

1. Heads of Power

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld), sections 104 and 180

Australian Accounting Standards Board (AASB):

- AASB 116 Property, Plant and Equipment
- AASB 13 Fair Value Measurement
- AASB 136 Impairment of Assets
- AASB 1051 Land Under Roads
- AASB 1049 Whole of Government and General Government Sector Financial Reporting

2. Intent

To ensure all non-current assets are accounted for in a consistent, transparent, and compliant manner that supports accurate financial reporting and sustainable asset management practices.

3. Scope

This policy applies to all Council officers responsible for the acquisition, recognition, valuation, depreciation, impairment, revaluation, and disposal of non-current assets.

4. Definitions

Non-Current Asset: An asset with a useful life of more than 12 months, including infrastructure, buildings, plant and equipment, land, and cultural or heritage assets.

Capitalisation Threshold: The minimum expenditure amount for an asset to be recorded as a non-current asset rather than an expense.

Depreciation: The allocation of the cost or revalued amount of an asset over its useful life.

Fair Value: The price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Impairment: A reduction in the recoverable amount of an asset below its carrying value.

5. Policy Statement

5.1. Asset Recognition

An item will be recognised as a non-current asset if it meets all of the following criteria:

- The asset is expected to be used for more than 12 months.
- The cost exceeds the capitalisation threshold.
- Future economic benefits or service potential are probable.
- The cost of the asset can be reliably measured.

5.2. Capitalisation Thresholds

Asset Class	Threshold (ex GST)
Infrastructure	\$10,000
Buildings	\$10,000
Plant and Equipment	\$5,000
Land	\$1
Land Improvements	\$10,000
Cultural/Heritage Assets	\$5,000
Intangibles	\$500

5.3. Initial Measurement

Assets will be initially recorded at cost, including purchase price and any costs directly attributable to bringing the asset to its location and condition necessary for use.

5.4. Valuation and Revaluation

- Non-current assets shall be valued in accordance with applicable AASB standards, using cost or fair value as appropriate.
- Council will undertake a comprehensive revaluation of non-current assets at least every five years or when material changes in value are identified.
- Interim indexation may be applied annually based on relevant indices from industry sources (e.g., Rawlinsons, ABS).

5.5. Depreciation

- Depreciation is applied using the straight-line method unless another method better reflects the asset's usage.
- Depreciation commences when the asset is ready for use.
- Useful lives are reviewed annually.

5.6. Impairment

- Assets are assessed for indicators of impairment annually.
- If impaired, the asset will be written down to its recoverable amount in accordance with AASB 136.

5.7. Disposal

- Assets no longer required or beyond economical repair must be disposed of in accordance with the Disposal of Non-Current Assets Procedure.
- Gains or losses on disposal are recorded in the period the transaction occurs.

5.8. Asset Register and Audit

- All non-current assets will be recorded in the Council's Asset Register, which must be maintained and regularly reconciled.
- An annual stocktake of plant and equipment will be conducted and variances investigated.

6. Roles and Responsibilities

- **Finance Team:** Maintains asset register, undertakes depreciation, coordinates valuations.

- **Asset Custodians:** Notify Finance of acquisitions, transfers, disposals, and impairments.
- **CEO/Director Corporate Services:** Approves capitalisation thresholds and revaluation cycles.

7. Associated Documents

- Asset Management Policy
- Disposal of Non-Current Assets Procedure
- Financial Management Guidelines
- Annual Budget and Financial Statements
- Financial Delegations Register

8. Document Controls

Council will review this policy every two years or as required by changes in law or best practice.

9. Policy Owner

Finance Manager.