

FM 14 – Sustainability Reserve Funding Policy

1 Objectives

The objective of this Policy is to outline means of funding of the Councils sustainability reserve, through a combination of an annual funding allocation to be considered in the annual budget, and the estimation of cost savings that might be generated by projects and initiatives funded by the reserve which can be reinvested back into the reserve.

2 Scope

The Council established a sustainability reserve in March 2023. The purpose of this reserve is.

“To provide environmental benefits to Council and the community, combat rising costs of energy and reduce the carbon footprint of corporate operations with energy-efficiency initiatives, implement water-wise and waste-reduction initiatives, and create future cost savings to be reinvested into the delivery of new sustainability projects”.

The policy includes commitments to consider the inclusion of funds in the Councils annual budgets for transfer to the sustainability reserve.

The adoption of the annual budget is a decision that must be made by the Council on a year-by-year basis, having regard to the applicable circumstances at that time. Consequently, the Council cannot adopt a Policy that binds future decision making on the budget, however it can express an intent with regards to future budget decisions. This Policy must be read in that context.

3 Policy

The Council will,

- 3.1 Include an amount of \$10,000 per year for transfer to the sustainability reserve for consideration in the draft annual budget. This figure will be reviewed annually by the CEO, having regard to the Local Government Cost Index.
- 3.2 Include estimated cost savings generated by projects and initiatives funded by the sustainability reserve in the draft budget for transfer to the reserve. This will be done by the savings being included in the draft budget for transfer to the reserve from the 1st year following the completion of the project in question for a period of 10 years thereafter.
- 3.3 Savings estimates will be reviewed annually by the CEO, having regard to the Local Government Cost Index, and may be refined as necessary where actual savings made may become more apparent over time.
- 3.4 Council may also transfer funds to the Sustainability Reserve (as it might with any other reserve) at the time of annual budget preparation and / or as part of the midyear budget review if surplus funds are identified.

4 Applicable Legislation and Documents

Statutory Power (Acts, Regulations, Local Laws, TPS)	Local Government Act 1995 6.2 – Local government to prepare annual budget 6.11 Reserve accounts
Shire Policies	Nil
Related Documents	Nil
Related Procedure	Nil

5 Administration

Original Adoption Date	29 June 2023 (C.10/0623)
Last Variation Date	
Last Reviewed	30 June 2022
Scheduled Reviewed Date	29 November 2024