UNIVERSITY OF CANBERRA

Property, Plant and Equipment Assets Procedure

Section 1 – Purpose

(1) This procedure outlines the management of Property, Plant and Equipment (PPE) assets for the University Group and addresses the issue of identification, recognition and measurement of assets for accounting purposes.

Section 2 – Scope

(2) This procedure has the same scope as the *Finance Governance Policy* and should be consistently applied by the University, as well as controlled entities, for both their financial reporting responsibilities and group consolidation purposes.

(3) The University's *Delegations of Authority Policy* outlines the financial delegations for acquisition, disposal and write-off of University assets.

Section 3 – Policy

(4) This Procedure supports the *Finance Governance Policy*.

Section 4 – Procedure

Part A – General

(5) PPE assets are defined as:

a. PPE assets as defined in and covered by Australian Accounting Standard AASB 116 Property, Plant and Equipment; and

b. Intangible assets as defined in and covered by Australian Accounting Standard *AASB 138 Intangible Assets*.

(6) There are 3 types of PPE:

a. **Physical or Tangible:** an 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; and

c. **Work in Progress:** comprising tangible and intangible PPE assets under 'construction'.

(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 procedure also covers PPE assets which are leased or acquired through external grant funding.

(9) This procedure does not cover the policies or procedures for deciding whether an asset should be acquired. Generally, the University will establish a committee to determine capital expenditure, and the terms of reference will govern this decision-making process.

(10) To manage assets effectively, the University plans, acquires, operates and disposes of appropriate assets to meet current and future objectives. To accomplish this, capital project managers must work collaboratively with Finance to incorporate asset management into their overall corporate planning frameworks.

(11) The financial management information system UC uses to manage assets is FinanceOne. This system meets internal reporting requirements, captures all details of capitalised assets and helps to monitor capital expenditure through the Capital Budget process.

(12) For a detailed summary of the University’s PPE assets, refer to Appendix A.

(13) Asset definition:

Under the Australian Accounting Standards Board (AASB) *Framework for the Preparation and Presentation of Financial Statements* (AASB Framework), an *asset* is a resource…	
… *controlled* by the University …	**Indicators of *control*:** • The ability of the University to benefit from the asset and to deny or regulate the access of others to that benefit. • The University can, depending on the nature of the asset, exchange it, use it to provide goods or services, exact a price for others to use it, use it to settle liabilities, hold it, or perhaps even distribute it to owners.
… as a result of a *past event* …	**Indicators of a *past event*:** • The specification of a past event differentiates assets from intentions to acquire assets, which are not to be recognised. • A transaction or event giving rise to control of the future economic benefits must have occurred.
… from which *future economic benefits* are expected to flow to the University.	**Indicators of *future economic benefits*:** • Does not imply that assets necessarily generate cash flows, the benefits can also be in the form of ‘service potential’. • In determining whether a resource or right needs to be accounted for as an asset, the potential to contribute to the objectives of the entity should be the prime consideration. • Capacity to contribute to activities/objectives/programs. • The fact that an asset cannot be sold does not preclude it from providing future economic benefits. • The benefits will continue for a period greater than 12 months.

Asset recognition criteria

(14) In accordance with the *AASB Framework*, assets are only recognised by the University if:

a. it is probable that future economic benefits associated with the item will flow to the University;

b. it has an expected useful life greater than 12 months;

c. the cost of the item can be reliably measured; and

d. the cost base, excluding GST (including delivery, installation and other directly attributable costs) of the asset is valued over the threshold in Appendix A (for most assets this will be $5,000).

(15) Sufficient certainty that future economic benefits will flow to the University is normally achieved only when the risks and rewards of the asset have passed on to the University. In practice, this often occurs when the asset is delivered.

Classification of assets

CLASSIFICATION	DESCRIPTION
Buildings	Structures with a roof and walls to accommodate the users safely and securely. Building assets also includes basic infrastructures such as water, electricity, gas, security, communication, fire safety and environmental protection facilities attached to and servicing the particular building, normally within building footprint. Items external to buildings are normally recognised as infrastructure (see 'Infrastructure' below).
Computer equipment	Monitors, printers, scanners, servers, etc. The capitalisation threshold for each item is for a cost greater than $1500.
Computers	Desktop computers and laptops connected to the university network. All computer assets are capitalised. There is no threshold for this asset class.
Fixture & Fittings	Assets attached to or form part of a building or structure, either permanently or semi-permanently, and cannot be easily removed without damaging the asset or the building. For example, lighting, built-in shelving, and elevators.
Infrastructure	Assets that are primarily stationary in nature, associated with a network or a system, and cost more than $50,000 individually. Infrastructure assets include building systems and external works on roads, supply of services to site, public transport infrastructure, water supply/services, drainage, sewerage, bridges etc. normally external to building footprint.
Intangible Assets – Software	Any program or system used to enhance business processes that is greater than $50,000 individually or as a total unit or network. Software assets can either be internally generated or purchased from an external source. Software as a service (SaaS environment) are in general expensed. Please discuss with Finance. All SaaS components must be approved by the Chief Financial Officer (CFO).

CLASSIFICATION	DESCRIPTION
Intangible Assets – Strategic Initiatives	Intangible University and corporate specific strategic plans designed and commissioned to increase the service potential of the University as a whole.
Land and leasehold land	Any freehold land, or any leasehold agreement greater than 21 years.
Leasehold Improvements	Enhancements paid for by a tenant to leased space. The tenant has the right to use these leasehold improvements over the term of the lease. This improvement will revert to the lessor at the expiration of the lease.
Library Collection	There are three types of library collection assets: • ***Closed Collection:*** Not for loan. • ***General Collection:*** As the expected useful life is less than one year, they are expensed at acquisition. • ***Reference Collection:*** Not for loan.
Motor Vehicles	Automobiles, trucks, wagons, motorcycles or any other self-propelled vehicles designed for running on land but not on rails or water.
Plant & Equipment	Any item of a mechanical, electrical or technical nature, that has an individual cost greater than $5,000 or a 'total unit' or 'network'; and does not meet the definition of Fittings and Fittings, Infrastructure or Motor Vehicles. For instance, furniture, scientific equipment, and video or projector equipment.
Right-of-use assets	Represents the lessee's right to use a specific asset for a defined period, as outlined in a lease agreement. This accounting concept reflects the value of the asset available for use by the lessee during the lease term. The University recognises right-of-use (ROU) assets when the cost is $10,000 or more and the lease term exceeds 12 months, in accordance with *AASB 16 Leases*. Examples of ROU assets include leased IT equipment and motor vehicles. Costs for short-term and low-value leases are expensed as operating costs over the term of the lease.
Works in Progress	The cost of work performed in the construction or development of a non-current asset. It includes materials, labour and overhead costs that are either directly related or allocated to the construction or development of an asset. Regarding major projects, where the total costs exceed $1 million, the entire amount of the project is capitalised, including property, plant and equipment with a cost of less than $5,000 which is part of the initial fit-out.
Works of Art	Paintings, sculptures, prints, ceramic articles, etchings, wall hangings, and other related assets. All works of art are recorded in the University's Asset Register, irrespective of purchase price.

Part B – Recognition process

Initial recognition

(16) Assets are measured at the cost of acquisition. This cost includes the purchase price and other directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(17) Where the asset is acquired for no cost, or for a nominal cost, the cost recorded reflects the fair value as at the date of recognition.

Buildings

(18) Land and Buildings are accounted for separately, even when they are acquired together.

(19) The cost of Buildings and student accommodation comprises:

a. the purchase price and non-refundable purchase taxes less trade discounts or rebates;

b. plant and equipment purchase price plus preparation of site structure, taxes (including import duties) as required; and

c. discounts or rebates.

Works of Art and Library Collection

(20) Works of Art and the Library Collection are measured at the cost of acquisition. The cost of acquisition includes both the purchase price and other directly attributable costs, such as the framing of art works.

(21) Donations of Works of Art must be assessed for fair value and appropriate accounting treatment apply.

(22) For Works of Art and Library Collection items that are provided to the University for display and where ownership does not pass to University, the item is not recognised in the University Asset Register; however, the University Insurance office must be advised to consider relevant insurance requirements.

(23) See the University's *Art Collection Policy* and *Library Collections and Access Policy* for more information.

Subsequent measurement

(24) After initial recognition, assets are measured at their revalued amounts, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out by independent valuers on a 3-yearly cycle. Each year, the University must complete a review of assets to determine impairment.

(25) Apart from the asset classes mentioned under the following headings, all asset classes are carried at cost less accumulated depreciation and adjustment for impairment where applicable.

Building, student accommodation, or Infrastructure

(26) When an item of Building, student accommodation, or Infrastructure is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Works of Art and Library Collection

(27) Where items of Works of Art and Library Collection are acquired at no cost, for a nominal cost or by donation, the cost recorded reflects the fair value as at the date of acquisition, this value must be determined by an external party (a valuer).

Part C – Capitalisation threshold, useful life, revaluation cycle

(28) A summary of the capitalisation threshold, estimated useful life and revaluation cycle for each asset class can be found at Appendix A.

Capitalisation thresholds

(29) The capitalisation thresholds are set for each asset class and may be reviewed annually by the CFO or their delegate.

Useful life

(30) The useful lives are set for each asset class. For Building refurbishments, Infrastructure, and Plant & Equipment asset classes, a useful life range has been set for each class.

(31) Each acquisition must be reviewed independently, considering useful life estimates used on similar previous projects for consistency purposes. Where required, advice may be sought from the project manager or technical specialist of the area.

Revaluation cycle

(32) All Land and Leasehold Land, Buildings, Infrastructure, Library Collection and Works of Art must be revalued on a rolling cycle in accordance with generally accepted accounting practices, but normally every 3 years.

Part D – Asset movements

Acquisitions

(33) The University's *Procurement Policy* and *Delegation of Authority Policy* need to be read in conjunction with these procedures. The University's preferred position is to lease computers through the preferred leasing company (refer to 'Part I – Right of use assets – leased assets'). For the acquisition of all other assets the following applies:

a. School/Business Units determine the need for an asset as approved in the capital budget for the year, or any subsequent capital expenditure approval process.

b. A purchase order is to be completed for the acquisition of all assets and approved by the relevant authority in line with the *Delegation of Authority Policy*.

c. When an invoice for the goods is received, it must include a reference to the approved purchase order prior to being submitted to Accounts Payable for payment.

d. Where an asset is donated (such as a piece of Artwork) the items received must be valued at fair value as at the date of acquisition. This value must be determined by an external party (a valuer). A schedule of all items received as a donation, gift and bequest is to be provided to Finance & Analytics on a quarterly basis.

(34) Assets purchased from research grants remain the property of the University at all times.

Enhancements

(35) Enhancements of assets will be viewed on a case-by-case basis. If the enhancement increases the future service potential of the asset, it must be capitalised. The capitalisation threshold applies to all enhancements, which varies depending on the asset class.

(36) If the expenditure is bringing the asset back to its normal operating condition, it should be expensed as a repair.

Transfer

(37) Transfers of assets can only be approved by an officer with delegated authority from the area with possession and responsibility for the asset. An *Asset Movement Form* is to be completed by the transferring department. The form is to be signed off by both the transferring and transferee departments and then sent to Finance & Analytics for processing.

(38) The transferee School/Business Unit will organise the physical removal of the item and, where applicable, charge the costs of such removal to their School/Business Unit.

Depreciation and amortisation

(39) Depreciation and amortisation is a systematic charge that recognises the consumption of non-current assets over their useful lives.

(40) The calculation of depreciation and amortisation charge is determined:

a. from the purchase date; or,

b. with respect to the capitalisation of projects, the date the asset is available for use.

(41) Depreciation rates for assets are based on a rate reflecting the estimated economic life of the asset while in the control of the University.

(42) The University uses the straight-line method for calculating the depreciation expense. This method apportions the depreciation expense over equal amounts per year of the useful life of the asset.

(43) Different asset classifications have different rates of depreciation to cater for economic life expectancy. The useful life of each class of asset can be found at Appendix A.

(44) Right-of-use (ROU) assets are amortised over the lease term using the straight-line method. The amortisation expense is recorded at the University level.

(45) Since short-term and low-value leases are expensed (*AASB 16 Leases* does not apply), there is no amortisation cost associated with these.

Disposals

(46) The disposal or write-off of University assets is to be conducted in a responsible manner, through a transparent process. Schools/Business Units responsible for the control of assets will be responsible for the disposal of such assets in line with the *Delegation of Authority Policy*.

(47) Assets may be disposed of if:

a. the asset is redundant and no longer required due to changed procedures, equipment, functions or usage patterns;

b. the asset is damaged beyond economic repair;

c. the asset no longer complies with workplace health and safety standards; or

d. the asset has been lost or stolen.

(48) Refer to the *Art Collection Procedure* for more disposal reasons specific to Work of Art assets.

(49) Where an asset is believed to be lost, the business manager must submit the *Report of Loss of University Equipment Form* with Finance & Analytics (via Asset@canberra.edu.au) who will investigate the matter. Where there is reason to believe that the lost item is stolen, Finance & Analytics will inform the Security team, and if considered appropriate, Security will report the loss to the police. The loss of the asset will be reported to the Insurance advisors to determine whether an insurance claim should be made.

(50) In all cases the approving authority is to complete an *Asset Disposal Form* and send it through to the asset accountant (asset@canberra.edu.au) in Finance.

(51) Right-of-use (ROU) assets should be written off at the end of the lease term when the asset is returned or, in some cases, purchased out.

Acceptable methods of disposal

(52) The acceptable methods of disposal are:

a. **Sale to third party** – Open and transparent process.

b. **Internal transfer** – Where an asset is deemed to be redundant and no longer required by a School/Business Unit, the first disposal option should be via internal transfer. An announcement via email or through the weekly newsletter is to be broadcast University wide, notifying other business units of the assets available for transfer. If after one week there is no interest in the asset, the asset is available for sale or donation.

c. **Trade-in –** Where practical, an asset may be traded in against the purchase of new equipment.

d. **Donation –** Where the University has determined that an asset is redundant and no longer required and has no residual value, the asset can be donated to a not-for-profit organisation.

e. **Scrapped for spare parts –** where an asset is deemed not fit for trade-in, sale or donation it, may be scrapped by the relevant School/Business Unit. The rationale for scrapping or decommissioning the asset must be clearly documented on the *Asset Disposal Form*.

Decommissioning

(53) All assets are to be adequately decommissioned before sale or other disposal. The School/Business Unit holding the asset is responsible for ensuring that the asset is adequately decommissioned. Decommissioning may involve the following:

a. All computers, laptops, tablets and mobile phones must have all University licenced software removed before sale by IT & Cyber Security, with the exception of the operating system that was installed at the time of purchase.

b. Ensuring that the assets are completely safe and uncontaminated before release, with all potentially hazardous materials or substances removed or made safe in accordance with current occupational health and safety guidelines.

c. Right-of-use (ROU) assets should be written off at the end of the lease term when the asset is returned or, in some cases, purchased out.

Sale of assets to staff

(54) Sale of assets to staff is not an acceptable method of disposal. There may be limited access to all staff and there may also be associated Fridge Benefits Tax (FBT) obligations.

Part E – Works in Progress – capitalisation

(55) Before commencing major capital works (such as Building-related or IT projects), determine whether the project is for capital improvement or repairs and maintenance.

(56) Capital improvement involves making significant additions, alterations, renovations or structural changes that extends the useful life or adapts the space for changing needs or standards. It also includes enhancements and improvements to the value and/or performance of the original asset.

(57) Repair and maintenance works involve restoring an item to its normal operating condition or to prevent further deterioration or service interruption. This includes minor improvements that enhance appearance but do not change the functionality of the asset. For example, moving partitions to redesign office spaces and items of this nature should be expensed.

(58) The Work In Progress (WIP) natural account is to be used where the construction of the asset or the capital project is completed over a number of stages, which may cross financial years.

(59) On completion of the project (when the asset is available for use), the project's costs are reviewed and are transferred from the WIP into the relevant asset natural account (for example, Buildings, Infrastructure or Land, natural account 51301 is used; for Equipment, natural account 51305 is used) for creation of individual asset(s). The asset is initially recognised at costs that include all of the directly attributable costs of bringing the asset to the location and condition necessary for it to be operating in the manner intended by management. Subsequently, the asset is carried at a revalued amount based on the asset revaluation process.

(60) Threshold – In regards to major projects, where the total costs exceed $1 million, the entire amount of the project is capitalised, including property, plant and equipment with a cost of less than $5,000, which is part of the initial fitout, that meets the asset recognition criteria.

Construction of New Buildings, Refurbishments and Infrastructure

Buildings/refurbishments

(61) The following table provides an example of costs that may be capitalised or expensed during the building process. Any expenses believed to fall outside of this list should be clarified by the Financial Reporting team in Finance & Analytics via Asset@canberra.edu.au.

CAPITAL EXPENDITURE	OPERATING EXPENDITURE
• Planning and construction costs. • Preliminary costs e.g. feasibility studies. • Consultants and legal fees. • Surveys, design and drawings. • Initial permits and licenses. • Costs of site preparation. • Subcontractor services for construction • Installation cost • Equipment over $5,000	• Non-fitted items of furniture. • Relocation costs – depends • Minor or isolated refurbishments/ additions/improvements (< $50,000). • Aesthetic improvements. • Preventative maintenance, maintenance assessments, repairs and services. • Internal fit-out including finishes and fitments. • Staff/consultant costs incurred assessing the project during the defect period. • Equipment under $5,000 where the whole project is under $1m.

(62) The purchase of equipment as part of a project is separated from the building and accounted as a separate asset.

Asset replacement

(63) When an existing asset is replaced with a new one, the cost related to the asset replacement must be expensed;

a. if the replacement is part of routine maintenance to keep the asset in its current condition, it must be expensed;

b. if the replacement does not significantly enhance the asset's performance, capacity, or extend its useful life.

Backlog maintenance project

(64) Maintenance activities are scheduled annually to maintain the existing asset operating normally, such as updating HVAC systems. These types of projects must be expensed as incurred unless they significantly enhance the asset's performance or extend its useful life, in which case they should be capitalised.

Infrastructure

(65) The University recognises infrastructure assets that are not part of a building, for example, paving, landscaping, roads, car parks, sub-stations, water/sewage system linking buildings. As with building construction, the value of the asset equals its total cost of construction.

Capital projects

(66) IT projects are capitalised when considering the actual costs of consultants, computer software, staff salaries directly related to the construction of the asset and any other directly attributable cost of bringing the asset to use. The relevant asset class capitalisation thresholds apply.

Part F – Stocktake

(67) The University performs a rolling stocktake of the physical assets to help reduce losses and ensure that the location information on the asset register is accurate. All assets will be included in the stocktake process within the 3-year cycle.

(68) The stocktake will be conducted within 2 months of the end of each calendar year, with all resulting adjustments completed prior to year-end. Finance & Analytics will distribute the asset listing electronically to the relevant areas for the rolling stocktake at least 2 months before year-end.

(69) Where an asset cannot be located, the relevant area must write off the asset and incur any loss on disposal of the asset.

(70) The stocktake results will be filed by Finance & Analytics and used as supporting documentation for the Annual Financial Statement process.

Part G – Impairment

(71) At each reporting date, the University assesses whether any assets are impaired. Assets are also reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

(72) An asset is impaired if its carrying amount exceeds its recoverable amount. If the recoverable amount of an asset is less than its carrying amount, the University will reduce the carrying amount to the recoverable amount. The reduction is recognised as an impairment loss.

(73) For assets carried at a depreciated historical cost basis, the impairment loss is recognised in the income statement immediately. For assets that are carried at revalued amounts, an impairment loss is treated as a revaluation decrease. The loss is first set off against any

revaluation surplus relating to the same class of assets in reserves and the balance of the loss (if any) is then treated as an expense in the income statement.

(74) On an annual basis the asset accountant will send out a list of assets to each responsible area to review for impairment purposes. Each School/Business unit will be required to provide a declaration as to the impairment of the list of assets and note any adjustments that are required to the assets carrying value.

Part H – Portable and attractive items

(75) Refer to *Portable and Attractive Items Procedure*.

Part I – Right of use assets – leased assets

(76) The University of Canberra has entered into a Master Rental Agreement with a preferred leasing company for the leasing of Computers, including both laptops and desktops

(77) Additionally, the University has a separate Master Rental Agreement with a preferred leasing company for Motor Vehicles.

(78) A lease is an agreement whereby the lessor (party who owns the asset) conveys to the lessee (party using the asset), in return for a payment or a series of payments, the right to use an asset for an agreed period of time.

Computers

(79) All acquisitions of laptops and desktop computers must be acquired through the leasing process. The exception to this rule is in the event of a specific nomination in an external grant agreement/contract, dictating funds are to be used to purchase a laptop/desktop computer for the associated project. In this instance, the laptop/desktop computer purchased **will remain the property of the University at all times**.

(80) All requests for new computers are to be sent to IT & Cyber Security for action once approved by the relevant authority. On receipt of the appropriate approvals, IT&CS will then order the computer through the current supplier and on receipt of invoices and the goods, send the invoice through to the asset accountant for processing. On a monthly basis the asset accountant will send a list of leased assets to the preferred leasing company, to be added to a rental schedule with the assets to be leased over a period of a maximum of 36 months.

Motor vehicles

(81) When a leased motor vehicle (MV) is required, the Schools/Business Units responsible for the use and control of assets must seek financial approval from the CFO, in accordance with the University's *Delegation of Authority Policy*.

Part J – Records

(82) All recordkeeping must adhere to the University's *Records and Information Management Policy*.

(83) Keeping accurate and comprehensive records of University assets is vital for sound asset management. This information can then be used to:

a. assess whether assets are being utilised effectively to meet the goals and objectives of the University;

b. assess whether assets are being properly maintained and will be able to meet the University's current and future requirements;

c. plan for the future replacement of assets;

d. effectively manage the risks associated with asset control; and

e. determine the costs of outputs, products and services provided by the University.

Section 5 – Responsibilities

WHO	RESPONSIBILITIES
Faculty/Business Unit Manager	• Responsible for the control of assets and ensuring their disposal aligns with the Delegation of Authority Policy. • Annually (as required by Finance) provides a declaration regarding the impairment of assets and notes any necessary adjustments to the assets' carrying value. • Organises a stocktake of the University Assets under their delegation, typically every 3 years.
Financial Reporting Team	• Maintains the University's PPE asset register within the University's financial management information system. • Ensures compliance with the University's PPE Asset Procedures and Australian Accounting Standards. • Provide management information on University's assets.
Staff	• Each member of staff is responsible for the assets that are delegated to them and their area. This responsibility is not a financial one; however, it requires staff members to inform of any movement or loss of equipment.

Section 6 – Associated information

Legislation, standards and codes

- AASB 16 Leases
- AASB 116 Property, Plant and Equipment

- AASB 136 Impairment of Assets
- AASB 138 Intangible Assets
- Financial Management Act 1996 (ACT)
- University of Canberra Act 1989 (ACT)

University documents

- Asset Disposal Form
- Asset Movement Form (Staff Portal)
- Art Collection Policy
- Art Collection Procedure
- Delegations of Authority Policy
- Delegations of Authority Schedule
- Finance Governance Policy
- Library Collections and Access Policy
- Library Collections and Access Procedure
- Portable and Attractive Items Procedure
- Procurement Policy
- Procurement Procedure
- Records and Information Management Policy
- Report of Loss of University Equipment Form (Staff Portal)

Website links

NIL

Section 7 – Definitions

TERMS	DEFINITIONS
Amortisation	As defined in *AASB 138 Intangible Asset*.
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.
Carrying Amount	As defined in *AASB 116 Property, Plant and Equipment*.
Controlled Entity	An entity in which the University of Canberra holds 50% or more of the shares or membership interest.
Depreciable Amount	As defined in *AASB 116 Property, Plant and Equipment*.
Depreciation	As defined in *AASB 116 Property, Plant and Equipment*.
Impairment Loss	As defined in *AASB 138 Intangible Asset*.

Intangible Asset	As defined in *AASB 138 Intangible Assets*.
Portable and Attractive Items	A Portable and Attractive Item is a non-consumable item of a portable and desirable nature. Examples include but are not limited to tablets, mobile phones and cameras.
Property, Plant and Equipment (PPE)	As defined in *AASB 116 Property, Plant and Equipment*.
Recoverable Amount	As defined in *AASB 116 Property, Plant and Equipment*.
University Group	The University of Canberra and any Controlled Entity.

Appendix A – University assets

University of Canberra assets

Asset Class	Capitalisation Threshold ($ GST excl) (assets at or over amount specified to capitalised)	Useful Life (Years)	Revaluation Cycle (Years)	Impairment Testing	Stocktake
Land	All capitalised	Indefinite	3		Stocktakes are undertaken on a rolling 3-year cycle
Buildings:		50			
- *owned land or 99 year lease* - *leased land less than 99 years*	10,000	Lesser of 50 years or term of lease			
- *refurbishments*		5 to 20 on advice	3		
Infrastructure	50,000	7 to 50 on advice	3		
Plant and Equipment*	5,000	4 to 10 on advice	-		
Computer Equipment*:					
- *Computers*	All capitalised	3	-		
- *Computer equipment*	1,500	5		Impairment testing to be carried out annually	
Computer Software*	50,000	5	-		
Fixtures and Fittings*	5,000	15	-		
Initial Fitout – Fixtures and Fittings (where capital cost of total project > $1m)	All capitalised	15	-		
Strategic Initiatives	50,000	5	-		
Library Collection – excluding general collection	All capitalised	10	6		
Works of Art	All capitalised	Indefinite	6		
**Grant funded assets (e.g. computers, computer software, equipment etc.)*	Capitalised if at or over relevant threshold for the asset class.	Immediate write-off, if grant covers less than 12 months, or in accordance with the terms and life of the grant.	-		

University controlled entity assets

Asset Class	**Capitalisation Threshold ($ GST excl)** (assets at or over amount specified to capitalised)	Useful Life (Years)	Revaluation Cycle (Years)	Impairment Testing	Stocktake
Buildings: - *leasehold improvements*	5,000	5 to 20 on advice	-	Impairment testing to be carried out annually	Stocktakes are undertaken on a rolling 3-year cycle
Plant and Equipment	5,000	4 to 10 on advice	-		
Computer Equipment:					
- *Computers*	All capitalised	3	-		
- *Other computer hardware and software*	1,500	5	-		
Fixtures and Fittings	5,000	15	-		

Appendix B – Natural Account Guide based on University of Canberra Group – Chart of Accounts

Asset Additions (When the capitalisation threshold has been reached)

Natural Account	Description
51301	L'hold Land, Buildings, Infrastructure & Fixtures and Fittings In
51305	Computers, MV & Equipment, Software In
51306	Library & Works of Art In
50307	Research Project Assets In (for Research Projects only)
57001	PL Cap Equip (for capital projects only)

Please note:

- For purchase of Laptops/Computers, please use Natural Account 51305 regardless of the value (All capitalised)
- For purchase of equipment below the capitalisation threshold, please use Natural Account 51001 – Equipment Expensed- Less Than $5000

For questions or more information, please contact Asset@canberra.edu.au.

UNIVERSITY OF CANBERRA

Status and details

Status	Current
Effective Date	1 January 2026
Review Date	1 January 2031
Approval Authority	Vice-Chancellor
Approval Date	17 December 2025
Custodian	Chief Operating Officer
Responsible Manager	Chief Financial Officer
Enquiries Contact	policy@canberra.edu.au