

BUSINESS PAPER



Penrith Mayor Todd Carney and Transport for NSW's Executive Director Cities Integration Kathryn Crestani pictured at Factory Road, Regentville where Council has started construction of a new shared path. The three-metre-wide shared path will run the length of Factory Road, from Mulgoa Road to the Nepean River, and connect with existing pathways at Tench Reserve.

Policy Review Committee Meeting

11 August 2025

5 August 2025

Dear Councillor,

In pursuance of the provisions of the Local Government Act, 1993 and the Regulations thereunder, notice is hereby given that a **POLICY REVIEW COMMITTEE MEETING** of Penrith City Council is to be held remotely using audio visual links, audio streamed and in the Pasadena Room, Civic Centre, 601 High Street, Penrith on Monday 11 August 2025 at 7:00 PM.

Attention is directed to the statement accompanying this notice of the business proposed to be transacted at the meeting.

Yours faithfully

Andrew Moore
General Manager

BUSINESS

1. LEAVE OF ABSENCE

Leave of absence has been granted to:

Councillor Sue Day - 11 August 2025 to 22 August 2025 inclusive.

2. APOLOGIES

3. CONFIRMATION OF MINUTES

Policy Review Committee Meeting - 23 June 2025.

4. DECLARATIONS OF INTEREST

Pecuniary Interest *(The Act requires Councillors who declare a pecuniary interest in an item to leave the meeting during discussion of that item)*

Non-Pecuniary Conflict of Interest – Significant and Less than Significant

(The Code of Conduct requires Councillors who declare a significant non-pecuniary conflict of interest in an item to leave the meeting during discussion of that item)

5. ADDRESSING THE MEETING

6. MAYORAL MINUTES

7. NOTICES OF MOTION TO RESCIND A RESOLUTION

8. NOTICES OF MOTION

9. DELIVERY PROGRAM REPORTS

10. URGENT BUSINESS

11. CONFIDENTIAL BUSINESS

POLICY REVIEW COMMITTEE MEETING

MONDAY 11 AUGUST 2025

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WEBCASTING NOTICE

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WEBCASTING NOTICE

Please note that tonight's meeting other than the confidential sessions are being recorded and will be placed on Council's website. All in attendance should refrain from making defamatory statements. Council takes all care when maintaining privacy, however members of the public gallery and those addressing Council should be aware that you may be recorded.



2025 MEETING CALENDAR

January 2025 - December 2025

(proposed to be adopted by Council – 28 April 2025)

	TIME	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
		Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon	Mon
Ordinary Council Meeting	7:00pm		10@	3 31	28 -	26 #	30*	21	25@	22^	27✓	17∞#+	8
Policy Review Committee	7:00pm		17		14		23		11		13		1

- Meeting at which the draft corporate planning documents (Delivery Program and Operational Plan) are endorsed for exhibition
 - * Meeting at which the draft corporate planning documents (Delivery Program and Operational Plan) are adopted
 - # Meetings at which the Operational Plan quarterly reviews (March and September) are presented
 - @ Meetings at which the Delivery Program progress reports (including the Operational Plan quarterly reviews for December and June) are presented
 - ^ Election of Mayor and/or Deputy Mayor
 - ✓ Meeting at which the 2024-25 Annual Statements are presented
 - ∞ Meeting at which any comments on the 2024-25 Annual Statements are adopted
 - + Meeting at which the Annual Report is presented
-
- Extraordinary Meetings are held as required.
 - Members of the public are invited to observe meetings of the Council (Ordinary and Policy Review Committee, Councillor Briefings are confidential sessions). Should you wish to address Council, please contact the Head of Governance, Adam Beggs on 4732 7597.

**UNCONFIRMED MINUTES
OF THE POLICY REVIEW COMMITTEE MEETING OF PENRITH CITY COUNCIL
HELD REMOTELY USING AUDIO VISUAL LINKS, AUDIO STREAMED ON THE
COUNCIL WEBSITE AND IN THE PASSADENA ROOM, PENRITH
ON MONDAY 23 JUNE 2025 AT 7:03PM**

WEBCASTING STATEMENT

His Worship the Mayor, Councillor Todd Carney read a statement advising that Council Meetings are recorded and webcast.

PRESENT – IN PERSON

His Worship the Mayor, Councillor Todd Carney, Deputy Mayor, Councillor Ross Fowler OAM and Councillors Kirstie Boerst, Robin Cook, Sue Day, Sabbie Kaur, Hollie McLean, Edwin Mifsud, Reece Nuttall, Vanessa Pollak, Faithe Skinner, Garion Thain and John Thain.

PRESENT – ATTENDED REMOTELY

Councillor Glenn Gardiner

APOLOGIES

PRC9 RESOLVED on the MOTION of Councillor John Thain seconded Councillor Faithe Skinner that the apology from Councillor Libby Austin be accepted.

CONFIRMATION OF MINUTES - Policy Review Committee Meeting - 14 April 2025

PRC10 RESOLVED on the MOTION of Councillor Robin Cook seconded Councillor Sabbie Kaur that the minutes of the Policy Review Committee Meeting of 14 April 2025 be confirmed.

DECLARATIONS OF INTEREST

There were no Declarations of Interest.

DELIVERY PROGRAM REPORTS

OUTCOME 5 - WE HAVE OPEN AND COLLABORATIVE LEADERSHIP

1 Model Code of Conduct for Local Councils in NSW and the Model Code of Meeting Practice

11 RESOLVED on the MOTION of Councillor Hollie McLean seconded Councillor John Thain

That:

1. The information contained in the report on Model Code of Conduct for Local Councils in NSW and the Model Code of Meeting Practice be received.
2. Council re-adopts the attached Model Code of Conduct for NSW Councils as its Code of Conduct.
3. The attached Draft Code of Meeting Practice be placed on public exhibition for 28 days and provide members of the community at least 42 days to comment, before being brought back to Council for adoption.

2 Redundant Policies and Minor Changes to policies

12 RESOLVED on the MOTION of Councillor Garion Thain seconded Councillor Edwin Mifsud

That:

1. The information contained in the report on Redundant Policies and Minor Changes to policies be received.
2. The delegated limit for amount that Council staff can write off for rates and other accounts under the Rates and or Accounts Written Off Policy be increased from \$2,000 to \$3,000.
3. The amended Rates and or Accounts Written Off Policy be registered and published on Council website.
4. The Smoke Free Outdoor Areas, Water Sensitive Urban Design (WSUD), Kerb, Guttering and Footpath Charges for places of Worship, Concrete Foot Paving, and Signs Leading to Public Facilities policies be made redundant.
5. The redundant policies to be removed from the policy register and Council website.

URGENT BUSINESS

There was no Urgent Business.

There being no further business the Chairperson declared the meeting closed the time being 7:06pm.

DELIVERY PROGRAM REPORTS

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OUTCOME 1 - WE PROTECT AND ENHANCE AN ECOLOGICALLY SUSTAINABLE ENVIRONMENT

Item		Page
1	Review and update of Councils Onsite Waste Water Management Policy	1



1 Review and update of Councils Onsite Waste Water Management Policy**Compiled by:** Greg McCarthy, Head of Environmental Health and Compliance**Authorised by:** Andrew Jackson, Director Planning and Regulatory Services

Outcome	<i>We protect and enhance an ecologically sustainable environment</i>
Strategy	<i>Minimise the impacts of waste and pollution</i>
Principal Activity	<i>Guide landholders towards sustainable on-site management of sewage and wastewater to protect and enhance the quality of public health and the environment within the City</i>

Executive Summary

The Penrith Local Government Area (LGA) contains approximately 4,500 On-Site Wastewater Management (OWM) systems, which are regulated by Council's Environmental Health Team through the On-Site Sewage Management Program. The supporting policy, On-Site Sewage Management and Greywater Reuse Policy, was first developed in 2007 to clarify legislative responsibilities for landowners, occupiers, wastewater consultants, and service agents. It also serves as a regulatory and assessment framework for Council Officers.

A comprehensive review of both the Program and Policy has now been completed to ensure efficient resource allocation, alignment with best practice, and ongoing relevance. The review identified a range of operational and compliance challenges, particularly in the issuing of operational approvals and Council's capacity to undertake inspections due to current resourcing constraints.

To address these issues, several amendments to the Program and Policy have been proposed. These include introducing a risk-based classification system for OWM systems, streamlining approval processes, updating technical requirements in line with recently published guidelines from the NSW Office of Local Government, and enhancing administrative efficiency.

It is recommended that the revised draft Policy be placed on public exhibition to seek stakeholder feedback. These changes will support a more efficient and risk-based regulatory approach, enabling Council to continue meeting its environmental health obligations and legislative responsibilities.

Background

The Penrith LGA encompasses a mix of sewered urban, village, and unsewered rural areas. Properties not connected to Sydney Water's sewerage network manage wastewater through on-site systems such as Aerated Wastewater Treatment Systems (AWTS) and septic tanks.

Following amendments to the Local Government Act 1993, Council developed its original On-Site Sewage Management Strategy in 2002, establishing the foundation of the current regulatory program. This Strategy was subsequently reviewed in 2007, leading to the adoption of the On-Site Sewage Management and Greywater Reuse Policy, with a further review in 2014.

The current review ensures continued alignment with updated guidance documents and evolving community and environmental expectations.

Current Situation

The review identified 4 primary challenges:

1. The current 'Approval to Operate' process does not differentiate between high- and low-risk systems.
2. Limited capacity to undertake proactive inspections due to increased workloads and resourcing constraints.
3. Inefficient submission and processing of service reports; and
4. Unproductive administrative and operational processes.

Under current practice, all OWM systems are treated uniformly, regardless of environmental or public health risk. This approach does not consider critical factors such as proximity to waterways, drainage lines, native vegetation, or flood-prone areas.

To better target Council's regulatory efforts, a new risk classification framework is proposed. Systems will be categorised as Low, Medium, or High risk, with associated approval renewal periods of 5, 3, and 1 years, respectively.

The 2025–2026 Fees and Charges have been amended to reflect this framework.

Systems have already been rated based on available data, such as location, age, and performance history. High-risk systems will be subject to increased oversight to ensure compliance and protect public health and the environment.

Proposed changes to the Policy include:

- Updating terminology to On-Site Wastewater Management to reflect new NSW OLG guidelines.
- Introducing additional buffer distances to protect sensitive receptors, including market gardens.
- Requiring viral die off modelling for sites unable to meet buffer distances to water bodies and overland flow paths, providing scientific validation that risks are mitigated.
- Requirements for commercial businesses, home businesses, and home occupations to ensure that wastewater from non-residential activities is managed on-site appropriately. These requirements will be consistent with guideline documents such as the NSW Liquid Trade Waste Management Guidelines 2021.
- System Decommissioning: Providing clearer guidance for owners and consultants regarding decommissioning processes.

Under the current Policy, AWTS are to be serviced quarterly, with reports submitted to Council within 14 days. Approximately 11,600 reports are received annually.

Processing these reports that are submitted in both hard copy and electronically has created a significant administrative burden. The revised Policy will require all reports to be submitted electronically, reducing processing times and manual data handling. A new administration fee for failing to comply with these requirements is also being considered.

Several internal administrative improvements are proposed or have been completing including:

- Updated template letters for Officers and Administrative staff
- Streamlined processes within the Property and Rating system
- Modernised information brochures for owners and operators

A new internal Operational Guideline will also be developed to document Council's procedures and regulatory approach. Upon adoption of the revised Policy, Council's website will be updated to reflect these changes.

Conclusion

The effective management and regulation of On-site Wastewater Management systems is critical to protecting public and environmental health within the Penrith LGA and surrounds. In response to evolving scientific guidance, community needs, and regulatory frameworks, Council has undertaken a review of its 'On-Site Wastewater Management Policy'.

The proposed amendments, developed in response to updated scientific understanding and regulatory guidance, will enable a more efficient, risk-based, and proactive regulatory framework. The introduction of a tiered risk classification system and enhanced administrative processes ensures that Council's resources are targeted where most needed.

These changes also provide clearer expectations for system owners and service providers, enabling them to better manage systems in accordance with contemporary best practice.

In summary, the amendments will ensure that owners and operators of OWM systems have contemporary information available to ensure their systems can be managed effectively, strengthen environmental and public health protections and improve regulatory efficiency to ensure Council continues to meet its environmental health objectives and legislative responsibilities.

RECOMMENDATION

That:

1. The information contained in the report on Review and update of Councils Onsite Waste Water Management Policy be received.
2. The draft 'On-Site Wastewater Management Policy' be placed on public exhibition for 30 days.

**ATTACHMENTS/APPENDICES**

1. Final Draft Onsite Wastewater Management Policy - July 2025	32 Pages	Attachments Included
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OUTCOME 5 - WE HAVE OPEN AND COLLABORATIVE LEADERSHIP

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3	Financial Reserves Policy	11



2 Redundant Policies

Compiled by: Avanthi Fernando, Governance Officer
Stuart Benzie, Governance Coordinator

Authorised by: Adam Beggs, Head of Governance

Outcome	<i>We have open and collaborative leadership</i>
Strategy	<i>Corporate Enablers</i>
Principal Activity	<i>Promote ethical behaviour through awareness and advice, and manage investigations of alleged corruption, maladministration or breaches of the Code of Conduct</i>

Executive Summary

Council's Governance team continually facilitate the review of policies to ensure all policies are up-to-date and relevant to the functions of Council. Accordingly, reports will be submitted to the Policy Review Committee if new Council policies need to be adopted and current policies need to be either amended or made redundant.

The purpose of this report is to seek approval to make the attached *Organisational Communication Policy* redundant and removed from the policy register as its content is now comprehensively covered by other existing documents.

Background

The main purpose of a policy is to establish strategic directions to guide an organisation's decisions and activities. Policies serve as a framework adopted by the Council or the General Manager to implement legislative requirements or to define Council's approach to a particular subject area, manage risks, and address issues affecting staff, Councillors, local community and/or anyone affected by the policy.

To remain effective, policies must be kept relevant, legally compliant, and responsive to evolving circumstances. Over time, certain policies may become outdated or no longer relevant to the operational needs of the Council. In such cases, these policies require formal endorsement by the Council or approval by the General Manager to be declared redundant. Once approved, they are removed from Council's current policy register and website to ensure the policy framework remains current and effective.

Redundant Policies

Organisational Communication Policy

The *Organisational Communication Policy*, adopted in 2012 and reviewed in March 2017, provides guidance to Council staff on both internal and external communications. It outlines standards relating to branding, style, accessibility, and other key elements that must be met to ensure communications uphold and protect Council's reputation and image. The policy also defines who is authorised to speak on behalf of Council across various channels, including media, social media, and other public platforms.

Council's standards relating Internal and external communications are currently governed by the following policies and guidelines:

- Penrith City Council Branding Guidelines
- Media Policy
- Penrith City Council Writing Style Guide

- Online Accessibility Standards, as required under federal legislation

During a review of the policy and in consideration of the fact that all key requirements for communication are comprehensively addressed through the above documents this report recommends that the *Organisational Communication Policy* be made redundant.

Conclusion

The *Organisational Communication policy* has been identified by the policy owners as no longer being relevant to the functions of the Council as contemporary legislation, and similar policies and guidelines now provide a statutory framework to be followed. Therefore, it is recommended that the policy be made redundant and removed from the Council's policy register and website.

RECOMMENDATION

That:

1. The information contained in the report on Redundant Policies be received.
2. The Organisational Communication Policy be made redundant.
3. The redundant policy be removed from the policy register and Council website.



ATTACHMENTS/APPENDICES

1. Organisational Communications Policy 2 Pages Appendix



POLICY DOCUMENT

POLICY NAME

Organisational Communication Policy

POLICY NUMBER

CM 004

DATE ADOPTED

13 March 2017

COUNCIL MINUTE NUMBER

PRC 17

ECM NUMBER

3853836

POLICY TYPE

Council

REVIEW DATE

Under Review

RESPONSIBLE DEPARTMENT

Corporate Communications and Marketing

RELATED DOCUMENTS

[Click here to enter text.](#)

Purpose

Effective, clear and consistent communication right across our large organisation is vital if Council is to effectively engage with, serve and inform the community.

This policy provides information to Council staff on the requirements of external and internal communication. This includes branding, style, accessibility and other standards required to be met by any communication that has the potential to impact on Council's reputation or image. It also sets out who is authorised to make comments to the media, on social media or any other channel/s on behalf of Council.

Policy Statement

Any Penrith City Council-related external or internal communication that has the potential to impact on Council's reputation or image must be reviewed and approved by a member of the Corporate Communications, Marketing and Events Team before being published.

'Communication' includes but is not limited to signage, marketing or publicity collateral, brochures, posters, newsletters, standard letters, application forms, fact sheets, surveys, social media posts and web content.

All written and visual communications, regardless of their purpose, intended audience or the channel/s they will be distributed through, must comply with Council's *Writing Style Guide* and the *Penrith City Council Brand Policy* and guidelines.

Any materials that use either the Penrith / Penrith is Here community brand mark, New West brand, and/or Council's word mark must be created using an approved template if available, and must be approved by a member of the Corporate Communications, Marketing and Events Team before being published.



Council staff must consult with a Corporate Communications, Marketing and Events Team as early as possible in the planning and design stages of any project. This will improve the success of the campaign or communication. Early assistance will also save time and resources while reducing potential problems.

Online accessibility

All online government information and services are required by federal law to meet minimum standards of accessibility - Council needs to comply with WCAG 2.0 (AA rated) – [see the Australian Government's webguide](#).

Any material that is designed to be seen online, or which is likely to be distributed at least in part electronically, must meet these accessibility standards.

Comments to the media

Only the General Manager, Mayor, a Communications Officer, or another officer after consultation with a Communications Officer, can make comments on behalf of Council to the media, including posts on social media.

Communications Officers will liaise with the relevant subject matter officers before providing a final response to the media or making a statement on social media.

Scope

This policy applies to all Penrith City Council staff.

3 Financial Reserves Policy

Compiled by: Neil Farquharson, Chief Financial Officer
Ben Collins, Strategic Finance Manager

Authorised by: Matthew Bullivant, Director Corporate Services

Outcome	<i>We have open and collaborative leadership</i>
Strategy	<i>Deliver an efficient, transparent and accountable service to the community</i>
Principal Activity	<i>Support financial sustainability through financial planning and budget management and provide accurate reporting to the community</i>

Executive Summary

At its April 2023 and December 2024 meetings, the Audit, Risk, and Improvement Committee (ARIC) received information regarding Councils Financial Reserve Policy and Reserve Guidelines.

Council Officers have continued to review Councils Financial Reserve Policy and Reserve Guidelines in light of the feedback received at these meetings.

These documents were presented to the June 2025 ARIC meeting for feedback and are being presented to the Policy Review Committee of Council for adoption.

Background

Reserves are created by either legislation or Council policy where funds are allocated for a specific purpose of project. Where they are created by legislation (e.g. Development contributions) they are required to be expended in accordance with the legislative regime from which the reserve was created.

Where reserves are created by Council resolution (e.g. the Financial Management Reserve), they are expended in accordance with the purpose for which Council established the reserve. Council can of course vary the purpose for which a reserve was created by subsequent resolution.

Reserves are a prudent financial management tool for managing long term organisational objectives and projects or managing unexpected or unforeseen events. Movements in reserves are reported to Council as part of each quarterly organisational finance review.

At the ARIC meeting on 14 December 2022 the ARIC queried the use of Financial Reserves and the tracking of Restricted Funds. It was determined that a report would be provided to the ARIC at its April 2023 meeting on the Financial Reserve Guidelines and process.

At the ARIC meeting in April 2023, a report was provided to ARIC on Councils Financial Reserve Guidelines and process. At this and subsequent meetings, ARIC encouraged a review including consideration of the development of an overarching policy.

In December 2024 the ARIC was presented with the draft overarching Financial Reserve Policy. The purpose of the policy is to outline a clear framework for the creation, management and use of cash reserves. The policy was developed having regard to the fundamental principles underpinning the use of reserves in a local government setting.

It is intended that the Guidelines document be retained to sit alongside the overarching Council adopted policy as it contains a schedule of reserves outlining specifics such as its purpose, the basis on which it is calculated, its target balance, the name of the Council position/Committee responsible for controlling the reserve.

Given that the Guidelines sit separately to the Policy, amendments to individual Reserves may be made by Council resolution (within Councils Quarterly Financial Review reports) without the need to amend the Policy itself.

Further fine tuning to the Policy and Guidelines have followed feedback received at the December 2024 ARIC meeting, specifically:

- References to deficit balances have been removed, referring instead to Internal loans and Councils Borrowing Policy for clarity.
- The requirement for regular review to ensure internal restrictions remain current and relevant as part of Councils normal budgeting cycles has been added. Acknowledging the significant number of internal restrictions that have been created for as a budgeting tool to manage allocations of General funds. A number of internal reserves have also been flagged for potential abolition or further review in upcoming quarterly reviews, pending internal stakeholder consultation and Council endorsement. These reserves include:
 - Bushfire Reserve
 - S377 Committee Closure Proceeds
 - International Relationships
 - Library Reserve
 - Penrith International Friendship Committee
 - Community Strategic Plan
 - Environmental & Health Programs Reserve
 - Penrith CBD Corporation and St Marys Town Centre Limited - Review and Admin Costs
 - Western Sydney City Deal Reserve
 - Penrith Events Partnership Program
 - LED Street Light Upgrade Project
- The requirement that internal and external classifications be reviewed regularly to ensure classifications remain up to date has also been added. A review has occurred to ensure current classifications accurately reflect the nature of each reserve.

Conclusion

Council's Financial Reserve Policy and Guidelines are presented to the Policy Review Committee for consideration and adoption.

RECOMMENDATION

That:

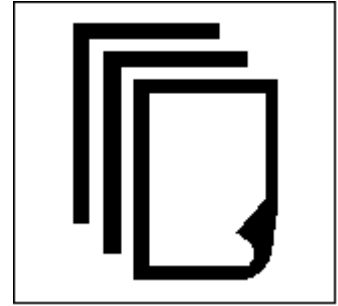
1. The information contained in the report on Financial Reserves Policy and Guidelines be received.
2. The Financial Reserves Policy be adopted.



ATTACHMENTS/APPENDICES

1. Draft Reserves Policy 4 Pages Attachments Included
2. Reserves Guidelines 18 Pages Attachments Included

ATTACHMENTS



Date of Meeting: Monday 11 August 2025

Report Title: Review and update of Councils Onsite
Waste Water Management Policy

Attachments: Final Draft Onsite Wastewater
Management Policy - July 2025



POLICY DOCUMENT

POLICY NAME

On-Site Wastewater Management

POLICY NUMBER

EH 002

DATE ADOPTED

XX XXXXX XXXX

COUNCIL MINUTE NUMBER

PRC 16

INFSTORE NUMBER

7451686

POLICY TYPE

Council

REVIEW DATE

July 2030

RESPONSIBLE DEPARTMENT

Environmental Health

RELATED DOCUMENTS

-

Purpose

The purpose of the Policy is to guide all relevant stakeholders in the management of on-site wastewater systems, ensuring both public and environmental health are protected and enhanced.

Policy Statement

The Policy outlines the objectives, goals, and regulations associated with on-site wastewater management systems, while providing guidelines on the inspection and assessment processes.

This Policy applies to all staff, councillors, contractors and residents.

POLICY:

The Policy commences on the next page.



On-Site Wastewater Management Policy

Penrith City Council

July 2025



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1. Introduction

1.1 Background

Penrith City Council is committed to implementing a program that regulates the operation of On-site Wastewater Management (OWM) systems to ensure best practice and to protect environmental and public health.

There are approximately 4500 OWM systems across the Penrith Local Government Area (LGA), which covers approximately 404km² and includes sewerage urban areas, sewerage and unsewered rural villages and rural areas.

This Policy has been developed to assess, regulate and manage the selection, design, installation, operation and maintenance of domestic and commercial OWM systems. The document provides information to assist with the installation application process. It also responds to the provisions of the *Local Government (General) Regulation 2021* that requires system owners to obtain approval for the installation and operation of OWM systems under Section 68 of the *Local Government Act 1993*.

This Policy has been prepared with consideration of the:

- *Onsite Wastewater Management Guidelines*, Office of Local Government, 2025
- *Australian Standard (AS/NZS 1547:2012) On-Site Domestic Wastewater Management*
- *Greywater Reuse in Sewered, Single Household Residential Premises*, NSW Health, 2000
- *Designing and Installing On-Site Wastewater Management Systems*, WaterNSW, 2023

1.2 Scope

This Policy applies to:

- Existing and proposed domestic OWM systems
- Existing and proposed commercial OWM systems
- Greywater reuse
- Unsewered properties in the Penrith LGA

1.3 Objectives

The objectives of this Policy are to:

- Guide all relevant stakeholders towards sustainable on-site management of wastewater
- Protect and enhance the quality of public health and the environment within the LGA
- Assist Council in the efficient regulation and monitoring of on-site wastewater management systems within the LGA

1.4 Policy Structure

The structure of the Policy is outlined below.

Policy Structure

Installing an OWM system Council approval is required to install or modify an OWM system	See Section 2.1
Operating an OWM system A property owner requires an 'Approval to Operate' for all OWM systems Operational Approval ↓ Renewal of 'Approval to Operate'	See Section 2.2
Regulation of Program	See Section 2.3
Reusing Greywater	See Part 3
Connecting to Mains Sewer	See Part 4

2. Installation and Operation of On-Site Wastewater Management Systems

2.1 Installation Approvals

The installation or modification of an OWM system requires approval from Council under Section 68 of the *Local Government Act 1993*.

The site assessment guidelines in Table 1 are used to assess applications. They are based on the following best practice guidelines:

- *Australian Standard 1547:2012 On-site domestic wastewater management*
- *Onsite Wastewater Management Guidelines, Office of Local Government, 2025*

Council will consider the following during site assessments for development applications and installation approvals:

- Impacts on the catchment
- Impacts on public health and the environment
- Suitability of the site
- Requirements and suitability of proposed and/or existing systems

The main systems operating in the LGA are Aerated Wastewater Treatment Systems (AWTS) and septic tanks. Appendix E discusses some alternative wastewater options that may be considered by Council.

Once an OWM system has been installed, an 'Approval to Operate' is required to be obtained from Council to operate the system (refer to Section 2.2).

Table 1 Site Assessment Guidelines

Assessment Criteria		Low Limitation	Medium Limitation	High Limitation
Flood potential		Above 1 in 100 year flood contour	Above 1 in 20 year flood contour	Below 1 in 20 year flood contour
Exposure to sun & wind		Good	Can be improved	Poor
Slope %	Surface irrigation	0-6	6-12	>12
	Sub-surface irrigation	0-10	10-20	>20
	Absorption system	0-10	10-20	>20
Landform		Hill crests, convex side slopes & plains	Concave side slopes & foot slopes	Drainage plains & incised channels
Run-on & up-slope seepage		None	Signs of minor seepage	High - diversion not practical
Erosion potential		No erosion	Potential erosion	Signs of erosion
Site drainage		No signs of surface dampness	Signs of surface dampness	Signs of saturation
Rocks & rock outcrops (% of land surface containing rocks > 200mm diameter)		<10%	10-20%	>20%
Environmentally sensitive areas		None	As defined in <i>Local Government (General) Regulation 2021</i>	As defined in <i>Local Government (General) Regulation 2021</i>
Fill		No presence of fill		Presence of fill
Buffer distances (see Table 3)		Adequate		Inadequate
Land area for effluent Management (see Table 2)		Available		Not available
Stormwater diversion		Good	Moderate	Poor
Condition of tanks		Good	Minor work required	Major work required
Condition of management areas & irrigation lines		Good	Minor work required	Major work required
Condition of pump-out lines		Good	Minor work required	Major work required

2.1.1 Installation of OWM Systems

The information required to be submitted with an installation application for an OWM system is shown in Appendix A.

A Wastewater Assessment Report prepared by a suitably qualified consultant (as defined in Section 4.1.1 of the *Onsite Wastewater Management Guidelines, Office of Local Government, 2025*) is required to be submitted with an application for the installation of a new domestic OWM system when:

- a) the system is proposed within an area that has high limitations (see Table 1),
or
- b) the proposed system is not accredited by NSW Health, or
- c) for an AWTs, the Effluent Management Area (EMA) sizing referred to in Table 2 cannot be met, or
- d) the EMA consists of more than one area, or
- e) the buffers distances referred to in Table 3 cannot be met, or
- f) a dual occupancy or secondary dwelling is proposed and the OWM system for either dwelling cannot meet the requirements of Table 2 or Table 3, or
- g) the proposed system is located within flood affected land (see section 2.1.7),
or
- h) a subdivision application is being considered, or
- i) a subsoil disposal or absorption system is proposed, or
- j) the proposed dwelling has more than 6 bedrooms, noting that Council may consider rooms which can be used for habitable purposes as bedrooms (for example, study rooms, theatres etc.).

A Wastewater Assessment Report is required with an application for all commercial systems.

Appendix B outlines the minimum requirements for a Wastewater Assessment Report. Section 4 of the *Onsite Wastewater Management Guidelines* and *AS/NZS 1547:2012* should also be used as a guide when preparing a Wastewater Assessment Report.

Table 2 Sizing of Domestic Aerated Wastewater Treatment Systems' Effluent Management Areas (EMA)

Sizing of AWTs EMA			
Suburb	No. of Bedrooms	Surface and Sub-Surface Irrigation Areas (m ²)	
		Reticulated Water	Tank Water
Sandy Soil Types Agnes Banks - east of Castlereagh Road. Castlereagh - north of Devlin Road and east of Castlereagh Road.	2	584	467
	3	779	623
	4	973	778
	5	1168	934
	6	1326	1090
Clay Soil Types Most other areas	2	417	334
	3	556	444
	4	695	556
	5	833	667
	6	972	778

Notes: (1) The irrigation areas in Table 2 are calculated using conservative figures to enable sustainable management of effluent. An applicant can provide a Wastewater Assessment Report to support a proposal for a smaller EMA.

(2) The EMA is based on nutrient balances as they are considered to be the most limiting factors in these areas.

(3) Figures in Table 2 are based on:

- 150 litres per person/day or 120 litres per person/day for tank water supply
- One person per bedroom and two for a master bedroom
- TN output value of 25 mg/L and a Critical Loading Rate of 27 mg/m²/day
- TP output value of 12 mg/L
- P sorption capacity - 600,000 mg/m²/depth for clay soil types or 400,000 mg/m²/depth for sandy soil types
- Design Irrigation rate of 15 mm/week for clay soil types or 35 mm/week for sandy soil types.

(4) A Wastewater Assessment Report is required for applications with more than 6 bedrooms.

(5) Council assesses effluent loading based on two persons for a master bedroom, two persons for a guest room and one person per additional bedroom. A study, media, theatre, or any other room that has the potential to be used as a bedroom, may be considered as an additional bedroom.

(6) Council assesses effluent loading of all secondary dwellings on the assumption that the first bedroom is considered a master bedroom (2 Equivalent Persons).

Table 3 Buffer Distances for OWM Systems

System	Buffer Distances
All parts of the OWM (tank and EMA)	<ul style="list-style-type: none"> • 250 metres to domestic groundwater well • 100 metres to permanent surface waters (e.g. rivers, creeks, streams, lakes etc.) • 40 metres to other waters (e.g. dams, stormwater easements, overland flow paths, intermittent waterways and drainage areas etc.) • 15 metres from an in-ground water tank • 1 metre from the drip line of native trees and shrubs
Tank	<ul style="list-style-type: none"> • Minimum 1.5 metres from dwelling, property boundaries & ancillary structures • Minimum 6 metres from swimming pools
Surface spray irrigation	<ul style="list-style-type: none"> • 15 metres to dwellings • 6 metres if area up-slope and 3 metres if area down-slope of buildings, driveways and property boundaries • 3 metres to paths and walkways • 6 metres to swimming pools and recreational areas • 40 metres to any market garden
Surface drip and trickle irrigation	<ul style="list-style-type: none"> • 6 metres if area up-slope and 3 metres if area down-slope of dwellings, swimming pools, property boundaries, driveways and buildings • 20 metres if area up-slope and 10 metres if area down-slope of any market garden.
Subsurface irrigation	<ul style="list-style-type: none"> • 6 metres if area up-slope and 3 metres if area down-slope of dwellings, swimming pools, property boundaries, driveways and buildings • 20 metres if area up-slope and 10 metres if area down-slope of any market garden.
Absorption system	<ul style="list-style-type: none"> • 12 metres if area up-slope and 6 metres if area down-slope of property boundaries and dwellings • 6 metres if area up-slope and 3 metres if area down-slope of swimming pools, driveways and buildings • 20 metres if area up-slope and 10 metres if area down-slope of any market garden.

Notes:

(1) Additional buffer distances may be required as identified during Council's assessment of the development proposal.

(2) EMAs on market gardens sites are required to be fenced.

(3) In the event that buffer distances to domestic groundwater wells, surface and other waters cannot be achieved, a Wastewater Assessment Report is required to provide viral die-off modelling in accordance with the methodology referenced in Section 6.7 of the Onsite Wastewater Management Guidelines.

2.1.2 Additional Requirements for Aerated Wastewater Treatment Systems (AWTS)

The following requirements need to be considered in conjunction with Section 2.1.1 for all AWTS:

- All EMAs are to be suitably designed and located based on site characteristics and environmental constraints. Appendix C shows an example of an EMA layout for a domestic system.
- The EMA for the system is to be calculated using the hydraulic and nutrient loading rates, and the resulting EMA size will depend on the most limiting factor. Both calculation methods should be included in the Wastewater Assessment Report. The larger of the two areas must be provided as the minimum EMA.
- AWTS must be inspected and serviced by an experienced service agent in accordance with the NSW Health accreditation. This service must also be carried out according to the manufacturer's instructions. The system owner is responsible for organising service inspections, and the resulting service report must be provided to Council **electronically**. Refer to Appendix D for further information regarding AWTS service requirements.

Note: For the purposes of this Policy, the provisions for AWTS throughout this document also apply to Biological Filter Systems and Wet Composting Systems (that include an irrigation system) when it can be demonstrated that the quality of the treated effluent is equivalent to that produced by an AWTS.

2.1.3 Additional Requirements for Absorption Beds, Trenches and Mounds

The following requirements need to be considered in conjunction with Section 2.1.1 for all absorption bed, absorption trench and mound systems:

- The design requirements of the *AS/NZS 1547:2012 On-Site Domestic Wastewater Management* and the *Onsite Wastewater Management Guidelines*, and those considerations stated elsewhere in this Policy are to be followed.
- As per *AS/NZS 1547:2012*, a reserve area that is 100% of the design EMA shall be made available on a site for the resting of the management area, or for the duplication or upgrade of the EMA if it is required at some future time. The reserve area shall be protected from any development that would prevent it being used in the future. Reserve EMAs must be shown on plans submitted to Council when seeking installation approval.

2.1.4 Additional Requirements for Pump-out Systems

New pump-out systems are not supported unless in exceptional circumstances.

The following requirements need to be considered in conjunction with Section 2.1.1 for all pump-out systems:

- Effluent must be pumped out at least once a week (unless otherwise approved by Council).
- A suitable service provider is to be engaged to pump out the tank/s and dispose of the waste at a licensed waste facility.
- Owners of pump-out systems (except those systems covered by Council's domestic service) must provide pump-out records to Council as per the conditions of their 'Approval to Operate' or on request (including volumes, service provider details, system details and the disposal location).

2.1.5 Commercial Systems

Commercial systems regulated by Council are generally sized between 10EP and 2500EP (EP – equivalent persons). Systems receiving commercial or industrial type wastewater may also be classified as a commercial OWM system, regardless of the wastewater loading.

Commercial systems require both installation and operational approvals from Council. Any application for a commercial OWM system must be supported by a Wastewater Assessment Report completed by a suitably qualified wastewater consultant. Applicants must ensure that the proposal is consistent with the requirements outlined in the NSW Department of Planning, Industry and Environment's *Liquid Trade Waste Management Guidelines 2021*. All applicants are recommended to seek pre-lodgment advice from Council prior to the submission of an installation or modification application.

2.1.6 Dual Occupancies and Secondary Dwellings

Each dwelling within a dual occupancy arrangement is to be serviced by its own OWM system.

If a dual occupancy or secondary dwelling is proposed, the OWM system must comply with the requirements of Table 2 and Table 3 for each dwelling, or a Wastewater Assessment Report is to be provided. The Wastewater Assessment Report is to identify all existing and proposed OWM infrastructure, including EMAs and reserve EMAs, on the property.

Secondary dwellings may be serviced by an existing OWM system only where it can be demonstrated to the satisfaction of Council through a Wastewater Assessment Report, that the system and the site have the capacity to manage effluent effectively. It must be demonstrated that the site has sufficient land available for the replacement and/or alteration of the existing system in the future.

2.1.7 Flood Liable Land

OWM systems, including the tank/s and EMA, are to be installed outside areas of the property affected by mainstream flooding or local overland flow paths in the 1% AEP (1:100) flood event. The buffer distances of Table 3 also need to be addressed. If an alternative location for the OWM system cannot be found on the property, a Wastewater Assessment Report is required to be submitted with the application.

The Wastewater Assessment Report must assess and consider the effects of the flooding on the proposed system's tank/s and EMA and provide mitigation measures to minimise the impacts of flooding. Any proposal for the OWM system should consider the provisions of Section 3.5 Flood Planning in Council's Development Control Plan 2014. Development which relies on OWM in a 5% AEP (1:20) flood contour will not be supported.

Generally, Council will not support development obstructing overland flow paths. In particular, mound systems are not supported when constructed in an area identified as an overland flow path. Any mounding (including for OWM systems, stormwater diversion and raised garden beds) in areas affected by mainstream flooding are to address the filling of land below the flood planning level in accordance with Section 3.5 Flood Planning in Council's Development Control Plan 2014.

The electrical and mechanical components of the OWM system shall be located above the 1% AEP (1:100) flood contour. Where possible, tank/s should be located on flood free land.

If an existing system is to be replaced and/or altered on a property that is flood liable, all measures must be taken to protect the system and its components from being affected by flooding.

2.1.8 Subdivision and Rezoning Proposals

The following needs to be considered in relation to subdivision and rezoning proposals:

- A Wastewater Assessment Report will be required at the subdivision or rezoning planning stage. Potential OWM systems and available EMAs will need to be identified.
- Where a proposed subdivision includes an existing dwelling, the assessment shall demonstrate that the subdivision will not impact on the dwelling's ability to comply with this Policy.
- Subdivision proposals that rely on pump-out systems will not be supported. Subdivisions in unsewered areas must be designed to achieve the sustainable management and disposal of wastewater and to prevent impacts on human health and the environment.
- Subdivision proposals in unsewered areas that rely on an OWM system must provide minimum lot sizes in accordance with Council's Planning and Development Controls.

2.1.9 Decommissioning OWM Systems

OWM systems contain untreated wastewater and, if they are abandoned and/or incorrectly decommissioned, they may enable contaminants to enter into the soil and groundwater. Pathogens and nitrates from wastewater can have serious health and environmental impacts, including potentially contaminating the soil and groundwater and polluting local watercourses.

Wastewater tanks that have not been correctly decommissioned may also pose a safety hazard. There have been serious injuries and even deaths caused by a fall into an abandoned wastewater tank when the lid has collapsed.

If a wastewater tank is to be decommissioned, the property owner is required to notify Council in writing, including the proposed date and the reason why the tank is being decommissioned. Decommissioning must then be carried out adhering to NSW Health's *Advisory Note 3 – Revised January 2017: Destruction, Removal or Reuse Of Septic Tanks, Collection Wells, Aerated Wastewater Treatment Systems (AWTS) and other Sewage Management Facility (SMF)*.

2.2 Operational Approvals

Section 68 of the *Local Government Act 1993* states that Council approval is required to operate a system of sewage management.

Existing OWM systems that are found to be functioning in a manner that meets the applicable performance standards and conditions of operation will be given a risk classification by Council. Council Officers reserve the right to amend the risk classification of an OWM system where site conditions or operating standards change.

The risk classification categories are:

- **Low** - requiring renewal of 'Approval to Operate' every 5 years
- **Medium** - requiring renewal of 'Approval to Operate' every 3 years
- **High** - requiring renewal of 'Approval to Operate' every 1 year

All commercial systems are initially classified as high risk. Inspection fees may be applicable in accordance with Council's adopted Fees and Charges.

Note: *Site limitations used to assess the risk classification of a system are outlined in Table 1 of this Policy.*

The following outlines Council's procedures for issuing an 'Approval to Operate':

- New systems will be inspected and risk classified upon installation. Based on this inspection, a 1, 3 or 5 year 'Approval to Operate' will be issued in accordance with the above risk classifications.
- All existing OWM operational approvals are required to be renewed prior to their expiry. Existing systems will be classified in accordance with the risk categories prior to the renewal of the 'Approval to Operate'. Until existing systems are risk-rated, they will continue to be issued a 3-year 'Approval to Operate'.

An 'Approval to Operate' may be renewed where there are known compliance issues, however, all compliance issues will be followed up to ensure they are resolved to the satisfaction of Council.

2.2.1 'Approval to Operate' for new OWM systems

Prior to issuing an 'Approval to Operate' for a new system, Council Officers will conduct a number of inspections, including:

- Tank/s installation;
- Drainage lines between the tank and EMA;
- EMA;
- Final Inspection once all works are completed and the system is commissioned.

Final inspections are a pre-requisite prior to the issue of the 'Approval to Operate'. The 'Approval to Operate' will not be issued without a satisfactory final inspection.

Note: Council requires a minimum of 72 hours notice to arrange a final inspection.

Prior to backfilling, please contact Council's Environmental Health Team to arrange all inspections.

2.3 Inspection and Monitoring

The *Local Government Act 1993* gives Council the tools to regulate OWM systems, including the authority to inspect and monitor these systems. Regulation of OWM systems will include the following:

- Systems will be inspected based on their risk classification.
- System inspections may be carried out to investigate complaints.
- System owners and operators are required to comply with the conditions of their Installation and Operational Approvals.
- Re-inspections of failing systems will be required until the system meets the current health and environmental performance standards. Re-inspections are subject to fees in accordance with Council's adopted Fees and Charges. *Local Government Act 1993* Orders and penalty notices can be issued to ensure compliance with the conditions of approval, and to ensure wastewater is managed appropriately. Orders and penalty notices can also be issued if a system is found to be operating without an 'Approval to Operate' or installed or modified without approval.
- Penalty notices and Notices can also be issued for pollution offences under the *Protection of the Environment Operations Act 1997*.
- Orders and penalty notices may also be issued under the *Environmental Planning and Assessment Act 1979* where applicable.

3. Greywater Management

3.1 Reusing Greywater

Greywater can be diverted to your garden through a Greywater Diversion Device or a Greywater Treatment System in line with this Policy.

Greywater typically includes wastewater from showers, baths, hand basins, laundry tubs and washing machines. Wastewater from the kitchen, dishwashers and spas contains too much fat or is too acidic or alkaline for use with Greywater Diversion Devices. Wastewater from the toilet is too high in bacteria to reuse and is commonly referred to as blackwater.

3.2 Greywater Diversion Devices

Greywater Diversion Devices redirect untreated greywater to the garden for reuse by sub-surface irrigation. Greywater Diversion Devices in sewered areas that comply with the following requirements do not require approval from Council.

- The dwelling must not be connected to an OWM system.
- All Greywater Diversion Devices must have a WaterMark licence – accreditation from SAI Global.
- The dwelling must not form a part of a townhouse, villa or multi-unit development.
- Greywater is to be applied to the garden by sub-surface irrigation. This will reduce human exposure to the water. Sub-surface is defined as artificial watering of land through buried watering systems. Watering systems are to be no less than 100mm below ground surface.
- Greywater is to be used only during prolonged warm/dry periods, and volumes should be limited to those needed to meet plant water requirements.
- Ensure that the diversion system is 'fail-safe', that is greywater will automatically be diverted to the sewer if the greywater system blocks or otherwise malfunctions.
- Divert greywater to sewer during periods of wet weather.
- Do not divert kitchen wastewater, which has a high concentration of contaminants not readily broken down by soil organisms.
- Only divert the lowest risk greywater such as the shower, bath, hand basin and laundry rinse water.

- Never divert greywater that could have gross faecal contamination, for example water used to launder soiled nappies.
- Always wash your hands after gardening. Do not irrigate on vegetable gardens supplying food crops that are eaten raw or undercooked as this could pose an unacceptable health risk.
- Never store untreated greywater for more than 24 hours, as concentrations of contaminants may reach dangerous levels.
- Do not allow greywater to pool or stagnate, as this will attract insects and rodents, which may transmit disease.
- Never allow greywater to discharge beyond property boundaries, as this may create environmental and public health risks.
- Never allow greywater to discharge to a drain or waterway, as it is likely to be harmful to aquatic life and is considered water pollution.
- Never drink greywater or allow pets or other animals to drink or have access to it.
- Do not allow the soil to become saturated. Carefully monitor the impact of greywater on the irrigation area in order to minimise the risk of a pollution incident.
- The installation of a Greywater Diversion Device is to comply with the Plumbing Code of Australia.
- The device is to be installed by a licensed plumber.
- The device is to comply with NSW state guidelines including guidelines and fact sheets produced by NSW Health, NSW Department of Climate Change, Energy, the Environment and Water (DCEEW) and WaterNSW. For single, detached households (no more than one dwelling), the *NSW Guidelines for Greywater Reuse in Sewered, Single Household Residential Premises* apply.

3.3 Domestic Greywater Treatment Systems

Greywater Treatment Systems are designed to collect, treat and reuse greywater. These systems treat the wastewater to a quality that enables it to be used above ground (spray irrigation). Domestic Greywater Treatment Systems must be accredited by NSW Health and require both installation and operational approval from Council.

It is important to note that although these systems are designed to achieve a level of water quality that is suitable for irrigation, the treated greywater is still not permitted to be reused for activities such as handheld hosing or washing motor vehicles. The reuse of greywater for flushing toilets and laundry uses is only permitted if the system is accredited for that use.

The requirements for installing a Greywater Treatment System are similar to that of an AWTS. When applying for an installation approval, the information marked in Appendix A will need to be provided with the application form.

3.4 Regulations for Greywater Reuse

The *Local Government Act 1993* regulates installation and operational approvals for Domestic Greywater Treatment Systems and Greywater Diversion Devices. As with all wastewater management systems, it is the operator's responsibility to ensure the system is installed and operating correctly.

There are penalties for failing to operate these systems in an environmentally satisfactory manner. If required, Council will use provisions of the following legislation to ensure these systems do not impact on human health or the environment:

- Notices and Orders under the *Local Government Act 1993*.
- Notices under the *Protection of the Environment Operations Act 1997*.
- Penalty notices under the above legislation.

4. Connecting to Mains Sewer (Sydney Water)

Mains sewer systems are provided in residential areas to ensure safe collection, treatment and disposal of domestic, commercial and industrial wastewater. Properties located within an area that is serviced by mains sewer are generally required to be connected to the sewer and to dispose of their wastewater through that system.

Existing Sewered Areas

OWM systems will not be permitted when mains sewer is available and connection is possible.

Newly Sewered Areas

Properties within a newly sewered area will be required to connect to mains sewer within 12 months of the date of commissioning. Properties failing to connect may be directed to connect in accordance with the provisions of the *Local Government Act 1993*. Once connected, any existing OWM system is required to be decommissioned or alternatively converted to a Greywater Treatment System or Stormwater Tank in accordance with the relevant guidelines as issued by NSW Health. Council is required to be notified in writing once the system has been appropriately decommissioned or converted to a Greywater Treatment System or Stormwater Tank.

For both existing and newly sewered areas, proposed Greywater Treatment Systems and Greywater Diversion Devices will need to comply with Section 3 of this policy.

Conversion of an OWM System in a Newly Sewered Area

It may be possible to convert an OWM system to a stormwater vessel for the purpose of collecting and reusing stormwater for irrigation. However, conversions may not be appropriate on all sites. Contact Council for further information regarding the relevant requirements and guidelines.

5. Fees and Charges

The *Local Government Act 1993* allows fees and charges to be levied for:

- Applications to install or construct a sewage management system
- Applications to alter a sewage management system
- Applications to operate a sewage management system
- Inspections and re-inspections of sewage management systems

Council has adopted fees and charges for the On-Site Wastewater Management Program in its adopted 'Fees and Charges'. The Fees and Charges have been established to recover the costs of resourcing the program, in the areas of administration, monitoring and inspecting systems. Further information on where fees/charges are applicable is provided in Table 4.

Table 4 Fees/Charges

	Installation	Issue of Approval to Operate	Operational Inspection	Inspection for non-compliance
AWTS	✓	✓	N/A	✓
Pump Out	✓	✓	N/A	✓
Other Domestic Systems	✓	✓	N/A	✓
Commercial / Non-Domestic Systems	✓	✓	✓	✓
Greywater Treatment System	✓	✓	N/A	✓
New Property Owners (where system already installed on property)	N/A	✓	N/A	✓

6. Policy Review and Evaluation

Council is committed to the continual improvement of on-site wastewater management within the LGA in accordance with best practice. This Policy will be reviewed to ensure that human and environmental health remain at the forefront of on-site wastewater management.

Appendices

Appendix A – Information to be provided with an Application to Install an OWM System

Table A1 – Information to be provided with an Application to Install

	Domestic AWTs	Pump Out	Other Domestic OWM Systems	Commercial	Greywater Treatment System
System design specifications	✓	✓	✓	✓	✓
NSW Accreditation Certificate (where applicable)	✓	✓	✓	N/A	✓
Effluent quality data	N/A	N/A	N/A	✓ ¹	N/A
Monitoring and maintenance schedule (for non-NSW Health accredited systems)	N/A	N/A	N/A	✓	N/A
Wastewater Assessment Report (also refer to Appendix B)	✓ Only if minimum requirements cannot be met	✓	✓	✓	✓
Site Plan (including proposed irrigation area dimensions and methods ² , see Appendix C for an example)	✓	✓	✓	✓	✓
Dwelling / Building floor plan	✓	✓	✓	✓	✓
Effluent Management Area Drainage and Landscaping Details	✓	✓	✓	✓	✓
Statement of Environmental Effects ³	✓	✓	✓	✓	✓

Notes:

- ¹ Effluent quality data includes data which is derived from long term monitoring and analysis of the treated effluent from the same system to that proposed. At minimum, this is to include data on Biological Oxygen Demand (BODs), Faecal Coliform levels, Total Nitrogen, Total Phosphorus, pH levels, Suspended Solids and Free Chlorine levels. Council maintains the discretion to request further information if required.
- ² The Site Plan needs to include information regarding the irrigation methods to be used for wastewater disposal. This information is to include the location, dimensions and number of irrigation lines, distribution lines, irrigation zones, standpipes and sprinklers depending on the type of wastewater disposal proposed.
- ³ A Statement of Environmental Effects is only required when the application to install an OWM system is submitted as part of an application for a new development. An Environmental Impact Statement (EIS) is required to be prepared for a Designated Development application.

Appendix B – Preparing a Wastewater Assessment Report

The procedures in section 5.2.2.3 of *Australian Standard (AS/NZS 1547:2012) On-Site Domestic Wastewater Management* are to be followed when preparing a Wastewater Assessment Report. In addition, the below requirements need to be considered.

Wastewater load

A wastewater load of 150 litres per person per day is to be used for households with a reticulated water supply. For households with only tank water supply, a wastewater load of 120 litres per person per day is to be applied.

For commercial systems, the wastewater flows in Table B1 need to be applied when calculating the sizing of on-site wastewater management systems.

Table B1 – Wastewater flow design allowances

Source	Typical wastewater flow allowance in L/person/day ¹	
	On-site roof water tank supply	Reticulated community or a bore-water supply
Motels/hotels		
▪ guests, resident staff	120	150
▪ non-resident staff	30	40
▪ reception rooms	20	30
▪ bar trade (per customer)	20	25
▪ restaurant (per diner)	20	30
Community halls		
▪ banqueting	20	35
▪ meetings	10	15
Restaurants (per diner)		
▪ dinner	20	30
▪ lunch	15	25
Tea Rooms (per customer)		
▪ without restroom facilities	10	15
▪ with restroom facilities	15	25
School (pupils plus staff)	30	40
Rural factories, shopping centres	30	50
Camping grounds		
▪ fully serviced	100	130
▪ recreation areas	50	65
Note:		
¹ These flows are minimum rates unless actual flows from past experience can be demonstrated.		

Number of persons

Council assesses effluent loading based on two persons for a master bedroom, two persons for a guest room and one person per additional bedroom. A study, media, theatre or any other room that has the potential to be used as a bedroom may be considered as an additional bedroom. Council assesses effluent loading of all secondary dwellings on the assumption that the first bedroom is considered a master bedroom.

Nutrient uptake

When considering the appropriate critical loading rate for nutrient uptake, details of the vegetation to be used within the management area are to be provided along with any maintenance requirements for that vegetation. Where the disposal calculations include nutrient uptake by vegetation, the type of vegetation is to be such that it results in nutrient uptake all year round.

Appropriately sized and located Nutrient Uptake Areas (NUAs) may be suitable for some sites. See section 6.3.4 of the *Onsite Wastewater Management Guidelines* for further information on NUAs.

Native vegetation

The potential impact of wastewater on native vegetation needs to be addressed. Special consideration must be given to land mapped within the NSW State Government's Biodiversity Values Map. Council may require the management area to be relocated or the applicant to carry out a Flora and Fauna Assessment to demonstrate that there is no significant impact.

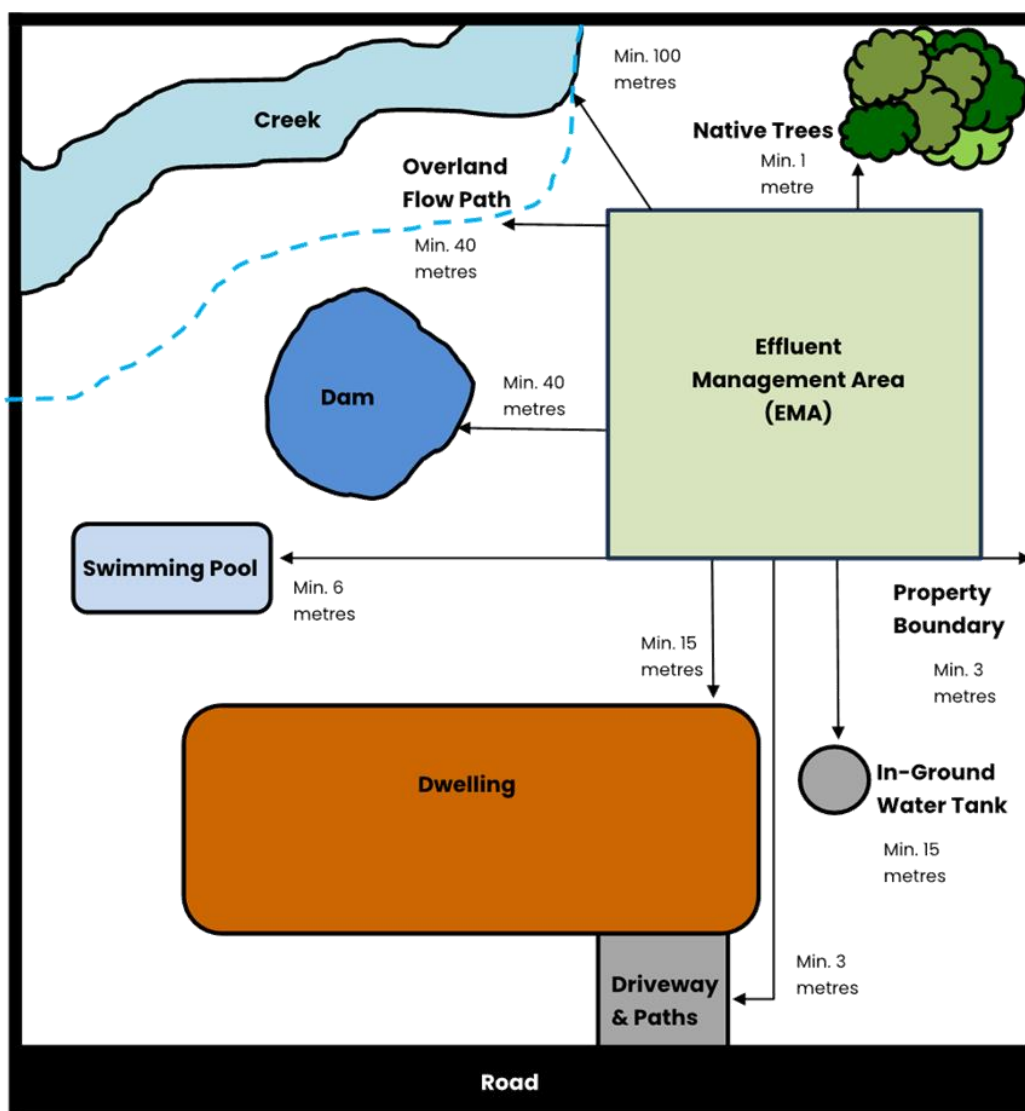
Buffer distances

The Wastewater Assessment Report must give consideration to the buffer distances provided in Table 3 of this policy. The report must provide suitable justification for non-compliant buffer distances.

Effluent Management Area sizes and location

The Wastewater Assessment Report must provide suitable justification for the sizing and location of the proposed EMA. The site plan is to clearly identify the proposed EMA location on the site, the location of all other development (existing and proposed), slope of land, and show all relevant buffer distances.

Appendix C – Example Layout for an Effluent Management Area



The above diagram demonstrates an Effluent Management Area (EMA) layout on a **level site** for **spray irrigation** and is not drawn to scale. All plans submitted to Council are to be drawn to scale and be site specific.

Note: Additional buffer distances may be required as identified during Council's assessment of the development proposal.

Appendix D – Aerated Wastewater Treatment System Servicing and Reporting Requirements

It is the responsibility of an AWTS owner/operator to have their system serviced. AWTS must be inspected and serviced by an experienced service agent in accordance with the NSW Health accreditation. In accordance with NSW Health's *Advisory Note 5 – February 2018 Servicing of Single Domestic Secondary Treatment Sewage Management Facilities (SMF)*, Council does not permit property owners or occupiers to undertake this servicing.

1.1 Aerated Wastewater Treatment System Service Agent Requirements

The following requirements apply to service agents:

- Each service agent shall provide a registered business office which, if unattended during business hours, is provided with a telephone answering device or service.
- A means of reporting a system malfunction or breakdown outside normal business hours shall be available.
- In the event of a breakdown or malfunction, the agent shall, within 24 hours of the breakdown or malfunction, ensure that repairs are carried out to the AWTS to ensure continued operation of the system. This may necessitate provision of adequate spare parts and temporary replacement blowers and irrigation pumps where repairs cannot be completed on site.

1.2 Aerated Wastewater Treatment System Servicing Requirements

The system operator shall enter into a service agreement with the manufacturer, distributor or other person accepted by Penrith City Council to service the AWTS every three (3) months from the date of commissioning (or for a period as required by the NSW Health accreditation).

The three-monthly service shall include a check on all mechanical, electrical and functioning parts of the aerated system including:

- the chlorinator
- replenishment of the disinfectant
- the UV disinfection unit (where applicable)
- all pumps and switches
- the air blower, fan or air venturi

- the alarm system
- the EMA and irrigation spray outlets and/or sub-surface irrigation lines and filters
- the slime growth on the filter media, and
- the operation of the sludge return system.

The following field tests are to be carried out at every service:

- free residual chlorine using DPD colorimetric or photometric method
- pH from a sample taken from the irrigation chamber
- dissolved oxygen from a sample taken from the final aeration or stilling chamber (recommended but optional).

On the anniversary date of the commissioning of the system, the service shall also include a check on the sludge accumulation in the AWTS.

For systems which use the sewage treatment principle of activated sludge or contact aeration, a sludge bulking test, known as a SV30 Test, shall also be conducted on an annual basis. This test is to determine whether the accumulated sludge is bulking, indicating that the aeration compartment(s) will require de-sludging.

1.3 Aerated Wastewater Treatment System Reporting Requirements

On completion of each service, a legible service report sheet is to specify:

- all service items and test result figures
- detailed description of any tests and observations undertaken on the effluent management area (including all distribution lines, sprinklers and associated plumbing)
- amount of chlorine compound provided OR specific actions taken for other forms of disinfection
- date and time the service was conducted, and
- technician's name and contact details.

A copy of the service report is to be:

- given to the system operator, and
- provided to Penrith City Council **electronically**, no later than 14 days from the service date. Service agents are required to submit **individual electronic** service reports to Council. **Multiple service reports within a single document will not be accepted.**

If Council receives a service report that does not comply with the above requirements, the report may be returned to the system operator or service provider requesting further information or the carrying out of an inspection.

Processing fees may be charged to service agents for each system/property that does not comply with the above electronic/individual requirement.

Appendix E – Alternative Wastewater Options

There are other types of on-site wastewater management systems in addition to those already covered in this Policy. Council will consider applications for these systems based on their merit. For further information about these systems, please see the NSW Health website and the WaterNSW document *Designing and Installing On-Site Wastewater Management Systems*. The requirements of Section 2.1.1 still need to be met for the installation of these systems.

Composting Toilets

Composting toilets can have either a dry or wet composting process. They rely on the principle of aerobic composting or bio degradation of organic matter. They work by providing an enclosed environment for the natural decomposition process which is aided by microorganisms (aerobic bacteria). If properly composted according to the accredited manufacturer's standards, the end product is a nutrient rich fertiliser that can be used on plants thereby reducing the need for commercial fertiliser while also saving water.

Sand Filter System

Sand filter systems generally use a sand bed with a gravel or geotextile base, all protected by an impermeable liner, to filter wastewater. Wastewater from a treatment tank is piped to the filter system, and the wastewater then filters through the sand layer, after which it may be disinfected prior to being piped to a management area. Sand filter systems may also be recirculating, and be located above, partially above, or below the ground. The surface may be mounded to help divert rainwater from the surface of the system.

Mound

A mound system is a soil absorption system which is raised above the natural soil surface. Wastewater from the dwelling is sent to a holding tank (septic or AWTS), and the effluent is then pressure dosed to the mound. Mounds generally use a fill material such as a sand media. Mound systems can overcome many site restrictions including shallow permeable soils over a porous bedrock, permeable soils with a high-water table and slowly permeable soils.

Biological Filter Systems

A biological filter system involves the combination of two treatment techniques. The waste is first made to pass through filter beds and is then subjected to aerobic decomposition with the aid of biological microorganisms such as worms, beetles, mites and other soil fauna. The treated effluent is then disposed of by sub-surface irrigation or absorption trenches.

Appendix F – Definitions

Absorption – Uptake of liquid into soil.

Absorption Bed & Trench System – Sub-soil land application systems that rely on the capacity of the soil to accept and transmit the applied hydraulic load.

Aerated Wastewater Treatment System – A wastewater treatment system that uses several processes to treat the wastewater to a satisfactory quality that allows it to be reused for irrigation purposes. *For the purposes of this Policy, the provisions for AWTS throughout this document also apply to Biological Filter Systems and Wet Composting Systems (that include an irrigation system) when it can be demonstrated that the quality of the treated effluent is equivalent to that produced by an AWTS.*

Audit – An official inspection and examination.

Bedroom – A room that has the potential to be used for sleeping, including a study, theatre or media room.

Catchment – The area from which a stream, river, lake or other body of water receives its water.

Commercial System – An on-site wastewater management system that is larger than 10 Equivalent Persons or receiving wastewater from a commercial/industrial premises.

Contamination – The presence of undesirable impurities in a substance.

De-sludging – Withdrawing sludge, scum and liquid from a tank.

Domestic Greywater Treatment System – A system that collects, treats and disinfects greywater generated by a household, for one or more of the following end uses: toilet and urinal flushing, washing machine, and surface or sub-surface irrigation.

Domestic System – An on-site wastewater management system that is less than 10 Equivalent Persons.

Domestic Wastewater – Wastewater arising from household activities, including wastewater from bathrooms, kitchens, and laundries.

Drip Line – A line around a plant directly under its outermost branch tips. Roots seldom grow beyond the drip line.

Dual Occupancy – Two dwellings on one lot of land that are either attached or detached, but does not include a secondary dwelling.

Effluent – Any waste products (treated or untreated) from any process or human activity.

Effluent Management Area (EMA) – A suitably sized area which is designed to effectively manage the disposal of wastewater.

Environmentally Sensitive Area – Are rivers, riparian land, escarpments and other scenic areas, conservation area sub-catchments, national parks and nature reserves, wetlands, other significant flora and fauna habitats and corridors, and known and potential acid sulphate soils. (As identified in Local Government (General) Regulation 2021.)

Evaporation – When a liquid turns to vapour.

Existing OWM System – Means a system installed and operating prior to the adoption of this policy.

Flood Liable Land – land susceptible to affectation by mainstream flooding or local overland flow paths.

Greywater – Domestic wastewater excluding toilet waste and may include wastewater arising from a hand basin, kitchen, bath, shower and laundry.

Greywater Diversion Device – A device that diverts greywater generated by a household for sub-surface irrigation reuse.

Groundwater – All underground waters.

Impermeable – Water is unable to move through the material.

In-ground Water Tank – a tank that has any part situated below the ground surface.

Intermittent Waterway – A waterway that is not permanent and may be influenced by rainfall.

Local Overland Flow – local runoff from sub-catchments rather than overbank discharge from a stream, creek, river, estuary, lake or dam.

Mains Sewer – Mains sewer is a centralised sewerage system. In Penrith City, mains sewer is operated by Sydney Water.

Mound System – A soil absorption system which is raised above the natural soil surface. Wastewater from the dwelling is sent to a holding tank (septic or AWTS), and the effluent is then pressure dosed to the mound.

Nutrients – A substance that is essential for plant or animal growth, such as nitrogen and phosphorous.

Permanent Surface Water – A body of water that is present at all times. Includes, but is not limited to, rivers, creeks, streams and lakes.

Permeability – The general term used to describe the rate of water through a substance.

Pump-out System – Systems that include a collection well that receives effluent from a septic tank that is frequently pumped out and removed from the property by a licensed contractor.

Secondary Dwelling – A self-contained dwelling that is established in conjunction with another dwelling (the principal dwelling) and is on the same lot of land. The total area of the secondary dwelling must not exceed the greater of 60 square metres or 10% of the total floor area of the principal dwelling.

Sub-surface Irrigation – Artificial watering of land through buried watering systems. Watering system is to be no less than 100mm below ground surface.

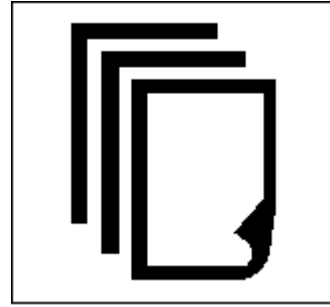
Surface Irrigation – Artificial watering of land through an above ground system.

Unsewered – Not connected to a reticulated sewerage system.

Wastewater – Water that carries wastes from residential, industrial or commercial premises. Water that has been contaminated by some activity. Includes greywater and sewage.

Wastewater Assessment Report – A detailed assessment prepared by a suitably qualified consultant that applies relevant standards and guidelines to determine the suitability of the proposed system and disposal method.

ATTACHMENTS



Date of Meeting: Monday 11 August 2025

Report Title: Financial Reserves Policy

Attachments: Draft Reserves Policy
Reserves Guidelines



Policy Document

POLICY NAME

Financial Reserves Policy

REVIEW DATE

Click or tap here to enter text.

POLICY TYPE

Choose an item

RELATED DOCUMENTS

Click or tap here to enter text.

DATE ADOPTED

Click or tap here to enter text.

COUNCIL MINUTE NUMBER

Click or tap here to enter text.

RESPONSIBLE DEPARTMENT

Click or tap here to enter text.

Purpose

The purpose of this policy is to outline a clear framework for the creation, management and use of cash reserves.

Policy statement

The policy and the reserve guidelines document, which is annexure to the policy, aims to effectively manage the Council's limited financial resources in line with its financial strategy for long-term sustainability, it identifies principles for the types of reserves and ensures good governance and transparency in managing cash reserves.

Scope

This policy applies to council staff.

Policy

This Policy applies to the following categories of cash reserves:

1. **Externally restricted reserves** are those where there is a legislative or contractual obligation to use the funds for the purpose for which they were paid to Council. These funds must be expended for the specific purpose defined and cannot be used for general operations or otherwise transferred. Examples of externally restricted reserves include:
 - Grants and contributions
 - Section 7.11 and Section 7.12 Developer contributions
 - Special rates or charges e.g. domestic waste, stormwater management levy
 - Voluntary Planning Agreements

Under Section 409(3) of the Local Government Act 1993 the following are classified as Externally Restricted:

- (a) money that has been received as a result of the levying of a special rate or charge may not be used otherwise than for the purpose for which the rate or charge was levied, and
- (b) money that is subject to the provisions of this or any other Act (being provisions that state that the money may be used only for a specific purpose) may be used only for that purpose, and
- (c) money that has been received from the Government or from a public authority by way of a specific purpose advance or grant may not, except with the consent of the Government or public authority, be used otherwise than for that specific purpose.

Under Section 410 of the Local Government Act 1993 if funds received from special levies are no longer required for its original purpose, any remaining money may be used by the council for any other purpose if, and only if—

- (a) a proposal to that effect has been included in a draft operational plan for the current year or for a previous year, and
- (b) notice of the fact that the proposal was included in the operational plan adopted by the council for that year has been published in a manner that the council is satisfied is likely to bring the notice to the attention of members of the public in the area.

2. **Internal Restrictions:** are those that are controlled by Resolution of Council. These restrictions have been established for a specific internal purpose including to fund future commitments and long-term obligations, Council may resolve to change the purpose of these funds. Council has internally restricted funds for the following activities:

- Major Projects
- Sustainability Revolving Fund
- Carparking/Traffic Facilities
- Property Development
- Employee Leave Entitlements

3. **Unrestricted Cash:** These funds are not restricted for a specific purpose and are held to cover day to day operational needs and must be sufficient to satisfy Council's short term obligations. These funds are viewed as a buffer against unexpected events, losses of income, fluctuations with cashflow and unforeseen circumstances. Council must aim to ensure unrestricted cash balances remain at a positive and acceptable level.

Creation, alteration, and cessation

Occasionally there may be a need to create a new Internally Restricted Reserve. This need may arise due to Council wishing to restrict income or expenditure for a particular category/purpose to meet future long-term obligations.

Proposed creation or closure of a reserve must initially be approved by the CFO. The CFO will determine whether an existing Reserve account that serves the intended purpose does not already exist, whether its required or is best practice that funds are restricted and whether creation is in line with Council's long term financial strategy, or in the case of closure, whether funds that were previously restricted are no longer required to be set aside for that purpose.

Any alterations to the name of a Reserve must be approved by the CFO who will determine if change is necessary and improves transparency of the reserves intended purpose, or to provide more clarity.

Allocations to and from reserves are approved via the Annual Budget and Quarterly review processes.

Reporting and Review

The CFO has the responsibility of maintaining a schedule of all Financial Reserves in addition to overseeing all accounting functions in relation to the Reserves including regular review and reporting of transfers and balances through the Quarterly Reviews, Annual Financial Statements, Annual Budget Process and as and when required.

A schedule of Internal Reserves is to be maintained separately to this policy and regular financial reporting outlining, for each Reserve; its name, purpose, target and/or maximum balance, whether interest is applicable to the balance of the reserve, the name of the Council position/committee responsible for controlling the reserve, and the Council Approval Date where known.

Accounting, compliance, and Management

Prior to funds being allocated from externally restricted reserves, the CFO must be satisfied that funds allocated are lawful and are contained in the applicable adopted plans/agreements. In the case of Developer Contributions, the city planning department is to maintain a record of expenditure and funds available against items listed in developer contributions plans. Proposals to use developer contributions in accordance with work outlined in adopted plans requires confirmation from the Head of City Planning of funding availability and alignment with works outlined in the plan. Finance and City planning staff are to make all endeavours to ensure all expenditure to date and budgeted in current and future years is considered prior to the allocation of funds.

Each Reserve must have its own account in the ledger and cannot be consolidated into one account or a category of accounts within the ledger (although consolidation may occur in reporting to ensure succinctness). This will ensure additional control that funds that are restricted can only be utilised for its intended purpose.

In the case of an error or an incorrect allocation of funds to/from Reserves is discovered, a correction must be made immediately and reported at a future Quarterly Review to Council for adoption. Suspected breaches or misuse of this policy are to be reported to the General Manager.

Generally, Council must ensure that transfers to and from reserves result in sufficient brought forward balances to fund future commitments as per Council's Operational Plan and LTFP.

Council may also decide to borrow from internal restrictions to achieve its objectives. This requires a resolution of the Council in accordance with Councils borrowing policy. In such cases the full impact of the borrowings should be considered, including

- I. The reason for the borrowing
- II. The basis of calculating the amount of the borrowing
- III. The permitted use/s of the borrowed funds
- IV. The internal restriction that will be borrowed from
- V. If borrowing cost (interest) is to be applied to the borrowing, then the interest rate to be used.
- VI. Loan repayment period

Document Control

Policy History	Date

Reserve Guidelines

Purpose

An integral part of Council's financial capacity is the administration of funds held in reserve for specific purposes to deliver Council's priorities, manage risk and provide financial stability and sustainability.

Council is committed to ensuring that internally and externally restricted reserves are utilised for their intended purpose.

The primary purpose of this Guideline is to supplement the adopted Financial Reserves Policy and assist Council to manage financial risk and foster financial sustainability by ensuring reserves and their balances remain relevant and reasonable given the diverse funding priorities of Council in an environment of scarce financial resources. The document also aims to recognize the intended purpose of Council's internal reserves.

Investment Interest Earned Distribution to Reserves

Council invests money not required during the year under Section 625 of the Act and the Council's Investment Policy. In general, interest earned is used to fund the Council's general activities program and not distributed to individual reserves, except for the following:

- Development Contributions Reserves
- Domestic Waste Management Reserve
- Grants where it is specifically negotiated as part of the funding agreement
- Internal reserves at the discretion of the CFO

Review of Guidelines

These Guidelines will be reviewed every four years or as required by legislative changes. The Guidelines may also be amended upon the request of the Executive Leadership Team or the General Manager.

References and Legislation

- Local Government Act 1993
- Local Government (General) Regulation 2021
- Environmental Planning and Assessment Act 1979
- NSW Local Government Code of Accounting Practice and Financial Reporting.

External Restrictions

These funds are those where there is a legislative or contractual obligation to use the funds for the purpose for which they were paid to Council. These funds must be

expended for the specific purpose defined and cannot be used for general operations.

The following are some of Council's external restrictions:

Unexpended Grants & Contributions

Council receives various Grants and Contributions each year which are for specific purposes. The majority of these Grants and Contributions have conditions attached to their use and due to various timing issues may not be expended in the year of receipt. These reserves are individually monitored by Council officers.

Development Contributions

Proceeds from Section 7.11 Development Contributions, Section 7.12 Levies and Section 7.4 Planning Agreements including applicable accrued interest is held in reserve and utilised in accordance with the Plans adopted by Council.

The City Planning department maintains a record of expenditure and funds available against items listed in developer contributions plans.

Proposals to use developer contributions in accordance with work outlined in adopted plans requires written confirmation from the City Planning department of funding availability and alignment with works outlined in the plan. Finance and City Planning staff are to make all endeavors to ensure all expenditure to date and budgeted in current and future years is taken into account prior to the allocation of funds.

Environmental/Sullage Reserve

To maintain the subsidy relating to 2004-05 Special Rate rise, an amount is transferred each year to the Sullage Reserve and is indexed by the annual rate rise. It was determined that Council would retain the current Special Rate Variation and re-direct any savings held in this reserve towards environmental enhancement projects across the city. Each year the Reserve is reviewed as part of the Operational Plan process to determine the capacity to fund projects that have identified environmental benefits and are in line with Council's strategic priorities.

Road Closures – Proceeds from Sales Road Closure Proceeds (Chief Financial Officer)

There is a need for Property to implement a road closure finance structure to meet Council's obligations under the Roads Act.

The Roads Act 1993 states in S43 that the sale proceeds (less the costs of sale) of operational land comprising former public roads are only to be used for acquiring land for public roads or carrying out road works on public roads.

Stormwater Management Service Charge

Stormwater Management Service Charge (Chief Financial Officer)

These funds are set aside in a reserve from the 2012-13 Stormwater Levy onwards with expenditure identified as part of the annual budget process and relating to Stormwater/drainage issues. This includes debt service funding of unfunded part of \$5.7m CBD loan. A Stormwater Working Group has been formed and meets on a regular basis to review proposed projects which must meet certain criteria prior to project approval.

Waste Disposal Reserve

Waste Disposal Reserve (Head of Waste and Resource Recovery)

In accordance with the Local Government Act, Council is required to levy a Domestic Waste Management Charge to offset the reasonable cost of providing a waste service for the community. Part of the charge may include a provision for future asset replacement and tip rehabilitation works which is to be maintained in the reserve.

Interest is allocated to this reserve on a quarterly basis.

Waste Disposal Receivables (Head of Waste and Resource Recovery)

An annual amount is transferred from the Waste Disposal Reserve to this reserve to reflect the change in movement in the Domestic Waste Receivables for the year on the Waste Debtors Control account.

The balance of the reserve is reported in Note 7 of the Financial Statements under Externally Restricted Receivables category for Domestic Waste Management.

Internal Restrictions

These funds are those that are restricted by Resolution of Council. These restrictions are to fund future commitments and long-term obligations and have been established for a specific internal purpose.

Internal Restrictions are aimed at supporting a self-funding strategy concept

whereby agreed funds are transferred into each reserve and utilised for a specific purpose. Council has established a number of reserves to ensure that funding is made available to meet Council's short-term and long-term liabilities, asset replacement programs and other agreed self-funding strategies.

The following are some of Council's internal restrictions:

**Car Parking/Traffic Facilities
Carparking/Traffic Facilities Reserve
(Head of Environmental Health and Compliance)**

An annual transfer to this reserve of \$815,000 is made from the 2016-17 Special Rate Variation (SRV). Allocation of funds from this reserve is directed to new or improved car parking infrastructure and/or traffic facilities in the CBD's.

**Library Reserves
Library Reserve (Head of Library Services)**

This reserve is used to fund a number of projects including the:

- New library service desk at Penrith Library at an estimated cost of \$150,000 (in 2023-24)
- Contribution towards the foyer refurbishment at Penrith Library at an estimated cost of \$120,000 (in 2024-25)
- Refurbishment of the internal garden at Penrith Library to make it accessible to customers at an estimated cost of \$70,000 (in 2024-25).
- New floor plan, shelving and furniture for all collection areas at Penrith Library at an estimated cost of \$500,000 (in 2025-26). Grant funds from the State Library may be provided to supplement this project.
- Update to the Radio Frequency Identification (RFID) system and related hardware at all library branches at an estimated cost of \$350,000 (in 2026-27)

All funding transferred to the reserve is authorised by the Chief Financial Officer after a business case is provided and expenditure of these funds is in line with the business cases provided.

This reserve is capped at \$800,000.

St Marys Library Strategy and Planning (Head of Library Services)

Funding of research and consultation costs for the development of Council's new library strategy (which will include a future facilities plan) and costs associated with the development of a business case for a new St Marys Library.

This reserve is capped at \$300,000.

Major Projects Reserves

Major Projects Reserve (Chief Financial Officer)

Council's LTFP identified the need to establish a Major Projects Reserve to support investment in major regional city infrastructure as our city grows. This reserve will provide Council with the capacity to deliver/contribute towards the delivery of the infrastructure our city needs into the future. This could include multi-deck carparks, community facilities, open space improvements and sporting facilities. Funding for allocations to this reserve was included in the 2016- 17 SRV.

Sports and Recreation Plan (Head of Community Facilities and Recreation)

This reserve is used to fund approved Sports and Recreation Strategy (SRS) projects under the adopted SRS. Funding of \$1m is transferred to the reserve annually for 5 years until and including 2023-24 to assist in implementation of the SRS.

OOSH Bus Fleet Replacement Program

OOSH Bus Fleet Replacement (Head of Children's Services)

This reserve is used to fund the replacement of buses as required on an annual basis to ensure roadworthiness of the fleet.

Plant and Motor Vehicle Replacement Reserves

Motor Vehicle New and Replacement Reserve (Head of City Presentation)

Provides funds for Council vehicles that need replacing at optimum intervals without making any additional demands on the budget. Savings in fleet operational costs are also transferred to this reserve. The adequacy of this reserve is reviewed annually as part of the budget development process.

Community Services Buses & Vans

(Head of City Activation, Community and Place)

Any surplus funds from the hire of community buses (net of expenses) are transferred to this reserve at the end of each year with the funding that is set aside being used to contribute towards the replacement of the community buses as required.

Plant Replacement Reserve (Head of City Presentation)

This reserve was set-up to fund the Plant Lifecycle cost as per the Asset Management Plan. Funds from this reserve ensure that Council's plant is replaced

at optimum intervals without making any additional demands on the budget. The adequacy of this reserve is reviewed annually as part of the budget development process.

City Planning

Planning Proposal Applications to Amend a LEP (Head of City Planning)

This reserve is funded by the fee income received from applications to amend a LEP or DCP. Funds net of costs are set aside to cover the additional resourcing and costs associated with the assessment and exhibition of the Planning Proposal applications received. Use of funds is authorised by the Head of City Planning or City Planning Coordinator.

Alister Brass Foundation

Alister Brass Foundation (Head of Governance)

This reserve was set up to receive the balance of funds from a specific S377 Committee called the "Alister Brass Foundation" which folded in 2008. The Alister Brass Foundation for Research & Publications on Art in Australia held exhibitions at the Lewers Bequest & Penrith Regional Gallery in October 1988 & September 1991. Funds can only be expended on projects that are agreed upon with the Lewers sisters. Suitable projects have yet to be identified.

Interest is allocated to this reserve on a quarterly basis.

S377 Committee Closure Proceeds

Various S377 Committee Reserve Accounts (Head of Community Facilities and Recreation)

Council currently has 14 Committees established whereby net proceeds/disbursements for each year are recognised in reserve with the balance available for future use by the relevant Committee. These reserves hold funds resulting from the closure of committee accounts and are for use on related committee assets.

Cemetery Reserve

Cemetery Reserve (Head of Community Facilities and Recreation)

This reserve is used for the cemetery improvement projects and cemetery operations. Net operating balance is transferred to the reserve annually. The cemetery strategy was reported to a Councillor Briefing on 4 September 2017 and addressed long term plans for this reserve.

Interest is allocated to this reserve on a quarterly basis.

Employee's Leave Entitlements

Employees Leave Entitlements (Chief Financial Officer)

Council's ELE reserve is used to provide for unusual changes in termination payments each year. The number of staff who might leave is difficult to predict, and the budget each year includes funding for average levels of retirements. A detailed review of retirement and termination predictions is undertaken as part of developing the draft Budget, to ensure that the reserve contains adequate funding. Council policy is to maintain an amount of at least 20%, averaged over three years of leave entitlements (excluding annual leave) in the Employee Leave Entitlements (ELE) Reserve. The end of year result is reported to The Council.

Salary System Training and Development Reserves

Employee Assistance Reserve (Head of People and Culture)

This reserve came out of a recommendation from participants project work in a leadership program. The report recommended a payment towards funeral benefits for Council employees at an amount of \$2,500 per claim. The establishment of this reserve was approved by the Executive Leadership Team on 6 November 2011 and proposed that a budget with an annual allocation of \$5,000 be set up and that each year any remaining funds should be transferred to this reserve up to a maximum closing balance of \$10,000 to be held in reserve.

Workplace Investigations (Head of People and Culture)

This reserve has been set up to provide funding for workplace investigations when they arise. The reserve will have a yearly allocation of \$50,000 and be capped at \$100,000 as approved by the CFO.

Environmental Awareness Programs

**Community Environmental Awareness Reserve
(Head of Environmental Health and Compliance)**

This reserve is funded by fine income received and is set aside for community engagement/education programs, implementation and consultant engagement as required. The reserve currently funds a Compliance Officer and Compliance Administration Officer.

COVID-19 Impact

COVID-19 Contingency Funds (Chief Financial Officer)

In order to track the financial impact of COVID-19 on Council's operations and revenue, a separate COVID-19 Impact Reserve was created as part of the March 2020 Quarterly Review. This reserve initially resulted in a deficit balance as we are only notionally funding from the reserve against other internal unrestricted

reserves with the intention that future surpluses will be directed towards repayment of this reserve. This reserve was closed as of 1 July 2021 with a projected closing balance at 30 June 2023 of \$1m. In preparing the Draft 2023-24 Budget it is proposed that the third of four annual repayments of \$500,000 to this COVID-19 Impact Reserve be incorporated into the base budget. The reserve will have a nil balance by June 2025.

Financial Management Reserves

Bushfire Reserve (Head of Strategic Asset Management)

Funds in this reserve were set aside to fund a possible future write-off of bushfire stores inventory and relates to the Bushfire stores and materials balance at the introduction of Finance One. The balance is to be used for bushfire and firefighting related operations. Funds were previously reported as externally restricted.

Community Strategic Plan (Head of Business Excellence)

This reserve was set up to fund additional costs associated with the preparation of the Strategic Plan which is prepared every four years.

\$50,000 is transferred to the reserve annually.

The reserve balance is capped at \$250,000.

RAR Bids (once off) (Chief Financial Officer)

This reserve was established to set aside funds for the annual RAR process as part of the 2016-17 SRV. It provides an annual allocation of \$450,000 to be used for projects approved by the Executive Leadership Team as part of the annual RAR process.

RAR Bids (ongoing staff) (Chief Financial Officer)

This reserve was established to set aside funds for the annual RAR process as part of 2016-17 SRV. The funding is for 1 additional permanent FTE p.a. as approved by the Executive Leadership Team as part of the annual RAR process.

S7.11 Financial Management – Lambridge Estate (Chief Financial Officer)

As contributions are received into the Lambridge Estate S94 plan an equal amount of contributions received will be transferred from this new internal reserve to the surplus leaving sufficient funds available in this new internal reserve to payout any deficit balance in the Lambridge Estate S94 plan.

S7.11 Financial Management – Cultural Facilities (Chief Financial Officer)

As contributions are received into the Cultural Facilities S7.11 plan an equal amount to the contributions received will be transferred from this new internal reserve to the surplus leaving sufficient funds available in this new internal reserve to payout

any deficit balance in the Cultural Facilities S7.11 plan.

Western Sydney City Deal Reserve (Head of City Strategy)

Funds were originally set aside to fully fund Council's 3-year commitment detailed in the Council Report Item 2 Ordinary Meeting 27 August 2018 and included funding for the City Deals Manager and a pipeline of projects.

From 2020-21 the City Deals Manager now known as the Head of City Strategy was funded through general funds leaving the remainder of the reserve available to fund City Deals projects with additional one-off operational savings being transferred into the reserve in 2022-23 to provide sufficient funding for the St Marys Master Plan Technical Studies projects which includes a contingency.

This reserve is reviewed annually as part of the budget development process with unused funds being returned to general revenue on completion.

Financial Management of Asbestos (Chief Financial Officer)

This reserve was established under the recommendation of the CFO.

Funds are to be used to support all asbestos remediation and preliminary works associated with capital projects. With CFO approval, allocations can be made to operational projects (research, consultancy etc). Where possible 10% of the annual capital works program from projects with asbestos risk is to be transferred to the reserve to ensure the availability of sufficient funds for required works.

Financial Management Reserve – Unallocated (Chief Financial Officer)

The development of the annual budget each year requires a number of assumptions to be made in relation to both expenditure and income that are dependent on factors that are outside Council's control. To safeguard against movements in these assumptions and forecasts, surplus funds in the establishment of the original budget and during quarterly reviews are transferred to this reserve. In addition, these allocations also provide capacity to respond to some current and emerging priorities, including some of the priority resource requests.

Allocations from this reserve are approved by the CFO.

**Financial Management of Jamison Park Synthetic Surface
(Head of Community Facilities and Recreation)**

This reserve is used to accumulate funds for Jamison Park Synthetic Surface Renewal at the end of its useful life. Based on the operating model it is predicted that \$160,990 will be transferred to the reserve annually.

LED Street Light Upgrade Project (Head of City Presentation)

This reserve was created as per Council Report Item 10 of Ordinary Meeting held on 21 February 2022 and will be in deficit until energy savings certificates generated by completion of the project are sold. Once the reserve is balanced at completion it will no longer be required.

Customer Experience Transformation Program (Chief Financial Officer)

The Customer Experience Transformation Program reserve has been set up to track costs associated with the Customer Experience Transformation Program. This program was established in 2020 by the Executive Leadership Team with an approved allocation of \$500,000 per year over three years going into the reserve funded from General Revenue. The total budget for the reserve of \$1.5m continues to be used for projects that are required to enhance Customer Experience with Council. Funding for projects is allocated through leadership and require approval through the Digital Executive Team who approve a project's business case.

Grant Funded Projects Reserve

Grant Funded Projects (Chief Financial Officer)

The Reserve was established in 2003 with seed funding of \$200,000 to provide funds for grant applications where matching funding is required and was not able to be provided from within existing program budgets. As determined, an annual allocation from 2007-08 onwards of \$50,000 is restricted and used for any programs/projects which may satisfy grant funding criteria/opportunities that become available. The use of this reserve is authorised by the Chief Financial Officer or through a business case adopted by Council.

Productivity Revolving Fund

Productivity Revolving Fund (Chief Financial Officer)

Council's continued commitment to productivity improvements and savings has been a key element that underpins the Financial Capacity Review and will help to deliver the aspirations for the city alongside the 2016-17 SRV. Investment in new technologies and systems will be key to achieving these productivity savings in the long term. The December 2015 Quarterly Review provided the capacity to allocate \$500,000 to establish this reserve to ensure that we have the ability to fund these initiatives up-front as they come forward with a view that the initial savings would repay these up-front investments before being returned to General Revenue.

Property Development Reserve

Property Development Reserve (Head of Property Investment)

Property development is an important part of Council's financial strategy and this reserve funds all activities of this department. As part of the 2016-17 SRV an annual dividend (currently \$1.8m) is allocated from this reserve to General Revenue.

Property Development activities which impact this reserve include:

- The acquisition, development, and disposal of properties to achieve a profitable return that ensures a consistent supply of funding for Council's use and reduce reliance on rateable income. Requires a resolution of Council
- Compulsory acquisition of private land to assist the implementation of planning schemes, including purchases for road widening, open space, drainage, car parking, neighbourhood centres and children's centres. Requires a resolution of Council
- Acquisition of private property, while discretionary, when necessary to facilitate or encourage development. Requires a resolution of Council.

Interest is allocated to this reserve on a quarterly basis.

Surplus Land Exercise (Head of Property Investment)

This reserve is for staff consultancy and community engagement relating to the Public Open Space Reinvestment project. This reserve will be repaid in full when Erskine Park land sales are completed, with the balance to be allocated to S7.11 Erskine Park Reserve.

Interest is allocated to this reserve on a quarterly basis.

Special Rate Variation 2016-17

2016-17 Special Rate Variation (SRV) (Chief Financial Officer)

This reserve was established to fund projects as identified in the 2016-17 SRV application. Annual reporting of expenditure is required until 2026-27.

2016-17 AREAS (Chief Financial Officer)

This reserve is focused on increased investment in infrastructure renewal, public domain maintenance and addressing the needs of the City's older areas.

This reserve replaces the old Asset Renewal and Established Areas Strategy Program which was funded through the 2016-17 SRV.

Additional Special Variation 2022-23

Additional Special Variation 2022-23 (Chief Financial Officer)

A special rate peg was approved from 2022-23 onwards which represented difference between 1.4% and 2.5% ongoing. This is increased each year by the rate peg, the 2022-23 and 2023-24 amounts were allocated to this reserve to be used for asset renewal projects as this was highlighted as a challenge in the *Resourcing Strategy 2022-32*.

Sustainability Revolving Fund

Sustainability Revolving Fund (Head of Future Directions and Resilience)

The Sustainability Revolving Fund (SRF) was established in 2003 as a complementary source of funding to support organisational projects and initiatives that foster sustainability across the quadruple bottom line, and the trialing and testing of innovative and new technologies.

The Revolving Fund is a forward funding financial reserve. The balance of the reserve is maintained through payback of cost savings generated from sponsored projects to provide financial support for future sustainability initiatives.

The SRF is managed by the Sustainability Revolving Fund Working Group under delegation from the Executive Leadership Team. The Working Group comprises key staff from Financial Services, Sustainability and Resilience, City Assets, Environmental Health and Compliance and Design and Projects. The Working Group is responsible for overseeing; the allocation of SRF monies; securing the re-investment of monies into the SRF; review of the SRF financial status; and reporting to the LT.

SRF Guidelines are available on Councils Intranet & website.

Election Reserve

Election Reserve (Head of Governance)

The Election Reserve is a perpetual reserve that funds Council elections. The reserve is modelled to follow the Councils election cycle with an election every four years. The reserve is funded with an annual allocation from General Revenue and is built up over the four-year cycle with sufficient funds to be allocated to fund the elections when they occur. A business paper is tabled at Council's Ordinary Meeting with cost estimates sourced from the Governance Team seeking Council endorsement on an impartial and independent electoral system. Once the system has been endorsed by Council, budget adjustments to the reserve may be required to fund any shortfall within the reserve. The endorsement also allows the procurement of the system where funds are then allocated to the

Council Election project.

Workers Compensation Reserve

Workers Compensation Reserve (Chief Financial Officer)

The Workers Compensation Reserve is intended to hold a balance in line with the Basic Tariff Premium (BTP). An annual transfer of \$150k is allocated to the Workers Compensation Reserve to build the reserve balance up to the required amount in line with the BTP, this amount being \$3.15m as at July 2024.

Legal Reserve

Legal Reserve (Head of Legal Services)

The Legal Reserve funds new and ongoing legal cases and is a provision for doubtful debts. The reserve has been created internally with expenditure approved by the Head of Legal Services when legal cases arise. The reserve has fluctuated over the years with the growth of developments and legal cases in the Land and Environment Courts. This has contributed to the reserve receiving an annual allocation of \$800,000 from general revenue. The allocation is reviewed annually for indexing and any carry forward balances where the reserve has the potential to return funding. The reserve also recognises income from determined legal cases in which income is received in the general ledger and transferred into the reserve.

Bus Shelter Advertising Income

Bus Shelter Advertising Income (Head of Strategic Asset Management)

In accordance with Councils Advertising on Council Bus Shelters Policy, The revenue gained from advertising on the shelters will be directed to accelerate the Bus Stop Capital Works Program to meet our legislative requirements as the provider of public transport infrastructure.

Events and Sponsorships

REAL Festival Event Financial Management

(Head of City Activation, Community and Place)

The purpose of this reserve is to assist with the financial planning of the REAL Festival event. Any savings identified from the REAL Festival project are transferred into the reserve at year end and can be made available as required for future events.

This reserve is reviewed annually as part of the budget development process.

Penrith Events Partnership Program

(Head of City Activation, Community and Place)

This reserve is to maintain a maximum balance of \$100k at any time.

Funds are available each financial year to fund the Penrith Events Partnership Program once the original \$100k project budget is fully spent bringing the total annual funds available for the Penrith Events Partnership Program to \$200k.

Funds in this reserve are to be spent in line with the Penrith Events Partnership Program reported to Council as The Penrith Events Strategy 2020–2024 on 22 June 2020.

Heritage Assistance Project

Heritage Assistance Project (Head of Development Services)

The Heritage Assistance Fund financially assists owners, lessees and not-for-profit organisations of heritage items and conservation areas such as buildings, houses, and archaeological sites. The fund also offers grants for conservation work to properties listed in Penrith Local Environmental Plan 2010 as heritage items or within heritage conservation areas.

International Relationships

International Relationships (Head of City Economy and Marketing)

This reserve provides funds travel to Asia (mainly Japan, China and Korea) as part of the Sister City Program as well as hosting delegates from Japan and China visiting Australia on business trips or student exchange programs.

The maximum balance available for this reserve is \$200,000.

Penrith International Friendship Committee

(Head of City Economy and Marketing)

This reserve is funded through the annual unexpended funds on International Cultural Links cost centre for use by the Penrith International Friendship Committee.

Penrith Valley Regional Sports Centre

Penrith Valley Regional Sports Centre Loan (PVRSC)

(Chief Financial Officer)

This is an internal loan to PVRSC as per Council report 28 Sept 2020.

Repayments may change based on the agreement between Council and PVRSC and a future report to Council.

Revote Reserve

Revote Reserve (Chief Financial Officer)

In accordance with Part 9 of the Local Government (General) Regulation (2005), all votes lapse at the end of each financial year, except for votes which relate to works, services, and/or facilities started or contracted to be provided. For such projects not completed as at 30 June of each year, the unspent budgeted funds are to be restricted and released as and when required in finalising the program/project.

Town Centre Review and Administration

Penrith CBD Corporation and St Marys Town Centre Limited – Review and Admin Costs (Head of City Activation, Community and Place)

These two reserves cover the cost of undertaking independent reviews which are to occur in the third year of the agreement between the corporation and Council and before a new agreement is entered into. It is also to support training that Council requires the board to attend and to cover costs associated with administration of contributions to the Penrith CBD Corporation and St Marys Town Centre Limited.

Voted Works

Voted Works – South, North, and East Wards Reserve (Head of Governance)

Council policy is for \$53,000 to be allocated to each of the three Wards each year. These funds are normally applied for a particular purpose of an urgent nature in one or more of the Wards, by resolution of the Council.

Voted Works also provide an opportunity to allow discretionary funding for the community or for items that arise unexpectedly during the year.

Council policy states that any unexpended amounts in Voted Works are carried over to the following year with the balance accumulating.

Costs to Advance Projects

Costs to Advance Developer Contributions Projects (Head of City Planning)

This reserve has forward funded part of the VPA Management Software System. These funds will be repaid by the Orchard Hills S7.11 and the Glenmore Park Stage 3

S7.11 Plans once they are finalised and adopted by Council.

Costs to Advance Projects Reserves (Head of Design and Projects)

These reserves forward funds design and project initiation costs which are reimbursed once funding is received (usually grant funding). Use of these reserves is authorised by the Chief Financial Officer or through a report adopted by Council and are reconciled quarterly to ensure the reserves are repaid as soon as funding becomes available.

Penrith Regional Gallery

**Internal Loan – Penrith Regional Gallery
(Head of Community Facilities and Recreation)**

The reserve is used for an internal loan to PPVA for the refurbishment of the Lewers Gallery commercial kitchen. This is a 20-year, interest free loan.

This reserve was created as per Council Report Item 6 of Ordinary Meeting held on 23 July 2021.

Public Open Space Reinvestment Project

**Internal Loan–Public Open Space Reinvest–Erskine Park
(Chief Financial Officer)**

This reserve was created as per the Ordinary Meeting held on 26 October 2015 to fund projects developed as a result of the Public Open Space Reinvestment project within Erskine Park. This set up an internal loan of \$2.65m.

This reserve will be repaid in full when Erskine Park land sales are completed with the balance to be allocated to S7.11 Erskine Park Reserve. The progress of allocations from this reserve is reviewed with the Project Coordinator each quarter.

Waste Bins New Contract

**Internal Loan – Waste Bins new Contract 2019–20
(Head of Waste and Resource Recovery)**

Internal Loan created to fund the purchase of Waste Bins. The current repayment of the loan is due to be completed in the 2028–29 financial year.

Interest is allocated to this reserve on a quarterly basis.

**Woodriff Gardens Facility Development
Internal Loan – Woodriff Gardens Facility Development
(Head of Community Facilities and Recreation)**

This reserve was used for an internal loan for Woodriff Gardens Facility Development. This loan is expected to be paid off by June 2025.

These repayments are in lieu of a lease fee previously received from Nepean District Tennis Association as per Council Report Item 14 of Ordinary Meeting held on 29 February 2016.

**Environment / Sullage Reserve
Environment / Sullage Reserve (Head of Waste and Resource Recovery)**

The charge to residents using Council's sullage removal service was previously subsidised by the domestic waste management charge paid by all residential ratepayers. Due to a change to the Local Government Act, Council was unable to continue this practice from 2004-05. A special rate variation of 1.32% was applied for and received to subsidise the cost of this service for those households not having access to sewerage services.

Each year funding for the sullage services is increased by the IPART rate increase however as more households connect to the sewer the subsidy required will decrease. As part of the development of the 2007-08 Management Plan it was agreed that Council would retain the current special rate variation and apply any surplus funds to environmental projects throughout the city with these funds to be retained in the Environment/Sullage Reserve. The annual reserve allocation provides funding for a number of projects previously funded by general revenue where the projects have been identified as having an environmental basis.

**Children's Services Cooperative Reserves
Fundraising – Children's Centres (Head of Children's Services)**

This reserve captures fundraising balances for all childcare centres managed by the Penrith City Council Children's Services Cooperative (PCCCSC).

Children's Services Cooperative (Head of Children's Services)

This reserve captures the surplus/deficit balances of all services managed by the PCCCS Cooperative.

The Chief Financial Officer has requested a \$650,000 contingency balance be maintained to offset any deficits which may arise in a particular financial year. Surplus funds above this threshold are available for various Children's Services

projects as suggested by the Head of Children's Services and approved by the PCCCS Cooperative Board.

Children's Services – ELE (Head of Children's Services)

This reserve is to fund the current and future outlays in relation to Employee Leave Entitlements (ELE) for Children's Services staff.

Other

**Contribution Stadium Precinct – Panthers
(Head of Community Facilities and Recreation)**

The income received into this reserve is paid as a dividend from Property Development and relates to advertising on the Panthers Stadium grounds.

Funds are to be expended on the stadium precinct.

Telecommunication Pole Contributions (Head of City Presentation)

The current Council adopted policy (No: Parks 001) regarding Telecommunication Access Fees when Council's floodlighting poles in parks are used for telecommunications equipment determines that: accrued fees be used to upgrade facilities on the areas where the income was raised, and this be extended to nearby reserves when the identified works are completed.