



## CP 2.18 | Contributed Assets

### Objective

This Policy provides guidance on the delegated authorities to be applied to the Fair Value of any third party Contributed Asset, prior to City acceptance.

The policy is intended to provide guidance on the City's powers and duties delegated under section 5.42(1)(a) and 5.44(1) of the *Local Government Act 1995(WA)*(the **Act**) and limits in accordance with 5.43(d) of the Act.

This is especially important given the large number of projects being constructed across the City by third parties (i.e., State Government, ECU, PCEC) that contain Property or Public Infrastructure that is to be gifted to the City as a Contributed Asset (for zero commercial consideration).

This Policy will ensure best practice asset management and financial management is adopted and that a repeatable and scalable practice and process is implemented to ensure consistency is applied to all Contributed Assets.

### Scope

This Policy applies to all City of Perth employees and consultants involved in projects with third party entities that include any form of request for the City to accept a Contributed Asset.

All decisions made under this Policy will be done in consultation with the Chief Financial Officer.

### Policy statement

1. A Fair Value will be prepared for all Contributed Assets.
2. This Fair Value, on the date at which the Contributed Asset transfers to the City, will be the value entered onto the balance sheet and accounts of the City and inform future depreciation and replacement costs for that asset.
3. Authority to accept any Contributed Asset on behalf of the City will be carried out in accordance with the thresholds, applied to that Fair Value, as set out in the *Delegations Register Section 2.17 Acquisition of property (contributed assets)*.
4. All Contributed Assets will be accepted in a structured manner governed by this Policy and more broadly the transfer of the Contributed Assets will be managed as detailed in procedure *PR1075 Contributed Asset Administration*.
5. The Policy does not apply to any City managed:
  - a. Projects,
  - b. Maintenance works,
  - c. Existing Asset renewal or replacement programs or
  - d. Individual acquisitions, commissions, Cultural Gifts or donations of Public Art as described in *Council Policy 4.7 Cultural Collections* and *Council Policy 4.8 Public Art*.



6. The Policy does not address the potential application of sections 3.58 and 3.59 of the Act (major land transactions and major trading undertakings), these matters should be assessed for each project in parallel to the decisions about acceptance of Contributed Assets.

## Policy Definitions

**Contributed Asset** means any asset (either Property or Public Infrastructure) that is vested in the City without payment of any purchase price, such as through the machinery of government or where an asset is gifted (and therefore excludes any commercial acquisitions by the City at market value).

**Fair Value** means

- a) If the Contributed Asset (or part of the Contributed Asset) includes Public Art (*refer to Council Policy 4.8 Public Art*) then its valuation as provided by a specialist art valuer, and
- b) If the Contributed Asset is transferred to the City within 12 months of its construction, its construction value (itemised by asset component), or
- c) If the Contributed Asset is transferred to the City more than 12 months after its construction, its fair value (itemised by asset component). ‘Fair Value’ will be determined by a suitably qualified independent valuer as measured in accordance with the latest revision of the Australian Accounting Standards Board – ‘AASB13 Fair Value Measurement’ or ‘AASB116 Property, Plant and Equipment’. For all Contributed Assets that are not buildings or land, ‘fair value’ is in general derived from the replacement cost of the asset and its remaining useful life having regard to its condition.

**Property** means the whole or any part of any buildings, structures and improvements thereon that forms part of the City’s Property portfolio.

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

## Document control

### Policy context

Legislation, standards & external guidelines	Local Government Act 1995 (WA), specifically sections 5.42(1)(a), 5.43 (d) and 5.44(1).
Policies and procedures	CP2.12 Asset Management CP2.3 Strategic Financial Planning and Budgeting CP2.7 Property Performance, Investment and Disposal CP4.7 Cultural Collections CP4.8 Public Art
Strategies, plans and frameworks	

### Document custodian

Alliance	Infrastructure and Operations	Service unit	Infrastructure and Assets
----------	-------------------------------	--------------	---------------------------



### Review management

Next review due	February 2028	Document management ref.	EDMRS-1336483316-1060
-----------------	---------------	--------------------------	-----------------------

### Document management

Version	Adopted by	Adoption date	Synopsis of changes
1.0	Ordinary Council Meeting	25 February 2025	New Council Policy 2.18 adopted