

## Reserve Policy

<b>Purpose:</b>	<b>Approval</b>
<b>Author:</b>	<b>Director of Finance and Operations</b>
<b>Approver:</b>	<b>Chief Executive</b>

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### Summary

The reserve policy was last revised in July 2022. ARC and Council has been considering whether the reserve categories and levels are still appropriate. A paper outlining the risks that the Practice Fund reserves help to mitigate was presented to Council in July 2025. The discussion of the Reserve categories, funding levels and risks provided the management team with a steer for the revision of the reserve policy. This paper includes the proposed new reserve policy.

### Recommendations

Council is asked to consider the revised reserve policy and approve it for adoption.

### Risk management

The CLC needs to maintain adequate reserves to mitigate the risk of insufficient funds being available to pay expenses as the fall due and to mitigate against any unexpected cashflow demands. This could result in financial and reputational risk to the CLC.

### Financial impact

Inappropriate reserve levels may result in the CLC having insufficient cash reserves to fund operations or weather a crisis.

### Regulatory Objectives

The following regulatory objectives are served by the decisions requested in the paper:

- RO1 - protect and promote the public interest
- RO4 - protect and promote the interests of consumers

**Diversity and inclusion impact**

There are no diversity and inclusion impact.

**Communications requirements**

This paper is for Council only.

**Publication**

This paper is not for publication.

**Annexes**

Annex A: CLC Reserve policy – October 2024 (proposed)