



Fixed Asset Policy

Purpose

To ensure compliance with Australian Accounting Standards, the Local Government Act 2020 and other statutory obligations.

To prescribe the accounting treatment for property, infrastructure, plant and equipment. This includes the following:

- I. To prescribe the recognition criteria for asset capitalisation. To provide direction on how to account for costs incurred initially to acquire or construct an asset and costs incurred subsequently to add to, replace part of, or service the asset. To provide guidance on how to distinguish between expenditure that should be capitalised within a capital works project and expenditure that should be expensed in an operating program.
- II. To prescribe the measurement of an asset at recognition. To provide guidance on the elements that make up the acquisition or construction cost of an asset. To provide instruction on how to measure the cost of an asset in instances where the asset is acquired for no or nominal consideration. To establish the asset capitalisation thresholds for each asset class.
- III. To prescribe the accounting treatment for the valuation of assets. To stipulate the valuation model and valuation method applied to each asset class. To detail the valuation techniques available for determining the fair value of an asset. To set out the requirements relating to the qualifications of the valuers and the frequency of revaluations. To describe the valuation methodologies for each revalued asset class.
- IV. To prescribe the accounting treatment for the depreciation of assets. To specify the depreciation method and depreciation rates at the component level where possible.
- V. To prescribe the accounting treatment for the impairment of assets. To provide guidance on how to identify assets that may be impaired by considering external and internal sources of information. To provide instruction on how to measure the recoverable amount of an asset and how to recognise an impairment loss.
- VI. To establish the asset classes adopted for financial statement purposes.

The printed document is an uncontrolled document. To ensure you have the latest policy visit Council's website at www.bawbawshire.vic.gov.au or contact the Governance team on 03 5624 2411.

This policy is aligned with the Accounting Standards, including AASB 116 Property, Plant and Equipment, which 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.

Governance Principles

Section 9 of the Local Government Act 2020 (the Act) specifies the overarching governance principles and supporting principles that Council must adhere to in the performance of its role and functions.

This policy gives effect to the following overarching governance principles outlined in Section 9(2) of the Act:

- Council decisions are to be made and actions taken in accordance with the relevant law;
- Priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- The municipal community is to be engaged in strategic planning and strategic decision making;
- Innovation and continuous improvement are to be pursued;
- The ongoing financial viability of the Council is to be ensured;
- The transparency of Council decisions, actions and information is to be ensured.

This report also takes into account the following supporting principles defined in Section 9(3) of the Act:

- The strategic planning principles;
- The financial management principles; and,
- The service performance principles.

Definitions

The following terms are used in this policy with the meanings specified:

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An **asset** is a resource:

- (a) controlled by an entity as a result of past events; and
- (b) from which future economic benefits are expected to flow to the entity.

An **asset class** is a group of assets of a similar nature and use in an entity's operation.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation/amortisation and accumulated impairment losses.

Control of an asset is where an entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Future economic benefits are benefits flowing from an asset and may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.

An **impairment** loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An **intangible asset** is an identifiable non-monetary asset without physical substance. An asset is **identifiable** if it either:

- (a) is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
- (b) arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Property, infrastructure, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period (i.e. more than 12 months).

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Useful life is:

- (a) the period over which an asset is expected to be available for use by an entity; or
- (b) the number of production or similar units expected to be obtained from the asset by an entity.

Value in use is the present value of the future cash flows expected to be derived from an asset.

Work in progress is property, infrastructure, plant and equipment under construction or not yet available for use, that is, the asset is not in the location and condition necessary for it to be capable of operating in a manner intended by management. This generally occurs when a project extends over multiple fiscal years.

Scope

This policy shall be applied in accounting for property, infrastructure, plant and equipment and intangible assets.

Non-current assets not owned and managed are excluded from this policy.

Legislative context

This policy is governed by the following laws and regulations:

- AASB 13 *Fair Value Measurement*
- AASB 101 *Presentation of Financial Statements*
- AASB 116 *Property, Plant and Equipment*
- AASB 136 *Impairment of Assets*
- AASB 1031 *Materiality*
- AASB 1051 *Land Under Roads*
- *Local Government Act 2020*

Related policies and documents

- Revaluation & Condition Assessment Guidelines

Policy detail

Narrative and specifics relating to this policy.

Approval date	12/03/2024
Approval authority	Executive
Effective from	13/03/2024
Review term	4 years
Next review date	FY 2027/2028
Responsible position	Asset accountant
Responsible Director	Strategy and Organisational Performance
Version	2

ASSET CAPITALISATION – Initial recognition:

A distinction needs to be made between expenditure that is consumed in the ordinary course of business (or within 12 months) and expenditure on tangible items that has benefits expected to be used during more than one period (more than 12 months). The distinction is critical as it determines the accounting treatment of the expenditure. The former results in the expenditure being “expensed” as incurred in an operating program, whereas the latter results in the expenditure being “capitalised” within a capital works project and eventually as an asset on the balance sheet.

It is imperative to classify expenditure correctly as either capital or expense, as it directly impacts the financial statements, which are used to make decisions concerning future spending on services and infrastructure.

Importantly, capital expenditure is divided between spending on the creation of a new asset and spending on renewing, expanding or upgrading an existing asset. This distinction provides information on whether Council is maintaining or running down its assets and the extent to which services can be maintained over the long term.

Expenditure on capital works projects is reviewed at the handover of the project once the asset has achieved Practical Completion. Only once the asset is “available for use” it will be capitalised as an asset on the balance sheet, otherwise, it shall continue to be reported as work in progress.

Expenditure is to be capitalised when:

- It is probable that the future economic benefit will flow to the organisation.
- The cost of the item is material and can be measured reliably.
- Where the value of individual assets falls below the asset threshold for capitalisation, but the assets form part of a network or asset group (such as for park furniture on a reserve, signs, etc), consideration will be given to capitalising the individual asset based on whether the aggregate value of those assets exceeds the capitalisation threshold.
- 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 and cost for accounting purposes.

Capitalisation Thresholds

Capitalisation of fixed assets is expected to apply where expenditure exceeds the following threshold limits and can be classified as renewal, upgrade, expansion or new. Expenditure identified as either operational or maintenance in nature is generally classified as operational and expensed (written off) in the year it is incurred.

The asset class is the basis for measurement of Councils fixed assets. The asset component is designed to provide further details in assessing the component parts of each asset class.

Where a low asset capitalisation threshold is set, this will often result in an over-cluttering of the fixed assets register leading to inefficiencies and higher administration costs. Conversely, a high asset capitalisation threshold may result in a material understatement of assets in the financial statements. As the asset capitalisation thresholds are part of this policy, they should only be changed if they result in more relevant and reliable information.

In some instances, it may be beneficial to aggregate assets and show them as one asset record as opposed to listing each asset individually. For example, where there is an acquisition of many minor value assets that individually fall below the asset capitalisation threshold but when combined are significant or for projects where it is not beneficial to show individual assets separately.

Further, there may be instances where assets do not meet the asset capitalisation threshold, but it is important to maintain a record of the asset. For example, this may be applicable for items such as blower or other minor plant and equipment where the physical security of the asset is considered a risk. In these cases, consideration should be given to recording the assets on the fixed assets register regardless of the asset's value.

Refer to Appendix 1 for asset capitalisation thresholds for each asset class.

Materiality

Not all capital expenditure needs to be recorded as an asset on the balance sheet. Capital expenditure may be expensed as incurred where the cost of the item or aggregate of items is not "material".

The cost of an item or aggregate of items is material if its omission or misstatement has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial statements.

The materiality of items is influenced by:

- the nature of the entity's operations;
- the size of the entity;
- the type of the transaction classes of the entity;
- any legislative requirements; and,
- the users of the financial state.

Depreciation and Asset Useful Life

Factors that may vary the estimated useful life i.e. affect the 'using up' of an asset are:

- Maintenance practices – the quantity and quality of both routine and periodic maintenance can affect the useful life.
- Original quality of construction.
- Types of use – heavy vehicles or light traffic affect the life of a road.
- Environment – e.g. reactive soils may lead to early deterioration.
- Technical obsolescence.

The estimate of useful life is based on evidence that is specifically drawn from the assessment of:

- Physical use.
- Wear and tear.
- Technical and physical obsolescence.
- Legal and other restrictions on the use of the asset

ACCOUNTING POLICY SELECTION

Accounting standards allow an entity to choose either the cost model or the revaluation model as its accounting policy. The accounting policy selected needs to be applied to the entire asset class.

Council has selected a mixture of both the cost model and the revaluation model across the various asset classes.

Refer to 'Appendix 1 – Asset classification guide' for the valuation model and model selected for each asset class.

COST MODEL

Under the cost model, after recognition as an asset, an item of property, infrastructure, plant and equipment shall be carried at its acquisition or construction cost less any accumulated depreciation and any accumulated impairment losses.

REVALUATION MODEL

After recognition as an asset, an item of property, infrastructure, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Where a class of non-current assets is measured on a fair value basis, revaluations are to be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date.

Where an item of property, infrastructure, plant and equipment is re-valued, the entire class of property, infrastructure plant and equipment to which that asset belongs shall be re-valued.

A revaluation increase is credited directly to equity (revaluation reserve), except to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in profit or loss.

A revaluation decrease shall be recognised in profit or loss, except to the extent of any credit balance existing in any revaluation reserve in respect of that same class of asset.

When an asset is re-valued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any property, infrastructure, plant and equipment asset held for resale shall be recorded at the lower of its carrying amount and fair value less costs to sell.

AASB 116 states after recognition, "an entity shall choose either the cost model in paragraph 30 or the revaluation model in paragraph 31 as its accounting policy and shall apply that policy to an entire class of property, plant and equipment".

A class of property, infrastructure, plant and equipment is a grouping of assets of a similar nature and use in an entity's operations. Examples of separate classes include motor vehicles, furniture and fixtures, and office equipment.

Movements in land and buildings are assessed by Council appointed contract valuers. Appointment for valuers is accessed separately for land and building assets as deemed suitable by the register owner. Where material movements are identified, an interim indexation will be applied, and the calculation process disclosed in the financial statements.

Unit costs used for the revaluation of infrastructure assets are:

- To be "greenfield" rather than "brownfield" and
- In line with actual costs incurred in the completion of current significant works within the municipality

Revaluation – Fair Value

"Where fair value is adopted for an asset class, an entity must:

- Revalue the entire class of assets to which an asset measured at fair value belongs; and,
- Ensure that the subsequent carrying values of its revalued assets continue to approximate their fair values".

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value an entity shall consider the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following:

- (a) The condition and location of the asset; and,
- (b) Restrictions, if any, on the sale or use of the asset.

A fair value measurement assumes that the asset or liability is exchanged under current market conditions.

A fair value measurement assumes the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or,
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

Highest and best use for non-financial assets

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- (a) A use that is physically possible takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).
- (b) A use that is legally permissible considers any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).
- (c) A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows considering the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The highest and best use is determined from the perspective of market participants, even if the entity intends a different use. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

FAIR VALUE HIERARCHY

Accounting standards require the inputs to valuation techniques used to measure fair value to be categorised into three levels of the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorised within various levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement and taking into account factors specific to the asset or liability.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within Level 3 of the fair value hierarchy. For example, if a market participant would take into account the effect of a restriction on the sale of an asset when estimating the price for the asset, an entity would adjust the quoted price to reflect the effect of that restriction. If that quoted price is a Level 2 input and the adjustment is an unobservable input that is significant to the entire measurement, the measurement would be categorised within Level 3 of the fair value hierarchy.

The definition of each level of the fair value hierarchy is given below:

Level 1 inputs

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs

Unobservable inputs for the asset or liability.

QUALIFIED VALUERS

Revaluations should be performed by persons with the relevant qualifications and experience.

Revaluations of land, land under roads and buildings

Revaluations of land, land under roads, and buildings are required to be undertaken by qualified API Certified Practising Valuers.

Revaluations of roads, car parks, open space, bridges and drainage

Suitable qualified engineers or other professionals experienced with valuations for asset class.

The printed document is an uncontrolled document. To ensure you have the latest policy visit Council's website at www.bawbawshire.vic.gov.au or contact the Governance team on 03 5624 2411.

REVALUATIONS TIMINGS:

Council should perform a full revaluation of its revalued asset classes at least every four years.

FULL REVALUATIONS

For assets valued using the *market approach*, the full revaluation process should reassess the fair value of these assets based on current market evidence. The remaining useful life of these assets should also be reviewed to confirm that they accurately reflect the asset's current condition.

For assets valued using *cost approach*, the full revaluation process should involve the following:

- A review of the unit rates to ensure they accurately reflect the current replacement cost of the asset or asset components. The review should take into account any changes in the buying price of input costs for services, material and labour, as well as changes in the methods of construction, asset use and operating conditions.
- A review of the remaining useful life based on the condition of the asset. The review should take into account the expected use, expected physical wear and tear, and technical or commercial obsolescence of the asset. The review should also consider statutory or other obligations on the use of the asset, maintenance expected to be performed on the asset, and the environment in which the asset is operated or constructed.

ANNUAL DESKTOP REVIEW

Council should perform a desktop review of its revalued asset classes in the interim years to determine whether there is any indication that the fair value has materially changed since the previous valuation. This will require regular internal review of indices and advice from the external Valuer as appropriate.

The desktop review performed in the interim years can be done using indexation. Indexation does not replace formal revaluation but is a cost-effective means of determining whether a material change in value is likely to have occurred. Also, by indexing assets between formal valuations, sudden fluctuations in valuations or depreciation are avoided.

The decision as to whether there has been a material change needs to be made before the reporting date to allow sufficient time to carry out a full revaluation if required.

Annual reviews are less detailed than full valuations and may involve any one or a combination of methods. These methods may include desktop valuations using sampling, site visits using sampling, applying one or multiple indices, and other professional methodologies.

For Infrastructure asset annual reviews, an appropriate indexation rate is the Producer Price Indices, index number 30 Building construction Victoria and index number 3101 road and bridge construction Victoria obtained from the Australian Bureau of Statistics website. The result of this analysis can also be reinforced by reviewing acceptable Engineering Industry rates such as 'Rawlinson's' Construction Cost Guide/Handbook rates.

For generalised property, relevant and reliable fair value indicators should generally be available and regularly published in the market. For specialised assets, management may need to use a selection of appropriate indicators to ensure suitability and appropriateness.

To satisfy audit requirements, annual revaluations are required to complete a follow-up desktop review in June each year. This follow-up desktop review is required to demonstrate that there has not been any significant movement in asset values since the revaluation review was completed in April.

Refer to revaluation schedule in Appendix2.

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.

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).

For assets whose economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use (infrastructure assets) is the depreciated replacement cost.

An impairment loss on a revalued asset is recognised directly against any revaluation reserve for the asset class to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same asset class.

An asset is impaired when its carrying amount exceeds its recoverable amount.

For local governments 'value in use' is deemed to be depreciated replacement cost for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, and where the local government would, if deprived of the asset, replace its remaining future economic benefits.

EXAMPLES OF INDICATIONS OF IMPAIRMENT RELEVANT TO LOCAL GOVERNMENT

The following events are particularly relevant to local government and may result in the impairment of Council assets:

- natural events such as a flood, earthquakes, fires, or severe storms;
- prolonged natural events such as drought;
- major damage to an asset caused through an accident, arson, or inappropriate use;
- change to the extent or manner in which an asset can be used; and,
- change to an asset's technological, market, economic or legal environment.

APPENDIX 1 – ASSET CAPITALISATION THRESHOLDS

Asset Group	Asset Category	Asset Class	Asset Component	Asset Register	Depreciation Method	Depreciation Range (years)	Maximum Useful life (years)	Asset Threshold Guideline
Property	Land	Land	Land	Finance	N/A	N/A	Indefinite	N/A
			Land Under Roads	Assets	N/A	N/A	Indefinite	N/A
Infrastructure	Building Assets	Buildings – undergoing componentisation	Buildings	Assets	Straight Line	1-100	100	\$25,000
			Road Pavement - Unsealed	Assets	Straight Line	1-25	25	\$10,000
			Road Surface - Sealed	Assets	Straight Line	1-85	85	\$1,000
			Road Formation	Assets	N/A	N/A	N/A	\$10,000
			Kerb and Channel	Assets	Straight Line	1-80	80	\$5,000
			Car Park - Sealed	Assets	Straight Line	1-85	85	\$10,000
		Car Parks	Car Park - Unsealed	Assets	Straight Line	1-25	25	\$10,000
			Bridge - Road	Assets	Straight Line	1-100	100	\$20,000
		Bridges	Major Culvert	Assets	Straight Line	1-80	80	\$20,000
			Minor Culverts	Finance	Straight Line	1-100	100	\$10,000

The printed document is an uncontrolled document. To ensure you have the latest policy visit Council's website at www.bawbawshire.vic.gov.au or contact the Governance team on 03 5624 2411.

			Bridge - Pedestrian	Assets	Straight Line	1-100	100	\$10,000
			Footpath	Assets	Straight Line	1-80	80	\$1,000
		Footpaths	Drainage - Pipe	Assets	Straight Line	1-100	100	\$10,000
	Stormwater Drainage	Drainage	Drainage - Pit	Assets	Straight Line	1-100	100	\$10,000
			Retention Basins	Finance	Straight Line	1-100	100	\$10,000
	Basins	Basins	Electrical	Assets	Straight Line	1-20	20	\$1,000
	Open Space Assets	Open Space Assets	Fencing	Assets	Straight Line	1-50	50	\$1,000
			Furniture	Assets	Straight Line	1-40	40	\$1,000
			Playground	Assets	Straight Line	1-50	50	\$1,000
			Sports Ground	Assets	Straight Line	1-50	50	\$20,000
			Structure	Assets	Straight Line	1-50	50	\$1,000
			Water Facility	Assets	Straight Line	1-25	25	\$1,000
			Irrigation	Assets	Straight Line	1-20	20	\$1,000
Plant & Equipment	Plant, machinery and equipment	Plant, machinery and equipment		Finance	Straight Line	up to 33%	3-15	-
	Fixtures, fittings and furniture	Fixtures, fittings and furniture		Finance	Straight Line	up to 33%	3-15	-
	Computers and telecommunications	Computers and telecommunications		Finance	Straight Line	up to 33%	3-15	-

APPENDIX 2 – REVALUATION SCHEDULE

	Asset Group	Asset Register	Frequency after next revaluation (years)	Last revaluation date	Last revaluation Type	Next revaluation date	Valuer (internal / external)	Next condition assessment & data verification (year)
Property	Land	Finance	4	May-23	Indexation	May-26	External	2025/2026
	Land under roads	Assets	4	May-23	Indexation	May-26	External	2025/2026
	Buildings	Assets	4	May-23	Condition based revaluation	May-24	External	2023/2024
Infrastructure	Roads - Kerb & Channel	Assets	4	May-23	Condition based revaluation	May-27	External	2026/2027
	Car Parks	Assets	4	May-23	Condition based revaluation	May-27	External	2026/2027
	Bridges	Assets	4	May-22	Indexation	May-25	External	2024/2025
	Footpaths	Assets	4	May-22	Indexation	May-25	External	2024/2025
	Stormwater drainage	Assets	4	May-23	Indexation	May-28	External	2027/2028
	Open space / recreational assets	Assets	4	May-22	Indexation	May-26	External	2025/2026

APPENDIX 3 – LIST OF EXPENDITURE ITEMS AND CORRESPONDING ACCOUNTING TREATMENT

The table below provides examples of expenditure items at various stages and whether the expenditure should be expensed as incurred in an operating program or capitalised as an asset on the balance sheet.

Stage	Expenditure item	Expense in operating program	Capitalise as asset on balance sheet
Everyday operational costs	Administration and general overheads - Employee costs - Training Costs - Meeting Costs	✓	
Costs prior to decision made to proceed with capital works	Project scoping and investigation - Feasibility studies - Masterplans - Strategies - Planning approvals - Valuation reports	✓	
Costs following decision made to proceed with capital works	Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.		✓
	Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. - Employee benefits arising directly from the construction or acquisition of the item of property, infrastructure, plant and equipment - Site preparation - initial delivery and handling - installation and assembly - Testing whether the asset is functioning properly - Professional fees		✓
	costs of dismantling and removing the item and restoring the site on which it is located		✓
	Cost of opening a new facility (e.g. catering and promotion)	✓	
	Costs of introducing a new product or service (e.g. advertising and promotional activities)	✓	

The printed document is an uncontrolled document. To ensure you have the latest policy visit Council's website at www.bawbawshire.vic.gov.au or contact the Governance team on 03 5624 2411.

	Costs of conducting business in a new location or with a new class of customer (including costs of staff training)	✓	
Ongoing running costs	Depreciation	✓	
	Repairs and maintenance	✓	
	Insurance	✓	
	Registration	✓	