



# Council Policy Manual

---

## CP9.15 Contributed Asset Policy

---

### POLICY OBJECTIVE

The policy provides guidance on the definition, recognition, disclosure and responsibility for the consideration of contributed assets and liabilities to be transferred to the City of Perth.

### POLICY SCOPE

This policy applies to all physical assets contributed to the City of Perth, at no cost or for nominal consideration, including those acquired as a result of machinery-of-Government changes; and assets not previously recognised.

This policy does not apply to assets in the form of cash or its equivalent.

---

### POLICY STATEMENT

1. All Contributed Assets must be recognised in the City's financial statements in accordance with Australian Accounting Standard AASB 1004 Contributions. The financial statements shall disclose separately:
  - a. The fair value of contributed assets transferred during the reporting period.
  - b. Contributions recognised as income but expenditure has been made in previous periods, is yet to be made, or will be incurred in future periods, in accordance with AASB 1004.
2. Automatic vesting of assets, such as new roads shall be initiated via the machinery of – Government and consultation with the Council.
3. Council will determine the acceptance of contributed assets where the value, inclusive of future associated liabilities of the asset being received is \$500,000 (GST Exc) or greater.
4. Acceptance of contributed assets valued below \$500,000 (GST Exc), inclusive of associated future liabilities, may be determined in accordance with Delegated Authority.
5. The financial implications of acceptance of a contributed asset must be evidenced in a report to Council, or Delegated Authority decision, so that an informed decision is made



# Council Policy Manual

---

## CP9.15 Contributed Asset Policy

based on whole of life cost of ownership of the contributed assets.

6. An independent determination of the fair value of the contributed asset must be agreed in writing between the City and the contributing entity before the transfer date.
7. The City's Contributed Asset Administrative Procedure provides a framework for asset handover requirements to assist with the inclusion of Contributed Assets into the City's asset management system.
8. The assessment criteria for accepting or declining a Contributed Asset will have regard to the anticipated level of social, economic, or environmental benefit the Contributed Asset will provide to the City and/or its community.

### DEFINITIONS

**Contributed Asset** means a physical asset for the purpose of delivering a level of service to the community, and is generally in the form of property (land and/or buildings), plant and equipment, and public infrastructure when there is a non-reciprocal transfer.

Contributed Assets may arise from voluntary (at the discretion of an entity or for grants and donations) or involuntary (arising from machinery of Government change) transfers, and therefore may also include liabilities.

**Non-reciprocal transfer** means receiving assets without directly giving equal value in exchange to the transfer owner.

**Public Infrastructure** – generally refers to infrastructure such as roads, drains, footpaths, lighting, communications, CCTV, street furniture, landscaping, artworks, monuments and buildings including associated easements.

**Effective date** of the Contributed Asset is the date when control of the asset passes to the City of Perth by written agreement or a land transfer.

**Transfer Date** is the date of actual acceptance of the Contributed Asset.



# Council Policy Manual

## CP9.15 Contributed Asset Policy

Document Control Box							
<b>Document Responsibilities:</b>							
<b>Custodian:</b>	Coordinator Asset Management			<b>Custodian Unit:</b>	Asset Management		
<b>Decision Maker:</b>	Council						
<b>Compliance Requirements:</b>							
<b>Legislation:</b>	<p><i>Local Government Act 1995.</i>                      AAS 27 Financial Reporting by Local Governments.                      AAS 29 Financial Reporting by Government Departments. AAS                      31 Financial Reporting by Governments.</p>						
<b>Industry: Organisational:</b>	<p>City of Perth Policy 9.12 Asset Management Policy.                      City of Perth Policy 9.11 Fixed Assets Financial Policy.                      City of Perth Policy 6.20 Comment and Recommendation on Development Proposals Referred to the City by Statutory Authorities.                      City of Perth Policy 9.14 Disposal of Property Policy.                      City of Perth Procedure – PR0930 Asset Handover Requirements</p>						
<b>Document Management:</b>							
<b>Risk Rating:</b>		<b>Review Frequency:</b>		<b>Next Due:</b>		<b>TRIM Ref:</b>	75522/04
<b>Version #</b>	<b>Decision Reference:</b>	<b>Synopsis:</b>					
1.	Council Meeting 07/04/15 (120/15)	Adopted					
2.	Council meeting 30/04/15 (161/15)	Amended position title due to organisational restructure					
3.							