

Non-Current Asset Accounting - Operating Guideline Review

Friday, 14 November 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

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Director Finance & Procurement

Public

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

This report seeks feedback from the Audit and Risk Committee on the updated Non-Current Asset Accounting Operating Guideline (previously titled Fixed Asset Accounting Guideline).

The Non-Current Asset Accounting Operating Guideline (the Operating Guideline) objective is to ensure that the accounting treatment for non-current assets complies with the *Local Government Act 1999* (SA), *Local Government (Financial Management) Regulations 2011* (SA), SA Model Financial Statements of the relevant financial year, and Australian Accounting Standards. Accordingly the guideline has been re-titled the Non-Current Asset Accounting Operating Guideline.

Council adopted the current Operating Guideline in 2021, and the scheduled review has been conducted. The current Operating Guideline is shown here [Link 1](#).

The review primarily aimed to clarify the criteria for categorising works as renewals or new/upgrades, as outlined in Appendix B. Additionally, minor amendments were made throughout the document to ensure alignment with current practices.

The proposed Non-Current Asset Accounting Operating Guideline is shown in Attachment A, and a tracked-change version is shown in [Link 2](#). A table of the key changes and comments for the Operating Guideline is included in Attachment B.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the updated Non-Current Asset Operating Guideline as contained in Attachment A to Item 6.4 on the Agenda for the Audit and Risk Committee held on 14 November 2025 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____
 2. Notes the table summarising changes made to the Non-Current Asset Accounting Operating Guideline as contained in Attachment B to Item 6.4 on the Agenda for the Audit and Risk Committee held on 14 November 2025.
 3. Notes the Chief Executive Officer will finalise and approve the updated Non-Current Asset Accounting Operating Guideline as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Create, maintain and integrate plans and policies that reflect, and guide decision making and support our city and our community to thrive.
Policy	This report proposes minor changes to the existing Fixed Asset Accounting Guideline. The review recommends no substantive amendments but has clarified and simplified wording of the current policy and proposes, and retitled the guideline to reflect current treatment terminology.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Accounting for non-current assets correctly requires adherence to specific legislation, regulations and standards, including: <ul style="list-style-type: none"> • <i>Local Government Act 1999 (SA)</i> • <i>Local Government (Financial Management) Regulations 2011 (SA)</i> • Australian Accounting Standards Board (AASB) 13 Fair Value Measurement • AASB 5 Non-Current Assets Held For Sale • AASB 13 Fair Value Measurement • AASB 101 Presentation of Financial Statements • AASB 116 Property, Plant & Equipment • AASB 120 Accounting for Government Grants and Disclosure of Government Assistance • AASB 136 Impairment of Assets • AASB 138 Intangible Assets • AASB 140 Investment Properties • AASB Practice Statement 2 Making Materiality Judgements
Opportunities	Not as a result of this report
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report

25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. At the Audit and Risk Committee meeting held on 16 May 2025, a review of the Fixed Asset Accounting Policy was presented seeking feedback and for recommendation to Council to adopt. Council adopted the Policy at its meeting on 27 May 2025. The Policy is shown here [Link 3](#).
2. The Fixed Asset Accounting Guideline 2021 (Operating Guideline), as shown in [Link 1](#) is scheduled to be reviewed every two years. The Operating Guideline will now be scheduled for review every four years in line with the term of Council.
3. The purpose of this Operating Guideline is to define how the City of Adelaide ensures accounting treatment for non-current assets complies with the *Local Government Act 1999 (SA)*, *Local Government (Financial Management) Regulations 2011 (SA)*, SA Model Financial Statements of the relevant financial year, and Australian Accounting Standards. Accordingly the guideline has been re-titled the Non-Current Asset Accounting Operating Guideline.
4. Accounting for non-current assets correctly requires adherence to specific legislation, regulations and standards, including:
 - 4.1. *Local Government Act 1999 (SA)*
 - 4.2. *Local Government (Financial Management) Regulations 2011 (SA)*
 - 4.3. Australian Accounting Standards Board
 - 4.3.1. AASB 13 Fair Value Measurement
 - 4.3.2. AASB 5 Non-Current Assets Held For Sale
 - 4.3.3. AASB 13 Fair Value Measurement
 - 4.3.4. AASB 101 Presentation of Financial Statements
 - 4.3.5. AASB 116 Property, Plant & Equipment
 - 4.3.6. AASB 120 Accounting for Government Grants and Disclosure of Government Assistance
 - 4.3.7. AASB 136 Impairment of Assets
 - 4.3.8. AASB 138 Intangible Assets
 - 4.3.9. AASB 140 Investment Properties
 - 4.3.10. AASB Practice Statement 2 Making Materiality Judgements
5. Other City of Adelaide guidelines and policies also align with this policy, and include:
 - 5.1. Fixed Asset Accounting Policy
 - 5.2. Acquisition & Disposal of Land & Assets Policy
 - 5.3. Asset Management Policy (including Asset Management Plans)
6. The Operating Guideline incorporates all the relevant legislation, regulations, standards, guidelines and policies.
7. The review recommends minor amendments throughout to update the operating guideline to align with current processes. Amendments have been made to Appendix B - Classification between Operating,

Maintenance, Renewal and New/Upgrade to provide clarification when works are classified as one of these activities.

8. The updated Non-Current Asset Accounting Operating Guideline can be viewed at Attachment A, and with tracked changes at [Link 2](#).
9. Changes made to the Fixed Asset Accounting Guideline are summarised in a table of key changes and comments at Attachment B.

DATA AND SUPPORTING INFORMATION

[Link 1](#) – Fixed Asset Accounting Operating Guideline (2021)

[Link 2](#) – Updated Non-Current Asset Accounting Operating Guideline with tracked changes

[Link 3](#) – Fixed Asset Accounting Policy

ATTACHMENTS

Attachment A - Updated Non-Current Asset Accounting Operating Guideline

Attachment B – Non-Current Asset Accounting Operating Guideline - Table of key changes and comments

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