

# Valuations and Revaluations Policy

## Section 1 - Background and Purpose

(1) The majority of assets are valued at cost however under the Accounting Standard, AASB 116 – Property, Plant and Equipment, Land, Buildings and Artworks are valued at fair value.

(2) The purpose of this Policy is to state the method of valuation of the University's assets, and to state the circumstances and method of revaluation of the University's assets.

## Section 2 - Scope

(3) The majority of University Assets will be valued based on purchase price. This Policy applies to those items acquired below their fair value, or for the purpose of revaluation, items that have increased in value over time.

## Section 3 - Policy Statement

(4) Fixed assets acquired at no cost or for a nominal consideration must be recognised at fair value as at the date of acquisition.

(5) Land, Buildings, Artworks and Collectible Items require revaluation in accordance with Accounting Standard AASB 116 – Property, Plant and Equipment.

(6) Revaluations must be made with sufficient regularity to ensure that the assets carrying value does not differ materially from their fair value.

## Section 4 - Procedures

### Part A - Introduction

(7) Land, buildings, and art catalogue collections are carried at fair value on the University Balance Sheet. Revaluations must be made with sufficient regularity to ensure that the carrying values for the assets in these classes do not differ materially from their fair value.

(8) Fixed assets acquired at no cost or for nominal consideration must be recognised at fair value at date of acquisition via a valuation.

### Part B - Valuer

(9) Where an asset requires a valuation or revaluation, an independent valuer must be appointed who is not an employee, or an associate of the University. The valuation must be provided in a report which is to be maintained for seven years as substantiation for an entry in the University's financial records.

## Part C - Asset Classes Requiring Revaluation

(10) The listed Asset Classes below have the noted specific requirements for valuation/revaluation:

- a. Buildings, Infrastructure, Land (including Land Improvements): require a comprehensive independent valuation at least every three years.
- b. Art catalogue collections: require a comprehensive independent valuation every three years.
- c. Land, buildings or art catalogue collections received for zero or nominal consideration will be independently valued and placed on the asset register as they are acquired, which will be in between the formal revaluation cycle.

## Part D - Asset Register

(11) Once a revaluation of a class of assets has been performed the asset register must be updated to reflect the revaluation and ensure the asset register and general ledger contains the correct asset balances for financial reporting purposes.

## Part E - Financial Reporting

(12) Revaluations will be reflected in the governance and statutory financial reports of the University as a debit against the asset balance and a credit to the asset revaluation reserve.

(13) Net devaluations to a class of assets will be reflected in the governance and statutory financial reports of the University as a credit against the asset balance and a debit to the asset revaluation reserve to the extent that credits exist in the reserves for the relevant asset class. Once the reserve is \$nil any net devaluation of a class of assets must be reflected as an expense in the Income Statement.

(14) Any assets received for \$nil consideration which are brought on to the asset register and general ledger at fair value will be debited to the asset balance and credited as revenue in the financial reports of the University.

## Section 5 - Definitions

(15) Refer to [Asset Procedure - Asset Definition and Asset Class](#).

(16) For the purpose of this Policy and Procedure:

- a. Fair Value: the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- b. Valuation/Revaluation: a formal assessment or re-assessment of the fair value of an asset.

## Status and Details

<b>Status</b>	Current
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