

PROPERTY, PLANT AND EQUIPMENT POLICY



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1 PURPOSE

- 1.1 This policy outlines the principles of asset management and planning across CQUniversity to ensure the consistent and prompt identification, acquisition and management of the University's asset base.
- 1.2 This policy forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective asset management system to provide for the identification, acquisition, management and recording of assets.

2 SCOPE

- 2.1 This policy applies to items of property, plant and equipment recognised by CQUniversity.

3 POLICY STATEMENT

Recognition of property, plant and equipment

- 3.1 Property, plant and equipment are classified as assets of the University and are recognised in the statement of financial position in determining the overall position for the financial year. In accordance with the Australian Accounting Standards Board's [AASB116 Property, Plant and Equipment](#), property, plant and equipment will only be recognised in the statement of financial position when it is probable that future economic benefits will eventuate as a result of the asset and that the asset possesses a cost or other value that can be measured reliably.

Recognition thresholds

- 3.2 The Queensland Government's Non-Current Asset Policies for the Queensland Public Sector [NCAP 1 Recognition of Assets](#) mandates minimum asset recognition thresholds for recognising items of property, plant and equipment in the balance sheet. Items that do not meet the asset recognition thresholds below must be expensed in the period of acquisition.
- 3.3 The following minimum asset recognition thresholds apply to purchases of property, plant and equipment:
- land \$1
 - buildings \$10,000
 - plant and equipment \$5,000
 - infrastructure \$10,000
 - heritage and cultural assets \$1, and
 - work in progress – no limit applies.
- 3.4 All minimum asset recognition thresholds are exclusive of GST.

Categories of property, plant and equipment

- 3.5 The University's property, plant and equipment incorporate the following:
- freehold land
 - freehold buildings
 - plant and equipment
 - leasehold improvements
 - infrastructure
 - library collections
 - construction in progress, and
 - other work in progress.

Acquisition of property, plant and equipment

- 3.6 The acquisition of property, plant and equipment must be in accordance with the University's [Procurement Policy and Procedure](#), and with appropriate approval in accordance with the [Authorities and Delegations Register](#).

Capitalisation or expensing of costs

- 3.7 On initial recognition of an item of property, plant and equipment, costs incurred in purchasing or constructing the item and getting it ready for use can be capitalised to the value of the asset.
- 3.8 Financial Accounting will ensure that capital works in progress are recorded and accounted for in accordance with AASB116 Property, Plant and Equipment and the Queensland Government's Non-Current Asset Policies for the Queensland Public Sector NCAP 1 Recognition of Assets, and will be included in monthly reconciliations, capitalisation, warranty/defect and accruals procedures.

Asset register

- 3.9 A record of assets in excess of the asset recognition threshold must be recorded in the University's Asset Register. Each asset register must contain sufficient information to:
- identify and locate each asset and its components
 - record the acquisition of new assets

- calculate depreciation in accordance with the approved accounting policy
- calculate revaluation amounts in accordance with the approved accounting policy
- record impairment
- calculate the gain or loss on disposal, and
- record the write-off of assets no longer required.

3.10 The University currently maintains four asset registers:

- Fixed Asset Register – maintained by Financial Accounting within the University’s Financial Management System (FMS). Incorporates plant and equipment, artworks, leasehold improvements and freehold land held by the University
- Buildings and Infrastructure Register – maintained by Financial Accounting. Incorporate freehold buildings and infrastructure held by the University
- Heritage Collections Register – maintained by the Library within the Library Management System. Incorporates the local history collection (historical records of the University are excluded), and
- Investment Property Register – maintained by Financial Accounting. Incorporates investment properties owned by the University.

Asset planning

- 3.11 The Facilities Management and Digital Services Directorates work collaboratively to develop, deliver and manage the University’s assets through the Strategic Asset Management Plan (SAMP) and the Information Technology Asset Management Plan (ITAMP).
- 3.12 The SAMP establishes guiding principles to provide a sound basis for decisions on the procurement, management, utilisation and disposal of building and property assets in accordance with the business needs of the University and in line with the organisation’s strategic and operational plans.
- 3.13 The ITAMP provides guiding principles and the framework to ensure that information and communication technology (ICT) assets are managed in a cost-effective manner, while maximising the benefits from ICT investments and managing the industry-standard expectations of quality of service. ICT assets are defined as hardware, software or information owned by the University to provide a competitive advantage and underpin the operations of its business. They can be tangible or intangible.

Significant planning

- 3.14 In accordance with the Financial and Performance Management Standard, where the cost of acquiring or improving a physical asset is significant, an evaluation must be undertaken before making the acquisition or carrying out the improvement. The performance of completed significant assets must then be reviewed to ensure the objectives of the University in acquiring, maintaining or improving the asset were met.
- 3.15 The [Business Case Procedure](#) outlines whether an acquisition or improvement requires a business case, and the subsequent actions required.

Portable and attractive items

- 3.16 Portable and attractive items are tangible items that have a value of \$500 or more (exclusive of GST) but less than \$5000 (exclusive of GST). Examples may include desktop computers, laptops, cameras, mobile phones, iPads and tablets etc.
- 3.17 Because of their susceptibility to loss or theft, such items will be recorded in the Fixed Asset Register for physical control purposes but will be recognised as expenditure in the University’s financial statements.

Equipment sign-out register

- 3.18 Business areas will ensure that assets and attractive items are physically controlled, accounted for and managed appropriately. Business areas must actively monitor instances where University assets and attractive items leave the control of the business area through an Equipment Sign-Out Register.
- 3.19 The Register should record the following information:
- name of the borrower
 - contact details of the borrower
 - description of the item
 - asset or attractive item tag number (where applicable) or loan equipment identifier
 - date of loan
 - signature of the borrower, and
 - date equipment returned.
- 3.20 The Register must be forwarded to the head of the business area for review and signed-off on a quarterly basis.

Security

- 3.21 Only authorised employees and visitors will be permitted access to University assets. Where appropriate, security measures including patrols, cameras, alarms, etc will be utilised for high cost and high-risk assets, and employees will at all times be responsible for the appropriate use and storage of assets provided to them.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Deputy Director Financial Accounting and Operations is responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.
- 4.2 The Vice-President (Global Development), Deputy Vice-President (Digital Services) and Director Facilities Management are responsible for the University's asset planning and maintenance activities in accordance with the SAMP and the ITAMP.
- 4.3 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.4 There are no additional reporting requirements.

Records management

- 4.5 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.6 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

Terms and definitions

Property, plant and equipment: tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. For the purposes of this policy, this definition incorporates items referred to as 'fixed assets' and 'assets'.

6 RELATED LEGISLATION AND DOCUMENTS

[Authorities and Delegations Register](#)

[Australian Accounting Standards:](#)

- AASB116 Property, Plant and Equipment

[Business Case Procedure](#)

[Expenditure Policy](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Framework for the Preparation and Presentation of Financial Statements](#)

[Non-Current Asset Policies for the Queensland Public Sector:](#)

- NCAP 1 Recognition of Assets

[Procurement Policy and Procedure](#)

7 FEEDBACK

7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

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