

FP024 – Valuation of Non-current Assets

1. Intention

To set the conditions with relation to asset revaluation at fair value as per Australian Accounting Standard *AASB 116* and in accordance with regulation 17A of the *Local Government (Financial Management) Regulations 1996*.

2. Scope

This policy applies to Elected Members and employees of the Shire of Waroona.

3. Statement

As per advice from Department Local Government, Sport and Cultural Industries, a number of amendments have been made to the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996* as gazetted on Tuesday 26th June 2018. These amendments include revised instructions with relation to the revaluation of Council non-current assets.

As per regulation 17A of the *Local Government (Financial Management) Regulations 1996*:

A local government must revalue an asset of the local government –

- (a) Whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and
- (b) In any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.

Therefore the following schedule of revaluation will occur

- 2020/21 – Revaluation of Plant, Furniture and Equipment
- 2021/22 – Revaluation of Land and Building
- 2022/23 – Revaluation of Infrastructure

There will be no revaluations in the following 2 financial years and will recommence again in 2025/26.

4. Legislative and Strategic Context

The *Australian Accounting Standard AASB116*, the *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed every five years.

6. Associated Documents

Nil.

Division	Finance
Policy Number	FP024

Contact Officer		Director Corporate Services			
Related Legislation		AASB116 Local Government Act 1995 Local Government (Audit) Regulations 1996 Local Government (Financial Management) Regulations 1996			
Related Shire Documents		Nil			
Risk Rating	Medium	Review Frequency	Every 5 years	Next Review	2023
Date Adopted		22/06/2004		OCM04/083	

Amendments		
Date	Details of Amendment	Reference
25/06/2013	Amended to reflect new legislation.	OCM13/06/047
28/10/2014	Updated as part of major review.	OCM14/10/127
18/12/2018	Updated as part of major review.	OCM18/12/126
25/06/2019	Amended to reflect new legislation.	OCM19/06/060
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
Previous Policies		
FIN003 – Valuation of Non-current Assets 3.1.2 – Valuation of Non-current Assets		