

Fixed Asset Policy (including Disposal or Sale of Council Assets)

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1. POLICY OBJECTIVES (OR PURPOSE)

This policy is designed to provide guidance regarding expenditure that is to be capitalised and the associated accounting treatment of non-current assets in Council's fixed asset register.

The policy also details the process of disposing/selling Council owned assets >\$50,000 carrying amount and land assets that are no longer required by Council for strategic or operational purposes as well as the acceptable use of asset sale proceeds, including legislative requirements.

This policy endorses the approach that the proceeds from any sale of Council assets should be directly used in the acquisition of new assets or the enhancement of existing assets, and that asset sale proceeds may not be utilised for recurrent/operational purposes.

This revision of the Fixed Asset Policy is effective from 1 July 2025.

2. BACKGROUND

A number of standards and legislation govern the accounting, valuation and reporting on fixed assets of local government entities.

Accounting standards

- AASB 116 Property, Plant and Equipment, require a distinction to be made between expenditure that is consumed immediately in operations (or within one financial year) and expenditure on fixed assets that will provide service over more than one financial year.
- AASB 13 Fair Value Measurement provides a framework for measuring assets and liabilities at an amount that could be exchanged in an orderly transaction.
- AASB 1051 "Land Under Roads" specifically addresses the accounting treatment of land under roads requiring that such land be recognised as an asset and measured at fair value.

Local Government Regulations

The *Local Government (Planning and Reporting) Regulations 2020* require the financial statements of Council to be prepared in accordance with the Local Government Model Financial Report (LGMFR). The LGMFR specifies certain fixed asset categories and classes in the Statement of Capital Works and fixed asset disclosure notes. Refer to **Appendix A** for a list of the asset categories and classes and the measurement basis of each asset class.

3. SCOPE

This policy includes the accounting treatment of all Council's non-current assets.

The disposal section of this policy applies only to fixed assets >\$50,000 carrying amount or property no longer required by Council for strategic or operational purposes and which have been identified for potential sale, transfer, exchange or disposal. Specific disposal processes relating to land and buildings, public open space, discontinued roads and plant and equipment and other assets with a carrying value >\$50,000 are included in this policy (Section 5.7). The Fixed Asset Guidelines contain disposal processes for assets with a carrying amount <\$50,000.

4. DEFINITIONS

Unless otherwise specified within this policy, the following words and phrases are defined to mean the following in terms of this policy.

<i>Assets</i>	Resources controlled by Council as a result of past events and from which future economic benefits or service potential are expected to flow to Council beyond one year.
<i>Capitalisation threshold</i>	The new, upgrade, renewal or expansion value of an asset, below which the project cost is normally expensed and above which it is normally capitalised.
<i>Capital expenditure</i>	Expenditure on a non-current asset which meets the adopted recognition criteria for the Asset Class or Asset Part.
<i>Useful life</i>	The time period over which an asset is expected to be available for use by Council.

5. POLICY

5.1 CAPITALISATION

Capitalisation of fixed assets is determined by a materiality threshold at which items of expenditure will be recognised as assets in Council's Balance Sheet.

The useful life of each asset class forms the basis of the calculation of annual depreciation charges and assessment of an assets written down replacement value (refer Appendix A).

Appendix A details the asset categories and classes required in the Local Government Model Financial Report (LGMFR).

Expenditure is to be capitalised when:

- It is probable that the future economic benefits embodied in an asset will eventuate.
- The item of expenditure is in excess of the asset capitalisation threshold (refer Appendix A).
- In limited circumstances, a bulk purchase will be recognised where it exceeds the capitalisation threshold (refer to section 7.2.5 of the Fixed Asset Guidelines).

- Acquisition costs of assets with less than these capitalisation threshold values will be treated as operating expenses.
- All capitalised expenditure is to be recorded in Council's fixed asset register. For each asset, a determination shall be made of its total life, remaining useful life, cost for accounting purposes and method of depreciation.

Note - certain costs are not capitalised when incurred and are charged as an expense in the period in which they are incurred (for example, Christmas decorations, IT software upgrades and building audits).

5.2 ACQUISITION OF ASSETS

Assets acquired by Council are to be recorded based on acquisition or construction cost (fair value) plus costs incidental to acquisition including architect's fees, engineering fees and all other costs incurred in preparing the asset ready for use.

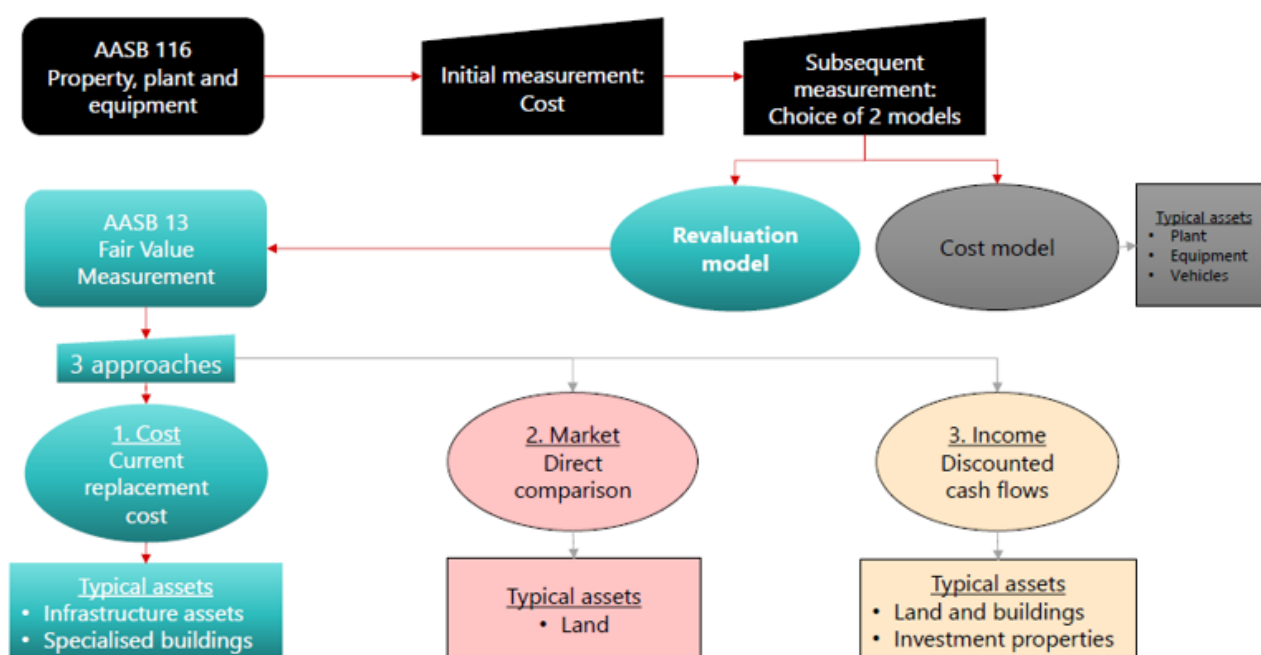
5.3 GIFTED ASSETS (ACQUIRED FOR NIL CONSIDERATION)

Assets which are gifted or contributed to Council by developers or other bodies (i.e. - acquired for nil consideration) are to be recorded at fair value at the date of acquisition, based on currently assessed replacement rates or developer costs (whichever is the best information source at the time).

5.4 REVALUATION OF NON-CURRENT ASSETS

All infrastructure assets and property assets (excluding leasehold improvements) shall be revalued on a regular basis such that the carrying values are not materially different from fair value where fair value is determined to be the current replacement cost of the asset less accumulated depreciation. Appendix A identifies the basis for measurement for each asset class.

Diagram 5.4.1 – Asset measurement flowchart



Source: Victorian Auditor General's Office, FinPro Professional Development Day, February 2025

5.5 INTERNALLY CONSTRUCTED ASSETS

The cost of assets constructed by Council shall include the cost of all materials used in construction, direct labour employed and an appropriate proportion of variable and fixed overheads.

5.6 FIXED ASSETS REGISTER

The fixed assets register is to record individual assets that the Council owns and/or manages, and/or maintains in sufficient detail to permit their identification and control. The fixed assets register is to be updated at least annually. The fixed assets register is to be used for revaluing, depreciating, and keeping asset maintenance records.

5.7 DISPOSAL OR SALE OF COUNCIL ASSETS AND LAND

Council will over time, carry out a strategic review of its asset and property holdings and may make a determination that some assets are surplus to Council's needs.

In identifying any potential surplus Council owned assets (land or assets >\$50,000), a report shall be presented to Council providing all relevant information regarding the asset identified for potential sale including environmental and planning issues and shall include a proposed process for undertaking both consultative and/or statutory processes under the *Local Government Act 1989 or 2020* (whichever is applicable), including provisions for Council to hear submissions from the community related to the proposed sale.

Table 5.7.1: Disposal Policy Definitions

<i>Carrying value</i>	The asset carrying value (also known as written down value) is the asset value (cost or fair value) less any accumulated depreciation and accumulated impairment loss.
<i>Council-owned land</i>	Includes vacant land, including discontinued roads, and any building and development thereon.
<i>Open space planning, development and improvements reserve</i>	Is a reserve set aside for any funds received from the sale of public open space which includes any land set aside in a plan or land in a plan zoned or reserved under a planning scheme for public recreation or public resort; or as parklands; or for similar purposes as defined in the <i>Subdivision Act 1988</i> .
<i>Right of way (ROW)</i>	Means a road as defined in section 3 of the <i>Local Government Act 1989</i> .
<i>Road</i>	Means a road as defined in section 3 of the <i>Local Government Act 1989</i> . The term 'road' includes, but is not limited to a ROW, a street, a laneway or a footpath.

Sale of Council Owned Land

All sales, exchanges and transfers of land are required to comply with the provisions of the *Local Government Act 2020 (LGA 2020)* or *Local Government Act 1989 (LGA 1989)*, whichever is applicable. Sales are to be conducted through a public process (i.e. public auction, public tender or by registration of expressions of interest) unless circumstances exist that justify an alternative method of sale (for example the sale or exchange of land by private treaty).

Section 116 of the LGA 2020 states that Council can transfer, exchange or lease any land with or without consideration to the Crown, a Minister, any public body, trustees appointed under any Act to be held on trust for public or municipal purposes or a public hospital within the meaning of the *Health Services Act 1988* or other not-for-profit hospital.

Where section 116 is not applicable, section 114 of the LGA 2020 requires Council to:

- At least 4 weeks prior to selling or exchanging the land, publish notice of intention to do so on Council's internet site and in any other manner prescribed by the regulations;
- Undertake a community engagement process in accordance with its community engagement policy; and
- Obtain a valuation of the land which is not more than 6 months prior to the sale or exchange, by an appropriately qualified person as per section 13DA(2) of the Valuation of Land Act 1960.

The intent of the legislative requirements is to ensure that Council:

- consults with the community on any proposal to sell or exchange land; and
- provides the community with the opportunity to have their views heard; and
- obtains a current valuation for the land that is proposed for sale or exchange.

Ideally all sales and exchanges of land should occur at not less than the market value assessed by Council's contract valuer.

Land will not be sold for less than the market value, unless there are some alternate community benefits derived by the sale of the land. Any proposal to sell the land at a reduced sale price must be reported to Council for consideration, providing commentary of the alternate benefits derived by a sale at a reduced sale price. Such benefits may include the achievement of planning and development goals, educational or medical benefits to the community, or some other strategic goal of Council.

The purchase price may be set at a lower amount, if it is considered that the benefits accruing to the community would not be reasonably obtained unless a lower price is charged. In this instance a resolution of Council to sell, transfer or exchange land at less than its market value is required.

Open Space Land

In addition to the requirements under the LGA 2020, Council is required to comply with section 20 of the *Subdivision Act 1988* when selling public open space. Refer to Table 5.7.3 'Application of Sale Proceeds' for further details.

Discontinued Roads

The sale of land that forms part of a road that has been discontinued is subject to the provisions of the LGA 1989. The public consultation process for road discontinuance is provided for under clause 3, Schedule 10 by way of a notice published in the Government Gazette.

Prior to considering the discontinuance and sale or transfer of roads or right-of-ways (ROWS) or the removal of reserve status and the subsequent sale, transfer or exchange of land, officers will consider if land is required for any of the following purposes:

- there is an ongoing need for the land to provide either vehicular or pedestrian access.
- the land has strategic value to Council or the community.
- the land provides recreational linkages or linked paths.
- the land increases public open space.
- the land is required for public works or flood mitigation.
- the land is generally required for a municipal purpose.

The benefits in discontinuing and selling or transferring a road or ROW or removing the status of a reserve and selling, transferring or exchanging land that is no longer required are:

- it provides an additional source of income.
- there will be a reduction in Council's financial liability in terms of the ongoing maintenance costs of unused and surplus land.
- there is the potential for increased rate revenue.
- there is improved security for unused portions of land.
- Council can formalise any illegal occupation of public land.

The general principles that Council will apply in considering selling or transferring a road or ROW are:

- Council discourages the unauthorised occupation of roads, ROWs and reserves and will take steps to remove such illegal occupation.
- Council will encourage the sale or transfer of such land that is not being used for pedestrian or vehicular access or is no longer required for a strategic or public use.
- Council will only sell or transfer such land holdings to abutting property owners, unless the land is able to be sold or transferred to a third party for the community's benefit.
- All abutting owners will be given an equal opportunity to purchase any land that abuts their property. Accordingly, officers will attempt to divide land equally. However, Council will acknowledge and give preferential allocation rights to abutting property owners who can demonstrate continuous exclusive occupation of the land for more than 15 years (i.e. occupation that would otherwise give rise to an adverse possession claim).
- Council will recover all costs incurred in the application of this policy.
- Council reserves the right to retain any portion of land if Council has title to such land if it is considered to be appropriate. This land may be retained to:
 - o meet a strategic need or
 - o protect Council's rights of ownership or
 - o sell in the future in accordance with this policy.
- Council has the right to place an easement, covenant, or create an easement on, or over, the land parcel in order to protect existing rights or future requirements. If there is a requirement by service authorities to relocate any assets located within the land (e.g. drains, power lines, etc), then all costs will be borne by the purchaser.

In relation to the sale of roads, ROWs or minor reserves, if a property owner can demonstrate continuous exclusive occupation of the land for 15 years or longer and they have a right to claim the land by adverse possession, consideration may be given to discounting the purchase price by up to 25% of the current market value.

Costs Associated with the Sale

The costs associated with the discontinuance and sale, transfer or exchange of roads, ROW's or minor reserves are to be borne by the purchaser or shared by the purchasers (see table 5.7.2). Council officers will endeavour to keep all costs borne by the purchaser(s) to a minimum and will seek to reduce costs if the portion of land is to be sold or transferred to a number of purchasers.

Table 5.7.2

Direct Costs

- Surveyor's fees
- Legal fees (Council officers will use Council appointed legal contractors for any legal advice sought)
- Land registry fee – Transfer of Land
- Planning permit application fees
- Stamp duty
- Consolidation
- Advertising

Relocation Costs

- Relocation of fences
- Service authority assets such as those belonging to water, gas or telecommunications organisations
- Re-useable materials as determined by Council which may remain the property of Council
- Replacement drainage or new storm water drainage

GST

In accordance with the provisions of the *Goods and Services Tax Act 1999*, the sale, transfer or exchange of Council property, including the sale, transfer or exchange of discontinued ROWs, roads, minor or major Reserves or other land parcels will attract GST. Council will ensure that GST is added to the sale price or that the sale price is inclusive of GST.

Terms of Payment

The full purchase price will be paid to Council at the time of settlement, except at the discretion of the responsible officer. If purchasers of roads, ROWs and minor reserves meet the requirements of Council's Rates and Charges Hardship Policy, terms may be extended to allow equal payments over a three-year period. In relation to term payments, an additional service charge will be applied to cover any administration costs. The transfer of land will not be passed onto the purchaser until the purchase price plus any costs or additional amounts are paid in full.

Terms of payments associated with the sale of major reserves or other significant land parcels will be considered on a case-by-case basis and any deferment of payment will be considered in light of the market valuation.

Sale of Assets (>\$50,000 carrying value)

The sale or disposal of major plant and equipment and assets (other than land with a carrying value >\$50,000) is subject to the following guidelines:

- trading the equipment to suppliers; or
- obtaining expressions of interest from interested buyers; or
- selective tender from an identified group of buyers; or
- public tender – openly seeking buyers using the tender process; or
- public auction - in a major auction house which would be advertised online or procuring the services of an auctioneer.

The selection process is to give consideration to:

- the method likely to return the higher value net of disposal costs; and
- the current written down value (book value) of the asset; and
- compliance with relevant statutory obligations.

The sale of each item of Plant and Equipment is to be subject to a minimum reserve price to be approved by the Manager Infrastructure Services.

Application of Sale Proceeds

Table 5.7.3

Asset Type	Application of Sale Proceeds
Plant and Equipment and Assets other than Land >\$50,000	To the purchase of new plant and equipment, or the establishment of a new asset or refurbishment of an existing asset.
Council-owned Land	<p>To be transferred to the Major Projects Reserve for Council consideration for allocation to future new asset creation / or major asset refurbishment. The proceeds allocated will be net of all expenditure including advertising, agent's fees, legal costs and other sale costs.</p> <p>All reports on the sale of Council owned land must include a section on whether Council wishes to allocate a maximum of 10% of the sale proceeds into an Affordable Housing Fund dedicated to the development of future affordable housing projects. The Council resolution to sell land must include a resolution on the amount (if any) to be allocated to this fund.</p>
Public Open Space Council-owned Land	<p>Where the land is Public Open Space, the proceeds are required to be used in accordance with the Subdivision and Planning Environment Acts and must be allocated to Council's Open Space Planning and Development Reserve.</p> <p>Section 20 of the Subdivision Act 1988 requires that the proceeds from the sale of public open space land be used to:</p> <ul style="list-style-type: none">• buy land for use for public recreation or public resort, as parklands or for similar purposes; or• improve land already set aside, zoned or reserved (by the council, the Crown, a planning scheme or otherwise) for use for public recreation or public resort, as parklands or for similar purposes; or• with the approval of the Minister administering the LG Act, improve land (whether set aside on a plan or not) used for public recreation or public resort, as parklands or for similar purposes.

Allocation of asset sale proceeds to an appropriate capital project can only occur via either an Annual Budget process or Mid-Year Budget process where the highest and best use of funds can be determined in reference to all potential capital projects.

Proceeds from the sale of assets must be received by Council prior to the expenditure allocation being determined.

5.8 IMPAIRMENT OF ASSETS

Fixed assets will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Under AASB 13, not-for-profit entities like Council, when fair valuing their non-financial assets (such as infrastructure assets) not held primarily for their ability to generate cash inflows will use the 'current replacement cost' approach.

5.9 INVESTMENT PROPERTY

Investment property, comprising retail complexes, are held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Cost incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise. Investment property are not subject to depreciation. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

5.10 LEASED/RIGHT-OF-USE (ROU) ASSETS

Leased assets relate mainly to information technology (IT) and office related equipment, as well as a number of property leases. As a lessee, Council recognises a ROU asset and a lease liability at the lease commencement date (unless the lease term is less than 12 months or the ROU asset is low-value (under \$10,000)). The ROU asset is initially measured at cost and is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

6. RESPONSE TO THE OVERARCHING GOVERNANCE PRINCIPLES OF THE LOCAL GOVERNMENT ACT 2020

This policy considers the overarching governance principles outlined in section 9 of the *Local Government Act 2020* and has taken the financial management principles in section 101 into account. This policy is predominantly administrative in nature and outlines the accounting treatment and assumptions regarding asset transactions. It does not impact on existing and future budgets. The policy is required to comply with the *Local Government Act 2020*, *Local Government (Planning and Reporting) Regulations 2020* and relevant Australian Accounting Standards. The annual review and approval of this policy ensures the transparency of Council decisions, actions and information in relation to fixed asset accounting transactions.

Of particular relevance to this policy, Council is required to:

Prepare financial statements pursuant to:

- Section 98 of the *Local Government Act 2020*
- Section 14 of the *Local Government (Planning and Reporting) Regulations 2020*

Sell or dispose of land in accordance with:

- Clause 3 of schedule 10 of the *Local Government Act 1989*.
- Division 4 of the *Local Government Act 2020*.

7. CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006 – COMPATIBILITY STATEMENT

The *Charter of Human Rights and Responsibilities Act 2006* has been considered in the preparation of this policy but is not relevant to its contents.

The policy is purely administrative in its nature and does not have the potential to influence human rights and responsibilities.

8. RESPONSE TO THE GENDER EQUALITY ACT 2020

The *Gender Equality Act 2020* has been considered in the preparation of this policy but is not relevant to its contents.

The policy is purely administrative in its nature and does not have the potential to influence broader social norms and gender roles.

9. CONSIDERATION OF CLIMATE CHANGE AND SUSTAINABILITY

Acknowledge that this policy has no impact on Council's Declaration on a Climate and Ecological Emergency, Council's Climate Change Emergency Strategy 2020-2030 or the requirements of the *Local Government Act 2020* in relation to the overarching governance principle on climate change and sustainability and why it does not have any impact.

The policy is purely administrative in its nature and does not have the potential to influence future asset planning or sustainability, climate or energy.

10. RESPONSIBILITIES

Council is responsible for ensuring this policy remains consistent with the Greater Dandenong Council Plan and Asset Plan.

The Chief Executive Officer is responsible for ensuring overall compliance with relative legislation.

The Asset Management team in the CEO Services directorate (with the assistance of the Financial Services department in Corporate Development) are responsible for maintaining, capturing and recording fixed assets in the asset register in Council's asset management system. The Financial Services department are responsible for recording asset transactions in Council's general ledger and reconciling the general ledger to the asset register.

The minimum reserve prices from the disposal or sale of assets (other than land) >\$50,000 is required to be approved by the Manager Infrastructure Services.

All Council staff are responsible for compliance with this policy and the requirements within it.

This policy will be reviewed and updated annually by the Financial Services department.

Consultation on proposed changes to the policy each year will occur with:

- Asset Management team in CEO Services directorate.
- Manager Infrastructure Services in City Futures directorate.
- External auditors.

11. REPORTING, MONITORING AND REVIEW

The current policy complies with Local Government legislation and Australian Accounting Standards and has been subject to internal and external audits.

Each year the policy will be reviewed and updated to ensure compliance with Local Government legislation and Australian Accounting Standards is maintained and that policy directions remain relevant.

The success of the policy will be measured by its compliance with the relevant legislation and Accounting Standards and a clear external audit opinion.

12. REFERENCES AND RELATED DOCUMENTS

Legislation

- Australian Accounting Standards
- *Local Government Act 1989*
~ Under clause 3 of schedule 10 of the *Local Government Act 1989*, Council has the authority to discontinue a road or ROW, or part thereof, and sell it to a third party or retain it for municipal purposes.
- *Local Government Act 2020*
~ Under Division 4 of the *Local Government Act 2020*, Council has the authority to sell land to a third party. This may include discontinued roads and/or reserves and other Council properties.
- *Local Government (Planning and Reporting) Regulations 2020*
- *Charter of Human Rights and Responsibilities Act 2006*
- *Gender Equality Act 2021*
- *Planning and Environment Act 1987*
- *Subdivision Act 1988*
~ Under section 24A of the *Subdivision Act 1988*, Council has the authority to initiate procedures to remove and vest in itself all, or part, of a drainage reserve or sell it to a third party.
~ Under section 20 of the *Subdivision Act 1988*, Council may sell land set aside as public open space but must abide by the legislation in relation to the use of funds derived from the sale.

Related Council and Other Policies, Procedures, Strategies, Protocols, Guidelines

- City of Greater Dandenong Fixed Asset Guidelines
- City of Greater Dandenong Council Plan
- City of Greater Dandenong Asset Plan
- City of Greater Dandenong Asset Management Policy

Other Guidance

- *Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land 2009 – Department of Planning and Community Development.*

13. APPENDIX A – BASIS OF MEASUREMENT, CAPITALISATION THRESHOLDS AND USEFUL LIVES

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
PROPERTY						
Land	Land owned or controlled by Council. Land either has a fair value classification of level 3 - 'specialised land' or level 2 - 'non-specialised land'.	Fair value (indep val'n)	0	0	N/A	N/A
	Land under roads (LUR) (excluding lanes, private roads and Council roads in parks and reserves) acquired after 1 July 2008. All LUR have a fair value level 3 classification - 'specialised land'.	Fair value (indep val'n)	0	0	N/A	N/A
Land improvements	Not applicable - allocated to other asset classes such as 'Recreational, leisure and community facilities' and 'Parks, open space and streetscapes'.	N/A	N/A	N/A	N/A	N/A

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
PROPERTY						
Buildings	Buildings include Class 1 to Class 9 buildings as defined in the Building Code of Australia including all corporate, community and commercial buildings managed / controlled / owned by Council and multi-story car park buildings. This includes both habitable and non-habitable buildings. Non-habitable buildings as defined in class 10A of the Building Code of Australia. Examples include workshops, kiosks, stand-alone administration buildings/offices, public conveniences, stores, undercroft car parking, sporting pavilions and sporting clubrooms. Building assets and improvements will be separated into the following three components with different useful lives:					
	Superstructure Includes the foundations, external walls (including paint) and roof of buildings (including attached stormwater drainage and guttering).	Fair value (indep val'n)	10,000	10,000	100	100
	Ancillary Services - <u>Security</u> (e.g., card reader, electronic security system, surveillance system, CCTV, access control system) - <u>Electrical and gas</u> (e.g., electrical distribution board, antenna fitting, cabling/internal wiring, meter boxes, exit signs, lighting, solar panels) - <u>Hydraulics</u> (e.g., plumbing systems, rainwater collection system, heat pump, boiler, water pump, water supply and sewerage, indoor swimming pools) - <u>Mechanical</u> (e.g., cool room, rangehood, lift, escalators, HVAC system, cranes, hoists, sanitary plumbing, specialist kitchen services (ovens, dishwashers, etc) and building management system) - <u>Fire services</u> (e.g., fire alarm system, heat detectors, fire extinguishers, fire hose reels, smoke detectors, valves (fire system) - <u>Other structures</u> that link or are attached to the building (e.g., fences, paths, access ramps or steps, verandas, coaches boxes, pergolas, garages, carports, toilets and shade shelters). Only totally freestanding structures will be considered separate assets and recorded in the relevant asset class.	Fair value (indep val'n)	5,000	5,000	20	30
	Fitout and Fittings Includes floor coverings, cabinetry and cupboards, sinks and toilets, sporting equipment fixed to the building. Hardwired or fixed items in buildings should be considered part of the building's Fitout and Fittings. Moveable Furniture and equipment between sites are recorded under Plant & Equipment asset categories.	Fair value (indep val'n)	5,000	5,000	20	20

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
PROPERTY						
Building improvements	Not applicable - included in buildings above.	N/A	N/A	N/A	N/A	N/A
Leasehold improvements	Land improvements, buildings and other improvements to property assets leased by Council or on land leased by Council. Leasehold improvements to buildings include fit-outs, security enhancements and/or renovations of leased office accommodation or leased property. Examples are recarpeting, immovable fixtures such as the installation of air-conditioning or CCTV, and structural improvements to a leased property upon commencement of a lease (initial office/residential fit-out), and any subsequent refurbishment of office/residential leased accommodation.	Cost	5,000	5,000	Lease term	Lease term
Heritage buildings	Not applicable - defined as heritage buildings as listed on the Victorian Heritage Register.	N/A	N/A	N/A	N/A	N/A

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
PLANT AND EQUIPMENT						
Heritage plant and equipment	Not applicable.	N/A	N/A	N/A	N/A	N/A
Plant, machinery and equipment	Heavy plant and equipment (such as graders, trucks, tractors, tippers, scissor lifts and loaders).	Cost	3,000	3,000	7	7
	Buses, quads and trailers.	Cost	3,000	3,000	10	10
	Light plant and equipment (such as rollers, mowers, tools and blowers), passenger vehicles, light commercial vehicles (</= 3 tonne). Also includes lifters, generators, powersaws, floor polishers, steam cleaners, sweepers, winches, compressors, surveying equipment, people counting systems, rotators, outdoor cleaning equipment and submersible pumps.	Cost	3,000	3,000	5	5
Fixtures, fittings and furniture	Office furniture and equipment (workstations, mobile shelving, chairs, office bins, lockers, tables, desks, filing cabinets), kitchen appliances and equipment (fridges), hand dryers, display units/stands, dividers/privacy screens, safes, podiums, trolleys and other miscellaneous fixtures, fittings (eg - window furnishings) and furniture. Excludes Christmas decorations (not capital).	Cost	3,000	3,000	6	6
	Musical instruments.	Cost	3,000	3,000	20	20
	Art works (paintings, pictures, murals, heritage).	Cost	3,000	3,000	N/A	N/A
Computers and telecomm's	Hardware, servers, hubs, cabling, faxes, printers, telephones, mobile phones/devices, photocopiers, computers, laptops, microwave links, wireless links, firewall, scanners, GPS, Book-a-Court system and audio visual equipment (such as stereos, speakers, amplifiers, antenna, cameras, video recorders, microphones, televisions, DVD players, electronic whiteboards, two way radios, hearing loop, projectors, etc).	Cost	3,000	3,000	5	5
Library resources	Includes library books, CDs, DVDs and tapes, hard copy e-books and e-audio books (excludes downloaded/subscription based digital content such as e-books and e-audio books, annual online licences or subscriptions, annual platform access to e-formats, periodicals and newspapers - these items are expensed as they generally have a life of one year or less).	Cost	0	0	5	5

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
INFRASTRUCTURE						
Roads	Road seal (surface) comprises the wearing surface of a road pavement or laneway. Reconstruction, resurfacing (asphalt overlays and spray seals), wearing course and rehabilitation of road seal are capital. Surface patching treatments (major or minor) such as pothole repairs, crack sealing or repairs, slurry seals are considered maintenance treatments aimed at ensuring the road seal asset reaches its intended useful life (expensed). Linemarking, tactiles and omncrete are capital for new assets, but expensed when subsequently replaced. Sub-categories include:					
	Seal/surface (spray seal).	Fair value	20,000	10,000	12	12
	Seal/surface (asphalt, concrete, brick, granite setts and gravel).	Fair value	20,000	10,000	20	20
	Road substructure (pavement). Road substructure is the constructed material layer(s) beneath the wearing surface of a road pavement or laneway. Usually unaffected by periodic replacements of the wearing surface and would normally only be created where a new pavement was built or an existing pavement was totally reconstructed/rehabilitated.	Fair value	20,000	10,000	100	100
	Kerb and channel. Includes concrete, bluestone and asphalt kerb and channel on local roads. Also includes kerb laybacks (which are part of crossings), usually provided for vehicle, bicycle or pedestrian access across the kerb and channel.	Fair value	5,000	5,000	80	80
	On street car parks (seal) - asphalt, brick paves, concrete and gravel). On-street car parks include car parks located within the road reserve (ie – indented parking bays, parallel parking bays, etc).	Fair value	5,000	5,000	20-25	20-25
	On street car parks (substructure).	Fair value	5,000	5,000	100	100
	Local Area Traffic Management (LATM) - splitter islands, roundabouts, speed humps.	Fair value	2,000	2,000	20	20
	LATM - slow points.	Fair value	2,000	2,000	5	5
	LATM - traffic signal controller.	Fair value	2,000	2,000	15	15
	LATM - traffic signal hardware.	Fair value	2,000	2,000	30	30

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
INFRASTRUCTURE						
Bridges	Includes major culverts, deck and substructure. Bridges include all structures which convey a road, footpath or cycleway across another physical feature (including waterways and other roads) and includes major culverts. Bridge components include the foundation, column, girder, decking, wearing course, railing, paths and guardrails. Items such as lighting, signage and paths are not included. Boardwalks are also included in this asset class (constructed pathways above ground either in steel/concrete or timber).	Fair value	5,000	5,000	20 - 100	20 - 100
Footpaths and cycleways	Footpaths (concrete, brick/pavers and granite). Footpaths and cycleways includes footpaths leading to bridges, and pedestrian access features, ramps, pram crossings, path widenings and linemarking on new footpath assets. Paths in playgrounds that provide a direct access between playground items are not considered part of the path asset class (included in playgrounds).	Fair value	5,000	5,000	50	50
	Footpaths (asphalt).	Fair value	5,000	5,000	25	25
	Footpaths (gravel, granitic).	Fair value	5,000	5,000	10	10
Drainage	Underground drainage/stormwater pipes.	Fair value	5,000	5,000	100	100
	Drainage pits	Fair value	2,000	2,000	100	100
	Gross pollutant traps (GPTs).	Fair value	5,000	5,000	50	50

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
INFRASTRUCTURE						
Recreational, leisure & community facilities	Recreational equipment and facilities. Recreation equipment includes sports and leisure equipment at recreation centres such as bench seats, TV cardio and aerobic stereos, pool cover rollers, gym equipment, pool vacuums, dividing curtains, internal scoreboards, cleaning equipment, aquatic equipment, various items of smaller transportable pool equipment, thermal blankets and gym mats.	Fair value	3,000	3,000	10 - 20	10 - 20
	Major outdoor LED screens (ie - 'the big screen').	Fair value	3,000	3,000	5	5
	Minor outdoor electronic screens and scoreboards, electronic variable message signs/sensors.	Fair value	3,000	3,000	10 - 20	10 - 20
	Sportsgrounds, sports fields, sporting grass (turf), courts (eg - netball, basketball, tennis), athletic tracks, wickets, hardstand, general sporting surfaces. Note - Turf installed on a sportsground is capital, turf in general areas is not considered capital (expensed).	Fair value	3,000	3,000	10 - 20	10 - 20
	Sporting structures and equipment (such as goal posts, cricket nets, outdoor exercise equipment, skate ramps/park, basketball towers/backboards, rebound walls), structures without walls (such as bike sheds and racks, display and information shelters, gazebos, picnic shelters, rotundas and stages without a roof), or structures that are stand alone and not attached to a buildings such as sheds, coaches boxes, garages and canopies/shade structures).	Fair value	3,000	3,000	10 - 20	10 - 20
	Playgrounds (outdoor and indoor). Playgrounds such as swing sets or climbing apparatus. Also includes interconnecting paths between equipment and path edging. Fixed play items associated with a playing surface (such as goal posts) are considered part of the playing surface they relate to and are not recorded as a playground item. Other assets in or near playgrounds (whether enclosed by a fence or not) such as drink fountains, bins, signs, picnic tables, seats or shade structures are considered part of their respective asset class and not a playground item asset unless their primary function is as a piece of play equipment. Mulch and softfall are capitalised when part of a new playground. Ongoing mulch/softfall works - rubber softfall (capitalised), bark or plastic mulch (expensed).	Fair value	3,000	3,000	15	15
	Irrigation, sports field drainage, controllers, sensors, water tanks/pumps and water systems.	Fair value	3,000	3,000	10 - 20	10 - 20
	Outdoor pools	Fair value	3,000	3,000	50	50
Waste management	Not applicable.	N/A	N/A	N/A	N/A	N/A

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
INFRASTRUCTURE						
Parks, open space and streetscapes	Open space furniture (street furniture such as bicycle racks, tree guards, planter boxes, seats and park furniture such as seats, drinking fountains, tables, root barriers/guards and BBQ's).	Fair value	3,000	3,000	10	10
	Open space furniture (bus shelters).	Fair value	3,000	3,000	20	20
	Open space furniture (litter bins).	Fair value	3,000	3,000	12	12
	Open space furniture (tree pits).	Fair value	N/A	3,000	N/A	100
	Signs (unless attached to another asset such as a building or playground, includes heritage markers).	Fair value	3,000	3,000	20	20
	Landscaping, passive grass/surface and gardens.	Fair value	3,000	3,000	10 - 20	10 - 20
	Water quality devices - wetlands, rain gardens and bioretention swales.	Fair value	3,000	3,000	10	10
	Surface drainage - formed open drains (generally made of concrete, eg - spoon drains, open invert).	Fair value	3,000	3,000	50	50
	Surface drainage - unformed open drains and agriculture (agi) pipes.	Fair value	3,000	3,000	10	10
	Flood prevention - retarding/detention basins.	Fair value	3,000	3,000	20	20
	Lighting (public, flood lights, solar, car parks, sportsground, security and street) including light poles and any attached CCTV.	Fair value	3,000	3,000	10 - 20	10 - 20
	Fencing, bollards, gates, retaining walls and poles.	Fair value	3,000	3,000	10 - 50	10 - 50
	Parking meters, ticket machines and equipment.	Fair value	3,000	3,000	10	10
	Public art (memorials, monuments, murals, plaques, sculptures and statues).	Fair value	3,000	3,000	50	50
	Guard rails.	Fair value	3,000	3,000	20	20
Aerodromes	Not applicable.	N/A	N/A	N/A	N/A	N/A
Off street car parks	Off street car park and access road (asphalt, brick paved, concrete, gravel).	Fair value	5,000	5,000	20 - 25	20 - 25
	Off street car park and access road (substructure/pavement).	Fair value	5,000	5,000	100	100
	Off street car park and access road (kerb and channel).	Fair value	5,000	5,000	80	80
Other infrastructure	Not applicable. Marine assets - piers, jetties, groins, sea walls, caravan parks, markets and saleyards.	N/A	N/A	N/A	N/A	N/A

Asset class	Description	Measurement Basis	CAP THRESHOLD		USEFUL LIFE	
			2024-25	2025-26	2024-25	2025-26
			\$	\$	Years	Years
WORK IN PROGRESS						
Work in progress	Capital expenditure on projects not yet completed.	Cost	N/A	N/A	N/A	N/A
INVESTMENT PROPERTY						
Investment property	Land and buildings	Fair value	5,000	5,000	N/A	N/A
INTANGIBLES						
Computer software	Software (implementation only not subsequent upgrades). Items that can be capitalised as computer software include software licenses, interworking, configuration support, implementation planning, database planning, quality planning and acceptance testing. Software items to be expensed include software maintenance, data conversion/migration, training, helpdesk support and website costs. Note - implementation or upgrade costs relating to cloud computing arrangements (Software as a Service - SaaS) where Council does not control the software is not capital in nature and will be expensed.	Cost	3,000	3,000	3	3
LEASED ASSETS						
Right-of-use (ROU) assets	Includes information technology (IT) equipment such as monitors, desktop computers and laptops, office related equipment and property leases.	Cost	10,000	10,000	Earlier of end of useful life of ROU assets or lease term	Earlier of end of useful life of ROU assets or lease term