



1. Intention

To provide a framework for the determination and application of depreciation methods, useful lives and revaluation practices for the Shire of Waroona's non-current assets.

2. Scope

This policy applies to all non-current assets recognised in the Shire of Waroona's financial statements.

3. Statement

Useful lives and depreciation rates will be determined having regard to Australian Accounting Standards Board (AASB) Accounting Standard 116 (*Property, Plant and Equipment*), asset condition, expected pattern of consumption, engineering assessments, valuation advice and/or industry best practice.

Non-current assets will be depreciated using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed. Unless otherwise determined appropriate, the straight-line method of depreciation will be applied.

Indicative useful lives include, but are not limited to:

Buildings	40-60 years
Furniture & Equipment	3-20 years
Plant & Equipment	5-20 years
Bridges	60-90 years
Parks & Ovals	10-50 years
Drainage	60-90 years
Footpaths	20-50 years
Sealed Roads and Streets	
Construction	45-55 years
Bituminous Seals	15-25 years
Asphalt Seals	25-30 years
Unsealed roads	
Formed	10-15 years
Gravel	12-15 years

In accordance with regulation 17A of the *Local Government (Financial Management) Regulations 1996*, the Shire will revalue applicable non-financial assets at intervals not exceeding five years from the asset's last valuation date.

Earlier revaluations may be undertaken where considered appropriate by the Shire.

Depreciation calculations will utilise remaining useful lives determined through asset valuations where provided by a qualified valuer or suitably qualified officer. Where remaining useful lives are not provided as part of a valuation process, useful lives will be determined by the Shire having regard to:

- asset condition;
- age;
- expected pattern of consumption;
- engineering or technical advice;
- historical asset performance; and
- industry practice.

Useful lives, residual values and depreciation methods will be reviewed periodically and adjusted where required in accordance with applicable AASB Accounting Standards.

Non-financial assets with an acquisition fair value below the threshold prescribed by section 17A of the *Local Government (Financial Management) Regulations 1996* may be excluded from recognition as assets.

4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed triennially.

6. Associated Documents

Nil

7. Document Control

Division	Finance		
Policy Number	FP025		
Contact Officer	Director Corporate & Community Services		
Related Legislation	Australian Accounting Standards Board (AASB) Accounting Standard 116 - Property, Plant and Equipment Local Government Act 1995 Local Government (Financial Management) Regulations 1996		
Related Shire Documents	Nil		
File Number	CM.7		
Risk Rating	Low	Review Frequency	Triennially

Next Review	May 29	Date Adopted	22/06/2004
OCM Number	OCM04/083		

8. Previous Policy No's.

Policy No.	Title
FIN004	Depreciation of Non-current Assets
3.1.4	Depreciation of Non-current Assets

9. Amendments

Date	Details of Amendment	Reference	Record Number
24/11/2009	Amended to reflect current practices.	OCM09/197	
25/06/2013	Amended to align with Local Government Accounting Manual.	OCM13/06/047	
26/11/2013	Updated as part of major review.	OCM13/11/125	
28/10/2014	Updated as part of major review.	OCM14/10/127	
24/11/2015	Updated as part of major review.	OCM15/11/138	
18/12/2018	Updated as part of major review.	OCM18/12/126	
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071	
22/08/2023	Amended to add reason for revaluation under 3. Statement and minor wording adjustments.	OCM23/08/101	
26/05/2026	Reviewed with significant amendments to text	OCM26/05/062	CM.7