



Policy Owner: Director Corporate Services

Direction: 5. Our Civic Leadership

1. STATEMENT OF INTENT

- 1.1 To set the Policy for accounting and capitalisation (recognition) of assets for North Sydney Council.

2. ELIGIBILITY

- 2.1 This Policy applies to all physical assets of Council. This Policy does not apply to cash, inventory or land.

3. DEFINITIONS

- 3.1 Asset - is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. Assets include physical assets which provide future economic benefits for more than 12 months. Any item which has a life of less than 12 months is expensed under a maintenance or operational budget and cannot be classed as an Asset.

Property, Plant and Equipment Assets are tangible items that are held for the production of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

- 3.2 Operating Expenditure - is expenditure, which is continuously required such as power, fuel, staff, plant equipment, on-costs and overheads, excluding maintenance and depreciation.
- 3.3 Maintenance Expenditure - is expenditure on the asset, which is periodically or regularly required as part of the anticipated schedule of works, required to ensure that the asset achieves its useful life. It is expenditure, which was anticipated in determining the asset's useful life. Maintenance expenditure includes reactive maintenance and repair (pothole patching, painting etc.), planned maintenance (maintenance and repair to predetermined schedules)

and replacement of parts of assets. It is generally recurrent expenditure but may also be non recurrent.

- 3.4 Capital Expenditure - is relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal/replacement, upgrade and expansion.
- 3.5 Capital Renewal/Replacement - is expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally or replaces the asset with a modern equivalent asset. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time e.g. resurfacing or re-sheeting part of a road network, replacing a section of a drainage network with pipes of the same capacity, resurfacing an oval.
- 3.6 Capital Upgrade - is expenditure, which enhances an existing asset to provide a higher level of service or will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.
- 3.7 Capital Expansion - is expenditure that extends an existing asset, to the same standard to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group e.g. the provision of a new swimming pool complex.

4. PROVISIONS

- 4.1 Asset Revaluation - at the end of each annual reporting period Council assesses whether the current carrying value of assets is materially different from their fair value. When this is the case then the asset class will be revalued for that reporting period. It is anticipated that for most assets classes a revaluation will be required every three to five years.
- 4.2 Useful Lives - asset useful lives are reviewed annually. Useful lives are determined based on the policy of recognising all renewal expenditure at the whole of an asset level.

4.3 Minor Assets (excluding infrastructure) - are those items acquired for a cost less than \$5,000. The materiality of a minor asset can be examined against capitalisation thresholds in isolation or the asset can be treated as being part of a homogenous group. The manner in which the materiality of minor assets of a particular kind is assessed is dependent on:

- a) if a significant proportion of these assets are replaced each year;
- b) if these assets become obsolete or are superseded in a relatively short space of time; and
- c) if the aggregate value of these minor assets is insignificant when compared to the total value of the category to which they belong.

The presence of one or more of these conditions would usually indicate that the cost of minor assets of a particular kind should be fully expensed in the year in which they are incurred. In this case minor assets will be examined against capitalisation thresholds individually.

Minor assets that are not capitalised will generally be recorded in an attractive items register maintained by the asset controller for that class of asset.

4.4 Capital Expenditure Thresholds - Council's capital expenditure thresholds for assets are shown in Tables 1 - 18 in Appendix A.

4.5 Recognition of Capital Costs - Activities associated with the renewal of existing assets and the acquisition/creation of new assets are detailed in the following table:

Operating Expenditure	Capital Expenditure
<p>All activities prior to decision made to proceed with investment including:</p> <ul style="list-style-type: none"> • Strategic planning reports • Project scoping and investigation, valuation reports, planning approvals 	<p>All activities following decision made to proceed with investment until the resulting asset is in place and ready for use including:</p> <ul style="list-style-type: none"> • Borrowing costs • Survey and design • Professional fees • Site preparation • Construction • Contract payments • Council direct costs, wages, salaries, plant hire, materials, on-costs • Overheads • Transport, installation, assembly and testing • Project Management • Future dismantling and removing item and site restoration (where applicable)

5. RESPONSIBILITY/ACCOUNTABILITY

- 5.1 Council's Finance Services Manager has the responsibility for ensuring that acquisition and capitalisation of all assets is in accordance with legislation, accounting standards and Council Policies.
- 5.2 All Directors and Managers are responsible for implementing this Policy.
- 5.3 Council Officers with financial delegation and delegation to authorise work activity are responsible for ensuring that purchase, acquisition, creation, renewal of non-current assets complies with this Policy.
- 5.4 Council's Asset and Taxation Accountant is responsible for maintaining the fixed asset register, including uploading of capitalisation information supplied from capital works programs.

6. RELATED POLICIES/DOCUMENTS/LEGISLATION

The Policy should be read in conjunction with the following Council policies and documents:

- Asset Management Plan
- Asset Management Policy
- Asset Management Strategy
- Financial Management Policy
- Long Term Financial Plan

The Policy should be read in conjunction with the following documents/legislation:

- Australian Infrastructure Financial Management Guidelines, IPWEA 2009
- AASB 116 Property, Plant and Equipment
- NSW OLG Local Government Code of Accounting Practice and Financial Reporting

Version	Date Approved	Approved by	Resolution No.	Review Date
1	30 May 2011	Council	326	2012/13
2	18 February 2013	Council	61	2016/17
3	25 June 2018	Council	214	2020/21

APPENDIX A: CAPITAL EXPENDITURE THRESHOLDS
Table 1: Buildings

Asset Capitalisation Threshold - Buildings			
Buildings assets are recognised at the following component level:			
<ul style="list-style-type: none"> • Whole building • Major system/component 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> • Service delivery and property management including condition assessment, defect inspection and facility management systems operations • Utility service costs • Cleaning 	<ul style="list-style-type: none"> • Reactive maintenance and repair • Programmed maintenance (painting, fencing, guttering, drains etc.) • System/component replacement (floor coverings, air/conditioning plant, etc.) < \$20,000. 	<ul style="list-style-type: none"> • Replacement of building asset with same standard • System/component replacement > \$20,000. 	<ul style="list-style-type: none"> • New asset • Upgrade asset
<ul style="list-style-type: none"> • Building reconstruction (demolition and replacement of entire building) is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Building system/component renewal (of whole system/component) is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Partial building and system/component renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 2: Roads

Asset Capitalisation Threshold - Roads			
Road assets are recognised at the following component level (Pavement Management System segment):			
<ul style="list-style-type: none"> • Wearing course • Pavement structure • Earthworks and formation 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> • Service delivery management including condition assessment, defect inspection and PMS operations • Pavement markings and signs • Landscaping 	<ul style="list-style-type: none"> • Reactive maintenance and repair to road assets, pothole repair, signs repair and replacement, (heavy patching one area < 25m²) 	<ul style="list-style-type: none"> • Pavement replacement/renewal of asset with same standard • Resurfacing • Sealed pavement partial renewal/rehabilitation (heavy patching one area > 	<ul style="list-style-type: none"> • New assets • Pavement upgrade - renewal with higher standard (> same standard) • Resurfacing upgrade with higher standard (> same standard) • Land acquired for

Asset Capitalisation Threshold - Roads			
maintenance (including mowing, slashing, shrub clearing, etc.) • Culvert and table drain clearing		25m2)	road works
<ul style="list-style-type: none"> Resurfacings of whole segment is recognised as a new asset and the carrying value of the old asset is written off/disposed. Pavement/reconstruction of whole segment is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial resurfacing and partial pavement reconstruction is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. The value of road signs and line marking have been assessed as not material in comparison with the total value of road assets. From 01 July 2008 land acquired for roadworks is recognised as a new asset. 			

Table 3: Road and Reserve Furniture

Asset Capitalisation Threshold - Road and Reserve Furniture			
Road and reserve assets are recognised at the following asset level (each item):			
<ul style="list-style-type: none"> Furniture item 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management system Cleaning Utility costs 	<ul style="list-style-type: none"> Reactive maintenance Programmed maintenance (painting, etc.) Replacement of furniture items < \$2,000 	Replacement of furniture items > \$2,000	New asset > \$2,000
<ul style="list-style-type: none"> Replacement of road and reserve furniture items is recognised as a new asset and the carrying value of the old asset is written off/disposed. 			

Table 4: Bridges

Asset Capitalisation Threshold - Bridges			
Bridge assets are recognised at the following asset level:			
<ul style="list-style-type: none"> Bridge 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect 	<ul style="list-style-type: none"> Reactive maintenance to bridges Programmed 	<ul style="list-style-type: none"> Replacement of bridge with same standard Replacement of 	<ul style="list-style-type: none"> New assets Upgrade asset (strengthening, widening, etc.)

Asset Capitalisation Threshold - Bridges			
inspection and management system • Cleaning and bridge related vegetation control • Utility costs	maintenance of bridges (repainting, etc.) • Replacement of components (deck, beams, guard rails, with same standard, etc.) < \$10,000	components (deck, beams, guard rails, with same standard, etc.) > \$10,000	
<ul style="list-style-type: none"> Bridge renewal (complete bridge) is recognised as a new asset and the carrying value of the old asset is written off/disposed. Bridge component renewal is recognised by adding the component replacement cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. North Sydney Council does not currently own or control any road bridges. 			

Table 5: Footpaths

Asset Capitalisation Threshold - Footpaths			
Footpath assets are recognised at the following asset level: • Paved surfaces			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management system Footpath markings Landscaping maintenance (including mowing, slashing, shrub clearing, etc.) Footpath cleaning, sweeping 	<ul style="list-style-type: none"> Reactive maintenance and repair to footpath assets (joint grinding, segmental paving resetting, footpath structure repair) Programmed maintenance (paved footpath repair, footpath resurfacing preparation/patching) Paved footpath partial renewal/replacement one area < 15m2 Temporary repairs to street trip hazards 	<ul style="list-style-type: none"> Resurfacing of whole segment with same standard Replacement of paved footpath at same standard one area > 15m2 	<ul style="list-style-type: none"> New asset one area > 15m2 Footpath upgrade - renewal with higher standard (> same standard) Resurfacing upgrade with higher standard (> same standard)
<ul style="list-style-type: none"> Renewal of whole footpath segment is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 6: Kerb and Gutter

Asset Capitalisation Threshold - Kerb and Gutter
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Asset Capitalisation Threshold - Kerb and Gutter			
Kerb and gutter assets are recognised at the following asset level (segment length, each side of street):			
<ul style="list-style-type: none"> Kerb and gutter 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management system 	<ul style="list-style-type: none"> Reactive maintenance to kerb and gutter assets (repair, replacement of small lengths) Programmed maintenance Kerb and gutter partial renewal/replacement one length < 15m 	<ul style="list-style-type: none"> Replacement of kerb and gutter at same standard one length > 15m 	<ul style="list-style-type: none"> New asset one length >15m Upgrade asset
<ul style="list-style-type: none"> Renewal of whole kerb and gutter segment is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 7: Carparks

Asset Capitalisation Threshold - Carparks			
Carpark assets are recognised at the following component level (for each carpark):			
<ul style="list-style-type: none"> Wearing course Pavement structure Earthworks and formation Furniture items Road, footpath, kerb and gutter, and drainage assets are recognised under their respective asset class 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including revenue collection, condition assessment, defect inspections and management systems Pavement markings Landscaping maintenance (including mowing, slashing, shrub clearing, etc.) Utility costs 	<ul style="list-style-type: none"> Reactive maintenance to carpark assets (pothole repair, signs repair and replacement, carpark structure and facility repair) Programmed maintenance (pavement resurfacing preparation/patching) Sealed pavement renewal/rehabilitation (heavy 	<ul style="list-style-type: none"> Pavement replacement/renewal with same standard one area > 25m² Resurfacing with same standard one area > 25m² Replacement of furniture items 	<ul style="list-style-type: none"> New assets one area > 25m² Upgrade asset one area > 25m² Resurfacing upgrade with higher standard (> same standard) New furniture item > \$2,000

	<p>patching one area < 25m2)</p>		
<ul style="list-style-type: none"> • Resurfacings of whole carpark is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Pavement /reconstruction of whole carpark is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Partial resurfacing and partial pavement reconstruction is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognised the restored economic benefits to the entity. • Replacement of furniture items > \$2,000 is recognised as a new asset and the carrying value of the old asset is written off/disposed. 			

Table 8: Stormwater Drainage and Open Drains

Asset Capitalisation Threshold - Stormwater Drainage and Open Drain			
Stormwater drainage assets are recognised at the following asset level:			
<ul style="list-style-type: none"> • Pipe length (pipe reach between pits/access points) • Pit • Lined and unlined open drains • Dams/retention basins • Pumps/bores • Facilities and other structures 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> • Service delivery management (including condition assessment, defect inspection and drainage management system) • Cleaning drains and pits • Street (kerb and gutter) sweeping • Utility costs 	<ul style="list-style-type: none"> • Reactive maintenance to drainage assets (pipe repair, pit repair and pit component replacement, drainage structure repair) • Replacement of partial pipe length < \$10,000 • Partial renewal/replacement of lined and open drains < \$10,000 • Partial renewal of other drainage asset < \$10,000 • Desilting dams 	<ul style="list-style-type: none"> • Replacement of asset length of drainage pipeline at same standard • Renewal/relining of asset length of drainage pipeline at same standard • Replacement of complete pit/structure/ pump • Replacement of partial pipe length > \$10,000 • Partial renewal/ replacement of lined and open drain > \$10,000 	<ul style="list-style-type: none"> • New asset > \$10,000 • Upgrade asset
<ul style="list-style-type: none"> • Renewal of complete drainage pipeline is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Renewal of complete drainage pit/access point/structure is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Partial renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 9: Retaining Walls

Asset Capitalisation Threshold - Retaining Walls			
Retaining wall assets are recognised at the following asset level (each item):			
<ul style="list-style-type: none"> • Retaining wall 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> • Service delivery management including condition assessment, defect inspection and 	<ul style="list-style-type: none"> • Reactive maintenance to retaining wall assets • Partial replacement < \$10,000 	<ul style="list-style-type: none"> • Replacement or partial replacement of retaining wall asset with same standard > \$10,000 	<ul style="list-style-type: none"> • New asset > \$10,000 • Upgrade asset

Asset Capitalisation Threshold - Retaining Walls			
management systems	<ul style="list-style-type: none"> Rockface stabilisation and rock bolting 		
<ul style="list-style-type: none"> Retaining wall renewal (complete wall) is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial renewal is recognised by adding the renewal cost to the existing asset value carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 10: Seawalls and Marine Structures

Asset Capitalisation Threshold - Seawalls and Marine Structures			
Seawall and marine structure assets are recognised at the following asset level (each item):			
<ul style="list-style-type: none"> Seawall Marine structure 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems 	<ul style="list-style-type: none"> Reactive maintenance to seawalls and marine structures Programmed maintenance (painting, etc.) Partial replacement < \$10,000 	<ul style="list-style-type: none"> Replacement or partial replacement of seawall asset length with same standard > \$10,000 Replacement or partial replacement of marine structure asset with same standard > \$10,000 	<ul style="list-style-type: none"> New asset > \$10,000 Upgrade asset
<ul style="list-style-type: none"> Seawall and marine structure renewal (complete structure) is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial renewal is recognised by adding the renewal cost to the existing asset value carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 11: Fences

Asset Capitalisation Threshold - Fences			
Fencing assets are recognised at the following asset level (each item):			
<ul style="list-style-type: none"> Fence 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems 	<ul style="list-style-type: none"> Reactive maintenance to fencing assets (fence repair, gate repair) Programmed maintenance (painting, etc.) Partial replacement < \$5,000 	<ul style="list-style-type: none"> Replacement or partial replacement of fence asset length with same standard > \$5,000 	<ul style="list-style-type: none"> New asset > \$5,000 Upgrade asset
<ul style="list-style-type: none"> Fencing renewal (complete fence) is recognised as a new asset and the carrying value of the old asset is written 			

<p>off/disposed.</p> <ul style="list-style-type: none"> Partial renewal is recognised by adding the renewal cost to the existing asset value carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity.
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Table 12: Lighting and Other Infrastructure not included elsewhere

Asset Capitalisation Threshold - Lighting and Other Infrastructure not included elsewhere			
Lighting and other infrastructure assets not included elsewhere are recognised at the following asset level (area or item): <ul style="list-style-type: none"> Lighting Other 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems Lighting utility costs 	<ul style="list-style-type: none"> Reactive maintenance to lighting and other infrastructure Programmed maintenance (painting, etc.) Partial replacement < \$10,000 	<ul style="list-style-type: none"> Replacement or partial replacement of lighting or other infrastructure asset with same standard > \$20,000 Replacement or partial replacement of lighting or other infrastructure asset with same standard > \$10,000 	<ul style="list-style-type: none"> New asset > \$10,000 Upgrade asset
<ul style="list-style-type: none"> Lighting and other infrastructure renewal (complete item) is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial renewal is recognised by adding the renewal cost to the existing asset value carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 13: Parks and Recreation Assets, Playgrounds and Sports Facilities not included elsewhere

Asset Capitalisation Threshold - Parks and Recreation Assets, Playgrounds and Sports Facilities not included elsewhere			
Parks and recreation assets are recognised at the following asset level: <ul style="list-style-type: none"> Sports facility item Park furniture item Road, footpath, kerb and gutter and drainage assets are recognised under their respective asset class. 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems Park mowing, cleaning, tree/shrub trimming, gardening, 	<ul style="list-style-type: none"> Reactive maintenance to parks and recreation assets (repairs to facilities and structures) Programmed maintenance (replanting garden beds, painting) 	<ul style="list-style-type: none"> Replacement of existing playground with modern equivalent Partial replacement of playground > \$10,000 Replacement of sports facility item > 	<ul style="list-style-type: none"> New playground > \$10,000 New sports facility item > \$5,000 New park furniture item > \$2,000 Upgrade asset

Asset Capitalisation Threshold - Parks and Recreation Assets, Playgrounds and Sports Facilities not included elsewhere			
<ul style="list-style-type: none"> weed control, litter control, leaf control, etc. Utility costs 	facilities and structures) <ul style="list-style-type: none"> Partial replacement playgrounds < \$10,000 Replacement of sports facility item < \$5,000 Replacement of park furniture item < \$2,000 	\$5,000 <ul style="list-style-type: none"> Replacement of park furniture item > \$2,000 	
<ul style="list-style-type: none"> Playground renewal (whole playground) is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial playground renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. All new park furniture assets are recognised as new assets. Replacement of park furniture assets is recognised as a new asset and the carrying value of the old asset is written off/disposed. All new sports facility assets are recognised as new assets. Replacement of sports facility assets is recognised as a new asset and the carrying value of the old asset is written off/disposed. 			

Table 14: Landscaping

Asset Capitalisation Threshold - Landscaping			
Landscaping assets are recognised at the following asset level (for each area): <ul style="list-style-type: none"> Landscaped area/garden 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems Park mowing, cleaning, tree/shrub trimming, gardening, weed control, litter control, leaf control, etc. Utility costs 	<ul style="list-style-type: none"> Programmed maintenance (replanting garden beds) 	<ul style="list-style-type: none"> Sports field levelling 	<ul style="list-style-type: none"> New assets Upgrade asset

Table 15: Irrigation

Asset Capitalisation Threshold - Irrigation
Irrigation assets are recognised at the following asset level (for each park/irrigated area):

Asset Capitalisation Threshold - Irrigation			
<ul style="list-style-type: none"> Irrigation system 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment, defect inspection and management systems Utility costs 	<ul style="list-style-type: none"> Reactive maintenance to irrigation systems Programmed servicing of irrigation systems Replacement of components (sprinklers, controllers, power supply, pumps, electrical equipment, etc.) Partial replacement of irrigation systems < \$10,000 	<ul style="list-style-type: none"> Replacement or partial replacement of irrigation system asset with same standard > \$10,000 	<ul style="list-style-type: none"> New asset > \$10,000 Upgrade asset
<ul style="list-style-type: none"> Replacement of complete irrigation system is recognised as a new asset and the carrying value of the old asset is written off/disposed. Partial irrigation system renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			

Table 16: Plant and Equipment, Office Equipment and Furniture and Fittings

Asset Capitalisation Threshold - Plant and equipment, office equipment and furniture and fittings assets			
Plant and equipment, office equipment and furniture and fittings assets are recognised at the following asset levels (individually or as part of a homogenous group):			
<ul style="list-style-type: none"> Earthmoving plant item Motor vehicles Minor plant Office equipment Furniture and fittings 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> Service delivery management including condition assessment and management systems Fuel and operator costs 	<ul style="list-style-type: none"> Reactive maintenance to plant and equipment assets Programmed servicing of plant and equipment Replacement of major components (engine, transmission, etc.) Upgrade asset (adding air 	<ul style="list-style-type: none"> Replacement of plant and equipment item with same standard > \$5,000 Replacement of office equipment items with same standard > \$5,000 Replacement of furniture and fittings items with same standard > \$5,000 	<ul style="list-style-type: none"> New asset > \$5,000 Upgrade asset

	conditioning, etc.) < \$5,000		
<ul style="list-style-type: none"> • Replacement of plant and equipment is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Partial plant and equipment renewal is recognised by adding the renewal cost to the existing asset carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. • Replacement of office equipment is recognised as a new asset and the carrying value of the old asset is written off/disposed. • Replacement of furniture and fittings is recognised as a new asset and the carrying value of the old asset is written off/disposed. 			

Table 17: Other Structures and Works of Art

Other Structures and Works of Art			
Other assets are recognised at the following asset level (individually or as part of a homogenous group):			
<ul style="list-style-type: none"> • Works of Art item • Other Structures 			
Work Activity			
Operations	Maintenance and Repair	Capital Renewal	Capital New
<ul style="list-style-type: none"> • Service delivery management including condition assessment and management systems • Operating costs 	<ul style="list-style-type: none"> • Reactive maintenance • Replacement of major components • Purchase and replacement of items < \$10,000 	<ul style="list-style-type: none"> • Replacement with same standard > \$10,000 	<ul style="list-style-type: none"> • New asset > \$10,000 • Upgrade asset
<ul style="list-style-type: none"> • Renewal is recognised by adding the renewal cost to the existing asset value carrying value and reviewing the remaining/useful life of the renewed asset to recognise the restored economic benefits to the entity. 			