# Treasurer’s Direction (mandatory)

| Purpose | To establish minimum requirements for the recognition, measurement, acquisition, disposal, management and recordkeeping of non-financial assets. |
| --- | --- |
| **Last reviewed** | Not applicable |
| **Operative date** | 1 July 2024 |
| **References** | * Guidance document – Non-financial assets **(recommended to be read in conjunction with this Treasurer’s Direction)**
* Guidance document – Revaluation **(recommended to be read in conjunction with this Treasurer’s Direction)**
* Guidance document – Impairment **(recommended to be read in conjunction with this Treasurer’s Direction)**
* Treasurer’s Direction and relevant guidance document:
* Gifting
* Income
* Infrastructure
* Losses, write offs, waivers and postponements
* Leases
* Organisational performance and accountability
* *Financial Management Act 1995* (FMA)
* Australian Accounting Standards:
* AASB 13 Fair Value Measurement
* AASB 116 Property, Plant and Equipment
* AASB 136 Impairment of Assets
* AASB 138 Intangible Assets
 |

# Scope

1. This Treasurer’s Direction:
	1. outlines the minimum requirements for the recognition, measurement, acquisition, disposal, management and recordkeeping of the following non-financial assets:
	2. property, plant and equipment
	3. intangible assets
	4. applies to all agencies including government business divisions (GBDs).
2. Where legislation other than the FMA specifies alternative actions or approvals to those contained in this Treasurer’s Direction, the relevant legislation takes precedence over the requirements in this Treasurer’s Direction.

## Exclusions

1. The following non-financial assets are excluded from the scope of this Treasurer’s Direction:
	1. assets held for sale
	2. biological assets
	3. inventories
	4. investment property
	5. right-of-use assets
	6. service concession assets

## Low value assets

1. Low value assets (assets expensed on acquisition) are excluded from the scope of this Treasurer’s Direction, with the exception of the following conditions:
	1. asset recognition (paragraph 11)
	2. asset derecognition (paragraphs 54 to 65)

## Definitions

1. **Budget round** consists of the annual budget development process, mid-year process and end-of-year process.
2. **Capitalisation threshold** is the minimum original cost or fair value at which a non-financial asset must be recorded in the balance sheet. The threshold for:
	1. non-financial assets, except land is $10,000 (exclusive GST)
	2. land is $1.
3. **Collection** is a group of assets that display similar characteristics or attributes.
4. **Complex asset** is a physical non-financial asset capable of disaggregation into separate and identifiable significant components.
5. **Disposal** is the act of:
	1. relinquishing control to a beneficiary or third party who is external to the Northern Territory Government or
	2. discarding or demolishing an asset, which has no further use.
6. **Interim revaluation** relates to a revaluation conducted outside the agency’s rolling valuation schedule.

# Recognition

1. An accountable officer must recognise a non-financial asset as one of the following:
2. in the balance sheet when all of the following criteria are satisfied:
	1. agency controls the non-financial asset
	2. it is probable that future economic benefits will eventuate or flow to the agency
	3. the non-financial asset possesses a cost or value that can be measured reliably
	4. the original cost or fair value is greater than or equal to the capitalisation threshold.
3. as an expense in the statement of comprehensive income.
4. Where a non-financial asset is shared and used between multiple agencies, the agency that controls the majority portion of the non-financial asset must recognise the entire asset value, pursuant to paragraph 11.
5. An agency may recognise and record non-financial assets as collections where all of the following conditions are met:
	1. assets are heritage and cultural assets
	2. assets are located in the same location and
	3. the costs of recognising the assets individually outweigh the benefits.

## Significant components of an asset

1. An accountable officer must:
2. disaggregate a complex asset where the total cost or fair value on initial recognition is $10 million or more, and:
3. record a separate asset where a component meets all of the following criteria:
	1. it can be separately identified and measured
	2. has a different estimated useful life from the complex asset
	3. has a significant value (20 per cent or more) in relation to the total cost or fair value of the complex asset
4. recognise all components in the same non-financial asset classification as the complex asset and
5. revalue components on the same basis and frequency as the complex asset.
6. Where the cost base of the non-financial asset increases to $10 million or more through a revaluation process, an agency must disaggregate the non-financial asset, applying the principles outlined in paragraph 14.
7. An accountable officer may apply a lower threshold than required under paragraph 14, for identifying and separating assets into components, if deemed more appropriate.

# Non-financial asset acquisition

## Exclusions

1. Conditions identified in paragraphs 18 to 21 do not apply to the following non-financial assets:
	1. below the capitalisation threshold (agency applies internal expense delegations)
	2. acquired under legislation other than the FMA
	3. constructed as part of the capital works program, subject to conditions outlined in Treasurer’s Direction – Infrastructure.

## Conditions

1. All land acquisitions must be undertaken by the Department of Infrastructure, Planning and Logistics unless another Act permits an agency to acquire land.
2. An accountable officer may acquire a non-financial asset when all of the following criteria are satisfied, subject to the approval thresholds outlined in paragraph 20:
3. the acquisition will assist in the achievement of the agency’s objectives
4. the acquisition is fully funded from one or more of the following:
	1. capital appropriation
	2. excess output appropriation, subject to conditions outlined in paragraph 24
	3. commonwealth appropriation
	4. additional agency revenue, subject to conditions outlined in Treasurer’s Direction – Income.

## Approval process

1. Approval thresholds for the acquisition of a non-financial asset pursuant to paragraph 19 are outlined below:

| Asset value (exclusive of GST) | Approval required by |
| --- | --- |
| Less than or equal to $1 000 000 | Accountable officer |
| Over $1 000 000 | Treasurer with endorsement from Minister |

1. Where Treasurer’s approval is required to acquire a non-financial asset, requests to the Treasurer must have ministerial endorsement and at a minimum include information on the following:
	1. the source of funding
	2. purpose or reasons for the acquisition of the asset.
2. Where an agency cannot fund the costs to acquire a non-financial asset from within existing resources, an accountable officer may seek additional funding, subject to conditions outlined in the Treasurer’s Direction – Organisational performance and accountability.

# Change in appropriation purpose

## Exclusions

1. Approval requirements as outlined in paragraphs 24 to 30 do not apply to the following:
	1. GBDs
	2. non-financial assets constructed as part of the capital works program, subject to the conditions outlined in Treasurer’s Direction – Infrastructure.

## Approval process

1. Changes in appropriation purpose in accordance with section 20(1) of the *Financial Management Act 1995* (FMA), can only be approved if:
	1. it is necessary to do so for the administration of government; and
	2. in accordance with a written direction from either
		1. the Treasurer or
		2. a delegate authorised by section 39(1) of the FMA, subject to conditions set in paragraphs 26 and 27.
2. Where Treasurer’s approval is required to change an appropriation purpose, requests to the Treasurer must have ministerial endorsement and at a minimum include:
3. reasons for the change in appropriation purpose
4. information demonstrating that the accountable officer reasonably believes the transfer relates to excess appropriation and will not cause actual agency expenditure to exceed the agency’s approved expenditure budget.

## Conditions

1. An accountable officer may approve a change in a Territory-funded appropriation purpose, to fund the acquisition of a non-financial asset when all of the following criteria are satisfied. The change:
2. is a transfer from output appropriation to capital appropriation and associated expenditure capacity within an agency
3. is less than or equal to $1 000 000 for each non-financial asset acquired
4. is one-off and affects the current financial year only and
5. the accountable officer reasonably believes the transfer will not cause actual agency expenditure to exceed the agency’s approved expenditure budget.
6. An accountable officer may approve a change in Territory-funded appropriation purpose to align funding with asset recognition principles outlined in paragraph 11, when all of the following criteria are satisfied. The change:
7. of appropriation purpose for which funding was originally approved will be for the same objective/initiative/project
8. is a transfer between output appropriation and capital appropriation and associated expenditure capacity within an agency
9. is one-off and affects the current financial year only.
10. An accountable officer must notify the Department of Treasury and Finance within 10 working days of approving a change in appropriation purpose. This notification must include:
	1. the reasons for the change in appropriation purpose; and
	2. information demonstrating that the conditions outlined in paragraphs 26 or 27 have been met.
11. Subsequent to the approval of a change in appropriation purpose, the agency must submit the necessary budget variations in the next available budget round.
12. Pursuant to paragraphs 26 and 27, changes in appropriation purpose affecting the current financial year must be approved on or before 31 May, unless otherwise agreed with the Department of Treasury and Finance.

# Measurement

## Initial measurement

1. For the purposes of paragraph 11a:
2. a non-financial asset is initially recognised in the balance sheet at:
	1. cost
	2. or fair value, where the non-financial asset is acquired for nil consideration or consideration that is significantly below fair value.
3. land under roads is only recognised where the asset is purchased and its cost can be reliably measured.

## Subsequent measurement

1. Agencies must subsequently measure the following classes of non-financial assets using the revaluation model:
2. land
3. buildings
4. infrastructure assets
5. heritage and cultural assets
6. intangible assets with an active market excluding computer software.
7. Pursuant to paragraph 32, other classes of non-financial assets are not revalued and are to be measured using the cost model.

## Revaluation

### Conditions

1. For the purposes of paragraph 32, agencies must revalue:
	1. all land assets
	2. all other non-financial assets with a carrying amount of $50 000 or more, unless the agency holds materially significant volumes of assets under the threshold and applying the threshold could result in a material misstatement in aggregate non-financial asset values of the agency.
2. The revaluation threshold set in paragraph 34.b applies to the total carrying amount of a complex asset, instead of a component.
3. Agencies must use one of the following valuation techniques to determine the fair value of each non-financial asset:
	1. market approach
	2. income approach
	3. current replacement cost approach.

### Accounting for revaluations

1. Agencies must adjust the revalued amount of non-financial asset using one of the following methods:
	1. gross method where the fair value of the non-financial asset is derived using the current replacement cost approach or
	2. net method where the fair value of the non-financial asset is derived using the market or income approach.

### Frequency of revaluation

1. At a minimum, non-financial assets subject to the revaluation model must be revalued:
	1. once every three years, for non-financial assets revalued using Level 1 and Level 2 inputs of the fair value hierarchy as per AASB 13 Fair Value Measurement, and
	2. once every five years, for all other non-financial assets.
2. Pursuant to paragraph 38, land associated with non-financial assets measured under the revaluation model must be revalued at the same time.
3. Agencies may revalue a class of non-financial assets on a rolling basis provided all of the following conditions are satisfied:
	1. an agency identifies and documents appropriate subcategories within the class of non-financial assets for the purpose of a rolling revaluation schedule
	2. all non-financial assets within that class are revalued within the applicable cycle in accordance with paragraph 38.
4. An agency must conduct an interim revaluation where the fair value of a class of non-financial assets has changed by 20% or more since its last revaluation.

### Engagement of an external valuer

1. Where an agency engages an external valuer to undertake asset revaluations, the agency must ensure the minimum requirements outlined in Appendix A are adhered to for:
	1. agency valuation instructions to external valuer
	2. content of valuation report from the external valuer.

## Useful life of assets

1. An accountable officer must assign a useful life for a class or subclass of non-financial assets.
2. Relevant information on the useful life of a non-financial asset must be provided to agencies, where applicable by:
	1. the Department of Infrastructure, Planning and Logistics for assets constructed under the capital works program
	2. the Department of Corporate and Digital Development for ICT assets developed or acquired by the department on behalf of an agency.

## Depreciation and amortisation

1. Agencies must depreciate or amortise a non-financial asset with a finite useful life over its expected useful life, using the straight-line method when the asset is available for use.
2. For the purposes of paragraph 45, where an agency considers that the straight-line method is not appropriate, approval must be sought from the Under Treasurer to use an alternate method for depreciating a material non-financial asset class.
3. A request to the Under Treasurer to change the depreciation method must include the following information at a minimum:
	1. a clear description of the non-financial asset or class of non-financial assets
	2. the total value of the non-financial asset or class of non-financial assets
	3. a description of the proposed method and proposed commencement date
	4. the reasons for seeking use of an alternative depreciation method
	5. quantify the impact of using the straight-line method and the proposed alternative on depreciation expense
	6. other information relevant to the request.
4. Where the Under Treasurer approves the use of an alternate depreciation method, an agency must apply that method to all non-financial assets of a similar type and use.
5. Where a significant component of a non-financial asset is recognised in accordance with paragraph 14, the component must be depreciated separately.

## Impairment

1. An accountable officer must, at a minimum, assess all materially significant non-financial assets annually at 30 June for the following impairment indicators:
	1. natural disasters
	2. fire
	3. any other indicators that the agency considers significant or material.
2. Pursuant to paragraph 50, non-financial assets must be tested for impairment:
	1. annually for intangible assets with an indefinite useful life
	2. annually for intangible assets not yet available for use that are materially significant or
	3. only where an impairment indicator exists, for all other non-financial assets.
3. The Department of Infrastructure, Planning and Logistics will provide information on non-financial assets impacted by natural disasters and or fire to agencies, to facilitate impairment testing.
4. An accountable officer must document the process and outcome of the non-financial asset impairment assessment, the recognition of impairment losses, and the reversal of any impairment losses.

# Asset derecognition

## Exclusions

1. Non-financial assets disposed of under legislation other than the FMA are excluded from paragraphs 59 to 65.

## Derecognition of assets

1. An accountable officer must derecognise a non-financial asset, regardless of whether it was expensed in the statement of comprehensive income or capitalised in the balance sheet on:
2. transfer of asset to another Territory government entity or
3. disposal

## Asset transfers between Territory government entities

### Conditions for asset transfers between Territory government entities

1. The accountable officers of the transferring and receiving entities must agree to the transfer of
non-financial assets in writing.
2. All vacant land transfers must be undertaken by the Department of Infrastructure, Planning and Logistics unless another Act permits an agency to transfer land.

## Disposal of asset

### Conditions for disposal of assets

1. All vacant land disposals must be undertaken by the Department of Infrastructure, Planning and Logistics unless another Act permits an agency to dispose land.
2. An accountable officer may dispose of a non-financial asset other than vacant land where all of the following conditions are met:
3. the non-financial asset is surplus to an agency’s requirements
4. the non-financial asset will be disposed of in a manner that optimises benefit and or does not result in additional cost to the Territory
5. disposing the non-financial asset is considered the most appropriate course of action
6. there are no known potential, perceived or actual conflicts of interest or restrictions
7. the risk of adverse public perception or scrutiny is considered low
8. disposing the non-financial asset does not result in personal benefit being obtained by an accountable officer, an employee of a Territory Government agency, or a related party, unless approval has been obtained to gift the non-financial asset in accordance with the Treasurer’s Direction – Gifting of Property.
9. disposal methods are in accordance with paragraphs 60, 61 or 62
10. thresholds for disposal are in accordance with paragraph 64.

### Methods of disposal

1. An accountable officer can approve disposal of a non-financial asset, whether capitalised in the balance sheet or expensed in the statement of comprehensive income on acquisition, by one of the following methods:
2. sale by public tender or public auction
3. trade-in for a replacement non-financial asset
4. transfer of ownership through a capital grant arrangement
5. gifting in accordance with Treasurer’s Direction – Gifting of Property
6. write-off where a non-financial asset is lost, deficient, condemned, unserviceable, abandoned or obsolete in accordance with Treasurer’s Direction – Losses, write-offs, waivers and postponements.
7. For low value assets, an accountable officer may dispose of assets using one of the following methods:
	1. disposal methods in paragraph 60
	2. discarding assets at a recycling depot or similar facility or landfill
8. The accountable officer or delegate of Northern Territory Fleet may dispose of a vehicle through direct sale to an executive contract officer upon completion or termination of their employment contract where the employee had a salary package employment benefit in place for the vehicle.
9. Where an agency seeks to dispose of a non-financial asset with a carrying amount less than or equal to $150 000 using a method not specified in paragraphs 60 to 62, the accountable officer may seek approval from the Under Treasurer to use an alternative disposal method.

### Approval process

1. Approval thresholds for disposal methods outlined in paragraphs 60a, 60b, 61 to 63 are outlined below:

| Carrying amount (exclusive of GST) | Approval required by |
| --- | --- |
| Less than or equal to $150 000 | Accountable officer |
| Over $150 000 | Treasurer with endorsement from Minister |

1. Where Treasurer’s approval is required to dispose a non-financial asset, requests to the Treasurer must have ministerial endorsement and at a minimum include information on the following:
	1. reason for the disposal of the asset
	2. proposed method of disposal
	3. carrying amount (at disposal date) of the non-financial asset
	4. information demonstrating how the conditions outlined in paragraph 59 have been met.

### Proceeds from sale of non-financial assets

1. An agency must seek approval to use proceeds from the sale of a non-financial asset in accordance with Treasurer’s Direction – Income. This requirement does not apply to GBDs.

# Management

1. An accountable officer and/or accountable officer of a construction authority managing non-financial assets on behalf of a client agency, must implement policies and procedures or controls which facilitate physical security and control of non-financial assets, including at a minimum:
	1. safeguarding and protecting the non-financial assets against loss or damage
	2. monitoring asset condition, use and performance
	3. implementing appropriate processes and approvals for the disposal of non-financial assets
	4. non-financial asset life cycle management, taking into account asset planning, acquisition, construction, operation (including maintenance) and disposal.
2. Pursuant to paragraphs 67.b and 67.d, activities may be undertaken by the construction authority on behalf of an agency as outlined in the partnering agreement the agency has in place with the construction authority.

## Stocktakes

1. An accountable officer must undertake regular stocktakes for property, plant and equipment measured under the cost model, at least once every three years.
2. Stocktakes required under paragraph 69 may be undertaken for subclasses of property, plant and equipment on a rolling basis.

# Recordkeeping

1. An accountable officer is responsible for keeping records of non-financial assets of the agency and, at a minimum, must:
	1. ensure non-financial assets acquired are recorded in appropriate systems in accordance with timeframes set out in end of financial year circulars.
	2. maintain a register of non-financial assets in accordance with Appendix B
	3. reconcile land assets to the Integrated Land Information System at a minimum annually
	4. document approvals to acquire and dispose of non-financial assets, including the basis on which the approvals were made and conditions met
	5. develop and maintain a policy on non-financial asset measurement and valuation which outlines at a minimum:
		1. an overview of non-financial asset holdings of the agency
		2. a description of non-financial asset classes or subclasses of non-financial assets
		3. information on the following for each non-financial asset class or subclass of non-financial assets:
		* useful life and how it was determined
		* measurement basis (cost or revaluation model)
		* valuation methodology applied (current replacement cost, market, income)
		* valuation cycles or timing and frequency of valuations
		* stocktake plan for non-financial assets measured under the cost model
		1. the review process for assessing non-financial assets for impairment.
2. A register of non-financial assets and policy on non-financial asset measurement and valuation are not required where an agency does not have any active non-financial assets.
3. Agencies must seek endorsement for its accounting policy on non-financial asset measurement and valuation developed pursuant to paragraph 71.e, from the Department of Treasury and Finance when initially developed and each time the policy is revised.
4. An agency must review its internal accounting policy on non-financial asset measurement and valuation developed pursuant to paragraph 71.e, at a minimum, every 5 years or when a machinery of government change affecting the agency’s non-financial assets occurs.
5. Pursuant to paragraph 74, all updates to an agency’s internal policy must be finalised by 30 June of the financial reporting period.

# Reporting and disclosures

1. Upon request, an accountable officer must provide Department of Treasury and Finance a copy of the register of non-financial assets, accounting policy on non-financial asset measurement and valuation, and any other relevant information as necessary.
2. An accountable officer must disclose non-financial assets in accordance with the Treasurer’s Direction on agency (or GBD) financial statements.

# Change history

| Version | Date | Author | Change details |
| --- | --- | --- | --- |
| 1.0 | July 2024 | DTF Financial Policy | Initial version |

# APPENDIX A

# Content required for non-financial asset valuation

**Agency**

Table A below outlines the minimum information that must be provided by an agency to an external valuer when seeking a valuation service for financial reporting purposes.

**Table A**

| Responsibility | Minimum requirements |
| --- | --- |
|  |  |
| **Purpose** | * Purpose of valuation *(For example, valuation required for financial reporting purposes in accordance with Australian Accounting Standards and Treasurer’s Directions – Non financial assets*)
 |
| **Timing** | * Dates the draft and final reports are required
 |
| **Scope**  | * Scope of services and other relevant information including but not limited to:
* valuation must comply with the Northern Territory (NT) Treasurer’s Directions on non-financial assets and the following relevant Australian accounting standards (*agency to amend the list below as appropriate)*:
	+ AASB 13 Fair Value Measurement (AASB 13)
	+ AASB 116 Property, Plant and Equipment
	+ AASB 138 Intangible Assets
	+ AASB 136 Impairment of Assets
	+ AASB 140 Investment Property
* site inspection requirements:
	+ whether via physical site visit, photos/videos of the assets and review of conditions report or combination of both
	+ inspection of all or sample of assets (*when sampling method is opted, the sample must be a representative of the total population of non-financial assets subject to revaluation)*
* identify any legislation that is relevant or applicable to the non-financial assets subject to valuation (*For example, Heritage Act)*
* date of the valuation report
 |
| **Valuation methodology** | * Valuation methodology including but not limited to:
* valuation approach (*cost, market or income*) expected to be used
* method of revaluation expected to be used (net method or gross method)
* for the valuation of complex non-financial assets, request fair values for individual significant components
 |
| **Assets details** | * provision of a detailed schedule of non-financial assets (by asset level and or by component) to be valued including the following information but not limited to:
* asset name, description and asset id
* current use and location of the non-financial asset
* date non-financial asset was acquired or constructed
* current carrying amount of the non-financial asset (cost, accumulated depreciation and written down value)
* original cost or fair value on acquisition of the non-financial asset, where applicable
* current useful life and remaining useful life
* size/area of the non-financial asset, where applicable
* characteristics, conditions of non-financial asset to be taken into account, including existence of any contaminations, damage to property including but not limited to areas where there is a legal or constructive obligation
* details of any improvements on the property which are not included in the schedule of non-financial assets including reasons for such exclusions (*for example, lessee’s improvement*)
 |
| **Other information** | * provide information for the relevant disclosure requirements in accordance with AASB 13
* provide support and liaise with auditors (where required by agency) with respect to any issues relating to non-financial asset valuation, which may include the provision of source data, where applicable
* include a statement that all data supplied to the valuer and the reports and data provided by the valuer to the agency is the property of the Territory Government. The agency should have full access to any supporting documentation, which will facilitate verifying reports provided by valuers, if required.
 |

**Valuer**

Table B outlines the minimum information that a valuation report provided by an external valuer for financial reporting purposes must contain.

**Table B**

| Responsibility | Minimum requirements |
| --- | --- |
|  |  |
| **Date of valuation** | * The effective date of the valuation
 |
| **Valuation report and certificate** | * Signed original report setting out the process, results, limitations, qualification of the valuer, valuation certificate and summary data
 |
| **Compliance** | * A statement that valuation complies with the relevant Australian accounting standards, valuation industry standards and Northern Territory (NT) Treasurer’s Directions on non-financial assets
* where the NT Treasurer’s Directions departs from valuation industry standards guidelines, a statement pointing out the variations in approach and whether the resulting valuation will differ significantly
 |
| **Conflict of interest declaration** | * A declaration that the valuer has no actual, perceived or potential conflicts of interest relevant to the performance of valuation services
 |
| **Key assumptions and methodology** | * Information on key assumptions included but are not limited to:
* whether the non-financial asset was physically inspected
* list of assumptions, sources or information, market sales evidence (where applicable) and adjustments made
* the valuation technique (cost, market or income approach) and reason for the technique(s) used
* reason(s) for any changes in valuation technique or methodology or inputs used
* significant assumptions used (for example, whether the principal or most advantageous market was used, restrictions that exist, who the market participants would be, and what they would take into account)
* highest and best use (whether this is on a standalone basis or within a group of other assets/liabilities and if so, what is included in that group) that is physically possible, legally permissible and financially feasible. *Highest and best use is determined from the perspective of market participants, even if the agency intends a different use. However, in the public sector, it must take into account the mandated legal and other socio-political restrictions imposed on the use of disposal of assets.*
* data inputs used and their sources (for example, whether they are observable or not, and whether or not transportation costs have been included and why), and methods used to develop and substantiate unobservable data
 |
| **Key assumptions and methodology (continued)** | * where significant unobservable data inputs are used (or significant unobservable adjustments made to observable data), the rationale for doing so including describing the:
	+ nature and possible variation in such data inputs
	+ changes in fair values if an alternative amount is applied to the unobservable inputs
* other relevant information how the valuation was conducted and how the fair values were derived.
 |
| **Electronic valuation report** | * Valuation report to be provided in either Microsoft Excel or an electronic database, listing each non-financial asset and component, underlying assumptions and results
* Detailed schedule of non-financial assets revalued (by asset and or by component) including but not limited to:
* fair value of the asset
* where cost approach is used, gross replacement cost, accumulated depreciation and written down value
* revised useful economic life and remaining useful life (whether cost, market or income approach is used)
* residual value
* depreciation rate, depreciation expense and depreciation methodology applied
* valuation technique applied
* fair value hierarchy level of input applied
* significant inputs and sensitivity of valuations with respect to level 3 valuation inputs
* include explanations and commentary where there is a significant change to the fair value of non-financial assets compared to its carrying amount.
 |
| **Other information** | * Provide information to support the reasonableness of the valuations, whether there is an increase, decrease or no change.
	+ This should include relevant information about past and predicted future trends in fair values for the type of assets valued, and comparisons to other fair values obtained during the reporting period
* Liaise with auditors with respect to any issues relating to non-financial asset valuation, which may include the provision of source data, where applicable.
 |

**APPENDIX B**

**REGISTER OF NON-FINANCIAL ASSETS – INFORMATION REQUIREMENTS**

The following information must at a minimum, be recorded in a register of non-financial assets for financial recording purposes:

**Description**

* 1. description of non-financial asset, including components (where appropriate)
	2. date of acquisition\*
	3. manufacturer’s identification numbers (for example, serial number) where applicable
	4. agency identification number
	5. location
	6. ownership
	7. source document reference (invoice, transfer of gift or donation documentation), where applicable\*
	8. size/area of the asset (where applicable)

**Depreciation (where applicable)**

* 1. depreciation method and annual rate
	2. annual depreciation charge
	3. accumulated depreciation
	4. carrying amount (written down value)

**Valuation and impairment**

* 1. original cost or fair value on acquisition (where applicable)\*
	2. valuation and basis of valuation
	3. name of valuer and date of valuation
	4. expected useful life
	5. residual value (where applicable)
	6. accumulated impairment adjustments (where applicable)

**Disposal**

* 1. date of disposal
	2. method of disposal (for example sale, public auction, gift, write-off)
	3. disposal document reference (for example relevant receipt number, approval reference etc.), where applicable
	4. carrying amount at the date of disposal
	5. proceeds of sale, auction or trade-in etc.; and gain or loss on disposal

**\****Crown land recorded in an agency’s register of non-financial assets prior to 1 July 2024 is exempt from this requirement unless land was acquired from a party external to the Northern Territory Government.*

*Agencies may elect to group cultural and heritage assets into collections when recording assets in the register of non-financial assets.*