



Asset Fund Policy

Reference Number:	3.2
Type:	Council
Category:	Corporate Services
Relevant Community Vision Outcome:	<u>Responsible Governance</u> We will manage our city in a sustainable and affordable way with responsible governance. <u>Excellence in Customer Experience and Service Provision</u> We will foster an organisational culture focused on continuous improvement and delivering excellence in customer experience and service provision.
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	July 1996
Minutes Reference:	CoS 03/08/2026, Item 4.2
Last Reviewed:	August 2026
Next Review Due:	August 2028
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management Regulations) 2011
Related Policies:	Statutory Financial Reporting Policy
Related Procedures:	

1. Purpose

To establish a clear framework for the allocation and use of net cash proceeds from the sale of unbudgeted surplus Council properties, ensuring these funds support strategic asset investment, asset renewal and replacement, debt reduction, and long-term financial sustainability.

2. Scope

This Policy applies to net cash proceeds from the sale of unbudgeted surplus Council properties and the establishment, management and use of those proceeds through Council's Asset Fund, in accordance with Council resolutions and annual financial reporting requirements.

3. Policy Statement

Net cash proceeds from the sale of unbudgeted surplus Council properties will be allocated through the Asset Fund to support one or more of the following purposes:

- acquire, develop or enhance significant strategic assets
- fund major projects that are supported by an approved business case or identified funding strategy
- reduce Council's short-term debt
- renew, upgrade or replace Council infrastructure and property assets, where appropriate
- fund lifecycle costs directly associated with approved strategic assets or major projects, including necessary renewal, replacement or maintenance works
- reduce Council's reliance on long-term borrowings.

The Asset Fund supports responsible financial management by setting aside net proceeds from unbudgeted surplus property sales for future capital investment, asset renewal and replacement, or debt reduction. This approach helps manage the impact of significant asset investment on rates and borrowings and supports Council's long-term asset management and financial sustainability objectives. Unless Council resolves to allocate the proceeds to a specific eligible purpose, the net proceeds will be applied to debt reduction. Any unspent proceeds held in the Asset Fund will be recognised and reported in Council's annual financial statements in accordance with applicable financial reporting requirements.

Use of the Fund

All allocations from the Asset Fund must be approved by specific Council resolution, clearly identifying the source of funds and the approved application of funds consistent with this Policy.

4. Definitions

N/A