

From: [Euan Kyle](#)
To: [REDACTED]
Subject: RE: Depreciation [#58971K]
Date: Thursday, 11 February 2021 2:30:22 PM
Attachments: [image003.jpg](#)
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11/02/2021

[REDACTED]

Dear [REDACTED]

Request for Information – Local Government Official Information and Meetings Act 1987

We refer to your official information request dated 26 January 2021 for information regarding the 2020 Annual Report.

NZ Local Government Act 2002 Section 111 requires Council to follow NZ General Accepted Accounting Practices (NZ GAAP). For assets, NZ GAAP takes the form of the NZ accounting standard PBE IPSAS 17 : Property Plant and Equipment". This standard requires classes of assets to be revalued on a regular basis to ensure the amounts represented in the Financial Statements of Council are fair (for example: a market value should an asset be sold). Paragraph 44 (extracted below) which is reflected in Council's Accounting Policies of the Annual Report states:

"After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation, less any subsequent accumulated depreciation, and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date".

Council accounting policy requires material assets (including land, building, site improvements and infrastructure assets) to be revalued on a three yearly cycle or earlier should matters give rise to a material change in the asset's fair value. Neither the accounting policy nor legislation require Council to maintain separate original cost and revaluation amounts for each individual assets.

We are unable to supply the information as under section 17 (g)(i) of the LGOIMA (g) the information requested is not held by the local authority. The information that has been requested is not available in our financial system for a number of reasons.

1. The current version of our system was implemented in 2005 and at the point the current value of each asset and accumulated depreciation were brought into the new fixed asset register. Any historical cost information up to that date was not brought forward into the new system and is now no longer available as well beyond the 7 year retention level for financial information. It should also be noted that most of the asset we retain today, were acquired prior to 2005.

2. Subsequent to 2005, there have been many changes to each revalued assets including:
 - a) Additions from purchases
 - b) Additions from vested assets
 - c) Disposals (full or partial) and
 - d) 3 yearly revaluation cycles

At the point of each revaluation, the cost of each asset is reset to the new value, accumulated depreciation is reset to \$0.00 and depreciation will commence based on the new value and useful lives; with relevant transaction data recorded for this change. The system does not calculate what the depreciation would have been if the asset was not revalued.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely,

Euan Kyle

Senior Advisor, Official Information and Privacy

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Euan Kyle

Corporate Information Manager

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From: Euan Kyle
Sent: Wednesday, 27 January 2021 9:32 AM
To: [REDACTED]
Subject: RE: Depreciation [#58971K]

27/01/2020

[REDACTED]

Dear [REDACTED]

REQUEST FOR INFORMATION - LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987: ACKNOWLEDGEMENT OF REQUEST

I am writing to acknowledge receipt of your official information request dated 26 January 2021 for information regarding the 2020 Annual Report.

We received your request on 26 January 2021. We will endeavour to respond to your request as soon as possible and in any event no later than 20 working days after the day your request was received. If we are unable to respond to your request by then, we will notify you of an extension of that timeframe.

If any additional factors come to light which are relevant to your request, please do not hesitate to contact us so that these can be taken into account.

Yours sincerely,

Euan Kyle

Senior Advisor, Official Information and Privacy

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From: Contact
Sent: Tuesday, 26 January 2021 2:37 PM
To: Information Management Team
Subject: FW: Depreciation [#58971K]

-----Original Message-----

From: [REDACTED]
Sent: Tuesday, 26 January 2021 11:38 AM
To: "Contact" <Contact@huttcity.govt.nz>
Subject: Depreciation

Good morning,

The 2020 Annual Report shows that the depreciation expense was \$40.807 million.

Could you please advise how much relates to the original cost price of assets and how much is for the revalued amount of assets.

Many thanks,