.3.1 Community Development Update
Report No. 211 / 23 cncI

Moved – Councillor Banks

Seconded – Councillor Morris

That this report will be received and noted.

CARRIED (22832)

28.3.2 Business Arising from the Report

Elected Members congratulated the team on the recent successful events.

28.4 TECHNICAL SERVICES

28.4.1 Technical Services Update
Report No. 212 / 23 cncl

Moved – Councillor Coffey
Seconded – Councillor Brown

That this report be received and noted.

CARRIED (22833)

28.4.2 Business Arising from the Report

28.4.2.1 Councillor Hopper – Bar Brothers Park Opening

Councillor Hopper expressed her disappointment around Council not being formally acknowledged at the recent Bar Brothers opening.

This information will be fed back to the group.

28.4.2.2 Councillor Hopper – Ross Park Lighting

Councillor Hopper asked what the lumen level will be for the new lights at Ross Park.

Director Technical Services took the questions on notice.

28.4.2.3 Councillor Banks – Elected Member invitations

Councillor Banks asked that Elected Members be invited to all openings, especially events such as the Bar Brothers opening.

28.4.2.4 Councillor Coffey – CBD Regeneration

Councillor Coffey asked around the dates listed on the Council website.

Director Technical Services took the question on notice to clarify the date and update Council website.

28.4.3 Renaming of Percy Court Alice Springs
Report No. 215 / 23 cncl

Moved – Councillor Coffey
Seconded – Councillor Brown

That Council note the report and has no objections to the renaming of Percy Court.

CARRIED (22834)

28.4.4 Business Arising from the Report

Nil

28.4.5 5-year CBD Footpath Renewal Program

Report No. 214 / 23 cncI

Item transferred from Confidential Agenda item 9.4.1

Moved – Councillor Brown

Seconded – Councillor Morris

1. **That Council endorse the proposed 5-year program for CBD footpath renewal subject to budget approval and long-term financial plan.**
2. **That Council approve the Technical Services Directorate reintroducing its footpath program and going to tender for Stage 1 of the proposed plan.**
3. **Council endorse the proposed finish for Stage 1 works being exposed aggregate concrete.**
4. **That the resolution be moved from Confidential to Open.**

CARRIED (22821)

29 QUESTIONS WITHOUT NOTICE

29.1 Councillor Banks – Regional Precincts and Partnerships Program

Councillor Banks asked that when developing the program keep mindful of commercial areas, not just the CBD.

29.2 Councillor Hopper – Flag Protocol

Councillor Hopper asked that when Council receive a flag protocol notice that it be forwarded onto Elected Members.

CEO took on notice to action noting Council is voluntary to many protocol request notifications.

29.3 Councillor Hopper – Fireworks.

Councillor Hopper asked if Council could be more proactive in informing the community of Council events with fireworks.

CEO took the question on notice to action.

Councillor Banks left the Chamber at 12.54pm

Councillor Banks returned to the Chamber at 12.55pm

Councillor Hopper left the Chamber at 12.55pm

Councillor Hopper returned to the Chamber at 12.57pm

Councillor Morris left the Chamber at 1.11pm
Councillor Morris returned to the Chamber at 1.15pm

30 GENERAL BUSINESS

30.1 Councillor Melky – Crime, Law and Order

Councillor Melky read the following statement:

Crime in Alice Springs has overwhelmed our community as we live in fear.

We are denied the freedom to live in peace and safety.

We sleep with one eye open, fearing our homes will be invaded and our children harmed while in their beds.

Doors, locks, windows, glass, roller shutter, bollards, Padlocks, chains, alarms, cameras, sensor lights, CCTV, Walls, roofs, Ducts, safes, security screens, toughened glass, and even Security Guards are rendered useless as a measure to secure your property.

You will be attacked, in your home, sleeping in your bed, driving your car, walking home, on the bus, going to the shops, at a café or restaurant, shopping centres, parks, even while on the toilet.

Nowhere is safe, Not the parks, nor the mall, roads, foot paths, sporting ovals, work place, cafes, shops, and certainly not your home.

Cars are used as a deadly weapon, running down pedestrians, ramming police cars, driving at speeds on the wrong side of roads, up the Todd Mall on foot paths, nowhere is safe.

A screw driver, this simple tool can give you access to the most secure premises. This is the new Master Key to the town.

They will get you anywhere any time and we can do nothing about it. We are defenceless.

People are leaving Town in their droves, amongst them are Medical professionals, this is most concerning.

Without medical professionals, doctors, nurses, ambos, who will look after us when we need them most.

Alice is a service town, People will be at risk of dying if they don't get the medical assistance they need, if the medical professionals leave town and don't return.

I call on this NT Government to STOP the Crime

This Government must STOP the Crime NOW. Before people more die. Before there is more blood on their hands.

People who offend, who invade homes, business, destroy property, steal cars and use them as a deadly weapon,

Those people who do wrong by our community,

Who commit crime, senseless crime, this must be stopped.

Territory Government must stop the Crime.

Lock down our streets, lock down our neighbourhoods, and lock out the People who commit crime from our town.

Winter, spring, summer or Fall, stop the crime.

Our town, our territory was a wonderful place to live, it can be again, just stop the crime.

This government must act swiftly to stop crime, through legislation reform to address the clear vacuum caused by weak policy that allows a person to commit crime and not be held to account, this is wrong and must be reformed.

Our community deserves better care from our government.

There is nothing wrong with a Lock down of the streets to disable stolen cars traveling in the CBD at night.

There must be an acceptance to Lock out the perpetrators who commit crime against people, property and community.

Those perpetrators, if they are not from our town, then keep them away from our town.

Crime is not new to our town or our territory, and this council has in the past addressed this issue.

We have discussed Curfews, called it a crisis, met with the Prime Minister, got some promises and funding, yet all to no avail.

This is a turning point for our town, to achieve a long-lasting peace and live in safety, we must stop crime now.

I would like to present elected members a simple but fair resolution befitting our Process.

That is; that the Alice Springs Town Council writes to the Chief Minister and Cabinet, calling on them to reform legislation with an aim at stopping this endless wave of Youth aged 8 to 13 years committing crime without consequence on the perpetrators in Alice Springs and throughout the territory.

Moved – Councillor Melky

Seconded – Mayor Paterson

- 1. That Alice Springs Town Council writes to the Chief Minister and Cabinet calling on them to reform legislation with an aim in stopping this endless wave of crime, particularly youth, without consequences on the perpetrators in Alice Springs and throughout the community.**
- 2. That Alice Springs Town Council write to the Attorney-General requesting an update on the expansion of ‘wrap-around’ and diversion services to children following the raising of the age of criminal responsibility and the success or otherwise of these measures.**

CARRIED (22835)

30.2 Councillor Hopper – Tree Maintenance

Councillor Hooper asked about the tree audit program and why it isn't part of the Greening Strategy.

Director Technical Services responded that a review is being undertaken of the Council tree crew which will inform the program going forward.

30.3 Councillor Coffey – Fundraiser for Taylor Family

Councillor Coffey advised of the fundraising event for the daughter of Sandy Taylor (previous Elected Member) who is in the Royal Adelaide Hospital following a serious horse riding accident.

The fundraiser will be held at the Turf Club on the 6th December from 6pm. Further details can be obtained from Facebook or Sandy Taylor.

Director Community Development left the Chamber at 1.26pm

Director Community Development returned to the Chamber at 1.30pm

30.4 Councillor Coffey – Verge Stewardship

Councillor Coffey has received feedback from community members around caring for the verges themselves. This follows on from resolution 22050 on VergeCare.

Director Technical Services will review the previous motion and provide an update.

Deputy Mayor Bitar left the Chamber at 1.37pm

Deputy Mayor Bitar returned to the Chamber at 1.40pm

30.5 Councillor Brown – Taxi Availability After Hours

Councillor Brown raised concerns around the number of people finding themselves stranded with no taxi's available after hours. Nothing has been done about furthering uber services in town.

Moved – Councillor Brown

Seconded – Councillor Melky

That Alice Springs Council write to Alice Springs Taxi's to seek a meeting to discuss services at night and ways to improve availability.

CARRIED (22836)

31. MATTERS FOR MEDIA ATTENTION

Media matters will be covered via the media attendance at this meeting.

32. NEXT MEETING

Tuesday 12 December 2023

33. CLOSURE OF OPEN MEETING

Moved – Councillor Melky

Seconded – Councillor Banks

The Council meeting be closed.

CARRIED (22837)

Mayor Paterson declared the meeting closed at **1.42pm**.

Confirmed on (date) 12.12.2023

CHAIR



CONFIDENTIAL REPORT

Report No. 218 / 23 cncf

TO: ORDINARY COUNCIL – TUESDAY 28 NOVEMBER 2023

**SUBJECT: END OF YEAR FINANCIAL POSITION AND FIRST BUDGET REVISION
2023/24**

AUTHOR: ACTING DIRECTOR CORPORATE SERVICES – JOE MCCABE

This item is considered “confidential business” pursuant to section 99(2) of the Local Government Act 2019 and regulations 51(1)(a) and 52 of the Local Government (General) Regulations 2021 – information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer unfair commercial advantage on, any person; or subject to sub regulation (3) – prejudice the interests of the council.

PURPOSE OF REPORT

The purpose of this report is to provide Council an analysis of the financial position as at 30 June 2023 including:

- a. Capital and operational funding proposed to be carried forward from 2022/23 to 2023/24 in order to complete projects and initiatives funded in 2022/23 and meet commitments incurred in 2023/24.
- b. Analysis and calculation of end of 2022/23 surplus cash position and proposed allocation of any surplus cash.
- c. Revised budget required by 31 December under legislation.
- d. Proposed recategorisation of reserves.

The report also seeks Council endorsement of the following draft policies:

- Allocation of Surplus Funds Policy
- Financial Reserves Policy

RECOMMENDATIONS

1. That the report entitled End of Year Financial Position and First Budget Revision Report be received and noted.
2. That Council adopt the amendments to the budget as summarised in Attachment 2 and detailed in Attachment 3, pursuant to section 203 (2) of the Local Government Act 2019.
3. That Council adopt the carried forward funding listed in Attachment 1, totalling \$5,811,796 (\$4,955,309 capital and \$856,487 for operational).
4. That Council endorse the Allocation of Surplus Funds Policy as shown in Attachment 4.
5. That Council endorse the Financial Reserves Policy as shown in Attachment 5 and retire the Funds Reserves Policy (No.508)
6. That Council adopt the Reserve Funds listing as set out in Attachment 9.
7. That the Resolution, Report and Attachments be moved to Open Ordinary Council Meeting.

REPORT**1. EXECUTIVE SUMMARY**

Not Applicable.

2. PREVIOUS APPLICABLE RESOLUTIONS

Resolution (22275) 24 October 2023, part 1:

That Council resolves to accept the audited Annual Financial Statements and the Chief Executive Officer's Certification of the audited Annual Financial Statements which are to be subsequently included in the Alice Springs Town Council's Annual Report.

3. DISCUSSION

The analysis of the financial position as at 30 June 2023 is undertaken as follows:

- a. Identification of capital and operational funding proposed to be carried forward from 2022/23 to 2023/24
- b. Analysis of end of 2022/23 surplus cash position
- c. Adoption of First Budget Revision in 2023/24 as required by legislation prior to 31 December, including allocation of surplus cash
- d. Adoption of revised reserve funding position, including proposed recategorisation of reserve funds.

Funding proposed to be carried forward from 2022/23 to 2023/24

It is proposed to carry forward a total of \$5,811,796 from 2022/23 to 2023/24 in order to complete capital projects and operational initiatives funded in the 202/23 budget.

This is made up of \$4,955,309 in capital funding and \$856,487 in operational funding. The amount of \$5,219,088 was transferred to reserve as part of the audited 2022/23 financial statements, with the intention to fund the carried forward projects and initiatives via a transfer from reserves in 2023/24.

The exception to the above, is the carry over funding of \$273,000 (Stormwater Drainage Network) which was identified after the draft financial statements were substantially completed. Therefore, this carried forward project is proposed to be funded from the cash position rather than reserves. It is the same result as the cash position would have been \$273,000 lower if this amount was transferred to reserves as at 30 June 2023.

Attachment 1 lists the capital projects and operational initiatives for which carry over funds are proposed.

Carried forward amounts over \$200,000 for capital projects and \$100,000 for operational initiatives include the following:

- Hartley Street Toilets (\$208,499 carried forward)
- Stormwater Network Cleaning (\$273,000)
- Ross Park Netball (\$224,897)
- Fleet Upgrades (\$425,346)
- Liquid Waste Removal & Plant for RWMF (\$2,025,116)
- ASALC Adventure Playground (\$308,291)
- Multiple ICT Projects (\$1,254,458)
- Wellbeing, Health and Safety initiatives (\$192,186)
- Climate Projects (\$149,569)
- Reinvigorating the Alice Springs CBD Consultant Cost (\$319,708)

In addition to carried forward funding of \$208,499 for Hartley Street Toilets, an additional amount of \$191,465 to meet costs incurred in 2023/24.

Grant funded projects are required to be recognised in accordance with AASB 1058 and are treated accordingly in the carried forward budgets. This means that where grants are for capital projects the grant income is recognised where milestones are achieved (typically as grant funds are expended). At year end, any surplus grant funds are recognised as a liability in the financial statements and requested carry forwards include the recognition of the capital grant income budget as well as the expenditure budget. Unspent grant funds of \$3,973,000 are transferred from the liability account as part of this budget review and corresponding expense of equal value.

Surplus Cash Position as at 30 June 2023

A draft Allocation of Surplus Cash Policy, shown in Attachment 4, has been developed for Council's endorsement.

The draft policy sets out a methodology for calculating the surplus cash position. The surplus cash position as at 30 June 2023 represents available cash not allocated to current liabilities, reserves or cash provisions. It excludes non-cash items with the primary one being depreciation. It is calculated based on the 2022/23 audited financial statements.

Assuming that Council endorses the Allocation of Surplus Cash Policy, including the calculation methodology, the surplus cash position is calculated as follows:

Cash at Bank	\$48,308,000
Add:	
Trade & other receivables	\$5,863,000
	\$54,171,000
Less:	
Trade & other payables	\$6,147,000
Employee provisions	\$2,808,000
Other provisions	\$3,288,000
Reserves	\$23,864,000
Surplus Cash Position	\$18,064,000

Cash at Bank	
Operations Account	\$9,830,000
Term Deposits	\$38,478,000
	\$48,308,000

Please note that the reserves amount of \$23,864,000 (in the above table) as at 30 June 2023, is in accordance with note 8 of the 2022/23 Financial Statements, and includes \$5,811,796 in carried forward funds and \$3,660,000 in Anzac Oval proceeds (which were allocated in the 2023/24 budget).

Accordingly, based on the above calculation, the surplus cash position as at 30 June 2023 is \$18,064,000.

Council as part of its 2022/23 Financial Statements recognised an increase of \$15.3m in the landfill rehabilitation provision. This is in addition to the cash provision of \$3,288,000 which existed as at 30 June 2023. Council will be required to accumulate a cash provision equivalent to \$18.5m at present value by 2039. Accordingly, the transfer of \$640,000 currently budgeted for will need to be increase to \$1,000,000 per annum with indexation.

The surplus cash position has accumulated over multiple years due to a reconciliation of this position not occurring for a number of years. It is recommended that a reconciliation of the untied cash position be conducted annually as part of the end of year financial position report presented to Council. This is standard practice for most Councils.

The Allocation of Surplus Cash Policy specifies that to remain prudent and conservative and check that there is sufficient cash liquidity, a working capital (total current assets less total current liabilities) to current liabilities ratio of at least 2:1 should be maintained. In practical terms, working capital is having enough money to pay the current obligations as they fall due. This ratio calculation should be undertaken prior to any surplus cash being allocated. This ratio based on the above table is approximately 7:1.

The Policy further specifies that a reasonable balance (minimum of \$1,000,000 indexed annually) of the surplus cash should be retained as available working capital as a buffer against budget shocks or unforeseen circumstances. After allowing for this buffer of \$1,000,000, the resultant surplus cash position is \$17,064,000.

In Council considering the appropriate allocation of the untied cash, it is recommended that Council gives serious consideration to the need to fund current and future renewal of its ageing infrastructure. While depreciation is a non-cash expense, in the absence of a robust Asset Management Plan, it is the best estimate of what Council should allocate to future renewal of assets. In 2022/23 depreciation was \$9.3m and is forecast in Council's Long-Term Financial Plan to be between \$9 million and \$10 million annually for the next four years.

Capital Projects

The following additional capital projects are proposed to be funded:

No.	Project/Initiative	Amount	Comment
1	Shovel Ready Projects	\$900,000	Funding required for consultants to bring key projects to a shovel ready stage of design
2	Footpath Program	\$600,000	First year of funding for a footpath program
3	New Niche Wall at Cemetery	\$200,000	Existing niche walls are almost full and a new wall is required to accommodate community needs
4	Pool Car Storage	\$300,000	Provide secured civic centre storage for Council's pool vehicles. This should allow Council's fleet numbers to reduce with more efficient use of fleet
5	Strategic Projects	\$1,500,000	Funding available for Strategic Projects to be allocated by Council (transferred to reserves)
6	Depot staff amenities renewals	\$400,000	Refurbishment of depot facilities, including bathrooms and lunchroom. Current facilities are aged and in need of refurbishment to ensure staff are operating in a modern and fit for purpose environment
7	Provision of Light at Sporting Ovals	\$400,000	Fund for lighting at sporting ovals as determined by Council (transferred to reserve)

8	Shredder RWMF	\$300,000	Seed funding for waste shredder at RWMF (transferred to reserve)
9	Aboriginal Monument	\$180,000	Provision of aboriginal monument is accordance with Council resolution
10	Roundabout Art	\$88,000	Council's contribution to roundabout art
11	Tennis Courts renewals	\$520,000	Resurfacing of tennis courts (asset renewal)
12	Netball Courts renewals	\$700,000	Additional funding required to resurface the netball courts (asset renewal)
13	Jane Road	\$400,000	Seal unsealed section of Jane Road
	Total	\$6,488,000	

It should be noted that the majority of the above projects will occur over multiple years, therefore remaining fund balances will need to be carried forward into 2024/25.

Operational Initiatives

The following additional operational initiatives are proposed to be funded:

No.	Initiative	Amount	Comment
1	Economic Development Plan	\$200,000	Engagement of external consultant to develop a comprehensive Economic development Plan for the Town
2	Branding and communication	\$165,000	TV display in foyer, new logo, fleet signage and badging
3	Culture Survey	\$40,000	Survey to obtain culture benchmark
4	Reorganisation costs	\$320,951	Reorganisation costs in 2023/24 as part of new organisational structure
5	Elections	\$86,250	Will provide total amount of \$240,000 to be transferred into reserves
6	Trolley Releases Fees	\$50,000	Reduced revenue due to retailers now employing people to collect trolleys
7	Landfill Restoration Provision	\$360,000	Increase annual transfer to cash provision for landfill restoration from \$640,000 to \$1m in order to accumulate required provision by 2039
8	ICT License Fees	\$50,000	Additional fees payable for Microsoft 365 (additional annual cost of \$150,000)
9	RWMF Long-Term Planning	\$250,000	Engage consultants to undertaken work on RWMF Masterplan and Long-Term Financial Plan.
10	Liquid Waste Remediation	\$1,000,000	Remediation and decommissioning of liquid waste ponds (transferred to reserves)
	Total	\$2,522,201	

After accounting for the proposed budget adjustments listed in Attachment 3, including the proposed carried forward funds and proposed capital and operational initiatives above, the balance of surplus cash is \$7,699,146.

It is proposed that the amount of \$7,699,146 be transferred to reserves for asset renewal purposes, with the allocation to asset categories to be as set out below. The percentage allocation generally reflects the relative replacement costs for each asset category. The allocation to Energy Efficiency Renewals is proposed to be an amount of \$304,648 which is currently in reserve for solar initiatives, therefore is in addition to the amount of \$7,699,146.

- Road Renewals - \$3,000,000
- Facilities Renewals - \$1,100,000
- Stormwater Renewals - \$1,000,000
- ICT Renewals - \$400,000
- ASALC Renewals - \$1,500,000
- Sports Facilities Renewals, Parks and Recreation Renewals - \$699,146
- Energy Efficiency Renewals - \$304,648

In addition to the transferred reserves indicated above, the following transfers of funds currently allocated to the 2023/24 budget are proposed to reflect timing of cashflow:

- Araluen Park Upgrade – transfer \$750,000 to reserve out of total budget of \$1,000,000
- Regional Skate Park – transfer \$1,650,000 to reserve out of a total budget of \$1,800,000
- Tree Planting – transfer full budget allocation of \$160,000 to reserve

Council Reserve Funds

Attachment 7 lists the specific reserve allocations as at 30 June 2023. This reflects the audited Financial Statements and includes funding transferred to reserve for carried forward projects and initiatives. It also shows the transfers in and out of reserve and the resultant balance as at 30 September 2023.

A draft Financial Reserves Policy has been developed for Council consideration. This policy proposes a fit-for-purpose categorisation reflecting Council's current priorities. This supersedes the current Funds Reserves Policy (No. 508).

Attachment 7 also lists the reserves position as at 30 September 2023 and proposed whether each allocation should be retained or reclassified.

Attachment 8 shows reserves position as at 30 September 2023 and includes original purpose of reserves.

Attachment 9 shows the proposed revised reserve funds based on the categorisation included in the draft policy.

Based on the sections of reserves proposed in the Financial Reserves Policy and the movements to and from reserves proposed in this report, the reserve funds balances are as follows:

Renewals	10,597,320
Projects and Initiatives	14,946,143
Emergency and Unplanned Priorities	2,840,801
Total	\$28,384,264

4. ALIGNMENT WITH ALICE SPRINGS LIVEABILITY AND SUSTAINABILITY 2030 STRATEGIC PLAN

This item pertains to relevant components of the *Alice Springs Town Council Liveability and Sustainability Strategic Plan 2030* as follows:

Pillar 5 – Governance and Civic

5. FUNDING, WHOLE OF LIFE COSTS & RESOURCING REQUIREMENTS

Funding and impact on budget will be as set out above and in the Attachments.

The recurrent impact of this budget review is approximately \$230,000. There will also be an additional impact as a result of a number of labour positions needing to be reclassified in order to attract a candidate with the appropriate skills and experience. This impact will be assessed and reported to Council as part of a future budget review. It is anticipated that the impact will be on 2024/25 rather than 2023/24 however this will be assessed.

With regard to ICT capital and operational costs, an external company has been engaged to conduct a detailed review of existing Enterprise Resource Planning (ERP) solutions, assess viable options and develop an ERP Strategy and Roadmap. This review will enable Council to understand its current state of business systems and the roadmap to deliver Council's future ERP business needs.

Early progress is being made in relation to specific components of the ICT Strategic House including:

- Moving servers to the cloud-based Amazon Web Services
- Moving to Microsoft 365, which will result in some rationalisation of existing software
- Installation of Wireless Network connectivity at the Civic Centre and then other Council sites
- Investigation of Bring Your Own Device (BYOD) capabilities

The above initiatives, as well as whichever ERP option is ultimately endorsed, are likely to result in additional annual licencing costs compared to the current situation. They will however be critical in providing a modern technical environment and increased functionality including an online citizen and customer presence, and also enable efficiencies and value for money savings to be achieved.

6. RISK MANAGEMENT

Not applicable.

7. ENVIRONMENTAL IMPACTS

Not Applicable.

8. STATUTORY MATTERS / DELEGATIONS

Section 203 (2) of the Local Government Act 2019 states:

- 2) *Subject to subsection (3), a council may, after adopting its budget for a particular financial year, adopt an amended budget.*

Section 9 of the Local Government (General) Regulations 2021 states:

- 1) *A council's budget for a financial year must be reviewed by the council as follows:*
 - (a) *on at least one occasion between 1 July and 31 December in the financial year;*
 - (b) *on at least one occasion between 1 January and 30 April in the financial year.*

9. COUNCIL POLICIES

It is proposed that Council endorse, as part of this report, the Allocation of Surplus Funds Policy and Financial Reserves Policy.

10. STAKEHOLDER MANAGEMENT / PUBLIC RELATIONS

Communication and consultation for each project and initiative will be undertaken as deemed appropriate.

11. CONCLUSION

The end of year financial position is summarised in this report.

The surplus cash position has accumulated over a number of years due to the reconciliation of this position not being undertaken. Council in allocating the surplus cash needs take account of renewal requirements of its ageing assets. It is proposed that an amount of \$7,699,146 be transferred to reserve for future renewal and replacement of assets. In addition, it is proposed that an amount of funding be allocated to specific renewal projects such as depot amenities, tennis courts and netball courts.

12. ATTACHMENTS

Attachment 1 – Proposed carried forward capital and operational funding from 2022/23 to 2023/24.

Attachment 2 – Summary First Revision Budget

Attachment 3 – Detailed First Revision Budget

Attachment 4 – Draft Allocation of Surplus Cash Policy

Attachment 5 – Draft Financial Reserves Policy

Attachment 6 – Current Funds Reserves Policy (No. 508)

Attachment 7 – List of reserves allocations as at 30 June 2023 and 30 September 2023, indicating to retain or reallocate.

Attachment 8 – Current Reserves as at 30 September 2023 – Original Purpose of Reserves

Attachment 9 – Proposed recategorised reserves reflecting proposed allocations included in First Revision Budget.



Joe McCabe

ACTING DIRECTOR CORPORATE SERVICES

Proposed Operational Funding Rollovers V3



Budget 2023-2024

Project	Account	Budget 2022/2023	Actual Expense 2022/2023	Funds Remaining Balance	Proposed Carry Forward	Comment
Footpath/Cycle tracks	160	\$ 100,002	\$ 53,341	\$ 46,661	\$ 46,661	Footpath works
Public Art	463	\$ 32,920	\$ 13,000	\$ 19,920	\$ 19,920	Public Art Projects
Green Living Subsidy	664	\$ 4,800	\$ 3,350	\$ 1,450	\$ 1,450	Cloth Nappy Funds
Security	701	\$ 185,000	\$ 102,640	\$ 82,360	\$ 82,360	CCTV Remainder
Workplace Relations/Safety	707	\$ 357,760	\$ 165,574	\$ 192,186	\$ 192,186	WHS Projects
Climate & Environment	763	\$ 200,000	\$ 50,431	\$ 149,569	\$ 149,569	Climate Projects
Traders Association	831	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	Trader Projects
Tourism Events & Promotion	851	\$ 79,110	\$ 68,364	\$ 10,746	\$ 10,746	Tourism Projects
Reconciliation Action Plan	861	\$ 11,540	\$ 2,653	\$ 8,887	\$ 8,887	RAP Projects
Reinvigorate CBD	691	\$ 319,708	\$ -	\$ 319,708	\$ 319,708	Funded from Multiple Project Numbers
Total Carry Forward					\$856,487	

Proposed Capital Funding Rollovers V2



Budget 2023-2024

Project	Account	Budget 2022/2023	Actual Expense 2022/2023	Funds Remaining Balance	Proposed Carry Forward	Comment
Hartley Street Public Toilets	17	\$ 420,000	\$ 211,501	\$ 208,499	\$ 208,499	Exeloo Works
Civic Centre Maint	18	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	New Boiler
Stormwater Network	48	\$ 289,000	\$ 17,485	\$ 271,515	\$ 273,000	
Ross Park (Netball)	80	\$ 250,000	\$ 25,103	\$ 224,897	\$ 224,897	Netball Upgrades
Operations P&E	94	\$ 700,000	\$ 274,654	\$ 425,346	\$ 425,346	Fleet Upgrades
RWMF	176	\$ 2,070,000	\$ 44,884	\$ 2,025,116	\$ 2,025,116	Liquid Waste Removal
Park Redevelopment	227	\$ 600,000	\$ 291,709	\$ 308,291	\$ 308,291	Committed to ASALC Adventure Play
ASALC Plant Upgrades	688	\$ 584,586	\$ 398,884	\$ 185,702	\$ 185,702	ASALC plant room
IT	746	\$ 2,094,250	\$ 839,792	\$ 1,254,458	\$ 1,254,458	Multiple IT works
Total Carry Forward					\$4,955,309	

ORIGINAL BUDGET VERSUS REVISED BUDGET FY 2023-2024

	Original	Revised
Income		
Interest -Banks & Other	1,671,738	1,671,738
Operating Grants and Subsidies	3,332,109	7,090,695
Other Income	831,137	596,280
Rates and Annual Charges	27,413,311	27,413,311
Statutory Charges	4,550,443	4,550,443
User Charges & Fees	5,632,517	5,844,198
Income Total	43,431,255	47,166,665
Expenditure		
Elected Member Allowances	383,500	408,500
Elected Member Expenses	46,023	46,023
Council Committee & LA Allowances	79,043	79,043
Council Committee & LA Expenses	5,513	5,513
Employee Costs	19,889,621	20,241,430
Materials and Contracts	11,211,324	17,859,485
Depreciation	9,571,557	9,571,557
Other Operating Expenses	7,291,598	5,643,518
Expenditure Total	48,478,179	53,855,069
Total	(5,046,924)	(6,688,404)
 Add Back Non Cash Expenses	 9,571,557	 9,571,557
Total Non Cash Expenses	9,571,557	9,571,557
 Capital Expenses	 11,050,633	 16,764,518
Transfers to Reserve	7,690,633	4,700,000
Total Additional Outflows	18,741,266	21,464,518
 Capital Grants income	 3,166,000	 1,517,715
Transfers from Reserve	11,050,633	17,063,650
Total Additional Inflows	14,216,633	18,581,365
 Net Budgeted Operating Position	 0	 0

Allocation of Surplus Funds Policy

Council Policy



Policy Name	Allocation of Surplus Funds Policy		
Type	Council Policy		
Owner	Chief Financial Officer		
Responsible Officer	Manager Finance		
Decision Number	[Decision Number]	Approval Date	[Approval Date]
Records Number	Add number here	Next Review Date	[Review Date]

1 Purpose

This policy outlines the process that should be followed to calculate and allocate surplus funds (or untied cash position) to ensure that they are allocated in a manner which is consistent with Alice Springs Town Council's Long-Term Financial Plan and its strategic priorities.

2 Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
Current assets	Assets expected to be realised within 12 months after the reporting period (AASB 101)
Current liabilities	Liabilities expected to be settled within 12 months after the reporting period (AASB 101)
Non-current assets	Assets not expected to be realised within 12 months after the reporting period (AASB 101)
Non-current liabilities	Liabilities not expected to be settled within 12 months after the reporting period (AASB 101)
Working Capital	Net current assets, which are net assets that are continually circulating (AASB 101)

3 Policy Statement

This policy applies to the calculation and allocation of surplus funds that are identified after the end of year resulting from budget expenditure savings or increased revenue.

Surplus funds should be calculated annually after the financial statements have been verified by the external audit. Surplus funds should not be used to fund discretionary expenditure throughout the year unless the expenditure falls into one of the priority categories set out in this policy. Council should consider the surplus cash position and its allocation as part of the End of Financial Year Report.

The calculation should be in accordance with the methodology set out in this policy.

Allocation of Surplus Funds Policy

Council Policy



This policy should be reviewed annually to consider any changes required to the calculation methodology, should any reclassification of items within the Statement of Financial Position occur or new items appear.

3.1 Calculation Methodology

To determine if surplus cash at the end of the financial year exists, the following calculation should be undertaken. The required figures are available from the audited Statement of Financial Position as at 30 June each year. The calculation deducts current liabilities from current assets. It takes account of cash provisions and also cash-backed reserves.

Item	Explanation
Cash at Bank	Includes cash at bank on hand in operations account and also term deposits invested for fixed periods
Add: Trade & other receivables	Includes outstanding rates and user charges, accrued revenues and makes allowance for doubtful debts
Less: Trade & other payables	Includes grants and subsidies paid in advance, accrued expenses (employee entitlements and other), trust account and rates paid in advance.
Less: Employee provisions	Includes provision for annual leave and long service leave (current and non-recurrent). Even non-current liability should be backed by realisable cash.
Less: Other Provisions	Includes other cash provisions such as landfill restoration. This should be backed by realisable cash.
Less: Reserves	Includes all externally and internally restricted cash-backed reserves. This should be backed by realisable cash.
Equals: Surplus Cash Position	Funds available for allocation in accordance with policy.

If the result of the above calculation is positive then surplus cash exists to be allocated in accordance with this policy.

A reasonable balance (minimum of \$1,000,000) of the above surplus cash should be retained as available working capital as a buffer against budget shocks or unforeseen circumstances.

When undertaking a cashflow analysis to determine available funds for investment, in accordance with the Investment Policy, sufficient cash at bank on hand should be maintained for Council's ongoing operations.

A working capital (total current assets less total current liabilities) to current liabilities ratio of 2:1 should be maintained. In practical terms, working capital is having enough money to pay the current obligations as they fall due. To remain prudent and conservative and ensure that there is sufficient cash liquidity, this ratio calculation should be undertaken prior to any surplus cash is allocated.

Allocation of Surplus Funds Policy

Council Policy



3.2 Allocation of Surplus Cash

The allocation of any surplus cash should be in accordance with the following priorities:

- Allocation to reserves for future renewal of infrastructure assets.
- Bringing forward of any projects or initiatives which are included in the Long-Term Financial Plan (including Four-Year Capital Expenditure Program), with the appropriate adjustments to the Long-Term Financial Plan to reflect the revised timing.
- Projects or initiatives which align to Council endorsed strategies and plans.
- Allocation to projects or initiatives that will result in efficiencies and cost savings, with a reasonable return on investment period.
- Allocation to urgent maintenance which was not evident at budget adoption.

The proceeds from sale of assets should be transferred to reserve for the replacement or renewal of the same asset category, unless specifically determined otherwise by Council. Proceeds from sale of land should be allocated to facilities renewals unless Council deems that another asset category has a greater priority.

4 Responsibilities

- The Chief Financial Officer is responsible for calculating the surplus cash position.
- The Chief Executive Officer is responsible for approving the calculation and presenting to Council for endorsement.
- The Chief Executive Officer is responsible for recommending allocation of surplus cash based on this policy.
- Council is responsible for enduring the surplus cash position and its allocation based on this policy.
- The Chief Executive Officer and Directors are responsible for arranging delivery of projects and initiatives to which surplus cash has been allocated to.

5 Related Documents

- Investment Policy
- Reserves Policy

Allocation of Surplus Funds Policy

Council Policy



6 Version History

Version	Date	Action/Description of changes made	By
V00.01	19/10/2023	Draft of new policy	Director Corporate Services

7 Communication and Training

Will this policy be communicated through internal communications?	No
Where will this policy be available?	ASTC Website
Will training needs arise from this policy? If yes, who will be responsible.	Chief Financial Officer

Financial Reserves Policy

Council Policy



Policy Name	Financial Reserves Policy		
Type	Council Policy		
Owner	Chief Financial Officer		
Responsible Officer	Manager Finance		
Decision Number	[Decision Number]	Approval Date	[Approval Date]
Records Number	Add number here	Next Review Date	[Review Date]

1 Purpose

This policy outlines the criteria for the classification of financial reserves and establishes the purpose of individual reserves. It also promotes the sustainable and responsible financial management of Alice Springs Town Council through the consistent application of reserve classifications and alignment with its strategic priorities.

2 Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
Renewal	Expenditure on an existing asset, or on replacement of an existing asset, that returns the service capability of the asset to its original level.

3 Policy Statement

Alice Springs Town Council has cash backed reserves, which are funds set aside for future purposes. These reserves are utilised to assist in funding Council's strategic priorities as reflected in its Long-Term Financial Plan.

3.1. Creation of Reserves

Reserves are created by Council resolution.

Reserves usually have the following characteristics:

- There is no legal requirement that governs the use of the funds
- The reserve has been established for some internal purpose, however, if that purpose does not eventuate or Council changes its priorities the funding can be diverted to other priorities.

3.2. Criteria for Reserves

The criteria for reserves are as follows:

- a. Renewal of assets, including infrastructure and Information Technology assets
- b. Specific projects and initiatives which contribute to the delivery of strategic goals in the Alice Springs Liveability and Sustainability 2030
- c. Provision for emergency or unplanned priority projects
- d. Temporary repository for unexpended funding as the end of a financial year which is intended to be carried forward into the following year in which specific projects or initiatives will be completed

In accordance with Accounting Standards, cash provisions for annual leave, long service leave and restoration of landfill are held on the Balance Sheet and not part of reserves.

Developer Contributions are held in a Trust Fund, therefore are not part of reserves.

To reflect the above, the Financial Reserves consist of four sections detailed below.

3.2.1. Renewals

These reserves fund expenditure on an existing asset, or on replacement of an existing asset, that returns the service capability of the asset to its original level. Renewals do not include maintenance work completed on an ongoing basis such as pot hole repair.

The following Council reserves are established in accordance with the criteria above:

- Road renewals
- Facilities renewals
- Stormwater renewals
- Information, Communication and Technology renewals
- Alice Springs Aquatic & Leisure Centre (ASALC) renewals
- Sports Facilities, Parks and Recreation renewals
- Fleet and Plant Replacement
- Energy Efficiency renewals

The allocation of renewal funding should be reviewed annually as part of Council's annual budget and Long-Term Financial Plan and also when considering the End of Year Financial Report. This review should be informed by updated versions of the Asset Management Plan and specific condition assessments undertaken.

3.2.2. Projects and Initiatives

These reserves fund specific projects and initiatives which contribute to the delivery of strategic goals in the Alice Springs Liveability and Sustainability 2030. The list of reserves will be subject to review by Council resolution on an ongoing basis. Any reallocation should be considered in the context of the strategic plan and the Long-Term Financial Plan.

Funding allocated in Council's budget for projects or initiatives which are not anticipated to commence in the current financial year, should be transferred into this section of the reserves until required.

The following Council reserves are established in accordance with the criteria above, and are subject to ongoing review:

- Reinvigoration of the Alice Springs Town Centre
- Cemetery Masterplan
- Regional Waste Management Facility (RWMF) Future Landfill Site
- RWMF Shredder
- Public Art
- Streetlighting
- Kerbside Collection
- Tree Planting
- Elections
- Sports Facilities Advisory Committee
- Elected Member Projects
- Liquid Waste Remediation
- Lights at Sporting Ovals
- Araluen Park Upgrade
- Regional Skate Park

3.2.3. Emergency and Unplanned Priorities

This reserve provides provision for emergency or unplanned priority projects which may be required without limited notice.

The following Council reserves are established in accordance with the criteria above, subject to ongoing review:

- Disaster and Emergency
- Major Project Seed Funding
- Strategic Projects

3.2.4. Temporary Repository for Carried Forward Funds

This reserve holds, on a temporary basis, unexpended funding as the end of a financial year which is intended to be carried forward into the following year in which specific projects or initiatives will be completed. Depending on anticipated scheduling of the specific project or initiative, funding may be transferred to section 2 of the reserves.

Funding for projects and initiatives proposed to be carried forward will be listed in the reserves fund as at 30 June each year.

Financial Reserves Policy

Council Policy



3.3. Purposes of Reserves

The purposes of reserves are as follows:

RENEWALS

1.01	Road Renewals	Renewals for work in the road reserve, including new pavement, kerb and channel and footpaths.
1.02	Facilities Renewals	Renewals of Council owned facilities (Civic Centre, Depot, community facilities etc).
1.03	Stormwater Renewals	Renewal of the stormwater and open drain network infrastructure

1.04	ICT Renewals	Renewals of Council's ICT infrastructure
1.05	ASALC Renewals	Renewal of ASALC infrastructure, including plant and equipment, buildings and swimming pools
1.06	Sports Facilities, Parks and Recreation Renewals	Renewals for our sports facilities (excl. ASALC), parks and recreational facilities and equipment
1.07	Fleet and Plant Replacement	Costs associated with renewal of fleet and plant based on a replacement program and in accordance with replacement policy
1.08	Energy Efficiency Renewals	Funding for renewal of the photovoltaic system on Council assets

PROJECTS AND INITIATIVES

2.01	Reinvigorating the Alice Town Centre	Project contingency for current and future town centre projects. This is to fund works on the design and capital works within Alice Springs CBD area
2.02	Cemetery Masterplan	To fund development of the Garden Cemetery in line with the masterplan for the facility
2.03	RWMF Future Landfill Site	Provision for a future landfill site for Alice Springs
2.04	RWMF Shredder	Part funding for future purchase of shredder for the RWMF
2.05	Public Art	Provision for future public art projects in line with the Public Art Masterplan
2.06	Streetlighting	Provision for Council owned streetlight upgrades
2.07	Kerbside Collection	Seed funding to facilitate future kerbside recycling initiatives
2.08	Tree Planting	Provision for future tree planting initiatives following the development and adoption of the Alice Springs Town Council Greening Strategy
2.09	Elections	Fund costs associated with future Council elections

Financial Reserves Policy

Council Policy



2.10	Sports Facilities Advisory Committee	Sports Facility Advisory Committee contributions (Sports Clubs & Council) to be allocated via resolution of SFAC and Council
2.11	Elected Member Projects	Funds for allocation by Elected Members
2.12	Liquid Waste Remediation	Remediation and decommissioning of liquid waste ponds
2.13	Lights at Sporting Ovals	Funding for light at sporting ovals as determined by Council
2.14	Araluen Park Upgrade	Funding for upgrade of Araluen Park
2.15	Regional Skate Park	Funding for construction of Regional Skate Park

EMERGENCY AND UNPLANNED PRIORITIES

3.01	Disaster & Emergency	Natural emergency and disaster support funding
3.02	Major Project Seed Funding	Seed funding for future projects and initiatives
3.03	Strategic Projects	Fund available for strategic projects to be allocated by Council

TEMPORARY REPOSITORY FOR CARRIED FORWARD FUNDS

As part of the End of Year processes, a sub-section within this section of the reserves will be created for each proposed project or initiative for which funds are proposed to be carried forward.

3.3 Establishment of Reserves

Establishment of new reserves and discontinuation of existing reserves will be via Council resolution.

A reserve will be considered 'inactive' once funds are depleted. The reserve can be reactivated by Council resolution as required.

3.4. Transfers to and from Reserves

Transfers should be limited to the funding of those projects for which the reserve was specifically established. Funds held in reserves can be repurposed by Council resolution, subject to any external or legal restrictions, where it is deemed appropriate or necessary.

For financial management purposes all reserve transfers in and out of each reserve must be detailed separately with any specific constrained funds or projects identified within each reserve.

All transfers must be authorised by a Council resolution. This can occur as part of the adopted budget, revised budget or at any other time by Council resolution.

3.5. Assessing Adequacy of Reserve Funds

At least on an annual basis during the preparation of the annual budget and Long-Term Financial Plan, Council will review its forward projections for reserves and funding sources for major projects. This review will analyse the 'best possible use' of available funds.

Financial Reserves Policy

Council Policy



3.6. Interest on Reserve Funds

Interest will only be applied to internally restricted reserve funds by exception and subject to a Council resolution. Interest will only be applied to externally restricted funds if there is a legislative requirement to do so.

The interest rate applicable will be the average return of investments for the relevant financial year.

4 Responsibilities

- The Chief Financial Officer is responsible for implementation of this policy, and making the appropriate recommendations to Council.
- Council is responsible for establishing reserves and approving transferring funds to and from reserves.

5 Related Documents

- Allocation of Surplus Funds Policy

6 Version History

Version	Date	Action/Description of changes made	By
V00.01	23/10/2023	Draft of new policy	Director Corporate Services

7 Communication and Training

Will this policy be communicated through internal communications?	No
Where will this policy be available?	ASTC Website
Will training needs arise from this policy? If yes, who will be responsible.	Chief Financial Officer

POLICY TITLE: FUNDS RESERVES**Policy No. 508****POLICY PURPOSE**

To ensure Council sets aside monies in specific reserve funds to meet specific legal and non legal liabilities and to maintain assets at an acceptable level.

POLICY STATEMENT

1. That to comply with Section 168 of the Local Government Act, the Council will continue to maintain a staff Long Service Leave cash reserve and that such funds will be provided annually through its budgetary system.
2. That the Council will maintain an Asset Replacement cash reserve for the purpose of replacement of existing items of plant, equipment, office furniture, office machines and computer equipment, providing that subject to the availability of funds:
 - (a) provision will be made in the Council's annual budget of an amount which is equal to the estimated depreciation for the year for the purposes of the Asset Replacement Reserve.
 - (b) replacement of existing items of plant and equipment will be funded substantially from the Asset Replacement Reserve..
 - (c) the balance of funds held in the Asset Replacement Reserve will be maintained at a minimum level of funds to be determined annually by Council.
 - (d) new items of plant and equipment to be determined annually by Council may be funded from the Reserve.
3. That the Council will create an annual leave liability cash reserve for the specific purpose of setting aside at the end of each financial year, the budgeted amount of the untaken annual leave staff entitlements, provided that:
 - (a) all subsequent payments of such leave liability be made from the Reserve Funds.
 - (b) the amount of the Reserve Fund be reviewed at the end of each financial year so that the amount reserved will not exceed the Council's liability for annual leave accrued at that time.
4. The Council will maintain an Insurance Claim Reserve for the purposes of setting aside an amount as provided in the Annual Estimates to:
 - (a) offset the cost of Insurance Policy Deductibles on insurance claims;
 - (b) provide for the self-insurance of machinery breakdown risk.

Current Reserves 30 September 2023

- Transition to new list in accordance with Financial Reserves Policy



RESERVES	Current Reserves	30 June 2023	Transfers Out	Transfers In	30 September 2023	Reclassification	Subgroup
7315	RWMF Future Landfill Site	\$3,023,332			\$3,023,332	Project/Initiatives	RWMF Future Landfill Site
7316	Sports Facility Advisory Committee (SFAC)	\$521,726	\$200,000	\$100,000	\$421,726	Project/Initiatives	Sports Facilities Park & Recreation
7317	Developer Contributions	\$140,946			\$140,946	Renewals	Road Renewals
7319	Pedestrian Refuge	\$1,442	\$0		\$1,442	Renewals	Road Renewals
7321	Aquatic & Leisure Centre	\$974,305	\$185,702		\$788,604	Renewals	ASALC Renewals
7322	Capital (Infrastructure)	\$1,726,465	\$1,726,465		\$0	Closed	
7323	Employee Entitlements	\$284,067	\$0		\$284,067	Renewals	Facilities Renewals
7327	Working Capital	\$520,199	\$470,199		\$50,000	Renewals	Facilities Renewals
7328	Todd Mall Redevelopment	\$508,118	\$0		\$508,118	Project/Initiatives	Reinvigorating Alice Town Centre
7330	Regional Waste Management Plant & Equipment	\$2,025,116	\$2,025,116		\$0	Renewals	Facilities Renewals
7331	Public Toilet Project	\$266,909	\$208,499		\$58,410	Renewals	Facilities Renewals
7332	Civic Centre Upgrade	\$252,145	\$50,000		\$202,145	Renewals	Facilities Renewals
7334	Public Art Advisory Committee	\$22,710	\$19,920		\$2,790	Project/Initiatives	Public Art
7352	Mount Johns Development Road Maintenance	\$110,000			\$110,000	Renewals	Road Renewals
7359	Town Camp Waste Collection	\$132,214			\$132,214	Renewals	Facilities Renewals
7363	Open Drains	\$350,792			\$350,792	Renewals	Stormwater Renewals
7364	Parks & Playgrounds	\$533,188	\$533,188		\$0	Closed	
7368	Security and Safety Lighting Upgrade	\$3,141,260			\$3,141,260	Project/Initiatives	Streetlighting
7370	Solar Initiatives	\$304,648			\$304,648	Renewals	Energy Efficiency Renewals
7373	Map Signage	\$52,823			\$52,823	Renewals	Road Renewals
7378	Netball Facility Upgrade Reserve	\$41,085			\$41,085	Renewals	Sports Facilities Park & Recreation
7385	Kerbside Collection	\$955,952			\$955,952	Project/Initiatives	Kerbside Collections
7389	Baler Shed	\$9,828			\$9,828	Renewals	Facilities Renewals
7393	City Deals Project	\$53,850			\$53,850	Renewals	Road Renewals
7395	South Edge Estate Defective Works	\$50,000			\$50,000	Renewals	Road Renewals
7397	Ilparpa Road capital works	\$133,207			\$133,207	Renewals	Road Renewals
7401	Garden Cemetery Future Development Plan Reserve	\$105,645			\$105,645	Project/Initiatives	Cemetery Masterplan
7403	Tree Planting Reserve	\$53,925			\$53,925	Project/Initiatives	Tree Planting
7404	Library IT Upgrade Reserve	\$58,350			\$58,350	Renewals	ICT Renewals
7405	South Edge Subdivision Concrete Footpath Works	\$75,000			\$75,000	Renewals	Road Renewals
7407	ANZAC Oval Fund Reserve	\$3,660,000	\$3,660,000		\$0	Closed	
7408	Town Beautification	\$719,346			\$719,346	Project/Initiatives	Reinvigorating Alice Town Centre
7414	Disaster & Emergency	\$940,801			\$940,801	Emergency & Unplanned Priorities	Disaster & Emergency Reserve
7415	CBD Revitalisation Project	\$1,601,543	\$319,708		\$1,281,835	Project/Initiatives	Reinvigorating Alice Town Centre
7416	Major Projects Seed Funding Reserve	\$200,000		\$200,000	\$400,000	Emergency & Unplanned Priorities	Major Project Seed Funding
7430	Cricket Wicket Replacement	\$44,694			\$44,694	Renewals	Sports Facilities Park & Recreation
7521	Investment (Interest) Reserve-	\$88,283			\$88,283	Renewals	Road Renewals
	Total	\$23,683,911	\$9,398,795	\$300,000	\$14,585,116		



Pink
Red
Orange
Yellow
Green
Purple
Gold

Current Reserves 30 September 2023 - Original Purpose of Reserves

Transition to new list in accordance with Financial Reserves Policy

Current Reserves	Amount	Comment	Reclassification	Subgroup
INTERNALLY RESTRICTED RESERVES				
Assets Reserve				
1a - Asset Management, Maintenance and Renewal				
Aquatic & Leisure Centre	788,604	No change to reserve purpose	Renewals	ASALC Renewals
Library IT Upgrade Reserve	58,350	No information available on the original specific purpose of this reserve. Being allocated to ICT renewals	Renewals	ICT Renewals
Cricket Wicket Replacement	44,694	This reserve appears to have been created for a project in 2012 to replace wickets	Renewals	Sports Facilities Parks & Rec
Total	891,648			
1b - Civil Works and Projects				
Ilparpa Road capital works	133,207	Reserve for Ilparpa Road Project completed in 2022.	Renewals	Road Renewals
Open Drains	350,792	No information available on the original specific purpose of this reserve, however being allocated for Stormwater Renewals which will include open drains	Renewals	Stormwater Renewals
Pedestrian Refuge	1,442	Remaining funding from Pedestrian Refuge Project undertaken in 2017	Renewals	Road Renewals
Town Beautification	719,346	No information available on the original specific purpose of this reserve. Appears to be non-specific project reserve. To be allocated to Reinvigorating Town Centre	Projects/Initiatives	Reinvigorating Town Centre
Tree Planting Reserve	53,925	No change to reserve purpose	Projects/Initiatives	Tree Planting
Total	1,258,712			
1c - Waste Management Reserve				
RWMF Future Landfill Site	3,023,332	No change to reserve purpose	Projects/Initiatives	RWMF Future Landfill Site
Total	3,023,332			
Upgrades and New Development				
Todd Mall Redevelopment	508,118	Todd Mall Redevelopment was a project from 2012 and no records on purpose of the reserve after this project was completed. Likely the reserve is the remaining funds from the project	Projects/Initiatives	Reinvigorating Town Centre
Map Signage	52,823	No information available on the original specific purpose of this reserve	Renewals	Road Renewals
CBD Revitalisation Project	1,281,835	No information available on the original specific purpose of this reserve	Projects/Initiatives	Reinvigorating Town Centre
Baler Concrete Slab	9,828	The Baler project was a project from 2017 which is now complete	Renewals	Facilities Renewal
Civic Centre Upgrade	202,145	Civic Centre Upgrade was completed in 2007 and this reserve appears to be retained from this project	Renewals	Facilities Renewal
Garden Cemetery Future Development Plan Reserve	105,645	No change to reserve purpose	Projects/Initiatives	Cemetery Masterplan
Netball Facility Upgrade Reserve	41,085	No information available on the original specific purpose of this reserve	Renewals	Sports Facilities Parks & Rec
Public Toilet Project	58,410	This reserve was created for new public toilets projects	Renewals	Facilities Renewal
City Deals Project	53,850	No information available on the original specific purpose of this reserve	Renewals	Road Renewals
Security and Safety Lighting Upgrade	3,141,260	No change to reserve purpose	Projects/Initiatives	Streetlighting
Kerbside Collection	955,952	No change to reserve purpose	Projects/Initiatives	Kerbside Collections
Major Projects Seed Funding Reserve	400,000	No change to reserve purpose	Emergency/Unplanned Priorities	Major Project Seed Funding
Total	6,810,950			
Operations, Community and Strategic Investment Reserve				
Working Capital	50,000	Additional Working Capital kept in reserve is not required	Renewals	Facilities Renewal
Investment (Interest) Reserve-proportioned to the Reserves bi-yearly	88,283	Interest from reserves that was historically proportioned to the reserve.	Renewals	Road Renewals
Public Art Advisory Committee	2,790	No change to reserve purpose	Projects/Initiatives	Public Art
Total	141,073			
Disaster Relief				
Disaster & Emergency	940,801	No change to reserve purpose	Emergency/Unplanned Priorities	Disaster & Emergency
Total	940,801			
TOTAL COUNCIL RESERVES (INTERNALLY RESTRICTED)		\$13,066,516		

Current Reserves			Comment	Reclassification	Subgroup
EXTERNALLY RESTRICTED (relates to external funding/restricted for specific purpose)					
	Sports Facility Advisory Committee (SFAC)	421,726	SFAC contributions - No change to the purpose of this reserve	Projects/Initiatives	Sports Facilities & Advisory Com.
	Developer Contributions	140,946	Historical developer contributions. No accurate tracking of what they were collected for and if any of the works have been completed	Renewals	Road Renewals
	Employee Entitlements	284,067	Historical way Council managed staff leave entitlements. Currently managed as a Liability on the balance sheet making this reserve redundant	Renewals	Facilities Renewal
	Town Camp Waste Collection	132,214	Underspend of the grant for waste collection at Town Camps. There is no requirement in the grant to return these funds to grant provider.	Projects/Initiatives	RWMF Future Landfill Site
	Solar Initiatives	304,648	No change to the purpose of this reserve	Renewals	Energy Efficiency Renewals
	South Edge Estate Defective Works	50,000	Funds received from Contractor in lieu of fixing defect in project. No record of nature of defect or if any rectification was completed.	Renewals	Road Renewals
	South Edge Subdivision Concrete Footpath Works	75,000	Funds received from Contractor in lieu of fixing defect in project. No record of nature of defect or if any rectification was completed.	Renewals	Road Renewals
	Mount Johns Development Road Maintenance	110,000	Funds received from Contractor in lieu of fixing defect in project. No record of nature of defect or if any rectification was completed.	Renewals	Road Renewals
	Total	1,518,601			
TOTAL COUNCIL RESERVES (EXTERNALLY RESTRICTED)		\$1,518,601			

TOTAL RESERVES	\$14,585,117
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RWMF Future Landfill Site	Pink
Sports Facilities Parks & Rec	Red
Road Renewals	Orange
Reinvigorating Town Centre	Yellow
Facilities Renewal	Green
ICT Renewals	Purple
Stormwater Renewals	Gold
ASALC Renewals	Grey

Revised Reserve Listing in Accordance with Financial Reserves Policy Based on Budget Revision V2

Renewals

Road Renewals	3,705,551
Facilities Renewals	1,704,450
Stormwater Renewals	1,350,792
ASALC Renewals	2,288,604
ICT Renewals	458,350
Energy Efficiency Renewals	304,648
Sports Facilities Renewals, Parks and Recreation Renewals	784,925

TOTAL RENEWALS **\$10,597,320**

Projects and Initiatives

Elections	240,000
RWMF Future Landfill Site	3,155,546
Fleet and Plant	300,000
Sports Facilities Advisory Committee	421,726
Reinvigorating Alice Springs Centre	2,509,299
Public Art	2,790
Streelighting	3,141,260
Kerbside Collections	955,952
Cemetery Masterplan	105,645
Tree Planting	213,925
Elected Member Projects	100,000
Liquid Waste Remediation	1,000,000
Lights at Sporting Ovals	400,000
Araluen Park Upgrade	750,000
Regional Skate Park	1,650,000

TOTAL PROJECTS AND INITIATIVES **\$14,946,143**

Emergency and Unplanned Priorities

Disaster & Emergency	940,801
Major Projects Seed Funding	400,000
Strategic Projects	1,500,000

TOTAL EMERGENCY AND UNPLANNED PRIORITIES **\$2,840,801**

GRAND TOTAL **\$28,384,264**