

## FP025 – Depreciation of Non-current Assets

### 1. Intention

To set guidance on how depreciation methods and rates are calculated and applied to Shire of Waroona's non-current assets.

### 2. Scope

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

### 3. Statement

Depreciation for all Shire of Waroona assets shall be applied on a straight-line basis where practical initially, using the rates applicable to the South West Region of WA, as listed in the previous Local Government Accounting Manual, as advised by the Department of Local Government, Sport & Cultural Industries.

Major Depreciation Periods are:

Buildings	40-60 years
Furniture & Equipment	3-20 years
Plant & Equipment	5-20 years
Bridges	60-90 years
Parks & Ovals	10-50 years
Drainage	60-90 years
Footpaths	20-50 years
Sealed Roads and Streets	
Construction	45-55 years
Bituminous Seals	15-25 years
Asphalt Seals	25-30 years
Unsealed roads	
Formed	10-15 years
Gravel	12-15 years

As per regulation 17A of the *Local Government (Financial Management) Regulations 1996* relating to Fair Value, all assets are to be revalued whenever the shire is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount and within a period of no more than five years after the day on which the asset was last valued or revalued. As a part of these revaluations, if the Shire is provided with remaining useful life from a licenced Valuer than these recommendations will be used to calculate each individual assets depreciation rate which will be used until that particular asset is once again revalued.

If however remaining useful life is not provided by the Valuer then the initial depreciation rate and an estimated useful life as prescribed in the previous WA Local Government Account manual will be used and condition and age will also factor into the assessment to calculate and appropriate depreciation rate.

### 4. Legislative and Strategic Context

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 as required.

## 6. Associated Documents

Nil.

<b>Division</b>	Finance				
<b>Policy Number</b>	FP025				
<b>Contact Officer</b>	Director Corporate Services				
<b>Related Legislation</b>	AASB116 Local Government Act 1995 Local Government (Financial Management) Regulations 1996				
<b>Related Shire Documents</b>	Nil				
<b>Risk Rating</b>	Low	<b>Review Frequency</b>	As required	<b>Next Review</b>	When required
<b>Date Adopted</b>	22/06/2004				OCM04/083

Amendments		
Date	Details of Amendment	Reference
24/11/2009	Amended to reflect current practices.	OCM09/197
25/06/2013	Amended to align with Local Government Accounting Manual.	OCM13/06/047
26/11/2013	Updated as part of major review.	OCM13/11/125
28/10/2014	Updated as part of major review.	OCM14/10/127
24/11/2015	Updated as part of major review.	OCM15/11/138
18/12/2018	Updated as part of major review.	OCM18/12/126
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
22/08/2023	Amended to add reason for revaluation under 3. Statement and minor wording adjustments	OCM23/08/101
Previous Policies		
FIN004 – Depreciation of Non-current Assets 3.1.4 – Depreciation of Non-current Assets		