

Asset Capitalisation

Intent To set a threshold for the capitalisation of non-current assets for Cairns Regional Council.

Scope This policy applies to all Cairns Regional Council activities.

PROVISIONS

The following sets out the Asset Capitalisation Threshold for Cairns Regional Council as required by Section 206 of *Local Government Regulation 2012*.

Definition of a Non-Current Asset

AASB 116 *Property Plant and Equipment* defines a non-current asset to be a physical item that provides future benefits for more than 12 months. In simpler terms a non-current asset may generally be any item with a life of more than 12 months. Any expenditure on an item which meets this criterion may be eligible for capitalisation.

Threshold

The capitalisation threshold is set at \$5,000 for plant and equipment and \$10,000 for all other assets, with the exception of land, network assets and complex assets which has a capitalisation threshold of \$1. Any expenditure below this threshold is expensed in the period in which it is incurred.

Related Documents

The Asset Capitalisation Policy is to be used in conjunction with Council's:

- Procurement General Policy #927360
- Revaluation of Non-Current Assets General Policy #3298740

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review:

Chief Financial Officer

ORIGINALLY ADOPTED: 15/09/2003

CURRENT ADOPTION: 22/09/2021

DUE FOR REVISION: 22/09/2025

REVOKED/SUPERSEDED:



**Mica Martin
CHIEF EXECUTIVE OFFICER**