

Policy Number:	FNC 2
Policy Type:	Finance
Policy Name:	Depreciation Rates of Fixed Assets
Policy Owner:	Manager Corporate Services
Authority:	Shire of Nannup

POLICY

Council's Fixed Assets are to be depreciated in accordance with the Australian Accounting Standards – AASB 13 and as shown at Note 1 of the Financial Statements.

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant or equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

1. Reinstated 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
2. Eliminated against the gross carrying amount of the asset and the net amount reinstated to the revalued amount of the asset.

Major depreciation periods used in each class of depreciable asset are:

Asset Class	Depreciation Period	Application
Buildings	30 to 100 years	Straight line
Furniture	4 to 20 years	Straight line
Office Equipment	4 years	Straight line
Plant and Equipment	5 to 20 years	Straight line
Infrastructure Assets		
Clearing and Earthworks	Not depreciated	
Pavement	80 years	Straight line
Seal	34 to 43 years	Straight line
Kerb	50 years	Straight line
Drainage	100 years	Straight line
Parks & Gardens	50 years	Straight line
Footpaths	50 years	Straight line

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at the reporting date and at least every three years.

Related Policies	
Related Procedures/Documents	
Delegated Level	
Adopted	OM 26 May 1994
Reviewed	OM 25 January 2018