

Reason for costs	Examples	Accounting treatment
<p>Investigation and/or planning – activities undertaken to gain knowledge, investigate alternatives or to make decisions relating to a capital acquisition or construction project</p>	<ul style="list-style-type: none"> • Feasibility studies, investigative studies, needs assessments • Preparation of asset management plans • Concept briefs or proof of concept • Cost/benefit analysis • Preparation of business case • Pilot programs • Project team staff costs (including on-costs) to undertake the investigative and/or planning activities • Operational staff costs, e.g. administrative support • General administration and indirect overheads including the cost of meetings • External consultants to undertake investigative and/or planning activities • Travel costs relating to investigative and/or planning activities • Training 	Expense
<p>Design – activities undertaken to design the specifics of a capital project</p>	<ul style="list-style-type: none"> • Conceptual design and/or plans • Design specifications • Tender documents and/or drawings • Project team staff costs (including on-costs) to undertake or manage design activities • External consultants to undertake design activities • Travel costs relating to design activities 	Capital
	<ul style="list-style-type: none"> • Operational staff costs, e.g. admin support • General administration and indirect overheads including the cost of meetings • Training 	Expense
<p>Purchase or construction of assets - includes the purchase or construction of all physical, e.g. buildings, hardware, and intangible assets, e.g. internally developed software or purchased software materially changed.</p>	<ul style="list-style-type: none"> • Site preparation including demolition, removal and restoration costs where there has been no provision recognised for restoration of the asset being replaced and there was a formal commitment by management (e.g. meeting minutes, approved project plan) to demolish the asset prior to the demolition commencement • Development application fees • Relocation of occupants, equipment, etc. out of existing 	Capital

Reason for costs	Examples	Accounting treatment
	<p>location to temporary accommodation</p> <ul style="list-style-type: none"> • Tender costs including advertising • Delivery or handling costs • Installation and assembly costs • Cost of purchased asset • Construction costs • System configuration • Costs of testing the asset to ensure it is functioning properly (initial testing only) • Professional fees • Insurance for construction phase of project • Travel costs • Estimated costs to remove or dismantle the asset at the end of its useful life or remediation expenses where there is a present obligation to do so, e.g. leasehold improvement which requires removal or restoration at the end of the lease • Fees to register a legal right (intangible assets) • Major fit-outs including delivery and installation costs • Project team staff costs (including on-costs) to undertake or manage the construction activities • Borrowing costs • Costs relating to the defect period (including project staff cost) 	
	<ul style="list-style-type: none"> • Operational staff costs, e.g. admin support • Property searches • Software licences • Documenting policies, procedures and guidelines • Post implementation reviews • General administration and indirect overheads including the cost of meetings • Rental costs for temporary accommodation • Minor fit-out costs • Costs to move occupants, equipment, etc. into the new location • Training 	Expense