



Policy 2.2.5 – Depreciation of Non-Current Assets

1. Policy Purpose

To set guidance on how depreciation methods and rates are calculated and applied to Council's non-current assets.

2. Policy Scope

This policy applies to Elected Members and employees of the Shire of Harvey.

3. Policy

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis. The useful life, residual value and depreciation method for assets are reviewed at least at each financial year-end and adjusted where required in accordance with Australian Accounting Standards.

Major depreciation periods are:

Buildings	30–100 Years
Plant & Equipment	3–20 Years
Furniture & Equipment	3–20 Years
Infrastructure – Roads	35–100 Years
Infrastructure – Footpaths	50 Years
Infrastructure – Drainage	80 Years
Infrastructure – Drainage Basins and Sumps	80 Years
Infrastructure – Parks & Ovals	30–100 Years
Infrastructure – Bridges	50–137 Years

4. Strategic Objective

The policy aligns with the following strategic objective:

	Performance A representative leadership that is future thinking, transparent and accountable.
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5. Definitions

Depreciation means as defined in AASB 116 as the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable means amount as defined in AASB 116 as the cost of an asset, or other amount substituted for cost, less its residual value.

Residual value of an asset means as defined in AASB 116 as the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

6. Legislation

- *Local Government Act 1995*
- Local Government (Financial Management) Regulations 1996 r. 17A
- Australian Accounting Standards, including AASB 116 Property, Plant and Equipment

7. Related Documents

- Nil

Responsible Officer	Director Corporate Services		
Responsible team	Finance		
Responsible area	Corporate Services		
Version control	Date	Resolution	Number
Version 1	24.03.1997	Resolution	
Version 2	12.08.2008	Resolution	08/350
Version 3	15.09.2015	Resolution	15/264
Version 4	22.01.2019	Resolution	19/020
Version 5	23.05.2023	Resolution	23/068
Version 6	28.07.2026	Resolution	26/156