



# Asset Fund Policy

<b>Reference Number:</b>	3.2
<b>Type:</b>	Council
<b>Category:</b>	Corporate Services
<b>Relevant Community Plan Outcome:</b>	<ul style="list-style-type: none"><li>• Our values, leadership and collaborative approach are bold and courageous and enables us to deliver value for our Community and create a leading liveable City</li><li>• The management of our city is progressive, responsive and sustainable to ensure a united and unique place for future generations</li><li>• Open and accountable governance</li></ul>
<b>Responsible Officer(s):</b>	Manager Financial Services
<b>First Issued/Approved:</b>	July 1996
<b>Minutes Reference:</b>	CoS 07/08/2023, Item 4.29
<b>Last Reviewed:</b>	August 2023
<b>Next Review Due:</b>	August 2024
<b>Applicable Legislation:</b>	Local Government Act 1999 Local Government (Financial Management Regulations) 2011
<b>Related Policies:</b>	Restricted Assets Policy
<b>Related Procedures:</b>	

## 1. Purpose

The purpose of the Policy is to identify how the net cash proceeds from the sale of unbudgeted surplus properties which are established in Council's asset fund will be allocated.

## 2. Scope

This Policy is applicable to surplus revenue from the sale of Council properties.

## 3. Policy Statement

The Asset Fund identifies how unbudgeted surplus revenue arising from the sale of properties will be used by Council:

1. To enable the purchase or development of significant strategic assets
2. For major self-funding projects
3. To reduce Council's short-term debt
4. To replace or renew Council's infrastructure and property assets as a last resort
5. To fund replacement of depreciating assets, or
6. To reduce Council's need for long term borrowings.

The Asset Fund will benefit Council by enabling the allocation of funds for future capital expenditure for the purpose of replacing, renewing and procuring significant assets. This will minimise impacts upon rates and/or debt levels. The Fund will also assist with Council's asset renewal and replacement strategies. When a surplus property is sold the net proceeds will be identified as surplus to be accounted for as a restricted asset in the year-end financial statements. In the absence of a council resolution at the time of the property sale to specifically allocate funds to designated capital expenditure, the surplus revenue will be used to retire debt.

**Use of the Fund**

Fund transactions will be controlled by specific Council resolutions and will specify the source of revenue and the application of funds as per items 1-6 above.

**4. Definitions**

N/A