


Asset Accounting Policy: Asset Class Definitions

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1 OUTCOMES

- 1.1 This policy sets a framework for accurate and consistent financial reporting of Council's infrastructure, property, plant and equipment (IPPE), in accordance with Australian Accounting Standards, the Local Government Act, and the Code of Accounting Practice.
- 1.2 Consistent asset accounting policy framework provides materially accurate information on Council's financial position and financial performance.
- 1.3 Efficient asset management decisions are based on reliable information, ultimately resulting in lower costs for the provision of community infrastructure.

2 POLICY

- 2.1 Council will follow a standardised approach when accounting for IPPE.
- 2.2 All assets similar in nature and use are grouped within asset classes as defined.
- 2.3 Asset classes are standardised with the NSW Local Government industry in accordance with the OLG Code of Accounting Practice.
- 2.4 Accounting treatment will comply with Australian Accounting Standards and relevant legislation.

3 SCOPE OF THE POLICY

- 3.1 This policy applies to the accounting treatment for non-current infrastructure, property, plant and equipment. Other assets such as receivables, inventory, intangibles and cash are excluded.

4 DEFINITIONS

- 4.1 Asset class — A grouping of non-current assets of a similar nature and operational use.

5 LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

- 5.1 OLG Code of Accounting Practice and Financial Reporting
- 5.2 AASB 116 Property, Plant and Equipment
- 5.3 IPWEA Australian Infrastructure Financial Management Guidelines

6 CONTENT

- 6.1 All assets similar in nature and operational use are grouped within the asset class definitions detailed in Appendix A.

7 REVIEW

- 7.1 This policy will be reviewed every four years or earlier as necessary if:
 - a) legislation requires it, or
 - b) Council's functions, structure or activities change

APPENDIX A: ASSET CLASS DEFINITIONS

Aggregated Asset Class	Asset Class	Description
Equipment, furniture and fittings	Plant and equipment	<p>Fleet and large plant including light vehicles, trucks, construction plant, trailers, tractors, generators, and plant attachments.</p> <p>Tools and equipment such as power tools, slashers, mowers, workshop equipment, surveying equipment.</p>
	Office equipment	Telecommunications systems, computer hardware and other electronic devices and specialised equipment including sound systems, lighting systems, stage equipment and survey instruments.
	Furniture and fittings	Internal furniture and fittings that are not integral to the building structure or purpose including office furniture, cabinets and shelving which are not fixed.
Land	Operational land	<p>All Council land is classified as operational or community. All land acquired by Council is classified as community land unless Council resolves that the land be classified as operational (<i>Local Government Act 1993 s31</i>)</p> <p>Operational land includes:</p> <ul style="list-style-type: none"> • Land held as a temporary asset or as an investment; • Land which facilitates the carrying out by a council of its functions • Or land which may not be open to the general public, such as a works depot or a council garage.
	Community land	<p>Community land is held for public access and use, or other restrictions apply to the land to create some obligation to maintain public access (such as a trust deed or planning dedication.) This gives rise to legal restrictions, preserving the qualities of the land. Community land can't be sold, leased or licensed.</p> <p>Examples include parks and sporting grounds.</p>

ASSET ACCOUNTING POLICY: ASSET CLASS DEFINITIONS

Aggregated Asset Class	Asset Class	Description
	Crown land	Crown reserves under Council's care and control are recognised as assets of Council. While ownership remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.
	Land under roads (post 01/07/2008)	Land under roadways, road reserves, footpaths, nature strips and median strips acquired after 1 July 2008. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 <i>Land under roads</i> .
	Land improvements (non-depreciable)	Where the useful life of land improvements is connected to the useful life of the land itself and/or there is no way to estimate the useful life, land improvements are not depreciated. Non-depreciable land improvements include levelling, land forming and earthworks – to prepare the land. For example, earthwork preparations to build the land up ready for a new park or sports field. Park landscaping of a non-depreciable nature is included in the non-depreciable land improvements asset class, including trees, plants and turf.
Buildings and other structures	Buildings	Significant structures with a roof and fixed walls and that include plumbing and electrical services. Includes internal finishes and site surrounds integral to the structure and function of the building. Furniture and equipment that is not built-in and can be removed and used for other purposes is included in the furniture and fittings or office equipment class.
	Other structures	Includes miscellaneous other structures that are not a component of a building. This includes cultural assets (ie. statues, public art, monuments, sculptures and mosaic), fences, clock towers etc.

ASSET ACCOUNTING POLICY: ASSET CLASS DEFINITIONS

Aggregated Asset Class	Asset Class	Description
Roads, bridges and footpaths	Roads	<p>Road assets are recognised at the level of road surface and pavement assets. Roads will also include minor culverts that have not been recognised separately as stormwater assets.</p> <p>On-street carparks are included with sealed and unsealed road categories.</p> <p>Assets ancillary to the use of the road network are also included in this asset class and include noise barriers, retaining walls relating to road infrastructure, road signs, traffic islands, roundabouts, and raised crossings.</p>
	Bulk earthworks (non-depreciable)	<p>Major earthworks undertaken at the initial construction of road and drainage assets, for example cut and fill for a road or drainage segment.</p> <p>Improvements and site preparations that add functionality and make the land ready to use for infrastructure purposes. For example, road / bridge formation and earthworks. These are inexhaustible assets that have an unlimited life and therefore are not depreciated.</p>
	Bridges	<p>All bridges regardless of their location and use, including road bridges, foot bridges and suspension bridges. Includes guardrails and crash barriers as part of the bridge.</p> <p>Where the width of a culvert is 6m or more along the centreline of the road it shall be deemed to be a bridge.</p>
	Footpaths	<p>All public footpaths regardless of their location and use. Pathways / footpaths in parks and road reserves, off-road cycle ways, pram ramps and shared footpaths.</p>
	Other road assets	<p>Includes paved public parking areas, road edges / kerb and gutter, road islands in car parks and off street public carparks.</p> <p>Also includes town approach flagpole banners and bus shelters.</p>
Stormwater drainage	Stormwater drainage	<p>Drainage systems to collect stormwater runoff and convey to waterways through pipe networks within the urban boundary, and the stormwater quality improvement devices used to remove pollutants.</p>

ASSET ACCOUNTING POLICY: ASSET CLASS DEFINITIONS

Aggregated Asset Class	Asset Class	Description
		Includes culverts, end structures, fittings, stormwater pits, pipes, surface drains, stormwater headwall / end wall, stormwater energy dissipation devices, gross pollution traps, detention and retention basins, rain gardens, constructed wetlands and bio-retention systems.
Water supply network	Water supply network	<p>Water network assets includes all assets used to treat water to a potable standard including buildings, structures, electrical equipment, mechanical equipment, pipework and tanks.</p> <p>Reservoirs are used to store treated water for consumption and include reservoirs (tanks), fencing and gates, valve pits, access stairways, instrumentation, electrical services, access tracks and hardstand areas.</p> <p>Pumping stations are used to transfer water from one area of the overall system to another, often to a reservoir at a higher location and include pumps, mechanical services, electrical services, switchboards. instrumentation, access tracks, hard stand areas, fencing and gates.</p> <p>Dams and bulk water supplies ensure security of supply and include dam walls, spillways, outlet structures, seepage weirs and aeration equipment.</p> <p>Water mains are used to distribute water to the required location, they can also be referred to as reticulation or trunk mains. Assets associated with water mains include valves, fittings, pits, and hydrants.</p> <p>Customer service assets are the interface between Council's water assets and the property boundary including water services, connections and meters.</p>

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Sewerage network	Sewerage network	<p>Sewerage network assets include all assets used for the collection, transfer and treatment of sewage including buildings, structures, pipes, manholes and equipment.</p> <p>Sewerage pumping station assets include wet wells, emergency storage, pumps, switchboards and electrical systems, odour control systems, fences, access roads and other structures required to deliver the service.</p> <p>Sewerage treatment plants are used to treat water to a standard suitable for discharge to the environment for re-use as non-potable water. Assets include structures, electrical equipment, mechanical equipment, pipework and tanks.</p> <p>Customer service assets are the interface between Council's sewer network and the property boundary and include customer connections, inspection openings and other components.</p> <p>Includes recycled water treatment plant.</p>
Open space / recreational assets	Swimming pools	<p>All pool structural infrastructure including the pool structures, pumps, pipework, chemical control systems, tiles, wet play areas, waterslides and starting blocks.</p> <p>Other assets within the swimming pool complex are recognised in the appropriate asset classes for land, buildings, open space / recreational assets. For example, change rooms, kiosks, and office buildings are recognised within the buildings class.</p>

ASSET ACCOUNTING POLICY: ASSET CLASS DEFINITIONS

Aggregated Asset Class	Asset Class	Description
	Open space and recreational assets	<p>Infrastructure located in parks, reserves, sportsgrounds and sports facilities such as barbecues, barbecue shelters, playground equipment, fitness facilities, lighting, sports tracks and courts.</p> <p>Cultural assets such as sculpture, public art and mosaics are included in this asset class.</p> <p>Pathways, footpaths and cycle ways are excluded, even when associated with parks and sports grounds, as these are included in the footpaths class.</p> <p>Internal roads within parks, reserves and sportsgrounds are included in the roads class.</p> <p>Buildings are excluded, even when associated with parks and sportsgrounds, as these are included in the buildings asset class.</p> <p>Miscellaneous other structures that are not a component of a building are included in other structures. This includes statues, fences and monuments.</p>
Other assets	Library books	Library books, including e-books, audio books and other library lending resources.
Tip assets	Tip assets	Estimated site restoration costs for landfill sites.