



# Fixed Asset Accounting Policy

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June 2017

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Responsible officer	<i>Chief Financial Officer</i>	TRIM folder	<i>xx/xx/xx</i>
Approved by	<i>Council</i>	Approval date	<i>June 2017</i>
		Review date	<i>June 2018</i>

# FIXED ASSET ACCOUNTING POLICY



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# FIXED ASSET ACCOUNTING POLICY



## 1. PURPOSE

The purpose of this policy is to:

- Prescribe the principles required for the recognition, recording and accounting for Council's fixed asset and capital expenditure transactions. This includes acquisition, valuation, disposal and depreciation.
- Ensure Council meets the requirements of the Local Government Act, Australian Accounting Standards and the Local Government Model Financial Report.

## 2. DEFINITIONS

<i>Assets</i>	Resources controlled by City of Port Phillip (CoPP) as a result of past transactions or other past events, from which future economic benefits or service potential are expected to flow to CoPP.
<i>Asset register</i>	A register listing specific details of the assets of CoPP, usually fixed assets. Details include the assets location, dimensions, cost, and current carrying amount, year to date depreciation, estimated useful lives, revaluation amounts and depreciation method.
<i>Capital Expenditure</i>	Large (material) expenditure that produces economic benefits expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.
<i>Capitalisation threshold</i>	The new, upgrade or renewal value of an asset, below which the project cost is normally expensed and above which it is normally capitalised. A pre-determined 'threshold' may be used which indicates the level of expenditure deemed to be material in accordance with Council's policy.
<i>Controlled asset</i>	An asset where Council has the capacity to regulate access and use of that asset; where Council holds legal title; where controlled ownership is vested in Council e.g. committee of management of a property.
<i>Depreciation</i>	An expense which recognises the value of a fixed asset as it is used up over time.

<i>Fixed assets</i>	Often referred to as Property, Infrastructure, Plant and Equipment (PIPE). This is the largest component of Council's asset base or worth. These are assets which are retained for the purpose of earning revenue for more than one year and are not intended for sale in the ordinary course of business. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
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<i>Infrastructure</i>	Consists of roads, bridges, kerb and channel, footpaths and cycleways, drainage, parks, open space and streetscapes, street furniture and off street car parks.
<i>Asset revaluation increment (decrement)</i>	This represents the increase (decrease) between the old fair value and new fair value of property and infrastructure asset classes, which were re-valued during the year.
<i>Net gain (loss) on disposal of property, plant and equipment, infrastructure</i>	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
<i>Operating/recurrent expenditure</i>	Expenditure that provides a benefit to Council with the item consumed, or benefit used up in the current financial year.
<i>Useful life</i>	The time period over which an asset is expected to be available for use by Council.

### 3. SCOPE

This policy is applicable to all Council fixed asset accounting activities and is binding on all staff responsible for capturing transactions related to Council's capital expenditure and fixed assets.

## 4. COUNCIL POLICY

### 4.1 RECOGNITION AND RECORDING OF ASSETS

#### 4.1.1 Initial Recognition and Valuation of an Asset

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that the item has the potential to contribute directly or indirectly to the future earnings of CoPP.
- the cost of the item can be measured reliably

Assets acquired by, or which come under the control of, Council during a financial year are to be recorded based on acquisition or construction cost (fair value) plus costs incidental to the acquisition, which are those incurred in preparing the asset ready for use.

##### 4.1.1.1 *Assets acquired in an arm's length transaction – Cost*

The cost of an item of property, plant and equipment comprises the purchase price, and costs directly attributable to bringing the asset to the location and condition necessary to operate in the manner intended.

##### **Directly attributable costs can be any of the following:**

- Employee benefit costs arising directly from the construction or acquisition of an item of Property, Infrastructure, Plant & Equipment (PIPE) where a direct link to the project can be shown
- Site preparation costs
- Initial delivery, handling, installation and assembly costs
- Stamp duty
- Design costs – where the asset has been constructed based on this design
- Tendering costs
- Technical costs – engineering management, investigation survey design and supervision where link to a specific project can be shown

##### **Non-capital costs classified as operating expenditure**

Costs which cannot be measured reliably or identified as directly attributable to the asset include:

- Soil remediation costs
- Demolition costs
- landscaping
- initial survey and planning costs
- design costs- where the project does not proceed or that particular design is not used
- community consultation
- IT costs

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- Executive salary costs
- Overhead charges
- Maintenance costs which would be recurrent in nature\*

\* Maintenance costs allow the asset to continue operating at expected service levels and estimated useful life only. Such costs do not extend the expected useful life of the asset; or enhance the expected service potential of the asset.

This list is not exhaustive. Expenditure can satisfy the definition of a cost of an asset but it must also satisfy the recognition criteria which is the most difficult aspect of the decision process as each scenario can be different and the criteria is subjective.

All project costs are reviewed by the financial accounting team who are responsible for recommending to the Chief Financial Officer the final determination on the classification of costs as capital or operating in nature.

#### **4.1.1.2 Assets acquired free of charge or for nominal amounts or at fair value**

Local government regularly receive assets as non-cash contributions. These are typically constructed by developers and handed over or donated to Council for ongoing maintenance and control.

Where control of an asset has been gained free of charge or for less than fair value, for example by way of a gift, donation or developer contribution, the asset should be valued initially at its fair value.

The fair value of these assets donations is recognised as revenue and disclosed in the financial report as a contribution.

#### **4.1.2 Recognition Thresholds**

Council applies threshold limits when recognising assets, and only recognises assets that have an initial value over these thresholds.

This is due to the large number of low value assets, which even when aggregated, are not material in relation to Council's total equity and for which the costs of accounting for as assets would exceed the information benefits. These items are considered 'Minor Asset Purchases' and will be expensed when purchased. These include purchases such as mobile phones, cutlery and crockery, toys and children play equipment.

Council's asset recognition threshold is detailed below:

# FIXED ASSET ACCOUNTING POLICY



**Table I**

<b>Asset Class</b>	<b>Threshold</b>
Land	All
Buildings	\$5,000
Land Improvements	\$5,000
Plant & Equipment	\$2,000
Heritage & Works of Art	All
Library Books	All
Software	\$2,000
Information Technology	\$2,000
Infrastructure	\$5,000

\*\* For a complete list of Asset Class and Components threshold limits, refer to the **Asset Class Listing** (see Attachment A)

## **4.1.2.1 Aggregated assets**

A network or collection of similar assets that individually may be valued below the asset recognition threshold but, when combined, are above the threshold will be recorded on the Council's asset register.

The following will be treated as a group (fleet) of assets and will be recorded on the asset register:

- Library books (added to asset register as a group)
- Furniture (added to asset register as a group)
- Desktop computers (added to asset register as a group)
- Laptops (added to asset register as a group)
- Park furniture (added to asset register as individual assets)
- Parking machines (added to asset register as individual assets)
- Street furniture (e.g. bins, seats, bicycle hoops) (added to asset register as individual assets)

The Financial Accounting Team will make a determination in regard to these, and recognise these items as an asset where appropriate.

## **4.1.3 Recording of Assets**

Council currently maintains 2 fixed asset registers within the Hansen and Computron systems.

Upon acquisition, the following information is recorded in Councils asset registers for each asset: location, dimensions, acquisition cost, depreciation method, and useful life.

# FIXED ASSET ACCOUNTING POLICY



Revaluation information, disposals and work orders to renew, expand or upgrade assets are recorded in the asset register for each asset as these transactions occur.

All financial transactions will be generated by the Fixed Asset modules within these systems, and posted to the General Ledger to update asset, depreciation, revaluation reserve and disposal balances.

As at 30 June 2017 details for each asset class are recorded as follows:

**Table 2**

<b>Asset Class</b>	<b>Asset details</b>	<b>Asset Valuation and Accounting Transactions</b>	<b>Frequency of Posting to General Ledger</b>
Land	Hansen	Hansen	Bi-annually- Dec and June
Buildings	Hansen	Hansen	Bi-annually- Dec and June
Land Improvements	Hansen	Hansen	Bi-annually- Dec and June
Infrastructure	Hansen	Hansen	Bi-annually- Dec and June
Plant and Equipment	Computron	Computron	Monthly
Furniture and Fittings	Computron	Computron	Monthly
Heritage Assets and Works of Art	Arts and Heritage Catalogue	Computron	Monthly



### 4.1.3.1 Reconciliation of fixed asset registers

In order to maintain accurate asset information the Computron and Hansen fixed asset registers are reconciled on a monthly basis to the general ledger by the Financial Accounting Team to ensure that asset data is complete and correctly classified in both systems.

These reconciliations are reviewed and approved by the Coordinator, Financial Accounting and Payroll Services.

## 4.2 CAPITAL EXPENDITURE

### 4.2.1 Capital Expenditure Approval

All capital expenditure requires approval prior to the construction or purchase of an asset.

At Council, there are four types of capital expenditure:

- **Asset Expansion:** Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries.
- **Asset Renewal:** Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- **Asset Upgrade:** Expenditure that: (a) enhances an existing asset to provide a higher level of service; or (b) increases the life of the asset beyond its original life.
- **New Asset:** Expenditure that creates a new asset that provides a service that does not currently exist.

Capital expenditure is approved via the annual budget process, where project bids for capital works are reviewed and authorised by Council.

In cases where works arise that were not included in the annual budget, approval for expenditure occurs through financial delegations and the project governance framework. This includes Council approval of material variations.

### 4.2.2 Capital Expenditure Review

On completion of a project a capitalisation form is submitted to Finance and the Financial Accounting Team will review and assess expenditure to ensure it meets the recognition criteria for an asset as per Australian Accounting Standards, otherwise it is treated as operating or recurrent in nature.

With the exception of library books, it is the responsibility of those who purchase or construct assets to complete the appropriate capitalisation form, to ensure the timely update of Council's asset management system and asset valuation data.

## 4.2.3 Capitalisation of Assets

The Financial Accounting Team will capitalise to the fixed asset registers (Computron and Hansen) all confirmed asset purchases in the financial year.

## 4.2.4 Work in Progress

Where expenditure has been incurred against a capital project which is incomplete at the end of the financial year, this expenditure is considered Work in Progress and is transferred to the balance sheet work in progress accounts. These accounts are disclosed as assets and are included in the balance of property, infrastructure, plant and equipment.

The Financial Accounting Team will review and reconcile these balances monthly ensuring that completed work in progress projects are capitalised in a timely manner so the assets can be correctly recognised and depreciated over their useful life.

## 4.3 ASSET DISPOSALS

Assets may be disposed of by the following methods:

- Sale
- Disposal by scrapping where the asset has little or no resale value
- Disposal by replacement – relates only to infrastructure assets eg road re-sheets and re-seals, footpath re-sheets etc.
- Transfer- where Council transfers assets to Community groups and other entities at no consideration

All assets sold or scrapped are derecognised in the Comptron asset register by the Financial Accounting Team, or the Hansen asset register by Asset Planning. This is determined by the system the asset class sits within.

This process initiates a journal to write off the value in the general ledger where profit or loss on disposal is recognised as a revenue or expense in the Comprehensive Income Statement under Net Profit/(Loss) on disposal property, plant, equipment and infrastructure.

### 4.3.1 Sale or Scrapping of Fixed Assets

Where an asset is disposed by either sale or scrapping, refer to the ***Sale and Disposal of Council Assets Flowchart*** (see Attachment B) for the process to be undertaken.

## 4.3.2 Asset Disposal following Replacement

Where specific type of works have been undertaken on infrastructure assets such as road seals, footpaths, kerb and channel and drains, it is necessary to dispose of the current value of the asset, prior to capitalisation of the capital works.

It is the responsibility of the capital works project manager to identify those assets that have been 'replaced' by virtue of the capital works undertaken.

Where replacement works equate to 70% or more of the original asset, this asset must be disposed. This determination is made by the project manager and asset planner based on percentage of size or area replaced.

## 4.3.3 Approval to Dispose of Fixed Assets

Authorisation to dispose any asset by way of sale or scrapping is required as per the following delegation table.

**Table 3**

Asset Class	Authorisation for Disposal
Land	CEO or delegated authority
Buildings	CEO or delegated authority
Plant & Equipment	Team Leader/Coordinator
Furniture & Fittings	Team Leader/Coordinator
Motor Vehicles	Coordinator, Contracts, Procurement & Fleet or Coordinator, Street & Beach Cleaning
Information Technology	Team Leader/Coordinator; Manager Business Technology
Works of Art	Manager, Arts & Culture
Infrastructure	Coordinator, Asset Management
Library Books	Coordinator, Libraries

## 4.3.4 Assets Held for Sale

Where the provision of services from a particular asset changes due to community requirements or a reduction in the service potential of the asset Council may offer the asset for sale.

AASB5 Assets Held for Sale requires consideration of whether the asset is available for immediate sale and if sale is likely to occur within 12 months. If not it does not qualify as held for sale under the accounting standard, and should be valued in accordance with AASB 16.

Where sale is likely to occur within 12 months the following steps are to be carried out:

- determine the carrying amount and compare the fair value less cost to sell
  - if the carrying amount is greater this represents an impairment loss and the asset value should be reduced to the recoverable amount
  - if the carrying amount is the carrying amount should remain unchanged

When classified as held for sale an asset will not have depreciation charged against it.

## 4.4 DEPRECIATION

AASB 116 Property, Plant and Equipment sets out the requirements for depreciation of assets. Key aspects of the standard are:

- Each part of an item of property, infrastructure, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately (this is relevant mainly to Council's road assets as they are componentised)
- The depreciable amount of an asset shall be allocated on a systematic basis over its useful life
- The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity
- The depreciation method applied to an asset shall be reviewed at least at the end of each annual reporting period and, if there has been a significant change in the expected pattern of consumption, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate in accordance with AASB 108.

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Council has determined the depreciation method and estimated useful life of its assets as follows:

**Table 4**

Asset Class	Depreciation Method	Estimated Useful Life
Land	Not Applicable	Not Applicable
Buildings	Straight Line	100 years
Land Improvements	Straight Line	10-100 years
Infrastructure	Straight Line	10-150 years
Plant and Equipment	Straight Line	3-10 years
Furniture and Fittings	Straight Line	3-5 years
Heritage Assets and Works of Art	Straight Line	100 years

\*\* For a complete list of Asset Class and Components estimated useful life, refer to the **Asset Class Listing** (see Attachment A)

Depreciation rates are based on effective useful lives within the parameters of industry standards.

Council depreciates all assets using the straight line method, with no residual values.

Straight line depreciation is widely accepted as appropriate for application in local government in depreciating infrastructure assets and conforming to Australian Accounting Standards as the service potential of these assets is consumed consistently between periods.

The Department of Treasury and Finance has issued financial reporting directions for Victorian public sector agencies. FRD 103F deems all non-financial physical or fixed assets to have a residual value of zero.

#### 4.4.1 Annual Review of Depreciation Method and Estimated Useful Lives

The Chief Financial Officer, in consultation with qualified asset engineers, the Manager Asset Management & Property and Council's Property Valuer, shall review the depreciation method and estimated useful lives of all Council assets on an annual basis.

A report is to be submitted to the Audit Committee regarding the outcome of the annual review of Council's depreciation methods and estimated useful lives, in conjunction with a review of asset valuation methodologies (detailed below).

#### 4.4.2 Depreciation Posting to the General Ledger

Depreciation shall be run from both Compturon and Hansen and posted to the General Ledger.

Transactions for all assets are to be processed monthly for assets within the Comptron fixed asset register and bi-annually for assets within the Hansen fixed asset register, by the Financial Accounting Team.

## 4.5 REVALUATIONS AND FAIR VALUE ASSESSMENTS

Asset valuation requires sound management judgement and the identification of key assumptions to underpin the methodology applied to determine fair value. Fixed assets are the largest value on Council's balance sheet and incomplete or inaccurate asset information can result in material error in the financial statements.

After initial recognition of an asset, the value of assets must be measured using either the cost or revaluation model. Council adopts both models depending on the asset class. Refer to table 7.5 Section 4.5.5 for more information.

### Cost Model

Fixed assets shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

### Revaluation Model

Fixed assets whose fair value can be measured reliably shall be carried at its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Assets valued under this model are revalued on a regular basis to ensure the carrying amount does not materially differ from the fair value at reporting date.

#### 4.5.1 Definition of Fair Value

Fair value is described as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by the highest and best use of the asset and results in the highest value. The value is determined based on the following market conditions:

- Active & liquid market – current market price
- Active & liquid market not available – current market prices for assets that are similar in use, type and condition
- Specialised assets (where no market evidence of its market selling price) – replacement cost of the assets remaining future economic benefits.

Specific disclosures are required in the financial statements under AASB 13 Fair Value Measurement to reflect the fair value hierarchy of Councils assets.

Council treats all assets as Level 3- specialised assets.

## 4.5.2 Fair Value Assessments

Every financial year, a fair value assessment is undertaken for those asset classes using the revaluation model.

The fair value assessment ensures that the carrying amount of an asset does NOT materially differ from its fair value. This is done by obtaining current contract and unit rates and applying them to the asset types to determine the fair value at the end of the financial year. Consideration needs to be taken if there is any material change to the condition to the asset i.e. flood or storm damage. If there is a material difference a full revaluation of the asset class is to be undertaken for the financial year.

Council uses a materiality threshold of +/- 10% when reviewing fair value assessments.

The fair value method affords users of the financial statements a greater understanding of the value of assets controlled by the entity and performance of the entity.

### 4.5.2.1 Review of Fair Value Assessments

All fair value assessments are reviewed and signed off by the appropriate Manager.

The Financial Accountant and CFO are responsible for reviewing the fair value assessments carried out during the financial year. This is to determine whether the carrying amount of the assets is materially different to its fair value and if a full revaluation is necessary.

## 4.5.3 Frequency of Revaluations

When the fair value of a revalued asset differs materially from its carrying amount, a formal revaluation is required.

Revaluations shall be made with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any adjustment to the carrying amount of an asset is adjusted to the new fair value with increases in value or increments recorded as adjustments to equity through the asset revaluation reserve in the balance sheet. Decrements or decreases are recorded as a reduction to the asset revaluation reserve to the extent they reverse a prior period increment, otherwise these are expensed in the profit and loss.

It is Council policy to revalue those asset classes using the revaluation model every 3 years, with land being revalued annually given the material movements in values.

### **4.5.3.1 Review of Revaluations**

All revaluations are to be reviewed and signed off by the appropriate Manager.

A report on Asset Revaluation and Depreciation review shall be presented annually to the Audit and Risk Committee prior to completion and sign off of the annual financial statements.

### **4.5.4 Updating the General Ledger for Revaluations**

The Financial Accounting Team is responsible for ensuring that the asset registers are updated for revaluation adjustments and to ensure that the entries to the General Ledger for revaluation increments and decrements are accurate and are in accordance with accounting standards.

All revaluation adjustment journals are to be reviewed and approved by the Chief Financial Officer prior to updating the general ledger.

## **4.6 CONTROLLED ASSETS**

Council is deemed to control an asset if it has the capacity to enjoy the service potential or future economic benefits of the asset, and can deny or regulate the access of others to those benefits. However, the entity that is responsible for the control of a public asset may not necessarily be the entity that owns it.

Council's controlled assets are limited to land and buildings, including those for which it is Committee of Management for the State.

Assets acquired as a consequence of a restructure of administrative arrangements will be recognised at book value ie. the amounts recorded by the transferor public authority immediately prior to restructure.



## 4.7 LAND UNDER ROADS

AASB 1051 Land Under Roads (LUR) came into operation 1 July 2008 which requires LUR acquired by councils to be recognised in the Financial Statements.

Council recognises at fair value any material land under roads acquired or transferred within Council's control post 1 July 2008.

In July 2011, the Department of Transport, Planning and Local Infrastructure, formerly the Department of Planning and Community Development, recommended that local Councils bring to account land under roads assets both pre and post 1 July 2008 to improve comparability of financial information across the sector.

This requirement is expected to be met by the 2017-18 financial year. Council will await further guidance prior to updating the accounting policy regarding the treatment of LUR and will continue to recognise only land under roads post 1 July 2008 in compliance with accounting standards.

## 4.8 RESTRICTED ASSETS

Council owns building assets that have restrictions on them. These buildings are used for community housing and were purchased with assistance from State Government funding.

This funding imposes restrictions preventing Council from using these assets for any other purpose. If the funding conditions in the respective funding agreements for each property are defaulted upon, Council is liable to repay to the State Government an amount determined in those agreements.

The Financial Accounting Team is responsible for maintaining a register of these restricted assets and ensuring that the register is accurate at all times.

## 4.9 IMPAIRMENT OF ASSETS

Events and circumstances may occur that reduce the level of future economic benefits expected to be received from an asset. Such reductions in future economic benefits are termed 'impairment losses'.

AASB 136 Impairment of assets requires the following:

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An entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

Council shall consider as a minimum the following indications in determining if an asset is impaired:

- A decline in the asset's market value which is significantly more than would be expected as a result of the passage of time or normal use.
- Significant changes during the period or in the future in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated which have an adverse effect.
- Increases in market interest rates or other rates of return on investments during the period, which are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially.
- The carrying amount of the net asset of the entity is more than its market capitalisation.
- Evidence of obsolescence or physical damage of an asset.
- Significant changes during the period, or expected in the near future, which will adversely impact the extent to which, or manner in which, an asset is used or is expected to be used. These include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the expected date, and reassessing the useful life an asset as finite rather than indefinite.
- Evidence from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

If any of the impairment indicators, or any other indicators exist, the asset must be written down to its recoverable amount. That is, the asset's carrying amount is greater than its recoverable amount.

The recoverable amount of an asset is measured as the higher of an asset's fair value less costs to sell, or its value in use.

Generally, Council will use fair value in determining a fixed asset's recoverable amount. However, if value in use is to be used, refer to AASB 136 to determine how to calculate the asset's recoverable amount.

The Financial Accounting Team is responsible for ensuring:

- Impairment indicators are reviewed at reporting date
- If an impairment indicator exists, determining the affected assets recoverable amounts using fair value
- Any impairment losses are written off to expense

## 4.10 REVIEW OF THIS POLICY

This policy is to be reviewed annually with the results of the review and recommended changes reported to the Audit and Risk Committee for review.

## 5. RELEVANT POLICY AND LEGISLATION

- Local Government Act 1989
- Local Government (Planning and Reporting) Regulations 2014
- Local Government Model Financial Report (LGMFR)
- Australian Accounting Standards
- Asset Management Guidelines
- CPA Australia Guide to Valuation and Depreciation for Public and Not-For-Profit Sectors

## 6. ATTACHMENTS

- Attachment A – Asset Class Structure
- Attachment B – Sale & Disposal of Council Assets Flowchart

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## ATTACHMENT A

## City of Port Phillip Asset Classes

Asset Class	Useful Life 1 July 2016	Asset Database	Measurement Policy	Threshold Limit
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## PROPERTY

## LAND SPECIALISED

Land	N/A	Hansen	Revaluation	All
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## BUILDING SPECIALISED

Buildings	100	Hansen	Revaluation	\$5,000
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## LAND IMPROVEMENT

*Marine assets*

Promenades	50	Hansen	Revaluation	\$5,000
Sea Steps	50	Hansen	Revaluation	\$5,000
Wave Walls	50	Hansen	Revaluation	\$5,000
Seebees	50	Hansen	Revaluation	\$5,000
Collapsible block mattresses	50	Hansen	Revaluation	\$5,000
Groyne	50	Hansen	Revaluation	\$5,000

## INFRASTRUCTURE

## ROADS

*Earth works & road substructure*

Earthworks & Road Substructure	100	Hansen	Revaluation	\$5,000
Right of Way - Pavement & Substructure	100	Hansen	Revaluation	\$5,000

*Road seal*

Road Seal - Spray Seal	18	Hansen	Revaluation	\$5,000
Road Seal - Asphalt	30	Hansen	Revaluation	\$5,000
Right of Way Seal - Asphalt	30	Hansen	Revaluation	\$5,000

## BRIDGES

*Bridges substructure*

Road Bridges	100	Hansen	Revaluation	\$5,000
Foot Bridges	50	Hansen	Revaluation	\$5,000

*Bridges deck*

Road Bridges	80	Hansen	Revaluation	\$5,000
Foot Bridges	20	Hansen	Revaluation	\$5,000

## FOOTPATHS AND CYCLEWAYS

*Footpaths*

Footpaths - Concrete/Paving	50	Hansen	Revaluation	\$5,000
Footpaths - Asphalt	40	Hansen	Revaluation	\$5,000

**ATTACHMENT A**

**City of Port Phillip Asset Classes**

<b>Asset Class</b>	<b>Useful Life 1 July 2016</b>	<b>Asset Database</b>	<b>Measurement Policy</b>	<b>Threshold Limit</b>
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***Kerb and channel***

Kerb and Channel	80	Hansen	Revaluation	\$5,000
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**DRAINAGE**

***Drainage***

Drains - Pipes	150	Hansen	Revaluation	\$5,000
Drains - Pits/Covers	150	Hansen	Revaluation	\$5,000
Drains - Headwall/Endwalls	150	Hansen	Revaluation	\$5,000
Drains - Pumping Station	50	Hansen	Revaluation	\$5,000
Drains - Open Drains/Channels	100	Hansen	Revaluation	\$5,000
Drains - WSUD	150	Hansen	Revaluation	\$5,000
Drains - Grates	150	Hansen	Revaluation	\$5,000

**PARKS OPEN SPACE AND STREETSCAPES**

***Barriers***

Gates	15	Hansen	Revaluation	\$5,000
Fencing - Mesh	15	Hansen	Revaluation	\$5,000
Fencing - Steel/Security	15	Hansen	Revaluation	\$5,000
Fencing- Timber	15	Hansen	Revaluation	\$5,000
Other Barriers - Concrete	50	Hansen	Revaluation	\$5,000

***Water irrigation***

Irrigation Control Box	15	Hansen	Revaluation	\$5,000
Fixed Sprinklers	10	Hansen	Revaluation	\$5,000
Water Meters	50	Hansen	Revaluation	\$5,000
Water Pumps	15	Hansen	Revaluation	\$5,000
Water Tanks	10	Hansen	Revaluation	\$5,000

***Park furniture***

Seating	20	Hansen	Revaluation	\$5,000
Barbeques	10	Hansen	Revaluation	\$5,000
Picnic Tables	15	Hansen	Revaluation	\$5,000
Bins Surrounds	10	Hansen	Revaluation	\$5,000
Flag Poles	20	Hansen	Revaluation	\$5,000
Fountain	15	Hansen	Revaluation	\$5,000
Shower	10	Hansen	Revaluation	\$5,000
Bike Hoops/stand	15	Hansen	Revaluation	\$5,000

***Sport & recreation***

Sporting Areas - Hard Surface	50	Hansen	Revaluation	\$5,000
Sporting Areas - Soft Surface	20	Hansen	Revaluation	\$5,000
Sporting Furniture	20	Hansen	Revaluation	\$5,000
Sporting Equipment	10	Hansen	Revaluation	\$5,000
Exercise Equipment	15	Hansen	Revaluation	\$5,000

**ATTACHMENT A**

**City of Port Phillip Asset Classes**

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**Park structures**

Pergola/Rotunda	50	Hansen	Revaluation	\$5,000
Sea/Retaining Walls	100	Hansen	Revaluation	\$5,000
Feature Walls	20	Hansen	Revaluation	\$5,000
Stairs/Steps	50	Hansen	Revaluation	\$5,000
Ramps	80	Hansen	Revaluation	\$5,000
Pier/Jetty	50	Hansen	Revaluation	\$5,000
Decking/Boardwalk - Timber	20	Hansen	Revaluation	\$5,000
Shade Sails/Shade Cloth	10	Hansen	Revaluation	\$5,000
Planter boxes concrete	60	Hansen	Revaluation	\$5,000
Shelters	15	Hansen	Revaluation	\$5,000

**Lights**

Lights - Decorative Luminaries	20	Hansen	Revaluation	2000
Lights - Park	20	Hansen	Revaluation	2000
Lights - Floodlights	20	Hansen	Revaluation	2000

**Park pathways**

Sealed - Asphalt	40	Hansen	Revaluation	\$5,000
Sealed - Concrete/Brick Paving	50	Hansen	Revaluation	\$5,000
Unsealed Gravel	10	Hansen	Revaluation	\$5,000
Edging (Concrete/Brick/Bluestone)	20	Hansen	Revaluation	\$5,000
Edging (timber)	15	Hansen	Revaluation	\$5,000

**Playgrounds**

Playgrounds - Foreshore	10	Hansen	Revaluation	\$5,000
Playgrounds - Other	15	Hansen	Revaluation	\$5,000
Skating Facilities	15	Hansen	Revaluation	\$5,000

**OFF STREET CARPARKS**

**Carparks**

Carpark Substructure	100	Hansen	Revaluation	\$5,000
Carpark Seal (Asphalt)	30	Hansen	Revaluation	\$5,000
Carpark Kerb & Channel	80	Hansen	Revaluation	\$5,000

**OTHER INFRASTRUCTURE**

**Street furniture**

Roadside furniture	15	Hansen	Revaluation	\$5,000
Street lighting	30	Hansen	Revaluation	\$5,000
Traffic Management Devices	40	Hansen	Revaluation	\$5,000
Urban art	20	Hansen	Revaluation	\$5,000
Other	20	Hansen	Revaluation	\$5,000
Seats	20	Hansen	Revaluation	\$5,000
Water Feature	15	Hansen	Revaluation	\$5,000

**ATTACHMENT A**

**City of Port Phillip Asset Classes**

<b>Asset Class</b>	<b>Useful Life 1 July 2016</b>	<b>Asset Database</b>	<b>Measurement Policy</b>	<b>Threshold Limit</b>
Parking Ticket Machines	20	Hansen	Revaluation	\$2,000

**PLANT & EQUIPMENT**

**HERITAGE ASSETS AND WORKS OF ART**

Artwork	100	Computron	Revaluation	\$2,000
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**PLANT AND EQUIPMENT**

Communications	3	Computron	Cost	\$2,000
Catering Equipment	5	Computron	Cost	\$2,000
Engineering Equipment	5	Computron	Cost	\$2,000
General	3	Computron	Cost	\$2,000
Household/Domestic	5	Computron	Cost	\$2,000
Medical Equipment	5	Computron	Cost	\$2,000
Machinery	5	Computron	Cost	\$2,000
Office Equipment	5	Computron	Cost	\$2,000
Photographic Equipment	5	Computron	Cost	\$2,000
Recreational	5	Computron	Cost	\$2,000
Traffic Operations	5	Computron	Cost	\$2,000

**MOTOR VEHICLES**

Motor Vehicles	5	Computron	Cost	\$2,000
Sedans	5	Computron	Cost	\$2,000
Utes	5	Computron	Cost	\$2,000
Commercial Vehicles	5	Computron	Cost	\$2,000
Motorcycles	5	Computron	Cost	\$2,000
Other registered items	5	Computron	Cost	\$2,000

**FURNITURE AND FITTINGS**

Furniture & Fittings	5	Computron	Cost	\$2,000
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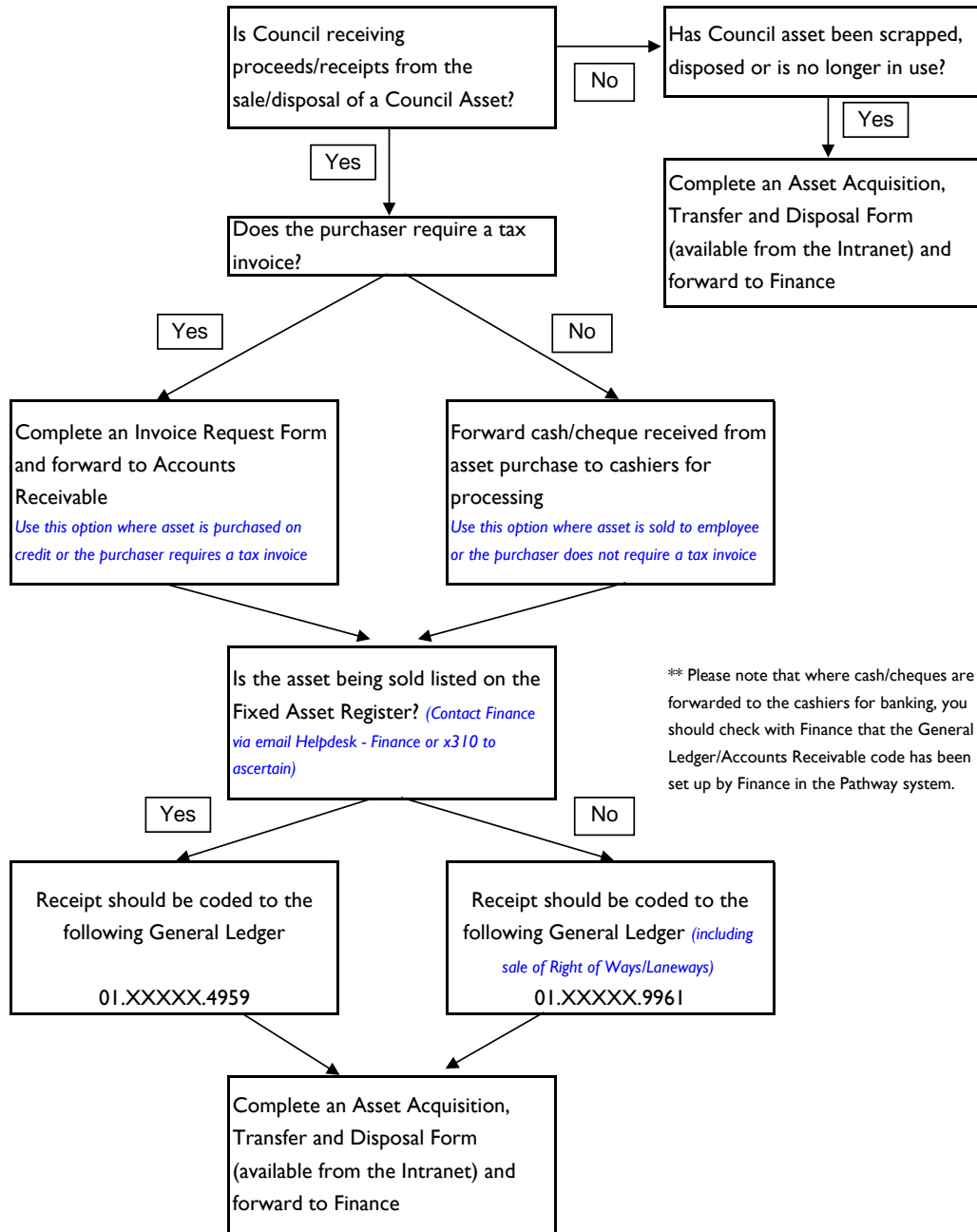
**COMPUTERS**

Information Technology	4	Computron	Cost	\$2,000
Personal Computers	4	Computron	Cost	\$2,000
Printers/Plotters	4	Computron	Cost	\$2,000
Infrastructure	4	Computron	Cost	\$2,000
Software	6	Computron	Cost	\$2,000
Other IT	4	Computron	Cost	\$2,000

**LIBRARY BOOKS**

Library Equipment	5	Computron	Cost	All
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**SALE & DISPOSAL OF COUNCIL ASSETS FLOWCHART**



**Accounts**

- 9961 Non FAR Sales (ROW etc)
- 4959 Proceeds from Sale of Assets
- 9960 P/L on Sale of Assets

**Finance Use - Disposal transactions for Assets listed in FAR**

DR	01.xxxxx.8959	}	Offset the proceeds income and transfer to P/L on Sale of Assets
CR	01.xxxxx.9960		
CR	Asset	}	Reflect disposal of asset from the FAR to the P/L on Sale of Assets account
DR	01.xxxxx.9960		
DR	Accumulated Depreciation		
CR	01.xxxxx.9960		