

Property, Plant and Equipment (PPE) Assets Policy

Section 1 - Purpose

(1) The purpose of this Policy is to provide a framework for the management of Property, Plant and Equipment (PPE) assets for the University Group.

Section 2 - Scope

(2) By virtue of section 10 of the [University of Canberra Act 1989](#), Council has responsibility for the 'entire management of the University' and therefore this Policy applies to:

- a. the University of Canberra (University) and any Controlled Entity of the University; and
- b. employees of the University and any Controlled Entity.

Section 3 - Principles

(3) This Policy covers PPE assets which includes:

- a. PPE assets as defined in and covered by [Australian Accounting Standard 116 - Property, Plant and Equipment](#); and
- b. intangible assets as defined in and covered by [Australian Accounting Standard 138 - Intangible Assets](#).

(4) There are three types of PPE assets:

- a. Physical or tangible - physical or tangible asset with physical presence such as land, buildings, infrastructure, plant, equipment, fixtures and fittings, motor vehicles and works of art.
- b. Intangible - an asset without a physical presence such as goodwill, trademarks, patents and computer software.
- c. Work in Progress - comprising tangible and intangible PPE assets under 'construction'.

(5) PPE assets covered by this Policy are assets that are:

- a. acquired and held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- b. expected to be used during more than one period.

(6) PPE assets should be recognised in the Statement of Financial Position when, and only when:

- a. it is probable that the future economic benefits associated with the item will flow to the entity; and
- b. the cost of the item can be measured reliably.

(7) The University will only capitalise a PPE asset in accordance with [Australian Accounting Standards](#).

(8) PPE assets shall be acquired, managed, valued and disposed of in accordance with legislative requirements and standards, irrespective of the source of funding for the asset. Therefore this Policy also covers PPE assets which are leased or acquired through external grant funding.

(9) This Policy does not cover the policies or procedures for decisions on whether or not an asset should be acquired. The University Capital Planning and Expenditure Framework will govern this decision making process.

(10) Only a person with financial delegation can approve the acquisition, write off or disposal of a PPE asset (refer to the [Delegations of Authority Policy](#)).

(11) For a detailed summary of the University's PPE assets refer to the [Summary of the University of Canberra's PPE Assets](#):

- a. Classes;
- b. Capitalisation thresholds;
- c. Useful life;
- d. Revaluation cycle;
- e. Stocktake requirements; and
- f. Impairment testing.

(12) Portable and Attractive PPE assets are those PPE assets which do not meet the University's capitalisation threshold. Due to their nature, additional procedures are required for the management of these PPE assets. The additional procedures are outlined in the Portable and Attractive Procedures Manual.

(13) The Chief Financial Officer will issue PPE asset procedures which:

- a. identify the key elements associated with asset management, namely acquisition, accounting treatment, use and disposal;
- b. use a 'whole of life' approach including operational requirements; acquisition; enhancements; and disposal of assets, all of which have an impact on the accounting treatment, including asset thresholds, depreciation rates etc;
- c. identify and provide a management framework for Work In Progress;
- d. provides details on the capitalisation of PPE assets which detail:
 - i. what is the PPE asset;
 - ii. what costs are included for capitalisation purposes; and
 - iii. when the asset threshold has been met; and
- e. which categories of PPE assets are to be acquired under the University's leasing facility.

Section 4 - Responsibilities

(14) Responsibility for the use, maintenance and custody of University PPE assets resides with the relevant Responsible Officer, being the:

- a. Vice-Chancellor;
- b. Deputy Vice-Chancellor;
- c. Vice-President;
- d. Faculty Dean;
- e. Director of a University Research Centre;

- f. Director of a Service or Administrative Unit; or
- g. CEO of a Controlled Entity.

(15) Chief Financial Officer is responsible for:

- a. providing advice to the Responsible Officer on the University [Property, Plant and Equipment \(PPE\) Assets Policy](#) and Procedures;
- b. recommending to the Vice-Chancellor any amendments to this Policy;
- c. maintaining/updating the University PPE Asset Procedures;
- d. maintaining the University's PPE asset register within the University's financial management information system; and
- e. reviewing compliance with the University's [Property, Plant and Equipment \(PPE\) Assets Policy](#) and Procedures.

(16) By virtue of Schedule 1 of the [University of Canberra Act 1989](#), which modifies Part 8 of the [Financial Management Act 1996](#), Council is responsible for ensuring adequate control is maintained over the assets of the University and assets under the University's control (modified section 56(3)(e) of the [Financial Management Act 1996](#)).

Section 5 - Procedures

(17) Nil.

Section 6 - Definitions

Term	Definition
Assets	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.
Controlled Entity	An entity in which the University of Canberra holds 50% or more of the shares or membership interest.
Dean	Head of one of the Faculties of the University.
Director	Director of a service or an administrative unit of the University or a University Research Centre.
Portable and Attractive PPE Assets	A Portable and Attractive Item is a non-consumable item of a portable and desirable nature. Examples include but are not limited to laptop computers, tablets, mobile phones and cameras.
University Group	The University of Canberra and any Controlled Entity.

(18) Notes: This Policy is to be reviewed at least every three years.

Status and Details

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Effective Date	17th April 2023
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