



Property, Plant and Equipment (PPE) Assets Policy

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In developing this policy the University had regard to the provisions of section 40B(1)(b) of the Human Rights Act 2004 (ACT).

PURPOSE:

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

SCOPE:

By virtue of section 10 of the University of Canberra Act 1989 (UC Act) Council has responsibility for the 'entire management of the University' and therefore this policy applies to:

1. The University of Canberra and any **Controlled Entity** of the University; and
2. Employees of the University of Canberra and any Controlled Entity.

PRINCIPLE:

This policy covers PPE assets which are defined as:

1. PPE assets as defined in and covered by Australian Accounting Standard AASB 116; and
2. Intangible assets as defined in and covered by Australian Accounting Standard AASB 138

There are three types of PPE assets:

- **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;
- **Intangible** - an asset without a physical presence such as goodwill, trademarks, patents and computer software; and
- **Work in Progress** - comprising tangible and intangible PPE assets under 'construction'.

PPE assets covered by this policy are assets acquired and:

- held for use in the production or supply of goods or services, for rental to others, or for administrative

purposes; and

- expected to be used during more than one period.

PPE assets should be recognised in the Statement of Financial Position when and only when:

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

The University will only capitalise a PPE asset in accordance with Australian Accounting Standards.

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.

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.

Only a person with financial delegation can approve the acquisition, write off or disposal of a PPE asset (refer to the University of Canberra Financial Delegation Policy).

For a detailed summary of the University's PPE assets *refer to Annexure 1*:

1. Classes;
2. Capitalisation thresholds
3. Useful life,
4. Revaluation cycle;
5. Stocktake requirements and
6. Impairment testing

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.

The CFO, Director Finance and Business Services will issue PPE asset procedures which:

1. Identify the key elements associated with asset management, namely acquisition, accounting treatment, use and disposal;
2. 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;
3. Identify and provide a management framework for Work In Progress.
4. Provides details on the capitalisation of PPE assets which detail
 - What is the PPE asset;
 - What costs are included for capitalisation purposes;
 - When the asset threshold has been met;
5. Which categories of PPE assets are to be acquired under the University's leasing facility.

RESPONSIBILITIES:

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

1. Vice-Chancellor;

2. Deputy Vice-Chancellor;
3. Vice-President; or
4. Dean of a Faculty;
5. Director of a University Research Centre;
6. Director of a Service or Administrative Unit; or
7. CEO of a Controlled Entity.

CFO, Director Finance and Business Services is responsible for:

1. Providing advice to the Responsible Officer on the University PPE Asset Policy and Procedures;
2. Recommending to the Vice-Chancellor and President any amendments to this policy;
3. Maintaining / updating the University PPE Asset Procedures;
4. Maintaining the University's PPE asset register within the University's financial management information system; and
5. Reviewing compliance with the University's PPE Asset Policies and Procedures.

By virtue of Schedule 1 of the UC Act, 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).

LEGISLATION:

This policy is governed by the UC ACT

DEFINITIONS:

Terms	Definitions
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.

NOTES:

This policy is to be reviewed at least every three years.

Annexure 1

University

Asset Class	Capitalisation Threshold (\$ GST excl.) (assets at or over amount specified to be capitalised)	Useful Life (Years)	Revaluation Cycle (Years)	Impairment Testing	Stocktake
Land	All capitalised	Indefinite	3	Impairment testing is to be carried out annually	Stocktakes are to be undertaken on a rolling three year cycle
Buildings: - on owned land or on leased land with term of 99 years or more - on leased land with term of less than 99 years - refurbishments	10,000	50 Lesser of 50 or term of lease 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 - Computer related equipment	All capitalised 1,500	3 5	-		
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 (eg computers, computer software, equipment etc) less than \$100,000	Capitalised if at or over relevant threshold	Immediate write off, if grant covers less than 12 months, otherwise write-off over the term of the grant	-		