

Policy No. 78: New and Gifted Assets

POLICY MANUAL

Policy No. 78	New and Gifted Assets
Purpose	The purpose of this Policy is to provide guidelines for the Council when considering new and gifted assets.
Department	Infrastructure Services
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Next Review Date	February 2028

POLICY

1. Definitions

<i>Whole of Life</i>	Includes all costs associated with the ownership of an asset that allows it to continue to function and meet service needs over its life including planning, creation, operations, maintenance, depreciation, renewal and disposal. If asset planning is limited to a single phase such as creation, decisions may not take into account long-term issues.
<i>Forward Works Program</i>	The Council's future capital works and proposed projects which the annual Capital Works Program is developed from.
<i>Gifted Asset</i>	Assets not constructed or funded by the Council, however, all future responsibility and ongoing management is passed on to the Council.
<i>New Assets</i>	Assets that are created to meet additional service level requirements.

2. Objective

To be fair and equitable when consideration is given to new assets to be constructed by the Council or proposed gifted assets are to be taken-over by the Council to ensure decisions are made with full understanding of long term effects on the Council's financial sustainability, any inherent costs and risks. This information will assist in the consultation process with the community.

3. Scope

This Policy applies to:

- all new assets over \$20,000;
- all assets with an annual operating expense of over \$2,500; and
- all gifted assets.

4. Policy

The Council will undertake an asset and cost benefit analysis on projects to consider the Whole of Life costs associated with any proposed new or gifted asset. A summary of Whole of Life costs will be included in the Council's Forward Works Program to assist with project approval processes.

Formal reports to Council requesting funding approval for new and gifted assets, including any project receiving grant funding, are to include details outlining Whole of Life considerations and the future impact on the Council's Long Term Financial Plan and user fees and charges where appropriate.

This will allow the Council to understand and consider financial implications for ratepayers and facility users prior to agreeing to the construction of new assets or taking over gifted assets.

5. Legislation and Related Standards

Local Government Act 1993 – section 82

Meander Valley Council Policy No. 56: Recreation Facilities Pricing

Meander Valley Council Policy No. 60: Asset Management

6. Responsibility

Responsibility for the operation of this Policy rests with the Director Infrastructure Services.