

7.101 Fair Value Measurement of Property, Plant and Equipment

Purpose/Objectives

Treasurers Instructions (TI) 954, *Revaluation of Non-Current Physical Assets*, states that subsequent to initial recognition, land and buildings are to be measured at fair value. TI 954 defines the revaluation model to be used.

Key Principles

Australian Accounting Standard Board *AASB 116 – Property, Plant and Equipment* prescribes the accounting treatment for property, plant and equipment (PPE).

Fair value is defined in *AASB 13 – Fair Value* as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Useful Links

[Treasurers Instructions 954](#) – *Revaluation of Non-Current Physical Assets*

Evaluation & Review

Custodian: Policy & Regulation, Valuation Services

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Approver: Valuer-General, Valuation Services

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