

QUEENSLAND TREASURY

2024-25 Non-Current Asset Policies Update

SUMMARY OF STAKEHOLDER FEEDBACK

June 2025

2024-25 Non-Current Asset Policies Update

Summary of Stakeholder Feedback

© The State of Queensland (Queensland Treasury) 2025

Licence:

This document is licensed under a Creative Commons Attribution (CC BY 4.0) International licence.



Except where otherwise noted you are free to copy, communicate and adapt this work, as long as you attribute the authors. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>

For permissions beyond the scope of this licence, contact fmcsupport@treasury.qld.gov.au

Attribution: To attribute this work, cite the *2024-25 Non-Current Asset Policies Update – Summary of Stakeholder Feedback*, The State of Queensland (Queensland Treasury) June 2025.

References to Australian Accounting Standards have been reproduced with permission from the Australian Accounting Standards Board (AASB) and are not covered by the CC BY licence. Contact the copyright owner AASB directly to request or inquire about reproduction and rights of this material.



Translating and interpreting assistance

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this publication. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.

STAKEHOLDER FEEDBACK ON NON-CURRENT ASSET POLICIES UPDATE FOR 2024-25

This document summarises feedback received from stakeholders in relation to the draft revised NCAPs and explains how Queensland Treasury (QT) has addressed all significant feedback, and if not addressed in the final version, the reason for this.

NCAP	Location	Abridged Stakeholder Feedback	QT Response
NCAP 1 Recognition of Non-Current Assets			
	Section 1.4.4 – Third-Party Costs	<p>Following further consultation between Queensland Treasury and QAO, further edits to the policy on third-party costs have been made to permit capitalisation of costs where:</p> <ul style="list-style-type: none"> (i) there is genuine uncertainty over who the eventual owner of the asset will be; or (ii) Queensland Treasury otherwise approves the capitalisation of the costs if the third party is not consolidated by whole-of-government. <p>More in line with the previous policy on third party costs, these amendments are designed to strike the right balance between circumstances that warrant capitalisation and situations where expense is appropriate. Any agency who has existing capitalised third-party costs for assets that will be ultimately transferred to entities outside of whole-of-government, and for which there will be WIP balances existing at year end, should contact Queensland Treasury for approval via fmcsupport@treasury.qld.gov.au</p>	
	Appendix 1.1 – Asset Recognition Thresholds	Could the asset recognition threshold for plant and equipment be increased to accommodate for inflation to \$10,000?	Queensland Treasury notes several agencies have expressed this feedback. A more detailed review of this request will be undertaken in 2025/26.
NCAP Tools Illustrative Examples			
	Examples 3.4.2 to 3.4.6	The fair value examples that refer to highest and best use need to be updated to reflect the new requirements in AASB 13 about highest and best use for not-for-profit public sector entities.	In these fair value examples, where the asset is non-cash-generating, we have updated assessment of highest and best use to be the asset’s current use.

NCAP	Location	Abridged Stakeholder Feedback	QT Response
	Example 3.4.3	In this example, reserve land is categorised as level 3 in the fair value hierarchy, does this mean all reserve land must be categorised as level 3?	<p>No, not all reserve land is required to be categorised as level 3.</p> <p>In example 3.4.3, the valuer applied significant professional judgement using unobservable inputs in extrapolating the land's value from recent land sales, and as such the land is categorised as level 3.</p> <p>If no significant adjustment using unobservable inputs was needed in the valuation, reserve land should be categorised as level 2.</p>
	Example 3.4.3	There is reference to the Minister removing the reserve restriction as being a key assumption, but does not seem to explain how this affects the valuation.	We have removed the reference to the removal of the reserve restriction being a key assumption in the valuation process.
	Example 3.5.3	<p>1. Should the reference to paragraph F12(c) be to AASB 2022-10 instead of AASB 13?</p> <p>2. We observed an inconsistency in the treatment of site preparation costs (e.g. demolition costs) between initial recognition and fair value measurement.</p>	<p>1. Since the amendments in AASB 2022-10 have been compiled, the reference would be to AASB 13 going forward.</p> <p>2. We note that in Example 3.5.3, the site preparation costs are considered to have increased the fair value of the land, and as such the costs are <u>not included</u> in the fair value / current replacement cost of the fire station building.</p>

NCAP	Location	Abridged Stakeholder Feedback	QT Response
		In Example 1.4.4, demolition costs are expensed unless a provision exists. However, demolition costs are included in the fair value (CRC) of the asset in Example 3.5.3 pursuant to paragraph F12(c) of AASB 13. This inconsistency could result in an adjustment at valuation.	However, we acknowledge that the requirements for measurement at initial recognition under AASB 116 are not identical to those for fair value measurement using the cost approach under AASB 13. So it is possible that inconsistencies can arise, which could result in an adjustment on the asset's first revaluation.
	Example 5.1.2	The example of a car's economic life being 30 years is too long.	We have updated the car's economic life to 10 years in this example.
	Examples 5.5.1 to 5.5.7	<p>Could clarity be enhanced in these examples by:</p> <ol style="list-style-type: none"> 1. including the capitalisation date and valuation date 2. for examples 5.5.1 & 5.5.2 where the net method is used, splitting the revaluation journal entry into two – one to eliminate the accumulated depreciation against the gross value and second journal for the revaluation adjustment 	<ol style="list-style-type: none"> 1. We have added details to these examples to clarify that <ul style="list-style-type: none"> • the asset was purchased 3 years ago, and • the valuation is as at 30 June of the current financial year. 2. We have split the revaluation journals for the net method examples into two to illustrate the elimination of the accumulated depreciation and the revaluation adjustment.