

Treatment of land improvements

The AEG agreed unanimously that:

- i. GFCF of land improvements should be treated like other GFCF and result in a produced asset appearing separately in the balance sheet;
- ii. The non-produced component of land should be valued at its present unimproved value;
- iii. Where the value of land cannot be partitioned into an improved and unimproved part, adopt recommendations for land and associated structures as in Para 13.57 for balance sheets and Para 7.131 for rent and rentals;
- iv. Costs of ownership transfer on land should be recorded as fixed assets and included with land improvements.

The boundary between land improvements and structures should be re-examined with a view to moving some items such as major dykes, seawalls, etc. to structures.

The terms “Land Improvements” and “Unimproved Land” are to be reconsidered by the Canberra Group II.