MODIMOLLE-MOOKGOPHONG LOCAL MUNICIPALITY

ASSET MANAGEMENT POLICY FOR IMMOVABLE ASSETS

2025/26

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ABBREVIATIONS

CFO	Chief Financial Officer
COGTA	Department of Cooperative Governance and Traditional Affairs
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Standards of Generally Recognised Accounting Practice
IAMP	Infrastructure Asset Management Plan
IAS	International Accounting Standards
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MMLM	Mookgophong Local Municipality
OHSA	Occupational Health and Safety Act
PPE	Property, plant and equipment

1. PURPOSE OF THIS DOCUMENT

This document indicates the Asset Management policy of Modimolle-Mookgophong Local Municipality (MMLM) to account for its property, plant and equipment (PPE), investment property, heritage assets and associated intangible assets. The policy commits the municipality to establish and maintain an asset register that complies with the latest accounting standards, and to account for the assets in a way that is aligned with the municipality's strategic objectives and recognised good practice.

2. BACKGROUND

2.1 CONSTITUTIONAL AND LEGAL FRAMEWORK

Municipalities must strive, within their financial and administrative capacity, to achieve the following objects (as requires by the South African Constitution):

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities and community organisations in matters of local government.

The manner in which a municipality manages its PPE assets is central to meeting the above challenges. Accordingly, the Municipal Systems Act (MSA) specifically highlights the duty of municipalities to provide services in a manner that is sustainable, and the Municipal Finance Management Act (MFMA) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner. The MFMA specifically places responsibility for the management of municipal assets with the Municipal Manager.

The OHSA requires municipalities to provide and maintain a safe and healthy working environment, and in particular, to keep its assets safe.

2.2 ACCOUNTING STANDARDS

The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

Key changes include the recognition of depreciation of assets as an expense, and conditional grants as revenue when it is utilised and conditions are met. Immoveable assets are unbundled and each significant component is individually recognised and accounted for. Initial measurement of assets is at cost, though in cases where it is impracticable to establish the cost (eg where there are no reliable records, or records cannot be linked to specific assets), the cost is deemed to be the fair value of the PPE. Specialised buildings (such as community facilities) and infrastructure (such as a water supply network) are valued using a depreciated replacement cost. Major inspections and major capital spares also forms part of PPE.

As a low capacity municipality, MMLM had to convert to GRAP on 1 July 2009. GRAP 17 replaced GAMAP 17 through the publication of Government Gazette 31021.

2.3 MANAGEMENT OF INFRASTRUCTURE ASSETS

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure and community assets.

Key themes of the latest generation of national legislation introduced relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- the provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation – for the above objectives to be achieved, the IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure and community assets.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure and community assets whilst also addressing backlogs in basic services and facing on going changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from a number of departments of the municipality, including infrastructure, community services, financial planning, and corporate services.

COGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as potable water, roads, energy etc.). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructures. The arrangements outlined in the COGTA guidelines are further strengthened by the provisions of the National Treasury's Local Government Capital Asset Management Guidelines. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

This document provides the framework and policy directives in terms of which MMLM accounts for immovable assets in a manner that satisfies the requirements of all relevant accounting standards.

3. OBJECTIVES

The objective of this policy is for the municipality to:

- implement prevailing accounting standards; and
- provide a data platform that will support asset management practice in accordance with legal requirements and recognised good practice.

4. APPROVAL AND EFFECTIVE DATE

The CFO is responsible for the submission of this document to Council to consider its adoption after consultation with the Municipal Manager. Council shall indicate the effective date for implementation of the policy.

5. POLICY AMENDMENTS

Changes to this document shall only be applicable if approved by Council. Any proposals in this regard shall be motivated by the CFO in consultation with the Municipal Manager and respective Executive Directors. The recommendations of the CFO shall be considered for adoption by Council.

6. REFERENCES

The following references were observed in compiling this document:

- Asset Management Framework, National Treasury, 2004
- Guidelines for Infrastructure Asset Management in Local Government, Department of Provincial and Local Government, 2006
- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- MFMA Circular 18 & 44
- Local Government Capital Asset Management Guidelines, National Treasury, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice (GRAP 1, 3, 5, 12, 13, 16, 17, 19, 21, 23, 26, 31, 100, 103).
- Municipal Transfer and Disposal Regulations, Government Gazette no.31346

7. ACCOUNTING POLICY FOR PPE, ASSOCIATED INTANGIBLE ASSETS, HERITAGE ASSETS AND INVESTMENT PROPERTY

7.1 DEFINITIONS

Assets are resources controlled by the municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Asset Management Team is a multi-disciplinary team appointed by the Municipal Manager to initiate, monitor and review the asset management practices improvement program, the development of Infrastructure Asset Management Plans and a Consolidated Municipal Infrastructure Plan consistent with the municipality's goals and objectives.

Asset Management Policy is a formal statement adopted by Council that indicates the municipality's policy objective, the policy principles, and how these will be pursued.

Asset Management Information System is a combination of processes, data and software applied to provide outputs required for effective asset management.

Asset Performance is the performance of an asset that is measured in line with the applicable Level of Service.

Asset Register is a record of information on each asset that supports effective financial and technical management of the assets, and meets statutory requirements.

Asset Utilisation is the extent to which an asset is being productively used – typically measured as a percentage of its capacity.

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds, for example interest on a bank overdraft.

Capital spares are considered to be spares that constitute an entire or significant portion of a component type, or a specific component, defined in the immovable asset hierarchy, for example emergency equipment.

Carrying amount of PPE is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairments losses.

Carrying amount of Investment Property is the amount at which an asset is recognised in the statement of Financial Position; which could be the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairments losses or the fair value at that point in time.

Carrying amount of heritage assets is the amount at which an asset is recognised after deducting any accumulated impairments losses.

Cash flows are inflows and outflows of cash and cash equivalents.

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash-generating assets are assets held with the primary objective of generating a commercial return.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflow from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Class of property, plant and equipment means a grouping of assets of a similar nature or function in the municipality's operations, which is shown as a single item for the purpose of disclosure in the financial statements.

The commencement of the lease term (municipality as the lessee) is the date from which the municipality is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

Community Facilities are discrete assets that provide a service directly to the community (such as parks, sports facilities, cemeteries, landfill sites etc).

Components are the significant portions of an asset with different useful lives.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

Consolidated Municipal Infrastructure Plan is a plan that provides a holistic overview of existing service performance, a vision of future performance scenarios, the risks, priorities, funding and tariff implications, as a strategic input to the Integrated Development Planning process.

Cost of disposal is incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expenses. Examples of costs of disposal are stamp duty, legal costs, costs of removing the asset and incremental costs to bring the asset into a condition for its sale.

An entity is deemed to have control of an asset if it:

- has the capacity to benefit from the asset;
- is able to deny or regulate access of others to that benefit; and
- has the ability to secure the future economic benefit of that asset.

Critical Assets are assets for which the consequences of failure are sufficiently severe to justify pro-active inspection, maintenance and renewal. ("Important" Assets also justify pro-active inspection, maintenance and renewal, but not to the same level as "Critical" Assets).

Current Replacement Cost is a measure of replacement value – the cost of replacing an existing asset with a modern asset of equivalent capacity.

Demand Management is an active intervention to change the pattern of demand for a service eg to minimise or eliminate the need to upgrade assets, to address a limitation on bulk supply capacity, or minimise losses.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciated replacement cost (DRC) is established by subtracting the residual value from the current replacement cost (CRC) and proportionately reducing the depreciable portion based on the fraction of the remaining useful life over the expected useful life. The DRC approach requires information on the expected useful life (EUL), residual value (RV), current replacement cost (CRC) and remaining useful life (RUL) of each of the asset components.

Accordingly the following formula is used:

$$DRC = ((CRC - RV) \times RUL/EUL) + RV$$

Replacement costs are "green fields", unless there is evidence of definite cost variance due to "brown-field" modifications. Capital unit costs vary from site to site and provision is made for site specific influencing factors e.g. topography. Capital unit costs are also influenced by macro-economic driving forces such as "supply and demand", financial markets and availability of contractors.

Disposal is the action required to effectively dispose, decommission, or transfer assets in terms of legal or organisational requirements.

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumptions of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

Exchange Transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Entity-specific value is the present value or service potential of the benefits the municipality expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.

Exempted capital assets are municipal capital assets to be disposed where National Treasury approved the disposal; therefore Council approval is not necessary.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Heritage assets are assets with cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

High value in relation to a capital asset of a municipality or municipal entity means that the fair market value of the capital asset exceeds any of the following amounts:

- R50 million;
- one per cent of the total value of the capital assets of the municipality or municipal entity, as determined from the latest available audited annual financial statements of the municipality or entity; or
- an amount determined by resolution of the council of the municipality or of the controlling municipality of the municipal entity which is less than R50 mil or one per cent of the total value.

Infrastructure assets usually have the following characteristics:

- they are part of a system or network;
- they are specialised in nature and do not have alternative uses,
- they are immovable; and
- they may be subject to constraints on disposals.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Immovable assets are fixed structures such as buildings and roads. A plant that is built-in to the fixed structures and is an essential part of the functional performance of the primary asset is considered an immovable asset (though it may be temporarily removed for repair).

Impracticable is when the municipality cannot apply a requirement after making every reasonable effort to do so. For example; it is impracticable to apply a change in accounting policy for a prior period retrospectively if the effects of the retrospective application are not determinable.

Infrastructure Asset Management Plan is a plan developed for the management of Infrastructure Assets with the aim of providing specified levels of service in a cost-effective manner, now and in the future. Multi-disciplinary management techniques (including technical and financial) are combined to determine the aggregated asset life-cycle needs. A significant component of the plan is a long-term cash-flow.

The inception of a lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

As at this date:

- a lease is classified as either a finance lease or an operating lease, and
- in the case of a finance lease, the amounts to be recognised at the commencement of the lease term as determined.

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset with or without any further payments, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Level of Service is the defined parameters that characterise essential service delivery requirements for a particular service, against which performance may be measured. Criteria can relate to availability of the service, quality, quantity, reliability, responsiveness, environmental acceptability and cost. Measures are identified for each criteria and used for performance monitoring and reporting and as a departure point for risk management.

Life-cycle is the cycle of activities that an asset goes through – including planning and design, initial acquisition and construction, cycles of operation and maintenance and capital renewal, and finally disposal.

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset is identifiable if it either:

- Is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licenced or exchanged, either individually or together with a related contract, identifiable asset or liability; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- sale in the ordinary course of operations.

Classifications of investment property:

- Local government may own a building for the purpose of leasing on a commercial basis to external parties to generate funds, rather than to produce or supply goods and services. This property will also meet the definition of investment property.
- Investment property generates cash flows largely independently of the other assets held by the municipality. This distinguishes investment property from other land and buildings controlled by the municipality, including owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) can also generate cash flows.

Investment property includes the following:

- land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations;

- land held for a currently undetermined future use;
- a building owned by the municipality and leased out under one or more operating leases on a commercial basis to external parties;
- a property owned by the entity and leased out at below market rental; or
- property that is being constructed or developed for future use as investment property.

When the municipality provides ancillary services to the occupants of a property it holds and the services are insignificant to the arrangement as a whole, the property will still be treated as investment property.

Maintenance is the action required for an asset to achieve its expected useful life. Maintenance can be planned or unplanned. Repairs are a form of unplanned maintenance after failure or damage.

Material omissions or misstatements of items are material if it could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The size or nature of the information item, or a combination of both, could be the determining factor.

Monetary assets are money held or assets to be received in fixed or determinable amounts of money.

Movable assets are not fixed structures and can be moved from one location to another location, for example computers and vehicles.

Non-monetary assets are assets other than monetary assets.

Non-cash-generating assets are assets other than cash-generating assets.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Non-exempted capital assets are municipal assets for which Council must approve disposals.

An obligating event is an event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.

A constructive obligation is an obligation that derives from an entity's actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

A legal obligation is an obligation that derives from:

- a contract (through its explicit or implicit terms);
- legislation; or
- other operation of law.

Operations are the use of manpower and consumables (such as energy, chemicals and materials) required for an asset to operate to the required performance.

An operating lease is a lease other than a finance lease.

Organ of state means –

- a national department or national public entity;
- a provincial department or provincial public entity;
- a municipality or municipal entity;
- any other organ of state within the meaning assigned to "organ of state" in section 239 of the Constitution.

Owner-occupied property is property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or administrative purposes.

A PPE asset hierarchy is adopted for PPE which enables separate accounting for components of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of the replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

Practices Improvement Plan is an action plan to improve the way infrastructure management is practiced in the municipality, based on an assessment of existing and target practice, and focussing on management processes, systems, data, and organisational arrangements. The initial Practices Improvement Plan may be prepared in the form of a Business Plan to be driven on a program basis.

Prior period errors are omissions from, and misstatements in, the municipality's financial statements for one or more prior periods arising from the failure to use, or misuse of, reliable information that:

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.
-

Property, Plant and Equipment are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

(b) are expected to be used during more than one reporting period.

A provision is a liability of uncertain timing or amount.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale. Examples of qualifying assets are office buildings, infrastructure such as roads, bridges and power distribution facilities and property that will become self-constructed items of property, plant and equipment once construction is complete.

Recoverable amount is the higher of a cash-generating asset's fair value less cost to sell and its value in use.

Recoverable service amount is the higher of a non-cash generating asset's fair value less cost to sell and its value in use.

Rehabilitation is the works to rebuild or replace parts of an asset to enable it to the original capacity and performance, and materially extend its useful life (which may be a full or partial extension of life – ie less than its expected useful life).

Renewal is the replacement or rehabilitation of an asset.

Remaining useful life of an asset is the time remaining until an asset ceases to provide the required standard of performance or usefulness.

Reporting date means the date of the last day of the reporting period to which the financial statements relate.

Replacement is the complete replacement or reconstruction of an asset with one that performs to a similar standard of performance.

Residual value is the estimated amount that the municipality would currently obtain from disposal of the asset after deducting the estimated cost of disposal, if the asset was already of the age and in a condition expected at the end of its useful life.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Risk Management is the application of a formal process that identifies the exposure of a municipality to service performance risk and determines appropriate responses.

Upgrading is the replacement, augmentation, or alteration of an asset that results in a material improvement to capacity or performance.

Useful life is:

- the period over which an asset is expected to be available for use by the municipality, or
- the number of production or similar units expected to be obtained from the asset by the municipality.

7.2 RECOGNITION

Policy statement

MMLM shall recognise all PPE, associated intangible assets,
e assets and investment property existing at the time of the adoption of the policy and any upgrades, new assets and renewals if the assets comply with the recognition criteria. Such assets shall be capitalised in compliance with prevailing accounting standards.

Heritage assets will be recognised and measured according to the Standard on Heritage assets, GRAP 103 from 1 July 2014.

Recognition criteria according to the Accounting standards

The cost of an item of PPE, associated intangible assets, heritage assets and investment property shall be recognised as an asset if, and only if:

- it is probable that economic benefits or service potential associated with the item will flow to the municipality, and

- the cost or fair value of the item can be measured reliably.

When heritage assets cannot be measured reliably:

If a heritage asset does not meet the recognition criteria on initial recognition because it cannot be measured reliably, relevant and useful information about the heritage asset shall be disclosed in the notes to the financial statements. If the heritage asset is not recognised because the asset cannot be measured reliably, any initial cost to assess the state of the heritage asset and any costs incurred subsequently shall be recognised in the surplus or deficit as incurred.

Scenario in which heritage assets are controlled:

Heritage assets will still be controlled by the municipality when it is able to generate future economic benefits or service potential from the assets, even though the municipality may be restricted from disposing these assets based on a stipulation imposed by, for example, the transferor.

7.3 CLASSIFICATION

Policy statement

The asset sub-categories and groups below shall be used as the classification structure for the immovable assets and associated intangible assets. The assets shall be disclosed in the financial statements at the category level.

Asset hierarchies shall be adopted for each of the immovable asset groups and associated intangible assets, separately identifying items of PPE at component level that are significant from a financial or risk perspective, and, where applicable, grouping items that are relatively insignificant. The ***table 1*** below shows the approved asset hierarchy.

Table 1 – Approved MMMLM Asset Hierarchy

Asset Category	**Asset Sub-Category**		**Asset Group**	
Name		***Code***	**Name**	***Code ****
Infrastructure Assets	Electricity network	*ELE*	HV Network (>33kV)	*HVNx*
			MV Network (<=33kV)	*MVNx*
			LV Network (<1000V)	*LVNx*
	Roads and storm water network	*RDS*	Road	*RODx*
			Road structures	*RSTx*
			Road furniture	*ROFx*
			Storm water	*STWx*
	Water network	*WSN*	Boreholes	*BORx*
			Bulk mains	*BKMx*
			Dams & weirs	*DAMx*
			Distribution	*DISx*
			Distribution points	*DPOx*
			Pump stations	*PSTx*
			Reservoirs	*RESx*
			PRV stations	*PRVx*
			Water treatment works (WTW)	*WTWx*
	Sanitation network	*SAN*	Outfall sewers	*OUTx*
			Pump stations	*PSTx*
			Reticulation	*RETx*
			Toilet facilities	*TOFx*
			Waste water treatment works (WWTW)	*STWx*
Intangible Assets	Servitudes	*SER*	Electricity servitudes	*ELEx*
			Road access servitudes	*RDSx*
			Rail servitudes	*RLNx*
			Stormwater servitudes	*STWx*
			Water servitudes	*WSNx*
			Sanitation servitudes	*SANx*
	Licenses and rights	*LIR*	Water rights	*WARx*
			Effluent licenses	*EFFx*
			Solid waste licenses	*SWLx*
Investment Property	Investment property	*INV*	Improved property	*IMPx*
			Unimproved property	*UIPx*
			Improved property	IMPx
Investment Property	Investment property	*INV*	Improved property	IMPx

Asset Category	Asset Sub-Category		Asset Group	
Name		***Code***	**Name**	***Code ****
Infrastructure Assets	Rail network	*RAL*	Rail lines	*RLNx*
			Rail structures	*RLSx*
			Rail furniture	*RLFx*
			Stormwater	*STWx*
			MV Network	*MVNx*
			LV Network	*LVNx*
	Information and communications network	*ICN*	Core layer	*CLYx*
			Distribution layer	*DILx*
			Data centre environment	*DCEx*
			Access layer	*ACLx*
Community Assets	Community facilities	*COF*	Halls / Centres	*HALx*
			Crèches	*CREx*
			Clinics / Care centres	*CLIx*
			Museums / Galleries / Theatres / Libraries	*MUSx*
			Cemeteries / Crematoria	*CEMx*
			Parks	*PARx*
			Public open space	*POSx*
			Public ablution facilities	*PAFx*
			Markets / Stalls / Shops	*STLx*
			Landfill sites	*WASx*
			Waste transfer stations	*TSTx*
			Garden refuse sites	*WPFx*
			Abattoirs	*ABAx*
			Airports	*AIRx*
			Taxi ranks / Bus terminals	*TAXx*
	Sport and recreation Facilities	*SPR*	Indoor facilities	*ISPx*
			Outdoor facilities	*OSPx*
Heritage Assets	Conservation areas	*CONA*	National parks	*NPARx*
	Conservation areas	*CONA*	Recreational parks	*RPARx*
	Conservation areas	*CONA*	Wetlands	*WETx*
	Historical buildings	*HIB*	All	*ALLx*
	Historical buildings	*HIB*	Mining industry	*MINx*
	Historical buildings	*HIB*	Museums	*MUSx*
	Historical monuments	*MON*	Monuments	*MONx*
	Historical sites	*SIT*	Graves and burial grounds	*GRVx*
	Historical sites	*SIT*	Archaeological & palaeontology	*ARCx*
	Other heritage	*OHE*	All	*ALLx*
	Heritage assets land	*HERLND*	Conservation areas	*CONAx*
	Heritage assets land	*HERLND*	Historical buildings	*HIBx*

	Heritage assets land	*HERLND*	Historical monuments	*MONx*
	Heritage assets land	*HERLND*	Historical sites	*SITx*
	Heritage assets land	*HERLND*	Other heritage	*OHEx*
Other Assets	Operational buildings	*OPB*	Municipal offices	*MUNx*
			Pay points	*PAYx*
			Fire / Ambulance stations	*FASx*
			Testing stations	*TESx*
			Workshops / Depots / Stores / Laboratories	*WDSx*
	Housing	*HSE*	Staff housing	*STAx*
			Social housing	*SOCx*
	Capital spares	*CAP*	Capital spares - Electricity	*ELEx*
			Capital spares - Roads, rails and stormwater	*RDSx*
			Capital spares - Water supply	*WSNx*
			Capital spares - Sanitation	*SANx*
			Capital spares - Community and other assets	*COMx*
			Capital spares - Information and communications	*ICNx*

7.4 MEASUREMENT AT RECOGNITION

Policy statement

An item of PPE and heritage assets which qualify for recognition as an asset shall be measured at its cost. Investment property will be measured at cost and transaction costs will be included in the initial measurement.

In the case of intangible assets, expenditure shall be recognised as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria. Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date.

In cases where complete cost data is not available or reliable for use, the fair value of PPE, an associated intangible asset, heritage assets and investment property shall be used to recognise the asset.

Measurement at recognition according to the Accounting standards

Circumstances where fair value will be used at initial measurement:

Where an item of PPE, an associated intangible asset, heritage asset or an investment property is acquired at no cost or a nominal cost, its cost is the fair value as at the date of acquisition. Events that might lead to this accounting treatment are when an asset is contributed or gifted to the municipality, a power of sequestration was exercised, there are no records on the asset's cost price, or the records cannot be linked to specific assets.

According to Directive 7, if the fair value at the measurement date cannot be determined for an item of property, plant and equipment, investment property or a heritage asset, an entity may estimate such fair value using:

- depreciated replacement cost at the measurement date for an item of property, plant and equipment;

- depreciated replacement cost at the measurement date for an investment property, but only if the investment property is of such a specialised nature that there is no market-based evidence of fair value; and
- replacement cost at the measurement date for heritage assets.

Directive 7 can only be used to determine the cost of an asset that was acquired prior to the measurement date, 30 June 2010. For assets which cost data is not available and acquired after the measurement date, the use of deemed cost will result in a change of policy from the cost model to the revaluation model.

The measurement at recognition of an item of PPE, acquired at no or nominal cost, at its fair value does not constitute a revaluation.

Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Elements of cost

- The cost price of PPE, associated intangible assets, heritage assets and investment property comprises of:
  - the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
  - any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
    - Examples of directly attributable costs are:
      - cost of employee benefits arising directly from the construction or acquisition of the item of PPE and associated intangibles;
      - cost for site preparation (in the case of PPE assets);
      - initial delivery and handling costs (in the case of PPE infrastructure, PPE community assets and PPE heritage assets);
      - installation and assembly costs,
      - cost of testing whether the PPE or associated intangible asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition;
      - professional fees (in the case of all asset classes); and
      - property transfer taxes (in the case of PPE heritage assets and investment property).
  - the initial estimate of cost dismantling and removing a PPE infrastructure asset and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
    - Changes in the estimated decommissioning costs:
      - Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.
    - The following events can change the measurement of the provision:
      - a change in the estimated outflow of resources embodying economic benefits or service potential required to settle the obligation;
      - a change in the current market-based discount rate(this includes changes in time value of money and the risks specific to the liability); and
      - an increase that reflects the passage of time.

- Changes to provisions shall be applied as follows:
  - changes in the provision shall be added to or deducted from the asset's cost;
  - the amount deducted from the asset's cost price shall not exceed the carrying amount of the asset, the excess shall be recognised in the surplus or deficit; and
  - if the adjustment results in an addition to the cost price of the asset, the municipality shall consider whether this is an indication if the new carrying amount of the asset may not be fully recoverable. This may be an indication of an impairment.

- Elements of costs that are not part of the cost price are:
  - Cost of opening a new facility in the case of PPE infrastructure and PPE community assets and heritage assets;
  - costs of introducing a new product or service, including advertising costs, in the case of intangible assets and PPE infrastructure;
  - costs of conducting business in a new location or with a new class of customers, including training costs, in the case of PPE infrastructure, PPE community assets, PPE heritage assets and intangible assets;
  - administration and other general overhead costs in the case of PPE infrastructure, PPE community assets, PPE heritage assets and intangible assets;
  - cost incurred while an item capable of operating in the manner intended by management has yet to be brought into use or is operated at less than full capacity, in the case of PPE infrastructures and intangible assets;
  - operating losses incurred before the investment property achieved the planned level of occupancy;
  - initial operating losses, such as those incurred while demand for the item's outputs build up in the case of PPE infrastructure and intangible assets;
  - costs of relocating or reorganising part or all of the municipality's operations, in the case of PPE infrastructure;
  - start-up costs in the case of investment property;
  - abnormal amounts of wasted material, labour or other resources incurred in constructing or developing the investment property; and
  - costs of opening the new exhibition regarding heritage assets, for example a new section at the museum.

Assets which assist other PPE to operate effectively

Costs may be required for safety or environmental reasons. Such costs, although not directly increasing the future economic benefits or service potential of any particular existing item of PPE, may be necessary for that PPE to obtain future economic benefits or service potential. Such costs qualify for recognition as PPE because they enable PPE to derive future economic benefits and/or service potential in excess of what could be derived had those costs not been acquired. For example, a certain PPE might only operate within six months' time if a specific licence/ permit is obtained.

Spare parts and servicing equipment

Spare parts and equipment are usually carried as inventory in terms of the Standard on Inventories, GRAP 12, and recognised in surplus and deficit as consumed; this will apply to maintenance material and electricity stock. However, major spare parts and stand-by equipment qualify as PPE when the municipality expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of PPE, it is accounted for as property, plant and equipment. In some cases judgement should be applied to the recognition criteria.

The municipality shall evaluate under this recognition principle all its PPE cost at the time it incurs. These costs include costs incurred initially to acquire or construct an item of PPE and cost incurred subsequently to upgrade the asset, replace part of the asset, or service it.

The cost of day-to-day servicing of an asset shall not be recognised as an item of PPE. These costs shall rather be recognised in the surplus or deficit as incurred. The cost of day-to-day servicing is primarily the costs of labour and consumables, and may include costs of small parts and maintenance material.

Replacement of components

Components of some items of PPE may require replacement at regular intervals, for example a pump. Items of PPE may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. The municipality recognises in the carrying value of an item of PPE the cost of the replacing part of such an item when that cost is incurred and if the recognition criteria are met. The carrying values of those parts that are replaced are derecognised in accordance with the Standard on Plant, Property and Equipment, GRAP 17, which are discussed later in this document.

Major inspections

A condition of continuing to operate an item of PPE may be performing regular major inspections for faults regardless of whether parts of the item are replaced, for example dam-safety inspections which happens every five years. When major inspections are performed, the inspection cost is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied.

Any remaining carrying value of the cost of the previous inspection is de-recognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Self-constructed assets

The cost of a self-constructed PPE community asset, PPE infrastructure asset, and Investment Property is determined using the same principles as for an acquired asset. If the municipality makes similar assets for sale in the normal course of business, the cost of the asset is usually the same as the cost of constructing an asset for sale. Therefore, any internal surpluses are eliminated in arriving at such costs. Similarly, the cost of abnormal amounts of waste material, labour or other resources incurred in self-constructing an asset is not included in the cost of an asset.

Internally generated intangible assets

- Research phase
  - No intangible asset must be recognised during the research phase. Expenditure on research must be expensed when it occurs.
- Development phase
  - An intangible asset arising from development shall be recognised if, and only if, an entity can demonstrate the following:
    (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
    (b) Its intention to complete the intangible asset and use or sell it.
    (c) Its ability to use or sell the intangible asset.
    (d) How the intangible asset will generate probable future economic benefits or service potential.
    (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets acquired through non-exchange transactions

In some cases, an intangible asset may be acquired through a non-exchange transaction. This may happen when another public sector entity transfers to an entity in a non-exchange transaction, intangible assets such as airport landing rights. The cost of the item will be its fair value at the date it is acquired.

Internally generated goodwill

Internally generated goodwill must not be recognised as an asset.

7.5 EXCHANGE OF PHYSICAL ASSETS

Policy statement

If MMLM is able to determine reliably the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident.

Exchange of physical asset criteria according to the Accounting standards

One or more assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.

The cost of such an item of property, plant and equipment or investment property is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measured. If the acquired item is not measured at fair value, its cost is measured at the carrying value of the asset given up.

An exchange transaction has *commercial substance* if:

- the risks, timing and amount of the cash flows or service potential are expected to change as a result of the transaction, or
- the entity-specific value of the portion of the municipality's operations affected by the transaction changes as result of the exchange, and
- the difference in the two statements above is significant relative to the fair value of the assets exchanged.

7.6 BORROWING COSTS

Policy statement

MMLM shall capitalise borrowing costs to be part of the qualifying asset's cost price only when the borrowing cost is directly attributable to the production, construction or acquisition of the qualifying asset. The benchmark treatment will be to expense all borrowing costs in the period in which it occur.

Borrowing cost criteria according to the Accounting standard

Borrowing costs may include:

- Interest expenses calculated using the effective interest method as described in the Standard of GRAP on Financial Instruments;
- finance charges in respect of finance leases; and
- exchange differences arising from foreign currency borrowings to the extent that it's regarded as adjustments to interest costs.

Recognition of borrowing costs

The municipality shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. In all other circumstances borrowing cost will be expensed to surpluses and deficits according to the benchmark treatment.

When borrowing costs is capitalised

Borrowing cost is capitalised as part of the cost of an asset when:

- It is probable that they will result in future economic benefits or service potential to the entity, and
- The cost can be measured reliably.

Borrowing costs eligible for capitalisation

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that will have been avoided if the expenditures on the qualifying asset had not been made.

To the extent that the municipality borrows *funds specifically* for the purpose of obtaining a qualifying asset, the municipality shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the municipality borrows *funds generally* and uses it for the purpose of obtaining a qualifying asset, the municipality shall determine the amount of borrowing cost eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the municipality that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

Carrying value exceeds recoverable amount or recoverable service amount

When the carrying value or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value, the carrying amount is written down or written-off in accordance with the requirements on Impairments. *Refer to the section on impairments*.

Commencement of capitalisation

The municipality shall begin capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the municipality first meets all of the following conditions:

- it incurs expenditures for the asset. It includes technical and administrative work prior to the commencement of physical construction, such as the activities of obtaining permits;
- it incurs borrowing costs.

Suspension of capitalisation

The municipality shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset. However, the municipality does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The municipality also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting the asset ready for its intended use, such as when high water levels delay the construction of a bridge.

Cessation of capitalisation

The municipality shall cease capitalising borrowing cost when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality shall cease capitalising borrowing costs associated with a part of the asset when substantially all the activities necessary to prepare that part for its intended use or sale is completed.

An office development comprising several buildings, each of which can be used individually, is an example of a qualifying asset for which each part is capable of being used while construction continues on other parts. An example of a qualifying asset that need to be completed before any part can be used includes the pump and motor set within a water pump station, without which the pump station cannot fulfil its key function.

7.7 DEFERRED PAYMENT FROM AND TO MMLM

Policy statement

If MMLM negotiates to pay the cost price of an asset over a period, the total cost price shall be discounted to the asset's present value as at the transaction date. The present value is regarded the cost price of the asset and the difference between the total cost price and the present value will be regarded an interest expense.

If MMLM negotiates to receive the net selling price from a disposal of an asset over a period in time, the total proceed amount shall be discounted to the present value as at the transaction date. The present value is regarded the net selling price of the asset and the difference between the total net selling price and the present value will be regarded interest income.

Deferred payments according to the Accounting standards

The cost of an item of PPE, intangible assets and investment property, heritage assets is the cash equivalent at the recognition date. If the payment of the cost price is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit unless such interest is recognised in the carrying value of the asset in accordance with the allowed alternative treatment in the Standard on Borrowing Costs, GRAP 5.

The consideration receivable on disposal of an item of PPE, investment property or intangible asset is recognised initially at its fair value. If payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue.

7.8 MEASUREMENT AFTER RECOGNITION

Policy statement

PPE (includes infrastructure assets, community assets and buildings)

Infrastructure is recognised at cost less accumulated depreciation and accumulated impairments.

Community assets and buildings are carried at revalued amounts less accumulated depreciation and accumulated impairment. Land is recognised at a revalued amount less accumulated impairments.

Subsequent expenditure is capitalised when the recognition and measurement criteria are met.

Investment property

MMLM subscribes to the fair value model approach; therefore investment property will be accounted for at fair value in accordance with GRAP 16, Accounting Standard on Investment Property.

MMLM will determine the fair value of investment property on a basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Transfers from investment property to PPE shall only be made when there is a change in use of the property.

Intangible assets

MMLM subsequently recognises intangible assets at cost less accumulated amortisation and accumulated impairment. Servitudes are rights in perpetuity; therefore there will be no depreciation.

Heritage assets

Heritage assets are recognised at cost less accumulated impairments (if the value can be measured reliably); otherwise the heritage asset's information will only be disclosed.

The requirements in GRAP 17 and GRAP 103 dealing with impairment and revaluation are similar, but differ with regard to depreciation (GRAP 17 requires assets to be depreciated, whereas GRAP 103 does not).
The different subsequent measurement principles in GRAP 17 vs. GRAP 103 represent a change in accounting policy that should be accounted for retrospectively in terms of GRAP 3. Therefore, any accumulated depreciation provided for on heritage assets under GRAP 17 should be reversed retrospectively on adoption of GRAP 103 in the 2013/14 financial year. In essence, on adoption of GRAP 103 the municipality will continue with the cost/deemed cost and any impairment and revaluation implications resulting from the application of GRAP 17, but should reverse any GRAP 17 accumulated depreciation (if any heritage assets were classified as PPE before).

Measurement after recognition according to the Accounting standards

Accounting standards allow measurement after recognition as follows:

- PPE: Either cost model or the revaluation model.
- Intangible assets: Either cost model or revaluation model.
- Investment property: Either cost model or the fair value model.
- Heritage assets: Either cost model or revaluation model.

Different models can be applied, providing the treatment is consistent per asset class. The different models are clarified below:

Cost model

When the cost model is adopted, the PPE (except land and heritage assets), associated intangible assets and investment property are carried at its cost less any accumulated depreciation and any accumulated impairment losses. Heritage assets (if reliably measured) and land shall be carried at cost less accumulated impairment losses.

Revaluation model

After recognition as an asset, an item of PPE (except land and heritage assets) 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 accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying value does not differ materially from that which will be determined using fair value at the reporting date.

After recognition as an asset, *heritage assets and land*, for which fair value can be measured reliably, shall be carried at a fair value amount, being its fair value at the date of revaluation less any subsequent impairment losses. Where no evidence is available to determine the market value in an active market of a heritage asset, a suitable valuation technique maybe used to determine the fair value of the heritage asset.

The fair value of items of land and buildings is usually determined from market-based evidence by appraisal. The fair value of items of plant and equipment is usually their market value determined by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification.

If no evidence is available to determine the market value in an active and liquid market of an item of property, the fair value of the item may be established by reference to other items with similar characteristics, in similar circumstances and location. For example, the fair value of vacant land that has been held for a long period during which time there have been few transactions may be estimated by reference to the market value of land with similar features and topography in a similar location for which market evidence is available. In the case of specialised buildings and other man-made structures, MMLM may need to estimate fair value using a depreciated replacement cost approach. In many cases, the depreciated replacement cost of an asset can be established by reference to the buying price of a similar asset with similar remaining service potential in an active and liquid market.
In the case of specialised buildings and other man-made structures (including heritage assets), the fair value will be estimated by using the depreciated replacement cost approach. In many cases, the depreciated replacement cost of an asset can be established by reference to the buying price of a similar asset with similar remaining service potential in an active and liquid market. In some cases, an asset's reproduction cost will be the best indicator of its replacement cost. The restoration cost or the reproduction cost approach may be the best indicator of the replacement cost in the case of heritage assets. If there is no market-based evidence of fair value because of the specialised nature of the item of plant and equipment, the municipality may need to estimate fair value using either reproduction cost or depreciated replacement cost.

The frequency of revaluations depends upon the changes in the fair values of the items of PPE being revalued. When the fair value of a revalued asset differs materially from its carrying value, a further revaluation is necessary. Some items of PPE experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of PPE with only insignificant changes in fair value. Instead, it may be necessary to revalue the item of PPE only every three to five years. If an item of PPE is revalued, the entire class of PPE to which the asset belongs shall be revalued.

If the carrying amount of an asset is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly in net assets to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised directly in net assets reduces the amount accumulated in net assets under the heading revaluation surplus.

If the heritage assets were accounted for using the revaluation approach and the market-determined prices and values are no longer available and alternative estimates of fair value are determined unreliable, the heritage assets shall be accounted for using the cost model approach from that date. The carrying value of the

heritage asset shall be its revalued amount at the date of the last revaluation less any subsequent accumulated impairment losses.

The municipality shall continue to account for each of the remaining heritage assets using the revaluation model.

Fair value model

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value shall reflect the market conditions at the reporting date.

7.9 RESIDUAL VALUE

Policy statement

The residual values applicable to PPE associated intangible assets and investment property shall be reviewed at each reporting date.

Most assets have no residual values. Assets with residual values are indicated in **Annexure A**.

Residual value criteria according to the Accounting standards

The residual value of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change shall be accounted for as a change in an accounting estimate in accordance with the Standard on Accounting Policies, Changes in Accounting Estimates and Errors, GRAP 3. The change will occur prospectively which means that the change will have an effect in the current and future periods.

The residual value of a PPE asset, investment property or intangible assets may increase to an amount equal or greater that the asset's carrying value. If it does, the asset's depreciation charges will be zero unless and until its residual value subsequently decreases to an amount below the asset's carrying value.

The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life; or
- there is an active market for the asset and:
  - residual value can be determined by reference to that market; and
  - it is probable that such a market will exist at the end of the asset's useful life.

The residual values of assets are shown in the form of percentages in **Annexure A**. In the case of assets measured after recognition on the cost model, the residual value is calculated by multiplying the residual value percentage with the initial cost of acquisition. In the case of assets measured after recognition on the revaluation model, the residual value is calculated by multiplying the residual value percentage with the modern equivalent replacement value.

7.10 USEFUL LIVES OF ASSETS

Policy statement

The estimated useful lives and remaining useful lives of all assets shall be reviewed at each reporting date, taking into account any changes in asset lifecycle strategies as described in the municipality's Asset Management Plans, the availability of funding to implement lifecycle strategies, changes in operating conditions and other relevant factors such as the availability of comparative asset data.

The estimated useful lives of assets are indicated in **Annexure A**.

Criteria according to the Accounting standards

The useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change shall be accounted for as a change in accounting estimate in accordance with the Standard on Accounting Policies, Changes in Accounting Estimates and Errors, GRAP 3. The change will occur prospectively which means that the change will have an effect in the current and future periods.

Land and buildings are separable assets and are accounted for separately, even when they are acquired together. With some exceptions, such as quarries and landfill sites, land has an unlimited useful life and therefore is not depreciated. Buildings have a limited useful life and therefore are depreciable assets. An increase in the value of the land on which a building stands does not affect the determination of the depreciable amount of a building.

The municipality shall assess whether the useful life or service potential of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, will be the elements used to estimate the useful life. An intangible asset shall be regarded by the municipality as having an indefinite life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential for the municipality.

The useful life of an intangible asset that arises from contractual rights or other legal rights shall not exceed the period of the contractual or other legal right, but may be shorter depending on the period over which the municipality expects to use the asset. If the contractual rights or other legal rights are conveyed for a limited term that can be renewed, the useful life of the intangible asset shall include the renewal period only if there is evidence to support renewal by the municipality without significant cost.

The useful life of an intangible asset that is not amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If it does not, the change in the useful life from indefinite to finite shall be accounted for as a change in accounting estimate in accordance with the Standard on Accounting Policies, Changes in Accounting Estimates and Errors, GRAP 3.

The remaining useful life of all depreciable immovable assets at initial recognition is the same as the expected useful life indicated in **Annexure A**. These figures have been established using available information on industry norms, experience of local influencing factors (such as climate and operational conditions), life-cycle strategies of the municipality, potential technical obsolescence and any legal limits on the use of the immovable asset.

7.11 DEPRECIATION

Policy statement

All PPE and investment property, except heritage assets and land, shall be depreciated over their remaining useful lives. There is no depreciation on heritage assets because the estimated useful life cannot be estimated. Land is not depreciated because it is deemed to have an infinite life, except for sites used for landfill. An intangible asset with a finite useful life is amortised and the intangible asset with an indefinite life is not amortised, for example servitudes are not amortised. Depreciation and amortisation shall begin when the asset is available for use and in the condition and location intended by management for its use. Depreciation and amortisation shall cease at the earlier of the date that the asset is classified as held for sale, de-recognised or has come to the end of its estimated useful life.

All depreciation and amortisation charges shall be recognised in surplus or deficit.

Depreciation criteria according the Accounting standards

Depreciation of components

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The municipality allocates the amount initially recognised in respect of an item of PPE to its significant parts and depreciates separately each such part.

A significant part of an item of PPE may have a useful life and a depreciation method that are the same as the useful life and the depreciation method as other significant parts of that same item. Such parts may be grouped together in determining the depreciation charge.

If some parts of an item of PPE are depreciated separately, it also depreciates separately the remainder of the item. The remainder consists of all the parts of the item that are individually not significant. If the municipality has varying expectations for these parts, approximation techniques may be necessary to depreciate the remainder in a manner that faithfully represents the consumption pattern or useful lives of the parts. Investment property will not be depreciated since the fair value adjustment forms part of the surplus/ (deficit) on an annual basis.

Depreciation on capital spares

The production unit cost depreciation method is used for capital spares. This means that the depreciation charge will be zero while the capital spares remain in the stores and once capital spares are implemented at a location the depreciation method change from production method unit to the straight-line unit. The change in estimate will affect the current and future periods because of the prospective treatment performed.

Where to account for depreciation and amortisation?

Depreciation and amortisation charges for each period shall be recognised in the surplus or deficit unless it is included in the carrying value of another asset.

When does depreciation and amortisation begin?

Depreciation and amortisation of an asset begins when it is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation will be calculated on a monthly basis except for the month in which the asset was purchased or an asset was completed and ready for use, then depreciation will start from the day the asset is available for use; therefore depreciation charged at a pro-rate basis.

When does depreciation or amortisation cease?

Depreciation and amortisation of an asset will cease at the earlier date that the asset is classified as held for sale in accordance with the Standard on Non-current Assets held for sale and discontinued operations, GRAP 100, and the date the asset is de-recognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Amortisation of an intangible asset with a finite useful life does not cease when the intangible asset is no longer used, unless the asset has been fully depreciated or is classified as held for sale in accordance with the Standard on Non-current Assets Held for Sale and Discontinued Operations, GRAP 100.

Depreciation relating to revaluations

If the municipality decides to realise the revaluation reserve by usage of the asset, the portion of the revaluation reserve that is realised may be disclosed as realised, while the remaining balance remains

unrealised. This realised portion may either be transferred from the revaluation surplus to the accumulated surplus or deficit or remain in the revaluation surplus account until de-recognition of the asset.

7.12 DEPRECIATION AMOUNT AND DEPRECIATION PERIOD

Policy statement

The depreciation method and amortisation method shall be reviewed in each reporting period. The straight-line method shall be used in all cases unless Council determines otherwise and except for capital spares in stores.

Depreciation and amortisation shall be calculated as follows:

- *Asset existed for whole financial year*: [(Cost price or fair value – residual value)/EUL]
- *Asset was purchased during the year*: [(Cost price or fair value – residual value)/EUL] x Remaining days in the financial year from day after purchase/Total days in the financial year

Criteria according to the Accounting standards

Determining the depreciable amount and depreciation

The depreciable amount of an asset is determined after deducting its residual value. In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

The depreciable amount of any PPE (except heritage assets and land) shall be allocated on a systematic basis over its useful life. The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life.

Treatment of accumulated depreciation during a revaluation

When an item of PPE is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in gross carrying value of the asset so that the carrying value of the asset after the revaluation equals its revalued amount. This method is often use when an asset is revalued by means of applying an index to its depreciated replacement cost, or
- eliminated against the gross carrying value of the asset and the net amount restated to the revalued amount of the asset. This method is often used for buildings.

The amount of the adjustment arising on the restatement or elimination of accumulated depreciation forms part of the increase or decrease in carrying value that is accounted for in the revaluation reserve.

The depreciation method or amortisation method used shall reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. If that pattern cannot be determined reliably, the straight-line method shall be used.

Change in pattern of consumption

The depreciation method of PPE and the amortisation method and amortisation period of an intangible asset with a finite life shall be reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for in accordance with the Standard on Accounting Policies, Changes in Accounting Estimates and Errors, GRAP 3. The change will occur prospectively which means that the change will have an effect in the current and future periods.

Different depreciation methods include:

- The straight-line method results in a consistent charge over the useful life if the asset's residual value does not change.
- The diminishing method results in a decreasing charge over the useful life.
- The unit of production approach method results in a charge based on the expected use or output.
- The method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset shall be used. The method shall be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

7.13 IMPAIRMENT

Policy statement

Impairment of PPE, associated intangible assets, heritage assets and investment property shall be recognised as an expense in the Statement of Financial Performance when it occurs. Assets shall be reviewed for impairment on an annual basis. Ad-hoc impairments shall be identified as part of normal operational management as well as scheduled annual inspections of assets.

If an impaired asset's primary purpose is to generate income, the impairment shall be calculated using the cash generating method. If an impaired asset's primary purpose is not to generate income, the non-cash generating method shall be used to calculate the impairment.

Impairment criteria according to the Accounting standards

Indicators of impairment

The municipality must assess at each reporting period or when one of the indicators below occurs, whether there is any indication that an asset has been impaired. In assessing whether there is an indication that an asset must be impaired, the municipality shall consider as a minimum the following indicators (for all assets except heritage assets):

- External sources of information
  - Cessations, or near cessations, of the demand or need for services provided by the asset.
  - Significant long-term changes with an adverse effect on the municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the entity operates.
  - During the period, an asset's market value has declined significantly more than would be expected as a result of normal passage of time.
  - Market interest rates have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- Internal sources of information
  - Evidence is available of physical damage of an asset.
  - Significant long-term changes with an adverse effect on the municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
  - A decision to halt the construction of the asset before it is completed or in an usable condition.
  - Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.
  - Significant higher costs of operating or maintaining the asset, compared with those originally budgeted; and

- Significantly lower service or output levels provided by the asset compared with those originally expected due to poor operating performances.
- Direct quantitative evidence of an impairment may be indicated by a significant long-term fall in the expected service or output levels provided by the asset.

The municipality should consider the following indicators as a minimum when assessing for impairments on heritage assets:

- External sources of information
  - During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
  - The absence of an active market for a revalued heritage asset.
- Internal sources of information
  - Evidence is available for physical damage or deterioration of a heritage asset.
  - A decision to halt the construction of the heritage asset before it is completed or in a usable form.

The demand or need for services may fluctuate over time, which will affect the extent to which non-cash-generating assets are used in providing those services, but negative fluctuations in demand are not necessarily indicators of impairment. Where demand for services ceases, or nearly ceases, the assets used to provide those services may be impaired.

In assessing whether impairment has occurred, the municipality needs to assess changes in service potential over the long term.

Impairment on Work in process

In assessing whether a halt in construction will trigger an impairment test, it shall be considered whether construction has simply been delayed or postponed, whether there is an intention to resume construction in the near future or whether the construction work will not be completed in the foreseeable future. Where construction is delayed or postponed to a specific future date, the project may be treated as work in progress and is not considered as halted.

Irrespective of whether there is any indication of impairment, the municipality shall also test:

- an intangible asset with an indefinite useful life;
- an intangible asset not yet available for use;

for impairment annually by comparing its carrying value with its recoverable service amount or recoverable amount. This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an asset was initially recognised during the current reporting period, that intangible asset shall be tested for impairment before the end of the current reporting period.

The ability of an intangible asset to generate sufficient future economic benefits or service potential to recover its carrying value is usually subject to greater uncertainty before the asset is available for use than after it is available for use; therefore the carrying value of intangible assets not yet available for use shall be tested each year.

Materiality and enduring nature

A change in parameter such as demand for the service, extent or manner of use, legal environment or government policy environment would indicate impairment only if such a change was significant and had or was anticipated to have a long term adverse effect (significant and enduring). The events and circumstances in

each instance must be recorded. Where there are indications of impairment, the municipality must estimate the recoverable service amount of the asset when using the non-cash generating method or the recoverable amount of the asset when using the cash generating method and also consider adjustment of the remaining useful life, residual value and the depreciation method.

Overview of cash-generating assets/ units

Cash-generating assets are assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a commercial return indicates that the municipality intends to generate positive cash flows from the asset (or from a cash-generating unit of which the asset is a part) and earns a commercial return that reflects the risks involved in holding the asset. An asset may be held with the primary objective of generating a commercial return even though it does not meet that objective during a particular reporting period. Conversely, an asset may be non-cash generating even though it may be breaking even or generating a commercial return during a particular reporting period.

Use of judgement to determine whether an asset/ unit are cash – or non-cash generating

The extent to which the asset is held with the objective of providing a commercial return needs to be considered to determine whether the municipality shall apply the provisions of an impairment of Cash-generating Assets. If the non-cash-generating component is an insignificant component of the arrangement as a whole, the municipality shall apply the provisions of an impairment for Cash-generating Assets.

In some cases it may not be clear whether the primary objective of holding an asset is to generate a commercial return. In such a case it is necessary to evaluate the significance of the cash flows. It may be difficult to determine whether the extent to which the asset generates cash flows, in this case judgement shall be used. The municipality shall develop criteria so that it can exercise judgement consistently.

Annual review of impairment

The municipality shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality shall estimate the recoverable service amount in the case of a non-cash-generating asset/ unit or the recoverable amount in the case of a cash-generating asset/ unit.

Measuring recoverable service amount

The recoverable service amount is the higher of an asset's:

- fair value less cost to sell; and
- its value in use.

It is not always necessary to determine both an asset's fair value less cost to sell and its value in use. If either of these amounts exceeds the asset's carrying amount, the asset is not impaired and it is not necessary to estimate the other amount.

It may not be possible to determine the fair value less cost to sell because there is no basis for making a reliable estimate of the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In this case, the municipality may use the asset's value in use as its recoverable service amount.

If the asset's value in use does not exceed the fair value less cost to sell materially, the asset's fair value less cost to sell can be used as its recoverable service amount. In the case of non-cash-generating assets which are held on an on-going basis to provide specialised services or public goods to the community, the value in use of the asset is likely to be greater than its fair value less cost to sell.

Measuring the recoverable service amount of an intangible asset with an indefinite useful life:

The most recent detailed calculation of such an asset's recoverable service amount in a preceding period may be used in the impairment test for that asset in the current period, provided all of the following criteria are met:

- the most recent recoverable service amount calculation resulted in an amount that exceeded the asset's carrying amount by a substantial margin; and
- based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination will be less than the asset's carrying amount is remote.

Fair value less cost to sell

The best evidence of an asset's fair value less cost to sell is a price in a binding sales agreement in an arm's length transaction. If there is no binding sales agreement but an active market, fair value less cost to sell is the asset's market price less the disposal costs. The appropriate market price is the current bid price. If there is no sales agreement or an active market for an asset, the fair value less cost to sell is based on the best information available to reflect the amount the municipality could obtain, at reporting date, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties. The outcome of recent transactions for similar assets in the same industry will be considered. In the case of specialised buildings and man-made structures, the municipality may need to estimate the fair value using the depreciated replacement cost approach.

Value in use (Non-cash-generating asset)

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The remaining service potential of the asset is determined using one of the following approaches:

- The depreciable replacement cost approach – The present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of the asset is the cost to replace the asset's gross service potential. The cost is depreciated to reflect the asset in its used condition. An asset may be replaced through replacement of its gross service potential (this method is used in the case of production assets rendering a service) or reproduction (this method is used in the case of a historical, cultural asset). The depreciated replacement cost is measured as the reproduction or replacement cost of the asset less accumulated depreciation calculated on a basis of such cost, to reflect the already consumed or expired service potential of the asset.
- The optimised depreciable replacement cost approach – The rationale is that the municipality will not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. The determination of the replacement cost in the case of production assets or reproduction cost in the case of historical and cultural assets, on an optimised basis, reflects the service potential required of the asset.
- Restoration cost approach – The present value of the remaining service potential of an asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing in the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciable replacement cost in the case of production assets or the reproduction cost in the case of historical and cultural assets. (Used when impairments are identified from physical damage).
- Service units approach– The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. The current replacement cost of the remaining service potential of the asset before impairment is usually determined as the depreciated replacement cost of the asset before impairment.

Value in use (Cash-generating assets)

The following elements shall reflect in the calculation of the value in use amount:

- an estimate of future cash flows the entity expects to derive from the asset;
- expectations about possible variations in the amount or timing of those future cash flows;
- the time value of money, represented by the current market risk-free rate of interest;
- the price of bearing the uncertainty inherent in the asset; and
- other factors, such as liquidity, that market participants would reflect in pricing the future cash flows the municipality expects to derive from the assets

Basis for estimates of future cash flows

Cash flow projections shall be based on reasonable and supportable assumptions that represent management's best estimate of a range of economic conditions that will exist over the remaining useful life of the asset. (External information will weigh greater)

Cash flows shall be based on the most recent financial budgets/ forecasts approved by management, but shall exclude any estimated future cash inflows and cash outflows expected to arise from future restructuring or from improving or enhancing the asset's performance. (These cash flows will actually cover a maximum of five years unless a longer period can be justified).

Cash flow projections beyond the periods covered by the recent budgets/ forecasts shall be estimated by extrapolating the projections based on the budgets/ forecasts using a growth rate which can be justified.

Composition of estimates shall include:

- projections on cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset and can be directly attributed, or allocated on a reasonable and consistent basis to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Future cash flows shall be estimated for an asset in its current condition.

The future cash flows shall not include:

- cash inflows or outflows from financing activities; or
- income tax receipts or payments.

Discount rate:

The discount rate is a pre-tax rate that reflects current market assessments of:

- the time value of money, represented by the current risk-free rate of interest; and
- the risk specific to the asset for which the future cash flow estimates have not been adjusted.

Impairment of an individual asset

If the carrying amount is higher than the recoverable amount or the recoverable service amount, impairment is incurred. The impairment amount will be the difference between the carrying amount and the recoverable amount or recoverable service amount. This impairment loss shall be recognised in surplus of deficit in the Statement of Financial Performance in the financial year it is incurred and the asset's value shall be decreased with the impairment amount. An impairment loss of a revalued asset shall be treated as a revaluation decrease.

Impairment of a cash-generating unit

If there is any indication that an asset may be impaired, the recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality shall determine the recoverable amount of the cash-generating unit to which the asset belongs.

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets shall be identified as a cash-generating unit even if some of the units are used internally.

For an **impairment loss for a cash-generating unit** the carrying amount shall be reduced to the highest of:

- its fair value less cost to sell (if determinable);
- its value in use (if determinable); and
- Zero.

The amount of the impairment loss that will otherwise have been allocated to the asset shall be allocated pro rata to the other cash-generating assets of the unit. Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset shall be allocated to the carrying amount of that cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit. The carrying amount of the non-cash-generating asset shall reflect any impairment losses at the reporting date which have been determined under the requirements of impairments of Non-cash-generating assets.

Reversal of impairment

The municipality shall assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the municipality shall estimate the recoverable service amount in the case of non-cash-generating assets/ units and recoverable amount in the case of cash-generating assets/ units.

In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased, the municipality shall consider, as a minimum, the following indications:

- External sources of information
  - Resurgence of the demand or need for services provided by the asset.
  - Significant long-term changes with a favourable effect on the municipality have taken place during the period, or will take place in the near future, in the technological, legal or government policy environment in which MMLM operates.
  - The market value has increased significantly.
  - Market interest or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.
- Internal sources of information
  - significant long-term changes with a favourable effect on the municipality have taken place during the period, or are expected to take place in the near future, to the extent that, or manner in which, the asset is used or is expected to be used. (These changes include costs incurred during the period to improve or enhance an asset's performance or restructure the operation to which the asset belongs).
  - a decision to resume construction of the asset that was previously halted before it was completed or in an usable condition.
  - evidence is available from internal reporting that indicates that the service performance of the asset is, or will be, significantly better than expected.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount or recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased

to the recoverable service amount or the recoverable amount. That increase shall decrease the impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that will have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit unless the asset is carried at revalued amounts in accordance with GRAP 17. Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with GRAP 17.

After a reversal of an impairment loss is recognised, the depreciation charge/ amortisation of the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit shall be allocated to the cash-generating assets of the unit on the pro-rata basis according to the carrying amounts of those assets. These increases in carrying amounts shall be treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal shall be allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of impairment for a cash-generating unit, the carrying amount of an asset shall not be increased above the lower of:

- its recoverable amount (if determined); and
- the carrying amount that will have been determined (net of the amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that will otherwise have been allocated to the asset shall be allocated pro-rata to the other assets of the unit.

Compensation from third parties

Compensation from third parties, for example insurance claims, for items of PPE and investment property and heritage assets that were impaired, lost or given up shall be included in surplus or deficit when the compensation is receivable and if any other actions occur it shall be treated in accordance with the accounting standard described below:

- impairment of any asset shall be accounted for in accordance with the Standard on Impairment, GRAP 26 (Cash generating unit) or GRAP 21 (Non- cash generating unit).
- de-recognition of items, whether retired or disposed of is determined in accordance with the appropriate accounting standard;
- compensation from third parties for items of PPE that were impaired, lost or given up is included in determining surplus or deficit when it becomes receivable.
- the cost of the item restored, purchased or constructed as a replacement is determined in accordance with the appropriate accounting standard.

The municipality is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount and recoverable service amount with its carrying amount annually and whenever there is an indication that the carrying amount exceeds the recoverable amount or the recoverable service amount; the intangible asset may be impaired.

Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired. As a result, the municipality tests the asset for impairment by comparing its recoverable amount and its recoverable service amount to the carrying amount, and recognising any access of the carrying value over the recoverable amount or recoverable service amount as an impairment loss.

7.14 DE-RECOGNITION

Policy statement

PPE, investment property, heritage assets and intangible assets for which no future economic benefits or service potential are expected shall be identified. Council should then consider derecognition methods for the potential derecognitions and the associated cost thereof. Assets to be sold, and the associated selling prices and selling costs, need to be approved by Council. The carrying amount of the asset shall be de-recognised when no future economic benefits or service potential are expected from its use or if the asset is disposed and it was the Council's decision. Gains or losses arising from de-recognitions shall be recognised in surplus or deficit.

De-recognition criteria according to the Accounting standards

The carrying value of an item of PPE, investment property, heritage assets and intangible assets shall be de-recognised:

- on disposal (including disposal through a non-exchange transaction);
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or (loss) arising from de-recognitions shall be included in surplus or (deficit) when it is de-recognised. The gain or (loss) arising from the de-recognition of an item of PPE, investment property or intangible assets shall be determined as the difference between the net disposal proceeds, if any, and the carrying value of the item. Exempted and non-exempted capital assets can be de-recognised.

PPE that are associated with the provision of basic services cannot be disposed without the approval of Council. The policies and processes of approval by Council regarding transfers and disposals are indicated in ***Annexure B.***

7.15 DISCLOSURES

Policy Statement regarding PPE

In the financial statements, MMLM should disclose, for each class of property, plant and equipment recognised in the financial statements:

(a) the measurement bases used for determining the gross carrying amount;

(b) the depreciation methods used;

(c) the useful lives or the depreciation rates used;

(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and

(e) a reconciliation of the carrying amount at the beginning and end of the period showing:

(i) additions;

(ii) disposal;

(iii) acquisitions through entity combinations;

(iv) increases or decreases resulting from revaluations (if any);

(v) impairment losses recognised in surplus or deficit in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets (if any);

(vi) impairment losses reversed in surplus or deficit in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets (if any);

(vii) depreciation;

(viii) other changes.

The financial statements should also disclose for each class of property, plant and equipment recognised in the financial statements:

(f) the existence and amounts of restrictions on title and property, plant and equipment pledged as securities for liabilities;

(g) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction;

(h) the amount of contractual commitments for the acquisition of property, plant and equipment; and

(i) if it is not disclosed separately on the face of the statement of financial performance, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in surplus or deficit.

If items of property, plant and equipment are stated at revalued amounts, the following should be disclosed:

(j) the effective date of the revaluation;

(k) whether an independent valuer was involved;

(l) the methods and significant assumptions applied in estimating the items' fair values;

(m) the extent to which the items' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques;

(n) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to owners of net assets.

MMLM should disclose the following information to users of financial statements for their relevant needs:

(o) the carrying amount of any item of property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of MMLM;

(p) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use;

(q) the carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations; and

(r) when the cost model is used, the fair value of property, plant and equipment when this is materially different from the carrying amount; therefore MMLM should disclose these amounts.

Policy Statement regarding Investment Property

MMLM should disclose:

(s) whether it applies the fair value model or the cost model;

(t) if it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property;

(u) when classification is difficult, the criteria it uses to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations;

(v) the methods and significant assumptions applied in determining the fair value of investment property, including a statement whether the determination of fair value was supported by market evidence or was more heavily based on other factors (which the entity shall disclose) because of the nature of the property and lack of comparable market data;

(w) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed;

(x) the amounts recognised in surplus or deficit for:

(i) rental revenue from investment property;

(ii) direct operating expenses (including repairs and maintenance) arising from investment property that generated rental revenue during the period; and

(iii) direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental revenue during the period;

(iv) the existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal; and

(v) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Since MMLM applies the fair value model to their investment properties the following reconciliation between the carrying amounts of investment property at the beginning and end of the period, should also be disclosed in the annual financial statements:

(a) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset;

(b) additions resulting from acquisitions through a transfer of functions between entities under common control, a transfer of functions between entities not under common control or a merger;

(c) net gains or losses from fair value adjustments;

(d) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the controlling entity;

(e) transfers to and from inventories and owner-occupied property; and

(f) other changes.

Policy Statement regarding Intangible assets

MMLM should disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:

(y) Whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used.

(z) The amortisation methods used for intangible assets with finite useful lives.

(aa) The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period.

(bb) The line item(s) of the statement of financial performance in which any amortisation of intangible assets is included.

(cc) A reconciliation of the carrying amount at the beginning and end of the period showing:

(i) additions, indicating separately those from internal development and those acquired separately;

(ii) disposals;

(iii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations ;

(iv) increases or decreases during the period resulting from revaluations (if any);

(v) impairment losses recognised in surplus or deficit during the period in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets (if any);

(vi) impairment losses reversed in surplus or deficit during the period in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets) (if any);

(vii) any amortisation recognised during the period;

(viii) net exchange differences arising on the translation of the financial statements into the presentation currency, and on the translation of a foreign operation into the presentation currency of the entity; and

(ix) other changes in the carrying amount during the period.

MMLM should disclose information on impaired intangible assets in accordance with the Standards of GRAP on Impairment of Cash-generating Assets and Impairment of Non-cash-generating Assets in addition to the information required in point 6.

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors requires MMLM to disclose the nature and amount of a change in an accounting estimate that has a material effect in the current period or is expected to have a material effect in subsequent periods. Such disclosure may arise from changes in:

(dd) the assessment of an intangible asset's useful life;

(ee) the amortisation method; or

(ff) residual values.

MMLM should also disclose:

(gg) for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life;

(hh) a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements;

(ii) the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities; and

(jj) the amount of contractual commitments for the acquisition of intangible assets.

MMLM should disclose the aggregate amount of research and development expenditure recognised as an expense during the period.

MMLM is encouraged, but not required, to disclose the following information:

(kk) A description of any fully amortised intangible asset that is still in use.

(ll) A brief description of significant intangible assets controlled by MMLM but not recognised as assets because they did not meet the recognition criteria in this Standard on Intangible assets.

Policy Statement regarding Heritage assets

The financial statements should disclose, for each class of heritage assets recognised in the financial statements:

(mm) the measurement bases used for determining the gross carrying amount;

(nn) the gross carrying amount aggregated with accumulated impairment losses at the beginning and and of the period;

(oo) a reconciliation of the carrying amount at the beginning and end of the period showing:

(i) additions;

(ii) disposals;

(iii) acquisitions through entity combinations;

(iv) increases or decreases resulting from revaluations under paragraphs .34, .51 and .52 and from impairment losses recognised or reversed directly in net assets in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets;

(v) impairment losses recognised in surplus or deficit in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets;

(vi) impairment losses reversed in surplus or deficit in accordance with the Standards of GRAP on Impairment of Non-cash-generating Assets and Impairment of Cash-generating Assets;

(vii) the net exchange differences arising from the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity;

(viii) transfers to and from property, plant and equipment, investment property, inventories or intangible assets; and

(ix) other changes.

To the extent that it provides useful and relevant information, MMLM is encouraged to disclose:

(pp) information that will enable users to appreciate the age and/or condition of the heritage assets; and

(qq) information on heritage assets that are borrowed from, or on loan to other entities.

The financial statements should also disclose for each class of heritage assets recognised in the financial statements:

(rr) the existence and amounts of restrictions on title and disposal of heritage assets;

(ss) heritage assets pledged as securities for liabilities;

(tt) the amount of contractual commitments for the acquisition, maintenance and restoration of heritage assets; and

(uu) if it is not disclosed separately on the face of the statement of financial performance, the amount of compensation from third parties for items of heritage assets that were impaired, lost or given up that is included in surplus or deficit.

The financial statements should disclose information about the alternative use and value of heritage assets that are used by MMLM for more than one purpose.

When MMLM does not recognise a heritage asset, or a class of heritage assets as a result of reliable measurement not being possible on initial recognition, MMLM shall disclose the following for each heritage asset or class of heritage assets:

(vv) A description of the heritage asset or class of heritage assets.

(ww) The reason why the heritage asset or class of heritage assets could not be measured reliably.

(xx) On disposal of the heritage asset or class of heritage assets, the compensation received and the amount recognised in the statement of financial performance.

In the exceptional cases, when an entity measures a heritage asset or class of heritage assets using the cost model, the reconciliation requires these additional information:

(yy) a description of the heritage asset or class of heritage assets,

(zz) an explanation why fair value cannot be determined reliably,

(aaa) on disposal of the heritage asset or class of heritage assets:

(i) the fact that the entity has disposed of the heritage asset or class of heritage assets;

(ii) the carrying amount of that heritage asset or class of heritage assets at the time of sale; and

(iii) the amount of gain or loss recognised.

If the fair value of the heritage asset or class of heritage assets previously measured at cost less any impairment losses becomes reliably measurable during the current period, an entity shall disclose for those heritage assets or classes of heritage assets:

(bbb) A description of the heritage asset or class of heritage assets;

(ccc) An explanation why fair value has become reliably measurable; and

(ddd) The effect of the change.

Policy Statement regarding impairments

MMLM should disclose the criteria developed to distinguish non-cash-generating assets from cash-generating assets.

MMLM should disclose the following for each class of assets:

(eee) The amount of impairment losses recognised in surplus or deficit during the period and the line item(s) of the statement of financial performance in which those impairment losses are included.

(fff) The amount of reversals of impairment losses recognised in surplus or deficit during the period and the line item(s) of the statement of financial performance in which those impairment losses are reversed.

(ggg) The amount of impairment losses on revalued assets recognised directly in net assets during the period.

(hhh) The amount of reversals of impairment losses on revalued assets recognised directly in net assets during the period.

MMLM which reports segment information in accordance with the Standard of GRAP on Segment Reporting should disclose the following for each segment reported:

(iii) the amount of impairment losses recognised in surplus or deficit and directly in net assets during the period; and

(jjj) the amount of reversals of impairment losses recognised in surplus or deficit and directly in net assets during the period.

MMLM should disclose the following for each material impairment loss recognised or reversed during the period:

(kkk) the events and circumstances that led to the recognition or reversal of the impairment loss;

(lll) the amount of the impairment loss recognised or reversed;

(mmm) the nature of the asset;

(nnn) whether the recoverable service amount of the asset is its fair value less costs to sell or its value in use;

(ooo) if the recoverable service amount is fair value less costs to sell, the basis used to determine fair value less costs to sell (such as whether fair value was determined by reference to an active market); and

(ppp) if the recoverable service amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.

MMLM should disclose the following information for the aggregate of impairment losses and aggregate reversals of impairment losses recognised during the period for which no information is disclosed:

(qqq) the main classes of assets affected by impairment losses (and the main classes of assets affected by reversals of impairment losses);

(rrr) and

(sss) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.

MMLM should disclose in the notes information about the key assumptions used to determine the recoverable service amount of assets during the period that have a significant risk of causing a material adjustment to the carrying amounts of assets.

Policy statement regarding borrowing costs

2. The municipality shall disclose:

(a) The accounting policy adopted for borrowing cost;

(b) The amount of borrowing cost capitalised during the period; and

(c) The capitalisation rate used to determine the amount of borrowing cost eligible for capitalisation.

Policy statement regarding leases

(a) For each class of asset, the net carrying amount at reporting date;

(b) A reconciliation between the total of future minimum lease payments at reporting date and their present value for each of the following:

(i) Not later than one year;

(ii) Later than one year but not later than five years; and

(iii) Later than five years.

(d) Contingent rent recognised as expense in the period;

(e) The future minimum sub-lease payments to be received under a non-cancellable sub-lease at reporting date;

(f) A general description of the lessee's material leasing arrangements, including:

(i) Basis on which contingent rent payable is determined;

(ii) The existence and terms of renewal or purchase options and escalation clause; and

(iii) Restrictions imposed by lease arrangements; and

(g) The depreciation and finance charges relating to the leased asset.

Additional in the case of Finance leases of lessors

(h) Unearned finance revenue;

(i) The unguaranteed residual value accruing to the benefit of the lessor;

(j) Accumulative allowance for uncollectible minimum lease payments receivable; and

(k) Contingent rents recognised as revenue in the period.

7.16 RE-CLASSIFICATION OF HERITAGE ASSETS

Policy statement

If heritage assets meet the definition of, and recognition criteria for, plant, property and equipment, MMLM should recognise the assets as PPE and not heritage assets.

Re-classification criteria according to the Accounting standards

Assets are reclassified if the nature or function of the asset changes.

7.17 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

7.17.1 Finance lease – As lessee

Initial recognition

At the commencement of the lease term, MMLM should recognise finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate should be used. Any initial direct cost of the lessee is added to the amount recognised as an asset.

Subsequent measurement

The depreciable assets financed through the finance lease will give rise to a depreciation expense and finance cost which will occur for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with the policy of depreciable owned assets, and the depreciation recognised shall be calculated in accordance with the Standard on Property, Plant and Equipment, GRAP 17. If there is no reasonable certainty that MMLM will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. If there is certainty that MMLM will obtain ownership by the end of the lease term, the asset will be fully depreciated over the asset's useful life.

7.17.2 Operating lease – As lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of MMLM's benefit.

7.17.3 Finance lease – As lessor

Initial recognition

MMLM should recognise lease payments receivable under a finance lease as assets in the statement of financial position. MMLM should present such assets as a receivable at an amount equal to the net investment in the lease.

Subsequent measurement

The recognition of finance revenue shall be based on a pattern reflecting a constant periodic rate of return on MMLM's net investment in the finance lease.

7.17.4 Operating lease – As lessor

MMLM presents assets subject to operating leases in the Statement of Financial Position according to the nature of the asset.

Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred by MMLM in negotiating and arranging an operating lease should be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The depreciation policy for depreciable leased assets shall be consistent with MMLM's normal depreciation policy for similar assets, and depreciation shall be calculated in accordance with the Standard on Property, Plant and Equipment, GRAP 17.

7.17.5 Sale and leaseback transactions

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset.

If a sale and leaseback transaction results in a finance lease, any excess of sales over the carrying amount shall not be immediately recognised as revenue. It shall be deferred and amortised over the lease term.

If the sale and leaseback transaction results in an operating lease, it is clear that the transaction is established at fair value, and gain or loss shall be recognised immediately. If the sale price is below fair value, the gain or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.

7.18 Non-current assets held for sale and discontinued operations

Classification of non-current assets as held for sale

MMLM should classify a non-current asset (or a disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Criteria for classifying a non-current asset as held for sale

- The asset must be available for immediate sale; and
- the asset must immediately be available for sale in its present condition; and
- the sale must be highly probable.

For a sale to be highly probable, management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and completion of the plan must have been initiated. The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale will be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted in the paragraph below. Actions required to complete the plan will indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Events or circumstances may extend the period to be completed within one year. An extension of the period required to complete the sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond MMLM's control and there is sufficient evidence that MMLM remains committed to its plan to sell the asset (or disposal group).

Sale transactions include exchanges of non-current assets for other non-current asset when the exchange has commercial substance. If MMLM acquires a non-current asset exclusively for the purpose of selling it, it shall be classified as a non-current asset (or disposal group) held for sale at its acquisition date only if all requirements are met.

If the criteria are only met after the reporting date, the municipality should not classify the non-current asset (or disposal group) as held for sale in those financial statements when issued. However, when those criteria are met after the reporting date but before the authorisation date for the financial statements to be issued, the municipality should disclose the following:

- a description of the non-current asset;
- a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of disposal; and
- if applicable, the segment in which the non-current asset (or disposal group) is presented.

Non-current assets held for sale should be shown as a current asset on the face of the statement of financial position.

Non-current assets that are to be abandoned

MMLM should not classify as held for sale a non-current asset (or disposal group) that is to be abandoned. This is because the carrying amount will be recovered principally through continuing use.

If a disposal group to be abandoned is a separate major line of activity or geographical area of operations, part of a single co-ordinated plan to dispose of a separate major line of activity or geographical areas of operations or is a controlled entity exclusively acquired for the purpose of resale, MMLM should present the results and cash flows of the disposal group as discontinued operations at the date on which it ceases to be closed rather than sold. MMLM should not account for a non-current asset that has been temporarily taken out of use as if it had been abandoned.

Measurement of non-current assets classified as held for sale

MMLM should measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less cost to sell.

If a newly acquired asset (or disposal group) meets the criteria to be classified as held for sale, it should be measured at fair value less cost to sell. When the sale is expected to occur beyond one year, MMLM should measure the cost to sell at their present value. Any increase in the present value of the selling cost that arises from the passage of time shall be presented in surplus or deficit as a financing cost.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amount to the asset (or all the assets and liabilities in the group) shall be measured in accordance with the applicable Standard of GRAP.

On subsequent re-measurement of a disposal group, the carrying amount of any assets and liabilities that are not within the scope of the measurement requirements, but are included in the disposal group classified as

held for sale, shall be remeasured in accordance with the Standard of GRAP before the fair value less cost to sell of the disposal group is remeasured.

Recognitions of impairment losses and reversals

MMLM should recognise an impairment for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell to the extent that it has not been recognised during remeasurement. MMLM should recognise a gain for any subsequent increase in fair value less cost to sell of an asset (or disposal group), but not in excess of the cumulative impairment loss that has been recognised.

The impairment loss (or any subsequent gain) recognised for a disposal group shall reduce (or increase) the carrying amount of the non-current assets in the group. Any gain or loss not previously recognised by the date of the sale of a non-current asset (or disposal group) shall be recognised at the date of de-recognition.

Depreciation

MMLM should not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest or other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

Changes to the plan of sale

If MMLM has classified an asset (or disposed group) as held for sale, but the criteria for assets (or disposed groups) to be held for sale, are no longer met, MMLM should cease to classify the asset (or disposed group) as held for sale.

MMLM should measure a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, or
- its recoverable amount or recoverable service amount at date of the subsequent decision not to sell.

MMLM should include any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in revenue of the continuing operations in the period in which the criteria to be held for sale are no longer met. MMLM should present that adjustment in the same statement of financial performance caption used to present a gain or loss.

If MMLM removes an individual asset or liability from a disposal group classified as held for sale, the remaining assets and liabilities of the disposal group to be sold shall continue to be measured as a group only if the group meets the criteria to be held for sale. Otherwise, the remaining non-current assets of the group that individually meets the criteria to be classified as held for sale shall be measured individually at the lower of their carrying amount and fair values less cost to sell at that date. Any non-current asset that does not meet the criteria to be held for sale shall cease to be classified as held for sale.

8. RECONCILIATION

Where the financial statements and the budget are not prepared on a comparable basis (e.g. where the financial statements are on the accrual basis and the budget on the cash basis), the actual amounts presented on a comparable basis to the budget should be reconciled to the following actual amounts presented in the financial statements identifying separately any basis, timing and entity differences:

- If an accrual basis is adopted for the budget, the total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities to the actual amounts on the financial statements; or

• If a basis other than the accrual basis is adopted for the budget, the net cash flows from operating activities, investing activities and financing activities.

It is important that users of the financial statements understand the link between the budget and financial statements and hold the municipality accountable for their actual activities against what was planned, and how allocated resources were utilised.
According to GRAP 24, Accounting Standards of Budget Information in the Financial Statements, the municipality should make its budgets publicly available to present a comparison in their financial statements between:

- last approved and final budget amounts (which includes changes made by management within the prescribed limits);
- budget and actual amounts on a comparable basis; and
- explanations of material differences between budget and actual amounts, except where explanations have been included in other documents published in conjunction with the financial statements and cross reference to these documents is made.

9. SAFEGUARDING

Policy statement

An asset safeguarding plan should be prepared for all PPE, heritage assets and investment properties indicating measures that are considered effective to ensure that all PPE, heritage assets and investment properties under control of the municipality are appropriately safeguarded from inappropriate use or loss, including the identification of asset custodians for all assets. The impact of budgetary constraints on such measures shall be reported to Council. The existence, condition and location of these assets shall be verified annually (in line with the assessment of impairment).

The municipality applies controls and safeguards to ensure that PPE, heritage assets and investment properties are protected against improper use, loss, theft, malicious damage or accidental damage.

The existence of PPE, heritage assets and investment properties are physically verified from time-to-time, and measures adopted to control their use. Budgetary constraints may however constrain the measures adopted.
The municipality may allocate day-to-day duties relating to such control, verification and safekeeping to asset custodians, and record such in the asset register.

ANNEXURE A:

IMMOVABLE PPE COMPONENT BREAKDOWN UNIT RATES, EXPECTED USEFUL LIVES AND RESIDUAL VALUES

Presented in the table below is the breakdown of the Immovable PPE components, showing the component options, description classes and the unit of measurement for the component. Presented in the table is the component expected useful life, residual value percentages and unit rates (the unit rates are as at the 30th June 2015 and have been compiled from published asset registers from municipalities in South Africa).

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Air conditioning	AIRC	Chillers & ducting			No	R 376,515	5	0%
Air conditioning	AIRC	Standard installation (wall or split units)			sqm aircon area	R 1,305	5	0%
Air conditioning	AIRC	Air conditioning units server rooms - downflow unit			No	R 169,664	5	0%
Air conditioning	AIRC	Air conditioning units server rooms - midwall units			No	R 24,985	5	0%
Anchor wall	ANWL				face sqm	R 1,566	50	0%
Auxiliary equipment	AUXE	HV substation control infrastructure (AC, DC, cabling etc)	132 / 11 kV		No	R 3,515	60	0%
Auxiliary equipment	AUXE	HV substation control infrastructure (AC, DC, cabling etc)	66 / 11 kV		No	R 2,164	60	0%
Auxiliary equipment	AUXE	Prepaid vending master stations			No	R 67,624	10	0%
Auxiliary equipment	AUXE	Prepaid Vending stations			No	R 50,042	10	0%
Auxiliary equipment	AUXE	QoS equipment Minigraph			No	R 6,762	20	0%
Auxiliary equipment	AUXE	QoS equipment Netlog 300			No	R 6,762	20	0%
Auxiliary equipment	AUXE	QoS equipment Netlog 400			No	R 6,762	20	0%
Auxiliary equipment	AUXE	QoS equipment Netlog 500			No	R 6,762	20	0%
Auxiliary equipment	AUXE	QoS equipment Provograph			No	R 75,739	20	0%
Auxiliary equipment	AUXE	QoS equipment Vectograph			No	R 25,561	20	0%
Baler	BAL	Baler - H10			No	R 97,913	15	0%
Baler	BAL	Baler - H20D			No	R 293,739	15	0%
Ballast	BLST				cub m	R 325	80	50%
Batteries	BATT	Rechargeable	20 Amp-hours		No of batteries	R 619	3	0%
Battery charger	BATC				No	R 125,331	10	0%
Billboards	BLBD				No	R 40,673	15	0%
Bowling green	BWLG				No	R 446,483	20	0%
Boundary protection	BPRO	1.2m high fence			linear m	R 223	15	0%
Boundary protection	BPRO	1.8m high brick wall			linear m	R 1,191	30	0%
Boundary protection	BPRO	1.8m high fence			linear m	R 292	15	0%
Boundary protection	BPRO	Concrete palisade fencing			linear m	R 892	30	0%
Boundary protection	BPRO	Precast concrete wall			linear m	R 669	30	0%
Boundary protection	BPRO	Steel palisade fencing			linear m	R 913	30	0%
Carports	CARP	Parking - Shade net			No of bays	R 6,043	7	0%
Carports	CARP	Parking - Sheet metal			No of bays	R 16,908	30	0%
Channel	CHAN	Lined open (lined area)			sqm	R 392	30	0%
Channel	CHAN	Unlined open			sqm	R 128	5	0%
Chemical Toilet	CHMT				No	R 10,444	10	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Circuit breaker panel	CBRP	Bus-section panel - double busbar	2000 A	6.6 - 11 kV	No	R 175,475	50	0%
Circuit breaker panel	CBRP	Bus-section/coupler panel	1250 A	22 kV	No	R 182,447	50	0%
Circuit breaker panel	CBRP	Bus-section/coupler panel	2000 A	6.6 - 11 kV	No	R 146,423	50	0%
Circuit breaker panel	CBRP	Feeder panel	630 A	6.6 - 11 kV	No	R 116,208	50	0%
Circuit breaker panel	CBRP	Feeder panel	800 A	22 kV	No	R 190,582	50	0%
Circuit breaker panel	CBRP	Feeder panel	800 A	6.6 - 11 kV	No	R 116,208	50	0%
Circuit breaker panel	CBRP	Feeder panel	1250 A	6.6 - 11 kV	No	R 146,423	50	0%
Circuit breaker panel	CBRP	Feeder panel - double busbar	630 A	6.6 - 11 kV	No	R 131,315	50	0%
Circuit breaker panel	CBRP	Feeder panel - double busbar	800 A	6.6 - 11 kV	No	R 146,423	50	0%
Circuit breaker panel	CBRP	Feeder panel - double busbar	1250 A	6.6 - 11 kV	No	R 175,475	50	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	400 A	33 - 44 kV	No	R 131,874	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	400 A	66 - 88 - 132 kV	No	R 192,017	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	800 A	33 - 44 kV	No	R 155,673	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	800 A	66 - 88 - 132 kV	No	R 192,017	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	1200 A	33 - 44 kV	No	R 180,711	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	1200 A	66 - 88 - 132 kV	No	R 210,900	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	2500 A	33 - 44 kV	No	R 180,711	45	0%
Circuit breaker panel	CBRP	Indoor switch in switchboard	2500 A	66 - 88 - 132 kV	No	R 180,711	45	0%
Circuit breaker panel	CBRP	Incomer panel	1250 A	22 kV	No	R 248,686	50	0%
Circuit breaker panel	CBRP	Incomer panel	2000 A	6.6 - 11 kV	No	R 175,475	50	0%
Circuit breaker panel	CBRP	Incomer panel - double busbar	2000 A	6.6 - 11 kV	No	R 204,527	50	0%
Communal standpipe - Pedestal	PED				No	R 2,088	10	0%
Communal standpipe - Tap	TAP				No	R 327	5	0%
Compactor	CPCT	Compactor - C5			No	R 130,551	15	0%
Compactor	CPCT	Compactor - C9			No	R 176,243	15	0%
Compressor	CMPR	Workshop type - fixed			No	R 145,261	10	0%
Control cable	CCAB	Fibre Optic			linear m	R 14	50	0%
Control cable	CCAB	Pilot cable			linear m	R 6	50	0%
Control panel	CONP	Network control panel	Electromechanical relays		No	R 108,198	50	0%
Control panel	CONP	Network control panel	Electronic relays		No	R 135,248	50	0%
Control panel	CONP	Equipment control panel			No	R 40,115	50	0%
Conveyor belt system	CVBS				linear m	R 23,120	15	0%
Culvert	CULV	1200 x 1200			linear m	R 6,639	60	0%
Culvert	CULV	1500 x 1500			linear m	R 8,246	60	0%
Culvert	CULV	1800 x 1800			linear m	R 10,430	60	0%
Culvert	CULV	2400 x 2400			linear m	R 14,817	60	0%
Culvert	CULV	3000 x 3000			linear m	R 22,826	60	0%
Culvert	CULV	450 x 450			linear m	R 1,801	60	0%
Culvert	CULV	600 x 600			linear m	R 2,696	60	0%
Culvert	CULV	900 x 900			linear m	R 4,763	60	0%
Current transformer	CURT	11 kV			No	R 78,990	45	10%
Current transformer	CURT	22 kV			No	R 78,709	45	10%
Current	CURT	33 kV			No	R 81,069	45	10%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
transformer								
Current transformer	CURT	44 kV			No	R 83,500	45	10%
Current transformer	CURT	66 kV			No	R 86,005	45	10%
Current transformer	CURT	88 kV			No	R 88,585	45	10%
Doser	DOS	Doser - standard			No	R 45,693	15	0%
Doser	DOS	Doser - advanced			No	R 179,972	15	0%
Earth Structure	ESTR				cub m	R 254	50	50%
Electrical installation	ELIN				sqm floor area	R 691	30	0%
Electrical service connection	ELSC	LV Overhead	3 Phase		No	R 3,448	50	0%
Electrical service connection	ELSC	LV Overhead	Single phase		No	R 1,723	50	0%
Electrical service connection	ELSC	LV Underground	3 Phase		No	R 6,610	45	0%
Electrical service connection	ELSC	LV Underground	Single phase		No	R 3,735	45	0%
Electricity meter	EMET	Credit LPU (Large Power Users) meter	3 Phase		No	R 4,192	20	0%
Electricity meter	EMET	Credit LPU 3 - 0 HV including metering unit	3 Phase		No	R 50,042	20	0%
Electricity meter	EMET	Credit meter	3 Phase		No	R 3,651	20	0%
Electricity meter	EMET	Credit meter	Single phase		No	R 540	20	0%
Electricity meter	EMET	Prepayment meters	3 Phase		No	R 3,515	10	0%
Electricity meter	EMET	Prepayment meters	Single phase		No	R 1,217	10	0%
Electricity meter	EMET	Remote meters			No	R 3,515	10	0%
Engine	ENG	Petrol / diesel	3 kW		No	R 8,781	15	0%
Engine	ENG	Petrol / diesel	4 kW		No	R 10,121	15	0%
Engine	ENG	Petrol / diesel	6 kW		No	R 17,859	15	0%
Engine	ENG	Petrol / diesel	10 kW		No	R 37,058	15	0%
Erosion Protection	ERPR	Gabions			cub m	R 783	50	0%
Erosion Protection	ERPR	Rip Rap			cub m	R 366	20	0%
External furniture	EXFN	3 seater concrete bench			No	R 2,976	20	0%
External furniture	EXFN	Children's play equipment (jungle gym)			No	R 10,444	20	0%
External furniture	EXFN	Concrete table (rectangular)			No	R 3,721	20	0%
External furniture	EXFN	Large planter pot (> 1m diameter)			No	R 2,976	20	0%
External furniture	EXFN	Medium planter pot (< 1m diameter)			No	R 1,786	20	0%
External furniture	EXFN	Playground equipment			No	R 29,766	20	0%
External furniture	EXFN	Water feature (large)			No	R 62,113	20	0%
External furniture	EXFN	Water feature (small)			No	R 6,527	20	0%
External furniture	EXFN	Water feature - park			No	R 74,414	20	0%
External lighting	FLLI	Bollard-type			No	R 2,976	45	0%
External lighting	FLLI	Floodlights			No poles	R 22,324	30	0%
External lighting	FLLI	Streetlight with its network			No	R 4,987	45	0%
Fabricated steel	FABS	Galvanised steel			kg	R 83	20	0%
Fabricated steel	FABS	Mild steel	Aggressive exposure		kg	R 41	10	0%
Fabricated steel	FABS	Mild steel	Mild exposure		kg	R 41	20	0%
Fabricated steel	FABS	Stainless steel	Aggressive exposure		kg	R 492	20	0%
Fabricated Steel	FABS	Stainless steel	Mild exposure		kg	R 492	40	0%
Fibre	FIBR	Backhaul Backbone single mode 48 core			km	R 127,140	50	0%
Fibre	FIBR	Backhaul Backbone single mode 96 core			km	R 843,623	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Filter media	FILM	Silica sand			cub m	R 794	10	0%
Finishes, fixtures & fittings	FIN	Civic centres, community halls, chambers			sqm	R 833	15	0%
Finishes, fixtures & fittings	FIN	Clinics and day hospitals			sqm	R 1,313	15	0%
Finishes, fixtures & fittings	FIN	General offices, libraries, etc			sqm	R 492	15	0%
Finishes, fixtures & fittings	FIN	Stores, workshops, garages, depots			sqm	R 268	15	0%
Fire protection	FIRP	Extinguishers, hose reels only			sqm floor area	R 113	20	0%
Fire protection	FIRP	Extinguishers, hose reels, full sprinkler system with booster pump			sqm floor area	R 344	20	0%
Fire protection	FIRP	Extinguishers, hose reels, limited sprinklers			sqm floor area	R 235	20	0%
Fire protection	FIRP	Fire Prevention Systems Model 15x10			No	R 389,854	20	0%
Fire protection	FIRP	Fire Prevention Systems Model 2.4x2.4			No	R 72,786	20	0%
Fire protection	FIRP	Fire Prevention Systems Model 5x5			No	R 129,619	20	0%
Floor	FLOR	Shuttered RC suspended floor slab			sqm floor area	R 1,685	50	0%
Floor	FLOR	RC surface bed			sqm floor area	R 523	50	0%
Sidewalk / paving	FTPP	Paved area			sqm	R 149	20	0%
Fuse	FUSE				No	R 85,929	0	0%
Gas installation	GASI				No	R 23,500	20	0%
Gearbox	GBOX	Drive motor	6 kW		No	R 32,476	15	0%
Gearbox	GBOX	Drive motor	45 kW		No	R 97,426	15	0%
Gearbox	GBOX	Drive motor	400 kW		No	R 270,627	15	0%
Generator	GEN	Perkins 100 KVA/ Volvo 275 KVA/ John Deere 100 KVA			No	R 386,364	20	0%
Generator	GEN				kVA	R 170	20	0%
Golf course	GLFC	Mache	9 holes		No	R 2,976,551	50	0%
Golf course	GLFC	Municipal	9 holes		No	R 8,929,653	50	30%
Golf course	GLFC	Municipal	18 holes		No	R 17,859,307	50	0%
Grid Inlet	GRID				No	R 11,493	30	0%
Guard-rail	GRL	Steel			linear m	R 514	20	0%
Guard-rail	GRL	Wood			linear m	R 514	15	0%
High mast	HIMT		25 height (m)		No	R 244,140	45	0%
High mast	HIMT		40 height (m)		No	R 337,918	45	0%
Honeysucker	HNYS		5000 litre		No	R 809,412	10	0%
Honeysucker	HNYS		10000 litre		No	R 1,096,624	10	0%
Honeysucker	HNYS		20000 litre		No	R 1,436,056	10	0%
HV Busbar indoor	HVBI	Copper bar	1000 A	44 kV	Substation	R 110,903	60	0%
HV Busbar indoor	HVBI	GIS bus ducting	3000 A	132 kV	Substation	R 3,413,674	50	0%
HV Busbar indoor	HVBI	GIS bus ducting	3000 A	275 kV	Substation	R 4,779,685	50	0%
HV Busbar outdoor	HVBO	Strung conductor (m)	1000 A	132 kV	Substation	R 110,903	60	0%
HV Busbar outdoor	HVBO	Strung conductor (m)	1000 A	66 kV	Substation	R 54,098	60	0%
HV Busbar outdoor	HVBO	Tubular Conductor	3000 A	132 kV	Substation	R 3,413,674	50	0%
HV Busbar outdoor	HVBO	Tubular Conductor	3000 A	66 kV	Substation	R 4,779,685	50	0%
HV Cable	HVCB	Al PILC three core	300 sq mm	33 kV	linear m	R 2,730	50	0%
HV Cable	HVCB	Al XLPE single core	1000 sq mm	132 kV	linear m	R 5,634	50	0%
HV Cable	HVCB	Al XLPE single core	240 sq mm	66 kV	linear m	R 3,755	50	0%
HV Cable	HVCB	Al XLPE single core	300 sq mm	66 kV	linear m	R 3,926	50	0%
HV Cable	HVCB	Al XLPE single core	350 sq mm	132 kV	linear m	R 4,694	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
HV Cable	HVCB	Al XLPE single core	400 sq mm	66 kV	linear m	R 4,096	50	0%
HV Cable	HVCB	Al XLPE single core	500 sq mm	132 kV	linear m	R 4,780	50	0%
HV Cable	HVCB	Al XLPE single core	630 sq mm	66 kV	linear m	R 3,755	50	0%
HV Cable	HVCB	Al XLPE single core	800 sq mm	132 kV	linear m	R 5,121	50	0%
HV Cable	HVCB	Al XLPE single core	800 sq mm	66 kV	linear m	R 4,780	50	0%
HV Cable	HVCB	Cu PILC three core	185 sq mm	33 kV	linear m	R 2,902	50	0%
HV Cable	HVCB	Cu PILC three core	240 sq mm	33 kV	linear m	R 3,073	50	0%
HV Cable	HVCB	Cu PILC three core	300 sq mm	33 kV	linear m	R 3,413	50	0%
HV Cable	HVCB	Cu XLPE single core	630 sq mm	33 kV	linear m	R 4,096	50	0%
HV Cable	HVCB	Cu XLPE three core	120 sq mm	33 kV	linear m	R 2,902	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	150 sq mm	33 - 44 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	150 sq mm	66 - 88 - 132 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	240 sq mm	33 - 44 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	240 sq mm	66 - 88 - 132 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	400 sq mm	33 - 44 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu oil cooled cable	400 sq mm	66 - 88 - 132 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	150 sq mm	33 - 44 kV	linear m	R 3,912	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	150 sq mm	66 - 88 - 132 kV	linear m	R 3,912	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	240 sq mm	33 - 44 kV	linear m	R 3,742	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	240 sq mm	66 - 88 - 132 kV	linear m	R 10,340	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	400 sq mm	33 - 44 kV	linear m	R 4,081	50	0%
HV Cable	HVCB	HV Al/Cu single core XLPE cable	400 sq mm	66 - 88 - 132 kV	linear m	R 4,081	50	0%
HV Overhead line conductor	HVOC	Bear	730 A	66 / 44 / 33 kV	linear m	R 919	50	0%
HV Overhead line conductor	HVOC	Fox	360 A	66 / 44 / 33 kV	linear m	R 690	50	0%
HV Overhead line conductor	HVOC	Goat	600 A	132 / 88 kV	linear m	R 931	50	0%
HV Overhead line conductor	HVOC	Hare	470 A	132 / 88 kV	linear m	R 931	50	0%
HV Overhead line conductor	HVOC	Pelican	650 A	132 / 88 kV	linear m	R 931	50	0%
HV Overhead line conductor	HVOC	Wolf	650 A	66 / 44 / 33 kV	linear m	R 919	50	0%
HV Overhead line insulators	HVOI	Ceramic	190 A	66 / 44 / 33 kV	linear m	R 639	50	0%
HV Overhead line insulators	HVOI	Composite	730 A	66 / 44 / 33 kV	linear m	R 1,047	50	0%
HV Overhead line insulators	HVOI	Glass	730 A	66 / 44 / 33 kV	linear m	R 1,047	50	0%
HV Overhead line support structure	HVOS	Concrete pole	650 A	66 / 44 / 33 kV	linear m	R 919	50	0%
HV Overhead line support structure	HVOS	Steel lattice tower	650 A	132 / 88 kV	linear m	R 931	50	0%
HV Overhead line support structure	HVOS	Wooden pole	190 A	132 / 88 kV	linear m	R 366	50	0%
HV Power transformer	HVPT	Auto wind	20 MVA	132 / 6.6 kV	No	R 4,268,446	50	0%
HV Power transformer	HVPT	Auto wind	80 MVA	132 / 66 / 22kV	No	R 7,683,474	50	0%
HV Power transformer	HVPT	Auto wind	80 MVA	132 / 88 / 22kV	No	R 8,536,892	50	0%
HV Power transformer	HVPT	Auto wind	125 MVA	220 / 132 / 22kV	No	R 12,805,338	50	0%
HV Power transformer	HVPT	Auto wind	160 MVA	132 / 66 / 22kV	No	R 13,658,758	50	0%
HV Power transformer	HVPT	Auto wind	180 MVA	132 / 66 / 22kV	No	R 17,073,786	50	0%
HV Power transformer	HVPT	Auto wind	250 MVA	275 / 132 / 22kV	No	R 23,050,422	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
HV Power transformer	HVPT	Auto wind	250 MVA	400 / 132 / 22kV	No	R 27,318,868	50	0%
HV Power transformer	HVPT	Auto wind	315 MVA	275 / 88 / 22kV	No	R 23,903,840	50	0%
HV Power transformer	HVPT	Auto wind	500 MVA	400 / 132 / 22kV	No	R 34,148,923	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	132 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	132 / 11 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	33 / 6.6 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	44 / 11 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	44 / 6.6 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	5 MVA	88 / 11 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	132 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	33 / 11 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	33 / 6.6 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	44 / 11 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	44 / 6.6 kV	No	R 2,560,256	50	0%
HV Power transformer	HVPT	Double wind	10 MVA	88 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	132 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	33 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	33 / 12 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	33 / 6.6 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	44 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	44 / 6.6 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	15 MVA	88 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	132 - 88 / 11 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	132 / 11 kV	No	R 4,268,446	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	132 / 22 kV	No	R 4,268,446	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	132 / 66 / 22 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	132 / 88 / 11 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	33 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	33 / 6.6 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	44 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	44 / 6.6 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	88 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	88 / 22 kV	No	R 4,268,446	50	0%
HV Power transformer	HVPT	Double wind	20 MVA	88 / 6.6 kV	No	R 4,268,446	50	0%
HV Power transformer	HVPT	Double wind	30 MVA	132 / 11 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	30 MVA	132 / 6.6 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	30 MVA	33 / 11 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	30 MVA	33 / 6.6 kV	No	R 3,413,674	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	132 / 11 kV	No	R 5,975,284	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	132 / 33 kV	No	R 5,975,284	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
HV Power transformer	HVPT	Double wind	40 MVA	132 / 66 / 22 kV	No	R 5,975,284	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	66 / 11 kV	No	R 5,975,284	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	80 / 33 kV	No	R 5,975,284	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	88 / 11 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	88 / 12 kV	No	R 5,121,864	50	0%
HV Power transformer	HVPT	Double wind	40 MVA	88 / 33 kV	No	R 5,975,284	50	0%
HV Power transformer	HVPT	Double wind	45 MVA	132 / 11 kV	No	R 6,828,702	50	0%
HV Power transformer	HVPT	Double wind	45 MVA	132 / 22 kV	No	R 6,828,702	50	0%
HV Power transformer	HVPT	Double wind	45 MVA	132 / 33 kV	No	R 6,828,702	50	0%
HV Power transformer	HVPT	Double wind	50 MVA	132 / 88 / 11 kV	No	R 6,828,702	50	0%
HV Power transformer	HVPT	Double wind	60 MVA	132 / 11 kV	No	R 7,683,474	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	132 / 22 kV	No	R 9,390,312	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	132 / 33 kV	No	R 9,390,312	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	132 / 44 kV	No	R 9,390,312	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	132 / 88 / 33 kV	No	R 10,243,730	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	88 / 11 kV	No	R 9,390,312	50	0%
HV Power transformer	HVPT	Double wind	80 MVA	88 / 33 kV	No	R 8,536,892	50	0%
HV Power transformer	HVPT	Double wind	100 MVA	132 / 33 kV	No	R 11,951,920	50	0%
HV Power transformer	HVPT	Double wind	120 MVA	132 / 11 kV	No	R 13,658,758	50	0%
HV Power transformer	HVPT	Double wind	140 MVA	275 / 33 kV	No	R 15,366,948	50	0%
HV Power transformer	HVPT	Double wind	210 MVA	132 / 22 kV	No	R 20,488,812	50	0%
HV Power transformer	HVPT	Double wind	210 MVA	275 / 22 kV	No	R 23,903,840	50	0%
HV Power transformer	HVPT	Double wind	210 MVA	400 / 22 kV	No	R 23,050,422	50	0%
HV Power transformer	HVPT	Double wind	240 MVA	132 / 11 kV	No	R 22,197,003	50	0%
HV Power transformer	HVPT	Double wind	315 MVA	400 / 88 / 22 kV	No	R 29,027,058	50	0%
HV Power transformer	HVPT	Double wind	800 MVA	400 / 275 / 22 kV	No	R 38,417,370	50	0%
HV Switchgear - Circuit breaker	HVSC	Indoor GIS bays	3000 A	132 kV	No	R 6,828,702	50	0%
HV Switchgear - Circuit breaker	HVSC	Indoor GIS bays	3000 A	275 kV	No	R 10,243,730	50	0%
HV Switchgear - Circuit breaker	HVSC	Indoor GIS bays	3000 A	33 kV	No	R 1,194,245	50	0%
HV Switchgear - Circuit breaker	HVSC	Indoor GIS bays	3000 A	66 kV	No	R 1,536,424	50	0%
HV Switchgear - Circuit breaker	HVSC	Indoor GIS bays	3000 A	88 kV	No	R 2,047,664	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	200 A	66 kV	No	R 307,013	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	400 A	33 kV	No	R 238,037	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	400 A	44 kV	No	R 238,037	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	400 A	88 kV	No	R 443,615	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	500 A	33 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	500 A	44 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	500 A	66 kV	No	R 307,013	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	800 A	66 kV	No	R 340,826	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	800 A	88 kV	No	R 495,009	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
HV Switchgear - Circuit breaker	HVSC	Outdoor	1000 A	33 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1000 A	44 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1000 A	66 kV	No	R 358,409	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1000 A	88 kV	No	R 511,239	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	132 kV	No	R 374,638	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	275 kV	No	R 580,216	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	33 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	44 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	66 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	1600 A	88 kV	No	R 247,504	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2000 A	132 kV	No	R 392,221	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2000 A	275 kV	No	R 647,840	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	132 kV	No	R 392,221	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	275 kV	No	R 784,442	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	33 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	44 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	66 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	2500 A	88 kV	No	R 271,849	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	3000 A	132 kV	No	R 443,615	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	3000 A	275 kV	No	R 972,437	50	0%
HV Switchgear - Circuit breaker	HVSC	Outdoor	3500 A	132 kV	No	R 511,239	50	0%
HV Switchgear - Isolating link	HVSI	Earth switches	132kV		No	R 67,624	50	0%
HV Switchgear - Isolating link	HVSI	Earth switches	275kV		No	R 119,018	50	0%
HV Switchgear - Isolating link	HVSI	Earth switches	33kV		No	R 29,754	50	0%
HV Switchgear - Isolating link	HVSI	Earth switches	66kV		No	R 33,812	50	0%
HV Switchgear - Isolating link	HVSI	Earth switches	88kV		No	R 41,927	50	0%
HV Switchgear - Isolating link	HVSI	Indoor	2000 A	33 - 44 kV	No	R 75,739	50	0%
HV Switchgear - Isolating link	HVSI	Indoor	2000 A	66 kV	No	R 85,206	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor	2000 A	33 - 44 kV	No	R 75,739	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor	2000 A	33 kV	No	R 75,739	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor	2000 A	66 kV	No	R 85,206	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor hand operated	2000 A	132 kV	No	R 170,413	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor hand operated	2000 A	66 kV	No	R 135,248	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor hand operated	2000 A	88 kV	No	R 135,248	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor hand operated	3000 A	132 kV	No	R 170,413	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised	1600 A	275 kV	No	R 580,216	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised	2000 A	132 kV	No	R 196,110	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised	2000 A	88 kV	No	R 170,413	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised	3000 A	132 kV	No	R 204,225	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised	3000 A	275 kV	No	R 596,445	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
HV Switchgear - Isolating link	HVSI	Outdoor motorised - AIS Pantograph	2000 A	132 kV	No	R 247,504	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised - AIS Pantograph	2000 A	275 kV	No	R 716,818	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised - AIS Pantograph	2000 A	66 kV	No	R 110,903	50	0%
HV Switchgear - Isolating link	HVSI	Outdoor motorised - AIS Pantograph	2000 A	88 kV	No	R 204,225	50	0%
Hydrant	HYD	Above Ground - "Woodlands" type			No	R 2,859	20	0%
Hydrant	HYD	Below Ground			No	R 3,264	20	0%
IP Phone	IPPH	Cisco 7912			No	R 1,813	5	0%
IP Phone	IPPH	Cisco 7940/41			No	R 3,019	5	0%
IP Phone	IPPH	Cisco 7960/61			No	R 3,573	5	0%
IP Phone	IPPH	Cisco 7970			No	R 6,695	5	0%
Irrigation	IRRI	Automatic sprinkler system			sqm	R 40	10	0%
Kerb	KERB	Barrier kerb	UA (Arterial) or UB (Distributor)		linear m	R 308	20	0%
Kerb	KERB	Barrier kerb	UC (Collector) or UD (Urban and Residential access)		linear m	R 308	50	0%
Kerb	KERB	Mountable kerb	UA (Arterial) or UB (Distributor)		linear m	R 308	20	0%
Kerb	KERB	Mountable kerb	UC (Collector) or UD (Urban and Residential access)		linear m	R 308	50	0%
Kerb inlet	KEI				No	R 14,875	20	0%
Land	LAND	Agricultural holdings			sqm	R 5	NA	0%
Land	LAND	Farms (commercial)			sqm	R 2	NA	0%
Land	LAND	Farms (vacant)			sqm	R 1	NA	0%
Land	LAND	Industrial and commercial			sqm	R 29	NA	0%
Land	LAND	Informal residential			sqm	R 2	NA	0%
Land	LAND	Business and retail			sqm	R 35	NA	0%
Land	LAND	Open space (developable land)			sqm	R 14	NA	0%
Land	LAND	Open space (un-developable land)			sqm	R 6	NA	0%
Land	LAND	Institutions			sqm	R 41	NA	0%
Land	LAND	Formal residential (undevelopable land)			sqm	R 5	NA	0%
Land	LAND	Formal residential (high income)			sqm	R 65	NA	0%
Land	LAND	Formal residential (low income)			sqm	R 23	NA	0%
Land	LAND	Formal residential (medium income)			sqm	R 65	NA	0%
Landfill restoration	LFRS	Restored area			sqm	R 116		0%
Landscaping	LDSC	Flower beds, shrubs & trees			sqm	R 63	30	0%
Landscaping	LDSC	Lawns			sqm	R 48	50	0%
Lifts	LIFT				Lift-floors	R 39,166	30	0%
Lining - landfill	LILF				sqm	R 392	50	0%
Load control set	LCST	Load control master station - Injection			No	R 596,445	20	0%
Load control set	LCST	Load control master station - Radio			No	R 170,413	20	0%
Load shed relay	LSHR	Load control Controllers			No	R 811	20	0%
Local transformer	LOCT	HV primary	200 kVA		No	R 75,739	45	0%
Local transformer	LOCT	MV primary	200 kVA		No	R 75,739	45	0%
LV Cable	LVCB	LV Underground Service Connection - Single Phase (per 30m Service)			No	R 2,164	60	0%
LV Cable	LVCB	LV Underground Service Connection - Three Phase (per 30m Service)			No	R 3,922	60	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
LV Cable	LVCB	Underground cable - commercial			linear m	R 392	60	0%
LV Cable	LVCB	Underground cable - domestic 2	126 A		linear m	R 216	60	0%
LV Cable	LVCB	Underground cable - domestic 3	147 A		linear m	R 216	60	0%
LV Overhead line	LVOL	LV - Open Wire			linear m	R 114	45	0%
LV Overhead line	LVOL	LV ABC			linear m	R 201	45	0%
LV Overhead line	LVOL	LV aerial bundle conductor - commercial			linear m	R 201	45	0%
LV Overhead line	LVOL	LV aerial bundle conductor - domestic 1	74 A		linear m	R 201	45	0%
LV Overhead line	LVOL	LV aerial bundle conductor - domestic 2	100 A		linear m	R 201	45	0%
LV Overhead line	LVOL	LV aerial bundle conductor - network			linear m	R 201	45	0%
LV Overhead line	LVOL	LV overhead service connection - single phase (per 30m service)			No	R 946	45	0%
LV Overhead line	LVOL	LV overhead service connection - three phase (per 30m service)			No	R 2,028	60	0%
LV Switchgear - circuit breaker	LVSW	Feeder panel	300 A	420 V	no	R 7,573	30	0%
LV Switchgear - circuit breaker	LVSW	Feeder panel	630 A	420 V	no	R 13,704	30	0%
Masonry structure	MAS	General			cub m	R 4,058	50	0%
Masonry structure	MAS	Manholes			No	R 13,623	50	0%
Mini traffic circle	MINR				sqm	R 744	20	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	50 kVA	6.6 - 11 kV / 420 V	No	R 1,692,136	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	100 kVA	6.6 - 11 kV / 420 V	No	R 169,806	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	200 kVA	22 kV	No	R 238,037	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	200 kVA	6.6 - 11 kV / 420 V	No	R 170,413	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	315 kVA	22 kV	No	R 271,849	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	315 kVA	6.6 - 11 kV / 420 V	No	R 204,225	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	500 kVA	22 kV	No	R 323,244	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	500 kVA	6.6 - 11 kV / 420 V	No	R 238,037	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	630 kVA	22 kV	No	R 358,409	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	630 kVA	6.6 - 11 kV / 420 V	No	R 271,849	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	1000 kVA	6.6 - 11 kV / 420 V	No	R 238,037	45	0%
Mini-Sub	MSUB	Mini-Sub with Ring main unit (RMU)	2000 kVA	6.6 - 11 kV / 420 V	No	R 238,037	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	50 kVA	6.6 - 11 kV / 420 V	No	R 108,198	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	100 kVA	6.6 - 11 kV / 420 V	No	R 108,198	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	200 kVA	6.6 - 11 kV / 420 V	No	R 119,018	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	315 kVA	6.6 - 11 kV / 420 V	No	R 119,018	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	500 kVA	6.6 - 11 kV / 420 V	No	R 152,830	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	800 kVA	6.6 - 11 kV / 420 V	No	R 186,642	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	1000 kVA	6.6 - 11 kV / 420 V	No	R 186,642	45	0%
Mini-Sub	MSUB	Mini-Sub without Ring main unit (RMU)	2000 kVA	6.6 - 11 kV / 420 V	No	R 238,037	45	0%
Motor	MOT	sewer	5 kW		kW	R 24,478	15	0%
Motor	MOT	sewer	10 kW		kW	R 16,319	15	0%
Motor	MOT	sewer	25 kW		kW	R 11,423	15	0%
Motor	MOT	sewer	50 kW		kW	R 8,159	15	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Motor	MOT	sewer	75 kW		kW	R 6,527	15	0%
Motor	MOT	sewer	100 kW		kW	R 5,222	15	0%
Motor	MOT	sewer	150 kW		kW	R 4,080	15	0%
Motor	MOT	sewer	200 kW		kW	R 3,754	15	0%
Motor	MOT	sewer	250 kW		kW	R 3,264	15	0%
Motor	MOT	water	5 kW		kW	R 19,582	15	0%
Motor	MOT	water	10 kW		kW	R 13,055	15	0%
Motor	MOT	water	25 kW		kW	R 9,139	15	0%
Motor	MOT	water	50 kW		kW	R 6,527	15	0%
Motor	MOT	water	75 kW		kW	R 5,222	15	0%
Motor	MOT	water	100 kW		kW	R 4,178	15	0%
Motor	MOT	water	150 kW		kW	R 3,264	15	0%
Motor	MOT	water	200 kW		kW	R 3,003	15	0%
Motor	MOT	water	250 kW		kW	R 2,611	15	0%
MV Busbar indoor	MVBI	Copper bar	1000 A	11 kV	Substation	R 54,098	60	0%
MV Busbar indoor	MVBI	Copper bar	1000 A	33 kV	Substation	R 54,098	60	0%
MV Busbar indoor	MVBI	Copper bar	1000 A	6.6 kV	Substation	R 54,098	60	0%
MV Busbar outdoor	MVBO	Strung conductor (m)	1000 A	33 kV	Substation	R 110,903	60	0%
MV Busbar outdoor	MVBO	Tubular Conductor	3000 A	33 kV	Substation	R 3,413,674	50	0%
MV Cable	MVCB	MV Cu & Al cable	50 sq mm	22 kV	linear m	R 1,536	50	0%
MV Cable	MVCB	MV Cu & Al cable	50 sq mm	6.6 - 11 kV	linear m	R 1,536	50	0%
MV Cable	MVCB	MV Cu & Al cable	95 sq mm	22 kV	linear m	R 1,706	50	0%
MV Cable	MVCB	MV Cu & Al cable	95 sq mm	6.6 - 11 kV	linear m	R 1,706	50	0%
MV Cable	MVCB	MV Cu & Al cable	150 sq mm	22 kV	linear m	R 1,877	50	0%
MV Cable	MVCB	MV Cu & Al cable	150 sq mm	6.6 - 11 kV	linear m	R 1,877	50	0%
MV Cable	MVCB	MV Cu & Al cable	185 sq mm	22 kV	linear m	R 2,560	50	0%
MV Cable	MVCB	MV Cu & Al cable	185 sq mm	6.6 - 11 kV	linear m	R 2,560	50	0%
MV Cable	MVCB	MV Cu & Al cable	240 sq mm	22 kV	linear m	R 2,902	50	0%
MV Cable	MVCB	MV Cu & Al cable	240 sq mm	6.6 - 11 kV	linear m	R 2,902	50	0%
MV Cable	MVCB	MV Cu & Al cable	300 sq mm	22 kV	linear m	R 3,755	50	0%
MV Cable	MVCB	MV Cu & Al cable	300 sq mm	6.6 - 11 kV	linear m	R 3,755	50	0%
MV Overhead line	MVOL	11kV ABC	215 A	6.6 - 11 kV	linear m	R 425	45	0%
MV Overhead line	MVOL	Aerial Bundled Conductor	215 A	6.6 - 22 kV	linear m	R 425	45	0%
MV Overhead line	MVOL	Heavy conductor overhead line (>70 sqmm)	360 A	22 / 11 kV	linear m	R 135	45	0%
MV Overhead line	MVOL	Light conductor overhead line (<70 sqmm)	190 A	22 / 11 kV	linear m	R 105	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	16 kVA	6.6 - 11 kV / 420 V	No	R 24,311	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	50 kVA	22 kV	No	R 50,042	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	50 kVA	6.6 - 11 kV / 420 V	No	R 50,042	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	100 kVA	22 kV	No	R 59,509	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	100 kVA	6.6 - 11 kV / 420 V	No	R 59,509	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	200 kVA	22 kV	No	R 75,739	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	200 kVA	6.6 - 11 kV / 420 V	No	R 75,739	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	400 kVA	22 kV	No	R 127,133	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	400 kVA	6.6 - 11 kV / 420 V	No	R 119,018	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	500 kVA	22 kV	No	R 135,248	45	0%
MV Power	MVPT	Enclosed transformer -	500 kVA	6.6 - 11 kV /	No	R 135,248	45	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
transformer		ground level		420 V				
MV Power transformer	MVPT	Enclosed transformer - ground level	630 kVA	6.6 - 11 kV / 420 V	No	R 151,071	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	800 kVA	6.6 - 11 kV / 420 V	No	R 174,313	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	1000 kVA	22 kV	No	R 204,225	45	0%
MV Power transformer	MVPT	Enclosed transformer - ground level	1000 kVA	6.6 - 11 kV / 420 V	No	R 204,225	45	0%
MV Power transformer	MVPT	Substation transformer	50 kVA	22 kV	No	R 50,042	45	0%
MV Power transformer	MVPT	Substation transformer	50 kVA	6.6 - 11 kV / 420 V	No	R 50,042	45	0%
MV Power transformer	MVPT	Substation transformer	100 kVA	22 kV	No	R 59,509	45	0%
MV Power transformer	MVPT	Substation transformer	100 kVA	6.6 - 11 kV / 420 V	No	R 59,509	45	0%
MV Power transformer	MVPT	Substation transformer	200 kVA	22 kV	No	R 75,739	45	0%
MV Power transformer	MVPT	Substation transformer	200 kVA	6.6 - 11 kV / 420 V	No	R 75,739	45	0%
MV Power transformer	MVPT	Substation transformer	400 kVA	22 kV	No	R 127,133	45	0%
MV Power transformer	MVPT	Substation transformer	400 kVA	6.6 - 11 kV / 420 V	No	R 119,018	45	0%
MV Power transformer	MVPT	Substation transformer	500 kVA	22 kV	No	R 135,248	45	0%
MV Power transformer	MVPT	Substation transformer	500 kVA	6.6 - 11 kV / 420 V	No	R 135,248	45	0%
MV Power transformer	MVPT	Substation transformer	1000 kVA	22 kV	No	R 204,225	45	0%
MV Power transformer	MVPT	Substation transformer	1000 kVA	6.6 - 11 kV / 420 V	No	R 204,225	45	0%
MV Power transformer	MVPT	Substation transformer	1250 kVA	6.6 - 11 kV / 420 V	No	R 1,162,084	45	0%
MV Power transformer	MVPT	Substation transformer	1600 kVA	6.6 - 11 kV / 420 V	No	R 1,394,501	45	0%
MV Power transformer	MVPT	Substation transformer	2000 kVA	6.6 - 11 kV / 3300 V	No	R 1,394,501	45	0%
MV Power transformer	MVPT	Substation transformer	2500 kVA	6.6 - 11 kV / 3300 V	No	R 1,743,126	45	0%
MV Power transformer	MVPT	Substation transformer	2500 kVA	6.6 - 11 kV / 420 V	No	R 270,497	45	0%
MV Power transformer	MVPT	Substation transformer	3150 kVA	6.6 - 11 kV / 3300 V	No	R 1,743,126	45	0%
MV Power transformer	MVPT	Substation transformer	5000 kVA	6.6 - 11 kV / 420 V	No	R 270,497	45	0%
MV Power transformer	MVPT	Substation transformer	10000 kVA	6.6 - 11 kV / 420 V	No	R 270,497	45	0%
MV Switchgear - breakers	MVSB	Bus-section panel Double busbar	2000 A	6.6 - 11 kV	No	R 212,339	45	0%
MV Switchgear - breakers	MVSB	Bus-section/ Coupler panel	2000 A	6.6 - 11 kV	No	R 170,413	45	0%
MV Switchgear - breakers	MVSB	Bus-section/coupler panel	1250 A	22 kV	No	R 212,339	45	0%
MV Switchgear - breakers	MVSB	Feeder panel	630 A	6.6 - 11 kV	No	R 135,248	45	0%
MV Switchgear - breakers	MVSB	Feeder panel	800 A	22 kV	No	R 221,807	45	0%
MV Switchgear - breakers	MVSB	Feeder panel	800 A	6.6 - 11 kV	No	R 135,248	45	0%
MV Switchgear - breakers	MVSB	Feeder panel	1250 A	6.6 - 11 kV	No	R 170,413	45	0%
MV Switchgear - breakers	MVSB	Feeder panel Double busbar	630 A	6.6 - 11 kV	No	R 152,830	45	0%
MV Switchgear - breakers	MVSB	Feeder panel Double busbar	800 A	6.6 - 11 kV	No	R 160,945	45	0%
MV Switchgear - breakers	MVSB	Feeder panel Double busbar	1250 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - breakers	MVSB	Incomer panel	1250 A	22 kV	No	R 289,431	45	0%
MV Switchgear - breakers	MVSB	Incomer panel	2000 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - breakers	MVSB	Incomer panel Double busbar	2000 A	6.6 - 11 kV	No	R 238,037	45	0%
MV Switchgear - Circuit breaker	MVSC	Bus-section panel - double busbar	2000 A	6.6 - 11 kV	No	R 212,339	45	0%
MV Switchgear - Circuit breaker	MVSC	Bus-section/coupler panel	1250 A	22kV	No	R 212,339	45	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
MV Switchgear - Circuit breaker	MVSC	Bus-section/coupler panel	2000 A	6.6 - 11 kV	No	R 170,413	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel	630 A	6.6 - 11 kV	No	R 135,248	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel	800 A	22 kV	No	R 221,807	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel	800 A	6.6 - 11 kV	No	R 135,248	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel	1250 A	6.6 - 11 kV	No	R 170,413	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel	2000 A	6.6 - 11 kV	No	R 170,413	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel - double busbar	630 A	6.6 - 11 kV	No	R 152,830	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel - double busbar	800 A	6.6 - 11 kV	No	R 160,945	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel - double busbar	1250 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - Circuit breaker	MVSC	Feeder panel - double busbar	2000 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - Circuit breaker	MVSC	Incomer panel	800 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - Circuit breaker	MVSC	Incomer panel	1250 A	22 kV	No	R 289,431	45	0%
MV Switchgear - Circuit breaker	MVSC	Incomer panel	2000 A	6.6 - 11 kV	No	R 204,225	45	0%
MV Switchgear - Circuit breaker	MVSC	Incomer panel - double busbar	2000 A	6.6 - 11 kV	No	R 238,037	45	0%
MV Switchgear - Isolating link	MVSL	MV Isolator	800 A	6.6 - 11 kV	No	R 7,511	30	0%
MV Switchgear - Isolating link	MVSL	MV Isolator	2000 A	6.6 - 11 kV	No	R 7,511	30	0%
MV Switchgear - Isolating link	MVSL	Ring main unit (RMU)	600 A	6.6 - 11 kV	No	R 7,511	30	0%
MV Switchgear - isolators	MVSI	Ring main unit (RMU)	600 A	6.6 - 11 kV	No	R 7,511	30	0%
Paving	PAVG	Paved area			sqm	R 149	20	0%
Pedestrian bridge sub-structure	PEBS				sqm	R 2,905	50	0%
Pedestrian bridge super-structure	PBSS				sqm	R 2,905	50	0%
Perimeter Protection	PPRO	1.2m high diamond mesh			linear m	R 223	15	0%
Perimeter Protection	PPRO	1.8m high brick wall			linear m	R 1,025	30	0%
Perimeter Protection	PPRO	1.8m high diamond mesh			linear m	R 251	15	0%
Perimeter Protection	PPRO	Concrete palisade fencing			linear m	R 768	30	0%
Perimeter Protection	PPRO	Precast concrete wall			linear m	R 576	30	0%
Perimeter Protection	PPRO	Steel palisade fencing			linear m	R 786	30	0%
Pilot cables	PCAB				linear m	R 6	50	0%
Pipe - sewer (excl manholes)	PIPS	Clay	150 mm		linear m	R 1,068	100	0%
Pipe - sewer (excl manholes)	PIPS	Clay	200 mm		linear m	R 1,111	100	0%
Pipe - sewer (excl manholes)	PIPS	Clay	250 mm		linear m	R 1,252	100	0%
Pipe - sewer (excl manholes)	PIPS	Clay	300 mm		linear m	R 1,583	100	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	375 mm		linear m	R 1,696	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	450 mm		linear m	R 2,216	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	525 mm		linear m	R 2,617	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	600 mm		linear m	R 3,120	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	750 mm		linear m	R 4,306	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	900 mm		linear m	R 5,234	40	0%
Pipe - sewer (excl manholes)	PIPS	Concrete	1050 mm		linear m	R 6,285	40	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - sewer (excl manholes)	PIPS	Steel	50 mm		linear m	R 198	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	75 mm		linear m	R 247	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	100 mm		linear m	R 286	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	150 mm		linear m	R 469	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	200 mm		linear m	R 611	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	250 mm		linear m	R 829	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	300 mm		linear m	R 1,260	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	350 mm		linear m	R 1,552	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	400 mm		linear m	R 1,905	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	450 mm		linear m	R 1,970	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	500 mm		linear m	R 2,192	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	600 mm		linear m	R 2,868	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	750 mm		linear m	R 3,572	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	900 mm		linear m	R 4,237	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	1000 mm		linear m	R 4,720	40	0%
Pipe - sewer (excl manholes)	PIPS	Steel	1200 mm		linear m	R 6,320	40	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	110 mm		linear m	R 286	80	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	160 mm		linear m	R 456	80	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	200 mm		linear m	R 601	80	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	250 mm		linear m	R 748	80	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	300 mm		linear m	R 776	80	0%
Pipe - sewer (excl manholes)	PIPS	uPVC	400 mm		linear m	R 795	80	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed clay)	110 mm		linear m	R 286	80	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed clay)	160 mm		linear m	R 456	80	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed clay)	200 mm		linear m	R 601	80	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed clay)	250 mm		linear m	R 1,252	100	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed clay)	300 mm		linear m	R 1,583	100	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	375 mm		linear m	R 1,696	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	450 mm		linear m	R 2,216	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	525 mm		linear m	R 2,617	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	600 mm		linear m	R 3,120	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	750 mm		linear m	R 4,306	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	900 mm		linear m	R 5,234	40	0%
Pipe - sewer (excl manholes)	PIPS	unknown (assumed concrete)	1050 mm		linear m	R 6,285	40	0%
Pipe - sewer (incl manholes)	PIPS	Clay	150 mm		linear m	R 1,175	100	0%
Pipe - sewer (incl manholes)	PIPS	Clay	200 mm		linear m	R 1,223	100	0%
Pipe - sewer (incl manholes)	PIPS	Clay	250 mm		linear m	R 1,377	100	0%
Pipe - sewer (incl manholes)	PIPS	Clay	300 mm		linear m	R 1,741	100	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	375 mm		linear m	R 1,865	40	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	450 mm		linear m	R 2,437	40	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - sewer (incl manholes)	PIPS	Concrete	525 mm		linear m	R 2,878	40	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	600 mm		linear m	R 3,432	40	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	750 mm		linear m	R 4,737	40	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	900 mm		linear m	R 5,757	40	0%
Pipe - sewer (incl manholes)	PIPS	Concrete	1050 mm		linear m	R 6,913	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	50 mm		linear m	R 217	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	75 mm		linear m	R 272	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	100 mm		linear m	R 315	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	150 mm		linear m	R 516	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	200 mm		linear m	R 672	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	250 mm		linear m	R 912	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	300 mm		linear m	R 1,386	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	350 mm		linear m	R 1,707	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	400 mm		linear m	R 2,095	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	450 mm		linear m	R 2,167	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	500 mm		linear m	R 2,411	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	600 mm		linear m	R 3,155	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	750 mm		linear m	R 3,929	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	900 mm		linear m	R 4,660	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	1000 mm		linear m	R 5,191	40	0%
Pipe - sewer (incl manholes)	PIPS	Steel	1200 mm		linear m	R 6,952	40	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	110 mm		linear m	R 315	80	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	160 mm		linear m	R 502	80	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	200 mm		linear m	R 661	80	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	250 mm		linear m	R 830	80	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	300 mm		linear m	R 861	80	0%
Pipe - sewer (incl manholes)	PIPS	uPVC	400 mm		linear m	R 894	80	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed clay)	110 mm		linear m	R 315	80	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed clay)	160 mm		linear m	R 502	80	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed clay)	200 mm		linear m	R 661	80	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed clay)	250 mm		linear m	R 1,377	100	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed clay)	300 mm		linear m	R 1,741	100	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	375 mm		linear m	R 1,865	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	450 mm		linear m	R 2,437	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	525 mm		linear m	R 2,878	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	600 mm		linear m	R 3,432	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	750 mm		linear m	R 4,737	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	900 mm		linear m	R 5,757	40	0%
Pipe - sewer (incl manholes)	PIPS	unknown (assumed concrete)	1050 mm		linear m	R 6,913	40	0%
Pipe - stormwater	PPSW	Concrete	300 mm		linear m	R 397	50	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - stormwater	PPSW	Concrete	375 mm		linear m	R 535	50	0%
Pipe - stormwater	PPSW	Concrete	450 mm		linear m	R 746	50	0%
Pipe - stormwater	PPSW	Concrete	525 mm		linear m	R 995	50	0%
Pipe - stormwater	PPSW	Concrete	600 mm		linear m	R 1,075	50	0%
Pipe - stormwater	PPSW	Concrete	675 mm		linear m	R 1,433	50	0%
Pipe - stormwater	PPSW	Concrete	750 mm		linear m	R 1,589	50	0%
Pipe - stormwater	PPSW	Concrete	875 mm		linear m	R 2,114	50	0%
Pipe - stormwater	PPSW	Concrete	900 mm		linear m	R 2,860	50	0%
Pipe - stormwater	PPSW	Concrete	1050 mm		linear m	R 3,458	50	0%
Pipe - stormwater	PPSW	Concrete	1200 mm		linear m	R 4,476	50	0%
Pipe - stormwater	PPSW	Concrete	1500 mm		linear m	R 7,212	50	0%
Pipe - stormwater	PPSW	Concrete	1800 mm		linear m	R 9,946	50	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	50 mm		linear m	R 171	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	75 mm		linear m	R 197	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	90 mm		linear m	R 250	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	110 mm		linear m	R 277	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	160 mm		linear m	R 430	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	200 mm		linear m	R 759	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	250 mm		linear m	R 774	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	300 mm		linear m	R 789	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	AC	350 mm		linear m	R 796	40	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	GRP	300 mm		linear m	R 1,281	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	GRP	600 mm		linear m	R 2,916	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	GRP	750 mm		linear m	R 3,631	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	GRP	900 mm		linear m	R 4,306	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	20 mm		linear m	R 27	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	25 mm		linear m	R 41	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	32 mm		linear m	R 67	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	40 mm		linear m	R 104	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	50 mm		linear m	R 167	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	63 mm		linear m	R 208	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	75 mm		linear m	R 295	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	HDPE	90 mm		linear m	R 429	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	50 mm		linear m	R 181	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	75 mm		linear m	R 226	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	100 mm		linear m	R 262	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	150 mm		linear m	R 430	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	200 mm		linear m	R 559	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	250 mm		linear m	R 759	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	300 mm		linear m	R 1,154	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	350 mm		linear m	R 1,421	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	400 mm		linear m	R 1,744	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	450 mm		linear m	R 1,804	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	500 mm		linear m	R 2,007	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	600 mm		linear m	R 2,626	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	750 mm		linear m	R 3,271	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	900 mm		linear m	R 3,879	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	1000 mm		linear m	R 4,321	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	Steel	1200 mm		linear m	R 5,787	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	50 mm		linear m	R 166	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	63 mm		linear m	R 190	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	75 mm		linear m	R 210	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	90 mm		linear m	R 239	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	110 mm		linear m	R 262	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	160 mm		linear m	R 418	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	200 mm		linear m	R 550	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	250 mm		linear m	R 754	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	300 mm		linear m	R 796	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	uPVC	400 mm		linear m	R 827	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed HDPE)	20 mm		linear m	R 27	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed HDPE)	25 mm		linear m	R 41	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed HDPE)	32 mm		linear m	R 67	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed HDPE)	40 mm		linear m	R 104	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed HDPE)	50 mm		linear m	R 167	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	300 mm		linear m	R 1,154	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	350 mm		linear m	R 1,421	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	400 mm		linear m	R 1,744	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	450 mm		linear m	R 1,804	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	500 mm		linear m	R 2,007	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	600 mm		linear m	R 2,626	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	750 mm		linear m	R 3,271	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	900 mm		linear m	R 3,879	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	1000 mm		linear m	R 4,321	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed steel)	1200 mm		linear m	R 5,787	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	63 mm		linear m	R 190	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	75 mm		linear m	R 210	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	90 mm		linear m	R 239	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	110 mm		linear m	R 262	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	160 mm		linear m	R 418	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	200 mm		linear m	R 550	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	250 mm		linear m	R 754	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	300 mm		linear m	R 796	80	0%
Pipe - water (excl valves, hydrants & meters)	PIPW	unknown (assumed uPVC)	400 mm		linear m	R 827	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	50 mm		linear m	R 206	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	75 mm		linear m	R 237	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	90 mm		linear m	R 300	40	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	110 mm		linear m	R 332	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	160 mm		linear m	R 516	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	200 mm		linear m	R 912	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	250 mm		linear m	R 930	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	300 mm		linear m	R 948	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	AC	350 mm		linear m	R 956	40	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	GRP	300 mm		linear m	R 1,539	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	GRP	600 mm		linear m	R 3,503	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	GRP	750 mm		linear m	R 4,361	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	GRP	900 mm		linear m	R 5,172	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	20 mm		linear m	R 33	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	25 mm		linear m	R 49	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	32 mm		linear m	R 80	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	40 mm		linear m	R 124	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	50 mm		linear m	R 201	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	63 mm		linear m	R 250	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	75 mm		linear m	R 354	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	HDPE	90 mm		linear m	R 515	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	50 mm		linear m	R 217	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	75 mm		linear m	R 272	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	100 mm		linear m	R 315	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	150 mm		linear m	R 516	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	200 mm		linear m	R 672	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	250 mm		linear m	R 912	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	300 mm		linear m	R 1,386	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	350 mm		linear m	R 1,707	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	400 mm		linear m	R 2,095	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	450 mm		linear m	R 2,167	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	500 mm		linear m	R 2,411	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	600 mm		linear m	R 3,155	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	750 mm		linear m	R 3,929	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	900 mm		linear m	R 4,660	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	1000 mm		linear m	R 5,191	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	Steel	1200 mm		linear m	R 6,952	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	50 mm		linear m	R 200	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	63 mm		linear m	R 228	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	75 mm		linear m	R 252	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	90 mm		linear m	R 287	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	110 mm		linear m	R 315	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	160 mm		linear m	R 502	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	200 mm		linear m	R 661	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	250 mm		linear m	R 905	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	300 mm		linear m	R 1,005	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	uPVC	400 mm		linear m	R 1,044	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed HDPE)	20 mm		linear m	R 33	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed HDPE)	25 mm		linear m	R 49	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed HDPE)	32 mm		linear m	R 80	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed HDPE)	40 mm		linear m	R 124	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	300 mm		linear m	R 1,386	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	350 mm		linear m	R 1,707	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	400 mm		linear m	R 2,095	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	450 mm		linear m	R 2,167	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	500 mm		linear m	R 2,411	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	600 mm		linear m	R 3,155	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	750 mm		linear m	R 3,929	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	900 mm		linear m	R 4,660	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	1000 mm		linear m	R 5,191	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed steel)	1200 mm		linear m	R 6,952	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	63 mm		linear m	R 228	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	75 mm		linear m	R 252	80	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	90 mm		linear m	R 287	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	110 mm		linear m	R 315	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	160 mm		linear m	R 502	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	200 mm		linear m	R 661	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	250 mm		linear m	R 905	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	300 mm		linear m	R 1,005	80	0%
Pipe - water (incl valves & hydrants, excl meters)	PIPW	unknown (assumed uPVC)	400 mm		linear m	R 1,044	80	0%
Plumbing	PLUM	Standard installation			sqm wet floor area	R 2,220	20	0%
Points (rail)	PNTS				No	R 38,349	15	0%
Pole transformer	POLT	Pole transformer	16 kVA	6.6-11 kV / 420V	No	R 24,311	45	0%
Pole transformer	POLT	Pole transformer	50 kVA	22kV	No	R 50,042	45	0%
Pole transformer	POLT	Pole transformer	50 kVA	6.6-11 kV / 420V	No	R 50,042	45	0%
Pole transformer	POLT	Pole transformer	100 kVA	22kV	No	R 59,509	45	0%
Pole transformer	POLT	Pole transformer	100 kVA	6.6-11 kV / 420V	No	R 59,509	45	0%
Pole transformer	POLT	Pole transformer	200 kVA	22kV	No	R 75,739	45	0%
Pole transformer	POLT	Pole transformer	200 kVA	6.6-11 kV / 420V	No	R 75,739	45	0%
Pole transformer	POLT	Pole transformer	400 kVA	22kV	No	R 127,133	45	0%
Pole transformer	POLT	Pole transformer	400 kVA	6.6-11 kV / 420V	No	R 119,018	45	0%
Pole transformer	POLT	Pole transformer	500 kVA	22kV	No	R 135,248	45	0%
Pole transformer	POLT	Pole transformer	500 kVA	6.6-11 kV / 420V	No	R 135,248	45	0%
Pole transformer	POLT	Pole transformer	630 kVA	6.6-11 kV / 420V	No	R 151,071	45	0%
Pole transformer	POLT	Pole transformer	800 kVA	6.6-11 kV / 420V	No	R 174,313	45	0%
Pole transformer	POLT	Pole transformer	1000 kVA	22kV	No	R 204,225	45	0%
Pole transformer	POLT	Pole transformer	1000 kVA	6.6-11 kV / 420V	No	R 204,225	45	0%
Power factor equipment	PFEQ	Capacitor bank	6.6 - 11 kV		No	R 67,624	50	0%
Power factor equipment	PFEQ	single phase, 20 min battery back-up	10 kW		No	R 57,159	30	0%
Power factor equipment	PFEQ	three phase, 20 min battery back-up	30 kW		No	R 278,871	30	0%
Power factor equipment	PFEQ	three phase, 20 min battery back-up	10 kW		No	R 105,658	30	0%
Power factor equipment	PFEQ	three phase, 20 min battery back-up	20 kW		No	R 235,568	30	0%
Pump - hand	PMPH				No	R 4,648	15	0%
Pump - sewer	PMPS	50 mm			No	R 39,166	15	0%
Pump - sewer	PMPS	75 mm			No	R 52,221	15	0%
Pump - sewer	PMPS	100 mm			No	R 66,907	15	0%
Pump - sewer	PMPS	150 mm			No	R 86,489	15	0%
Pump - sewer	PMPS	200 mm			No	R 138,710	15	0%
Pump - sewer	PMPS	250 mm			No	R 171,347	15	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Pump - submersible	PMSB	0.5 kW			No	R 6,973	12	0%
Pump - submersible	PMSB	1 kW			No	R 11,621	12	0%
Pump - submersible	PMSB	3 kW			No	R 29,052	12	0%
Pump - submersible	PMSB	7.5 kW			No	R 58,104	12	0%
Pump - submersible	PMSB	18.5 kW			No	R 104,588	12	0%
Pump - water	PMPW	50 mm			No	R 31,332	15	0%
Pump - water	PMPW	75 mm			No	R 41,776	15	0%
Pump - water	PMPW	100 mm			No	R 53,526	15	0%
Pump - water	PMPW	150 mm			No	R 69,192	15	0%
Pump - water	PMPW	200 mm			No	R 110,967	15	0%
Pump - water	PMPW	250 mm			No	R 137,078	15	0%
Radio	RADI	100mbps			No	R 116,208	50	0%
Radio	RADI	11mbps			No	R 29,052	50	0%
Radio	RADI	54mbps			No	R 92,967	50	0%
Radio	RADI	Ceragon			No	R 203,365	50	0%
Rail bridge abutments	RLAB				No lanes wide	R 97,914	80	0%
Rail bridge side barrier	RLSB				linear m	R 2,611	80	0%
Rail bridge sub-structure	RLSU				sqm	R 3,916	80	0%
Rail bridge super-structure	RLSS				sqm	R 3,916	80	0%
Rail lines	RAIL				m	R 558	50	0%
RC Structure	CONC	Above ground structure			cub m	R 1,958	50	0%
RC Structure	CONC	Below ground structure			cub m	R 1,697	50	0%
RC Structure	CONC	Mass concrete			cub m	R 1,045	50	0%
RC Structure	CONC	Shuttered RC eng structure			cub m	R 2,611	80	0%
RC Structure	CONC	Shuttered RC eng structure - water retaining			cub m	R 4,937	50	0%
Reactor	REAC				No	R 174,313	0	0%
Retaining wall	RETW				sqm of wall	R 2,350	60	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	315 kVA	6.6-11kV RMU	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	630 kVA	6.6-11kV RMU	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 4 way	315 kVA	6.6-11kV RMU	No	R 100,609	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 4 way	630 kVA	6.6-11kV RMU	No	R 100,609	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	315 A	6.6-11kV	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	630 A	6.6-11kV	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	800 A	6.6-11kV	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 3 way	1200 A	6.6-11kV	No	R 86,237	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 4 way	315 A	6.6-11kV	No	R 100,609	45	0%
Ring main unit (RMU)	RMU	Ring main unit (RMU) - 4 way	630 A	6.6-11kV	No	R 100,609	45	0%
Road bridge abutments	RBAB				No lanes wide	R 97,914	80	0%
Road bridge side barrier	RBSB				linear m	R 2,611	80	0%
Road bridge sub-structure	RBSU				sqm	R 3,916	80	0%
Road bridge super-structure	RDSS				sqm	R 3,916	80	0%
Road marking	RDMK				linear m	R 26	2	0%
Road reserve	RDRS	Agricultural holdings			sqm	R 5	NA	0%
Road reserve	RDRS	Farms (commercial)			sqm	R 2	NA	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Road reserve	RDRS	Farms (vacant)			sqm	R 1	NA	0%
Road reserve	RDRS	Industrial and commercial			sqm	R 29	NA	0%
Road reserve	RDRS	Informal residential			sqm	R 2	NA	0%
Road reserve	RDRS	Business and retail			sqm	R 35	NA	0%
Road reserve	RDRS	Open space (developable land)			sqm	R 14	NA	0%
Road reserve	RDRS	Open space (un-developable land)			sqm	R 6	NA	0%
Road reserve	RDRS	Institutions			sqm	R 41	NA	0%
Road reserve	RDRS	Formal residential (undevelopable land)			sqm	R 5	NA	0%
Road reserve	RDRS	Formal residential (high income)			sqm	R 65	NA	0%
Road reserve	RDRS	Formal residential (low income)			sqm	R 23	NA	0%
Road reserve	RDRS	Formal residential (medium income)			sqm	R 65	NA	0%
Roadside shelters	RDSS				No	R 36,032	15	0%
Road surface	RDSU	Asphalt	width (m)	UA Road	sqm	R 62	30	0%
Road surface	RDSU	Asphalt	width (m)	UB Road	sqm	R 62	30	0%
Road surface	RDSU	Asphalt	width (m)	UC Road	sqm	R 62	30	0%
Road surface	RDSU	Asphalt	width (m)	UD Road	sqm	R 62	30	0%
Road surface	RDSU	Concrete	width (m)	UA Road	sqm	R 121	45	0%
Road surface	RDSU	Concrete	width (m)	UB Road	sqm	R 121	45	0%
Road surface	RDSU	Concrete	width (m)	UC Road	sqm	R 121	45	0%
Road surface	RDSU	Concrete	width (m)	UD Road	sqm	R 121	45	0%
Road surface	RDSU	Brick Paving	width (m)	UC Road	sqm	R 160	45	0%
Road surface	RDSU	Brick Paving	width (m)	UD Road	sqm	R 160	45	0%
Road surface	RDSU	Seal	width (m)	UC Road	sqm	R 46	15	0%
Road surface	RDSU	Seal	width (m)	UD Road	sqm	R 46	15	0%
Road surface	RDSU	Gravel	width (m)		sqm	R 26	7	0%
Road surface	RDSU	Dirt	width (m)		sqm	R 12	3	0%
Road structure	RDST	Asphalt	width (m)	UA Road	sqm	R 300	40	0%
Road structure	RDST	Asphalt	width (m)	UB Road	sqm	R 300	40	0%
Road structure	RDST	Asphalt	width (m)	UC Road	sqm	R 300	40	0%
Road structure	RDST	Asphalt	width (m)	UD Road	sqm	R 282	40	0%
Road structure	RDST	Concrete	width (m)	UA Road	sqm	R 300	45	0%
Road structure	RDST	Concrete	width (m)	UB Road	sqm	R 300	45	0%
Road structure	RDST	Concrete	width (m)	UC Road	sqm	R 300	45	0%
Road structure	RDST	Concrete	width (m)	UD Road	sqm	R 300	45	0%
Road structure	RDST	Brick Paving	width (m)	UC Road	sqm	R 243	50	0%
Road structure	RDST	Brick Paving	width (m)	UD Road	sqm	R 243	50	0%
Road structure	RDST	Seal	width (m)	UC Road	sqm	R 212	30	0%
Road structure	RDST	Seal	width (m)	UD Road	sqm	R 212	30	0%
Road structure	RDST	Gravel	width (m)		sqm	R 163	20	0%
Earthworks	ETWK	Flat terrain	UA (Arterial) or UB (Distributor)		sqm	R 130	50	50%
Earthworks	ETWK	Flat terrain	Canals		sqm	R 130	100	50%
Earthworks	ETWK	Flat terrain	UC (Collector) or UD (Urban and Residential access)		sqm	R 65	100	50%
Earthworks	ETWK	Flat terrain	Construction platform		sqm	R 130	100	50%
Earthworks	ETWK	Mountainous terrain	UA (Arterial) or UB (Distributor)		sqm	R 235	50	50%
Earthworks	ETWK	Mountainous terrain	Canals		sqm	R 235	100	50%
Earthworks	ETWK	Mountainous terrain	UC (Collector) or UD (Urban and Residential		sqm	R 144	100	50%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
			access)					
Earthworks	ETWK	Mountainous terrain	Construction platform		sqm	R 235	100	50%
Earthworks	ETWK	Rolling terrain	UA (Arterial) or UB (Distributor)		sqm	R 182	50	50%
Earthworks	ETWK	Rolling terrain	Canals		sqm	R 182	100	50%
Earthworks	ETWK	Rolling terrain	UC (Collector) or UD (Urban and Residential access)		sqm	R 105	100	50%
Earthworks	ETWK	Rolling terrain	Construction platform		sqm	R 182	100	50%
Roof	ROOF	Sheet metal			sqm roof area	R 1,064	30	0%
Roof	ROOF	Thatch			sqm roof area	R 1,202	40	0%
Roof	ROOF	Tiled			sqm roof area	R 1,135	40	0%
Roof	ROOF	flat concrete (170mm thick)			sqm roof area	R 1,501	40	0%
Router	ROUT	3825-IPVOICE-M			No	R 23,242	10	0%
Router	ROUT	Cisco 1200 Pnode 10 slot			No	R 3,547,723	10	0%
Router	ROUT	Cisco 1721			No	R 5,810	5	0%
Router	ROUT	Cisco 2621			No	R 11,621	5	0%
Router	ROUT	Cisco 3640			No	R 29,052	5	0%
Router	ROUT	Cisco 3661 Ac			No	R 17,431	5	0%
Router	ROUT	Cisco 3725			No	R 25,566	10	0%
Router	ROUT	Cisco 3745			No	R 29,052	5	0%
Router	ROUT	Cisco 7606			No	R 625,208	5	0%
Router	ROUT	Cisco 7609			No	R 1,561,686	10	0%
Router	ROUT	Cisco VG 248			No	R 9,297	10	0%
Rubbish bin	BINC	Concrete			No	R 1,106	15	0%
Rubbish bin	BINC	Metal			No	R 994	10	0%
Rubbish bin	BINC	Plastic			No	R 790	5	0%
Security Device	SECD	AGM (Anomaly Guard Module)			No	R 116,208	10	0%
Security Device	SECD	AIP-SSM			No	R 139,450	10	0%
Security Device	SECD	AS5400XM			No	R 263,067	10	0%
Security Device	SECD	ASA (Adaptive Security Appliance)			No	R 174,313	10	0%
Security Device	SECD	C3825			No	R 174,024	10	0%
Security Device	SECD	CS-MARS			No	R 112,916	5	0%
Security Device	SECD	Cisco 3845			No	R 168,025	10	0%
Security Device	SECD	IDSM2 (intrusion detection service module)			No	R 104,588	10	0%
Security system	SECS	Security and access control			sqm floor area	R 297	5	0%
Septic Tank	SEPT				No	R 11,750	40	0%
Server	SRVR	IBM PowerPC P90 series			No	R 5,287,482	5	0%
Server	SRVR	Windows NT Workstation (LCR)			No	R 9,297	5	0%
Server	SRVR	Wireless Controller			No	R 17,941	5	0%
Servitude	SERV	Agricultural holdings			sqm	R 5	NA	0%
Servitude	SERV	Farms (commercial)			sqm	R 2	NA	0%
Servitude	SERV	Farms (vacant)			sqm	R 1	NA	0%
Servitude	SERV	Industrial and commercial			sqm	R 29	NA	0%
Servitude	SERV	Informal residential			sqm	R 2	NA	0%
Servitude	SERV	Business and retail			sqm	R 35	NA	0%
Servitude	SERV	Open space (developable land)			sqm	R 14	NA	0%
Servitude	SERV	Open space (un-developable land)			sqm	R 6	NA	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Servitude	SERV	Institutions			sqm	R 41	NA	0%
Servitude	SERV	Formal residential (undevelopable land)			sqm	R 5	NA	0%
Servitude	SERV	Formal residential (high income)			sqm	R 65	NA	0%
Servitude	SERV	Formal residential (low income)			sqm	R 23	NA	0%
Servitude	SERV	Formal residential (medium income)			sqm	R 65	NA	0%
Sign - general	SGNG	Large			No	R 3,656	15	0%
Sign - general	SGNG	Standard			No	R 988	15	0%
Sign - general	SGNG	Very large			No	R 9,139	15	0%
Sign - regulatory	SGNR	Large			No	R 3,656	7	0%
Sign - regulatory	SGNR	Standard			No	R 988	7	0%
Signal	SGNL				No	R 9,064	15	0%
Small building / enclosure	SBLD	Brick, block walls & concrete roof slab			sqm floor area	R 7,422	50	0%
Small building / enclosure	SBLD	Brick, block walls & other roof			sqm floor area	R 6,454	50	0%
Small building / enclosure	SBLD	Steel cage			sqm floor area	R 1,489	20	0%
Small building / enclosure	SBLD	Steel shed			sqm floor area	R 3,264	20	0%
Speed hump	HMP				No	R 8,929	50	0%
Sports field	SPFD	Cricket			No	R 2,232,413	30	0%
Sports field	SPFD	Netball / basketball			No	R 148,828	15	0%
Sports field	SPFD	Rugby / soccer			No	R 892,965	30	0%
Squash court	SQCT	Regulation size - indoor			No	R 401,849	15	0%
Stadium	STAD	Brick structure with roof and terraces			No of seats	R 11,459	50	0%
Stadium	STAD	Open structure with stepped terraces			No of seats	R 5,805	50	0%
Stadium	STAD	Structure with roof and stepped terraces			No of seats	R 9,524	50	0%
Storage area network	SAN	Capacity Licensing for 131TB (Germiston)			No	R 727,898	10	0%
Storage area network	SAN	Disk based backup and Recovery & Fujitsu Siemens			No	R 2,269,871	10	0%
Storage area network	SAN	IBM Blade Centre H Chassis with 8 x HS21 IBM Blades			No	R 1,161,519	10	0%
Storage area network	SAN	IBM DS8300 101TB Useable Disk (Germiston)			No	R 5,099,330	10	0%
Storage area network	SAN	IBM SVC Virtualization Engine (Germiston)			No	R 48,910	10	0%
Storage area network	SAN	IBM TS3310 Tape Library (Germiston)			No	R 148,900	10	0%
Storage area network	SAN	Storage Area Network			No	R 1,705,921	10	0%
Street light	STLT	Streetlight shared with LV network			No	R 1,044	45	0%
Street light	STLT	Streetlight with its own network			No	R 5,803	45	0%
Sub-soil drain	SSDR	Dewatering sub-soil drain			linear m	R 179	50	0%
Surge arrestor	SURG				No	R 69,725	0	0%
Swimming pool	SWPL	10m x 5m			No	R 89,297	20	0%
Swimming pool	SWPL	25m x 20m			No	R 892,965	20	0%
Swimming pool	SWPL	Olympic			No	R 2,232,413	20	0%
Switch	SWIT	Cat 4507			No	R 563,653	10	0%
Switch	SWIT	Catalyst 355024 PWR			No	R 61,791	10	0%
Switch	SWIT	Catalyst 356024 PS			No	R 75,602	10	0%
Switch	SWIT	Catalyst 356048 PS			No	R 104,823	10	0%
Switch	SWIT	Catalyst 375024 ME			No	R 100,595	10	0%
Switch	SWIT	Catalyst 4510			No	R 355,846	10	0%
Switch	SWIT	Cisco Catalyst 295024 G			No	R 54,098	5	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Switch	SWIT	Cisco Catalyst 295048 G			No	R 67,624	5	0%
Switch	SWIT	Cisco Catalyst 355012 G			No	R 33,812	10	0%
Switch	SWIT	Cisco Catalyst 6509			No	R 1,112,847	10	0%
Switch	SWIT	Cisco Catalyst 6513			No	R 2,927,982	10	0%
Switch	SWIT	Cisco IGESM			No	R 67,624	10	0%
Tank	TANK	Galvanised steel panel			kl	R 3,254	30	0%
Tank	TANK	Plastic			kl	R 1,697	15	0%
Telemetry	TELE	Advanced system			No	R 223,120	15	0%
Telemetry	TELE	Intermediate system			No	R 66,239	15	0%
Telemetry	TELE	Standard system			No	R 26,089	15	0%
Tennis court	TENC	Floodlit			No	R 205,382	15	0%
Tennis court	TENC	Standard			No	R 148,828	15	0%
Timber structure	TIM	Timber			linear m	R 43	15	0%
Tractor	TRAC	Four wheel drive	61 kW		No	R 326,376	10	0%
Tractor	TRAC	Four wheel drive	78 kW		No	R 391,651	10	0%
Tractor	TRAC	Two wheel drive	61 kW		No	R 274,157	10	0%
Traffic calming structure	TRCS				No	R 8,929	50	0%
Traffic island	TRIS				sqm	R 595	30	0%
Traffic signal	TRSG	C1 - 3 head			No signals	R 74,414	15	0%
Traffic signal	TRSG	C2 - 5 head			No signals	R 92,386	15	0%
Traffic signal	TRSG	C3 - 3 to 5 head overhead			No signals	R 110,863	15	0%
Transformer NEC	TNEC	6.6-11kV			No	R 67,624	45	0%
Transformer NER	TNER	6.6-11kV			No	R 67,624	45	0%
UPS	UPS	APC UPS 40 - 80 KVA			No	R 983,583	40	0%
UPS	UPS	American Power Conversion Corp.			No	R 5,003	20	0%
Valve	VAL	Air release	80 mm		No	R 8,159	15	0%
Valve	VAL	Air release	100 mm		No	R 9,595	15	0%
Valve	VAL	Air release	150 mm		No	R 13,578	15	0%
Valve	VAL	Butterfly	200 mm		No	R 6,240	20	0%
Valve	VAL	Butterfly	250 mm		No	R 9,400	20	0%
Valve	VAL	Butterfly	300 mm		No	R 13,120	20	0%
Valve	VAL	Butterfly	350 mm		No	R 16,841	20	0%
Valve	VAL	Butterfly	400 mm		No	R 25,523	20	0%
Valve	VAL	Butterfly	450 mm		No	R 32,637	20	0%
Valve	VAL	Butterfly	500 mm		No	R 40,471	20	0%
Valve	VAL	Butterfly	600 mm		No	R 56,398	20	0%
Valve	VAL	Butterfly	750 mm		No	R 102,090	20	0%
Valve	VAL	Butterfly	900 mm		No	R 163,318	20	0%
Valve	VAL	Butterfly	1000 mm		No	R 194,520	20	0%
Valve	VAL	Non-return	100 mm		No	R 1,295	15	0%
Valve	VAL	Non-return	150 mm		No	R 2,530	15	0%
Valve	VAL	Non-return	200 mm		No	R 4,003	15	0%
Valve	VAL	Non-return	300 mm		No	R 9,406	15	0%
Valve	VAL	Pressure Reducing	50 mm		No	R 9,700	15	0%
Valve	VAL	Pressure Reducing	80 mm		No	R 11,123	15	0%
Valve	VAL	Pressure Reducing	100 mm		No	R 14,491	15	0%
Valve	VAL	Pressure Reducing	150 mm		No	R 17,050	15	0%
Valve	VAL	Pressure Reducing	200 mm		No	R 30,287	15	0%
Valve	VAL	Pressure Reducing	250 mm		No	R 44,910	15	0%
Valve	VAL	Pressure Reducing	300 mm		No	R 67,364	15	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Valve	VAL	Resilient seal	50 mm		No	R 3,290	20	0%
Valve	VAL	Resilient seal	80 mm		No	R 3,981	20	0%
Valve	VAL	Resilient seal	100 mm		No	R 4,569	20	0%
Valve	VAL	Resilient seal	150 mm		No	R 5,809	20	0%
Valve	VAL	Resilient seal	200 mm		No	R 8,368	20	0%
Valve	VAL	Resilient seal	250 mm		No	R 14,361	20	0%
Valve	VAL	Resilient seal	300 mm		No	R 18,669	20	0%
Valve	VAL	Resilient seal	350 mm		No	R 23,891	20	0%
Valve	VAL	Resilient seal	400 mm		No	R 31,332	20	0%
Vehicles	VEHC	Front end loading collection truck			No	R 2,428,892	10	0%
Vehicles	VEHC	Landfill compactor			No	R 3,275,365	10	0%
Vehicles	VEHC	Rear end loading collection truck			No	R 1,725,877	10	0%
Vehicles	VEHC	Spreading - Bulldozer (D6)			No	R 2,157,999	10	0%
Vehicles	VEHC	Water tanker	5000 litre		No	R 922,731	10	0%
Vehicles	VEHC	Water tanker	10000 litre		No	R 1,250,151	10	0%
Vending station	VEND					R 348,625	0	0%
VIP Latrine	VIP	Double			No	R 11,621	10	0%
VIP Latrine	VIP	Single			No	R 10,444	10	0%
Voltage transformer	VOLT	HV	44-66kV		No	R 64,607	45	0%
Voltage transformer	VOLT	HV	88-132kV		No	R 107,673	45	0%
Voltage transformer	VOLT	MV	22-33kV		No	R 35,260	45	0%
Voltage transformer	VOLT	MV	6.6-11kV		No	R 34,336	45	0%
Walls	WALL	Complete building (internal and external)	Dense internal (eg offices, housing)		sqm floor area	R 3,172	60	0%
Walls	WALL	Complete building (internal and external)	Rudimentary eg depots, sheds		sqm floor area	R 1,815	60	0%
Walls	WALL	Complete building (internal and external)	Tall open storey (eg halls)		sqm floor area	R 4,699	60	0%
Walls	WALL	Face brick			sqm elevation area	R 823	60	0%
Walls	WALL	Fibre cement board, timber frame, plaster board			sqm elevation area	R 595	60	0%
Walls	WALL	Metal sheet , plaster board			sqm elevation area	R 521	30	0%
Walls	WALL	Plastered brick			sqm elevation area	R 669	60	0%
Walls	WALL	Semi-face brick			sqm elevation area	R 758	60	0%
Water meter	WMET	Mag-flow	200 mm		No	R 17,886	10	0%
Water meter	WMET	Mag-flow	300 mm		No	R 31,985	10	0%
Water meter	WMET	Mag-flow	500 mm		No	R 63,317	10	0%
Water meter	WMET	Mag-flow	700 mm		No	R 88,774	10	0%
Water meter	WMET	Mag-flow	900 mm		No	R 127,940	10	0%
Water meter	WMET	Mechanical	20 mm		No	R 1,736	10	0%
Water meter	WMET	Mechanical	25 mm		No	R 2,037	10	0%
Water meter	WMET	Mechanical	40 mm		No	R 3,878	10	0%
Water meter	WMET	Mechanical	50 mm		No	R 4,282	10	0%
Water meter	WMET	Mechanical	80 mm		No	R 5,105	10	0%
Water meter	WMET	Mechanical	100 mm		No	R 5,822	10	0%
Water meter	WMET	Mechanical	150 mm		No	R 7,650	10	0%
Water meter	WMET	Mechanical	150 mm		No	R 7,650	10	0%

Component Type	Code	Component Option	Descriptor Class 1	Descriptor Class 2	Unit Rate Measure	Unit Rate (excl VAT)	EUL (yrs)	Resid. Value (%)
Water meter	WMET	Prepaid	15 mm		No	R 2,754	10	0%
Water meter	WMET	Prepaid	20 mm		No	R 3,168	10	0%
Weigh bridge	WBR	12m	60 tonne		No	R 424,290	15	0%
Weigh bridge	WBR	8m	40 tonne		No	R 254,573	15	0%
Well	WELL	Well & lining			linear m	R 653	30	0%
Wireless access point	WLAP	1130 series			No	R 13,006	5	0%
Wireless access point	WLAP	1240 series			No	R 5,067	5	0%

ANNEXURE B:
MUNICIPAL ASSET TRANSFER REGULATIONS

Transfer or disposal of non-exempted capital assets - Decision-making process for municipalities

- The municipality may transfer or dispose of a **non-exempted capital asset** only after –
  - the accounting officer has conducted a public participation process to facilitate the determinations the council must make (the determinations are that council must decide on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services and consider the fair market value of the asset and the economic and community value to be received in exchange for the asset); and
  - the municipal council –
    - has made the determinations; and
    - has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

The accounting officer may only conduct the public participation process if the capital asset is a high value capital asset or if the combined value of any capital assets a municipality intends to transfer or dispose of in any financial year exceeds five per cent of the total value of its assets, as determined from its latest available audited annual financial statements.

- Only the municipal council may authorise the public participation process.
- A request to the municipal council for authorisation of a public participation process must be accompanied by an information statement stating –
  - the value of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation (the value must be determined in accordance with the accounting standards that the municipality is required by legislation to apply in preparing its annual financial statements);
  - the reason for the proposal to transfer or dispose of the capital asset;
  - any expected benefits to the municipality that may result from the transfer or disposal;
  - any expected proceeds to be received by the municipality from the transfer or disposal; and
  - any expected gain or loss that will be realised or incurred by the municipality arising from the transfer or disposal.
- The municipal council may delegate to the accounting officer its power to make the determinations and approve the transfer or disposal in respect of movable capital assets below a value determined by the municipal council.
- Public participation process for municipalities
  - If the municipal council authorised the accounting officer to conduct a public participation process in connection with any proposed transfer or disposal of a high value capital asset or assets with a total value which exceeds five per cent of the total value of its assets, as determined from its latest available audited annual financial statements, the accounting officer must at least 60 days before the meeting of the council at which the determinations are to be considered –
    - in accordance with section 21A of the Municipal Systems Act make public the proposal to transfer or dispose of the capital asset together with the information statement; and
    - invite the local community and other interested persons to submit comments or representations in respect of the proposed transfer or disposal to the municipality.
  - Request the views and recommendations of the National Treasury and the relevant provincial treasury on the matter.
- Consideration of proposals to transfer or dispose of non-exempted capital assets

- When considering any proposed transfer or disposal of a non-exempted capital asset, the municipal council must consider the following:
  - whether the capital asset may be required for the municipality's own use at a later date;
  - the expected loss or gain that is expected to result from the proposed transfer or disposal;
  - the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality;
  - the risks and rewards associated with the operations or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interest;
  - the effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;
  - any limitations or conditions attached to the capital asset on the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;
  - the estimated cost of the proposed transfer or disposal;
  - the transfer of any liabilities and reserve funds associated with the capital asset;
  - any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;
  - any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury;
  - the interest of any affected organ of state, the municipality's own strategic, legal and economic interests and the interest of the local community; and
  - compliance with the legislative regime applicable to the proposed transfer or disposal.

Transfer or disposal of non-exempted capital assets - Decision-making process for municipal entities

- The municipal entity may transfer or dispose of a **non-exempted capital asset** only after –
  - the accounting officer of the entity has conducted a public participation process to facilitate the determinations the council of the controlling municipality of the entity must make (the determinations are that the council of the controlling entity shall decide on reasonable grounds that the capital asset is not needed to provide the minimum level of basic municipal services and consider the fair market value of the asset and the economic and community value to be received in exchange for the capital asset); and
  - the council of the controlling municipality of the municipal entity –
    - has made the determinations; and
    - has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

The accounting officer may only conduct a public participation process if the capital asset is a high value capital asset or if the combined value of any capital assets a municipal entity intends to transfer or dispose of in any financial year exceeds five per cent of the total value of its assets, as determined from its latest available audited annual financial statements.

- Only the council of the controlling municipality of the municipal entity may authorise the public participation process.
- A request to the municipal council for authorisation of a public participation process must be accompanied by an information statement approved by the board of directors of the municipal entity stating –
  - the value of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation (the value must be determined in accordance with the

accounting standards that the municipal entity is required by legislation to apply in preparing its annual financial statements);

- the reason for the proposal to transfer or dispose of the capital asset;
- any expected benefits to the municipal entity that may result from the transfer or disposal;
- any expected proceeds to be received by the municipal entity from the transfer or disposal; and
- any expected gain or loss that will be realised or incurred by the municipal entity arising from the transfer or disposal.

– The council of the controlling municipality of a municipal entity may delegate to the accounting officer of the entity its power to make the determinations and approve the transfer or disposal in respect of movable capital assets below a value determined by the municipal council.

- Public participation process for municipal entities
  - If the council of the controlling municipality of the municipal entity authorised the entity to conduct a public participation process in connection with any proposed transfer or disposal of a high value capital asset or assets with a total value which exceeds five per cent of the total value of its assets, as determined from its latest available audited annual financial statements, the chief executive officer of the entity must at least 90 days before the meeting of the municipal council at which the determinations are to be considered –
    - in accordance with section 21A of the Municipal Systems Act, make public the proposal to transfer or dispose of the capital asset together with the information statement ; and
    - invite the local community and other interested persons to submit to the controlling municipality comments or representations in respect of the proposed transfer or disposal.
  - Request the views and recommendations of the National Treasury and the relevant provincial treasury on the matter.

- Consideration of proposals to transfer or dispose of non-exempted capital assets
  - When considering any proposed transfer or disposal of a non-exempted capital asset, the council of the controlling municipality must consider the following:
  - whether the capital asset may be required for the municipality or the municipal entity under the municipality's sole or shared control at a later date;
  - the expected loss or gain that is expected to result from the proposed transfer or disposal;
  - the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality or municipal entity;
  - the risks and rewards associated with the operations or control of the capital asset that is to be transferred or disposed of in relation to the interest of the municipality or the municipal entity;
  - the effect that the proposed transfer or disposal will have on the credit rating of the municipality entity, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;
  - any limitations or conditions attached to the capital asset on the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;
  - the estimated cost of the proposed transfer or disposal;
  - the transfer of any liabilities and reserve funds associated with the capital asset;
  - any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;
  - any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury;

- the interest of any affected organ of state, the strategic, legal and economic interest of the municipality and the municipal entity and the interest of the local community; and
- compliance with the legislative regime applicable to the proposed transfer or disposal.

Provisions applicable to both the municipality and municipal entities

- Conditional approval of transfer or disposal of non-exempted capital assets.
  - An approval in principle that a non-exempted capital asset may be transferred or disposed of, may be given subject to any conditions, including conditions specifying –
    - the way in which the capital asset is to be sold or disposed of;
    - a floor price or minimum compensation for the capital asset;
    - whether the capital asset may be transferred or disposed of for less than its fair market value, in which case the municipal council must first consider:
      - the interest of State and the local community
      - the strategic and economic interest of the municipality or municipal entity;
      - the constitutional rights and legal interest of all affected parties;
      - whether the interest of the parties to the transfer will carry more weight than the interest of the local community, and how the individual interest is weighed against the collective interest; and
      - whether the local community will be better served if the capital asset is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.
    - A framework within which direct negotiations for the transfer or disposal of the capital asset must be conducted with another person, if transfer or disposal is subject to direct negotiations.

- Transfer or disposal of non-exempted capital assets to be in accordance with the disposal management system.
  - If approval has been given that a non-exempted capital asset may be transferred or disposed of, the municipality or municipal entity may transfer or dispose of the asset only in accordance with its disposal management system, irrespective of-
    - the value of the capital asset; or
    - whether the capital asset is to be transferred to a private sector party or an organ of state.
  - The disposal management system of a municipality or municipal entity does not apply to the transfer of a non-exempted capital asset if –
    - the municipality – reviews in terms of Chapter 8 of the Municipal Systems Act its service delivery mechanisms of the performance of a municipal service;
    - appoints a private sector party through a competitive bidding process as the service provider for the performance of that municipal service; and
    - transfers the capital asset as an integral component of the performance of that municipal service to that service provider; or
  - the municipality or municipal entity –
    - appoints a private sector party or organ or state through a competitive bidding process as the service provider for the performance of a commercial service, and
    - transfers the capital asset as an integral component of the performance of that commercial service to that service provider.
  - the municipality or municipal entity may negotiate directly with the selected service provider regarding the transfer of a capital asset.

- A municipality or municipal entity may not commence with the transfer and disposal of capital assets unless approval in principle has been given that the relevant capital asset may be transferred or disposed of.
- ◦ In applying the process of transfer and disposal of capital assets the municipality or municipal entity must consider the gain or loss that will –
  - result from the transfer or disposal of the relevant capital asset; and
  - be recorded in the accounting records of the municipality or municipal entity.

- Compensation for transfer of non-exempted municipal capital assets.
  - the compensation payable to a municipality or municipal entity for the transfer of a non-exempted capital asset must:
    - be consistent with criteria applicable to compensation set out in the disposal management system of the municipality or municipal entity; and
    - if the municipality or municipal entity appoints a private sector party or organ or state through a competitive bidding process as the service provider for the performance of a commercial service, and transfers the capital asset as an integral component of the performance of that commercial service to that service provider, reflect the fair market value.
- Preconditions for transferring non-exempted capital assets as part of appointment of service providers for performance of municipal or commercial services.
  - If a municipality or municipal entity intends to transfer to a private sector party or organ of state a non-exempted capital asset following the selection through a competitive bidding process of a service provider for the performance of a municipal service or for the performance of a commercial service;
    - all assets needed or directly related to the performance of that service must be properly identified to distinguish those assets from the other assets of the municipality or municipal entity;
    - all decisions that has been made regarding the determinations required and the approval of a transfer or disposal of in principle, must be taken as an integral part of the broader decision-making process on the appointment of a service provider for the performance of that service; and
    - all documents prepared for that purpose of those decisions, must be taken into account in any feasibility study conducted to determine the financial and other implications of appointing a service provider for the performance of that service.
- Transfer of municipal assets to service providers appointed through competitive bidding
  - If a service provider is appointed for the performance of a municipal service or for the performance of a commercial service; the municipality or municipal entity may, as may be agreed with the service provider and subject to section 14(1) of the MFMA Act, transfer to that service provider all capital assets, including subsidiary assets, essential to the performance of that service.
  - Capital and subsidiary assets that may be transferred as essential to the performance of the service may include –
    - Land, property and buildings and other immovable structures used for or in connection with that service, irrespective of whether the land, property, buildings or other immovable structures are classified as investment property in the accounting records of the municipality or municipal entity;
    - Intangible assets recorded in the accounting records of the municipality or municipal entity as an integral part of that service.
- Discharge of borrowings on assets transferred or disposed.

- The proceeds from the transfer or disposal of an asset must be used to discharge any borrowing against the asset as at its redemption date, or another date as may be negotiated with the lender.
- Municipalities and municipal entities may negotiate with the private sector party or organ of state to whom the asset is transferred, to discharge borrowings made against the asset by the municipality or municipal entity, as part of the compensation payable to the municipality or entity.

- Transfer of agreements
  - A municipality or municipal entity may transfer assets approved for transfer to a private sector party or organ of state, only by way of a written transfer agreement concluded between the transferring municipality or entity and the receiving private sector party or organ of state.
  - A transfer agreement must set out the terms and conditions of the transfer, including, as a minimum-
    - a sufficient description of the capital asset being transferred in order to identify the asset;
    - particulars of any subsidiary assets that are transferred with the capital asset;
    - particulars of any liabilities transferred with the asset;
    - the amount of the compensation payable to the municipality of municipal entity for the transfer of the asset or assets, and the terms and conditions of payment; and
    - the effective date from which the risk and accountability for the asset or assets is transferred to the receiving private sector party or organ of state.
  - If a capital asset is transferred following the selection through a competitive bidding process of a service provider for the performance of a municipal service or for the performance of a commercial service; the transfer agreement –
    - must contain provision for –
      - contract termination in the case of non-or underperformance;
      - dispute resolution mechanisms to settle disputes between the parties; and
      - a periodic review of the agreement once every three years, in the case of an agreement for longer than three years; and
    - may be incorporated into any service delivery agreement or procurement contract to be concluded with the service provider.
- Access to transfer agreements
  - An agreement in terms of which a municipality or municipal entity transfers a non-exempted capital asset:
    - must be made available in its entirety to the council of the municipality or the council of the controlling municipality of the municipal entity; and
    - may not be withheld from public scrutiny except as provided for in terms of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).

The above section on non-exempted assets does not apply to:

- Non-exempted capital assets in terms of public-private partnerships; or
- housing on municipal land and the transfer of that municipal land for the poor to beneficiaries of such housing.

Transfer of Exempted Capital Assets

- Circumstances in which transfer of municipal capital assets to organs if state is exempted from sections 14 and 90.
  - Section 14(1) to (5) and section 90(1) to (5) of the MFMA Act does not apply if a municipality or municipal entity transfers a capital asset to an organ of state in any of the following circumstances:

- when transfer of a capital asset emanates from a review by a municipality of its service delivery mechanisms for the performance of a municipal service in terms of Chapter 8 of the Municipal Systems Act and the municipality appoints another organ of state as the preferred option for the performance of the service;
- when transfer of a capital assets emanates from a reorganisation of powers and functions between a parent municipality and its municipal entity, including asset transfers contemplated in section 84 of the Act;
- when transfer of a capital asset emanates from an assignment of any of the powers or functions of a municipality to another organ of state by national legislation or in terms of a power contained in national legislation, including an assignment of powers or functions following-

  - an adjustment of the division of powers and functions between a district municipality and local municipalities within the district in terms of section 85 of Municipal Structures Act;
  - an authorisation in terms of section 84(3) of the Municipal Structures Act; or
  - a re-demarcation of municipal boundaries in terms of the Municipal Structures Act;
- when municipal housing or land is transferred to a national or provincial organ of state for housing for the poor or in terms of a national or provincial housing policy;
- when transfer of a capital asset to an organ of state is required or permitted in terms of national legislation and that legislation determines the conditions of the transfer; or
- any other circumstances not provided in paragraph (a) to (c), provided that –
  - the capital asset to be transferred is determined by resolution of the council to be not needed for the provision of the minimum level of basic municipal services and to be surplus to the requirements of the municipality; and
  - if the capital asset is to be transferred for less than fair market value, the municipality takes into account-

- whether the capital asset may be required for the municipality or a municipal entity under the municipality's sole or shared control at a later date:
- the expected loss or gain that is expected to result from the proposed transfer;
- the extent to which any compensation to be received in respect of the proposed transfer will result in a significant economic or financial cost or benefit to the municipality;
- the risks and rewards associated with the operation or control of the capital asset that is to be transferred in relation to the interests of the municipality or municipal entity;
- the effect that the proposed transfer will have on the ability of the municipality or municipal entity to raise long-term or short-term borrowings in the future;
- any limitations or conditions attached to the capital asset or the transfer of the asset, and the consequences of any potential non-compliance with those conditions;
- the estimated cost of the proposed transfer;
- the transfer of any reserve funds associated with the capital asset;
- the interests of any affected organ of state, the municipality's own strategic, legal and economic interest and the interest of the local community; and
- compliance with the legislative regime applicable to the proposed transfer.

– Any transfer of a municipal capital asset to an organ of state may be effected only in accordance with this section on transfers of exempted capital assets and any other legislation specifically regulating the transfer of the asset, but in the event of any inconsistency between a provision of this section and such other legislation, that other legislation prevails.

- Municipal decision-making processes for transfer of exempted capital assets.
  - If an exempted capital asset is to be transferred to an organ of state in connection with the performance of a municipal service or a reorganisation of powers or functions:
    - all decisions relating to the transfer of the capital asset must be taken by the municipality or municipal entity as an integral part of the broader decision-making process on the selection of a service provider for the performance of the municipal service or on the reorganisation of powers or functions in terms of the legislation applicable to that process;
    - any document prepared by the municipality or municipal entity for the purpose of conducting a public participation process to involve the community in decision-making must include details of the proposed transfer of the capital asset; and
    - the proposed transfer of the capital asset must be taken into account in any feasibility study conducted to determine the financial and other implications of the selection of a service provider for the performance of the municipal service or of the reorganisation of powers or functions.
  - If a feasibility study indicates that there will be a significant increase in the costs of the municipality or municipal entity after the transfer of the capital asset to the organ of state, the municipality or the controlling municipality of the entity must demonstrate-
    - how the costs can be minimised by considering the sharing of administrative, information technology or financial costs between the municipality or municipal entity and the organ of state;
    - how much revenue can be generated by the organ of state of which will be available to the municipality of municipal entity to offset any increased costs it will incur as a result of the transfer; and
    - the extent to which the municipality or municipal entity can rationalise its administrative, information technology and financial costs subsequent to the transfer.
  - A municipality transferring a capital asset to an organ of state as the preferred option for the performance of the service; must take all reasonable steps to ensure that the transfer will result in the continuation of the municipal service concerned at least at the same or better level that would otherwise have been rendered by the transferring municipality had it not transferred the asset.
- Identification of exempted capital assets to be transferred to organs of state
  - Before transferring an exempted capital asset to an organ of state a municipality or municipal entity must –
  - properly identify the capital asset, including –
    - in the case of a transfer relating to the performance of service, all other assets needed for or directly related to, and staff associated with, the performance of the municipal service concerned;
    - in the case of a transfer relating to the reorganisation of powers, all other assets needed for or directly related to, and staff associated with, the exercise of the power or function concerned; or
    - in the case of a transfer being land or housing or permitted by legislation, all other assets needed for or directly related to that capital asset; and
  - distinguish that asset and staff from the other assets and staff of the municipality or municipal entity.
- • Transfer of exempted capital assets needed to provide minimum level of basic municipal services
  - If a municipality or municipal entity transfers to an organ of state an exempted capital asset needed to provide the minimum level of basic municipal services, such transfer may only be effected on condition that –

- ownership in the capital asset must immediately revert to the municipality or municipal entity should the organ of state for any reason cease to render the service or is unable to render the service: and
- the organ of state may not without the written approval of the municipality or controlling municipality of the municipal entity –
  - transfer the capital asset to another person;
  - dispose of the capital asset;
  - grant a right to another person to use, control or manage the capital asset; or
  - encumber the capital asset in any way.

- before transferring an exempted capital asset needed to provide the minimum level of basic municipal services, the municipality or municipal entity must be satisfied that the organ of state to which the asset is to be transferred can demonstrate ability to adequately maintain and safeguard the asset.
- The transfer agreement, service delivery or other agreement between the municipality or municipal entity and the organ of state to whom the asset is to be transferred must reflect the conditions mentioned above.
- If the organ of state replaces, upgrades or improves the capital asset transferred to it, the conditions remain applicable to the new, upgraded or improved capital asset as it were the original capital asset.
- This regulation does not apply to a capital asset needed to provide the minimum level of basic municipal services which is transferred to an organ of state, where the transfer of capital assets come from the assignment of any of the powers or functions of the municipality or municipal land or housing is transferred in terms of the national or provincial housing policy.

- Transfer of exempted capital assets for a service to be performed by another organ of state or for the assignment of powers and functions.
  - If a municipality appoints an organ of state as the service provider for the performance of a municipal service or if a power or function of a municipality or municipal entity is assigned to an organ of state, the municipality or entity must, as may be agreed with the organ of state, transfer to that organ of state all capital assets, including subsidiary assets, essential to the performance of that municipal service or the exercise of that power or function.
  - Capital and subsidiary assets that must be transferred include –
    - land, property and buildings and other immovable structures used for or in connection with that service, power or function, irrespective of whether the land, property and buildings or other immovable structures are classified as investment property in the accounting records of the municipality or municipal entity;
    - intangible assets recorded in the accounting records of the municipality or municipal entity as an integral part of that service, power or function;
- Transfer of borrowings
  - If a municipality or municipal entity transfers an exempted capital asset to an organ of state, any borrowings or other amounts owing by the municipality or entity specifically associated with the asset being transferred, or with its acquisition, operation or maintenance, must also be transferred to the organ of state.
  - If the transfer of an exempted capital asset by a municipality or municipal entity to an organ of state emanates from the appointment of an organ of state as the service provide for the performance of a municipal service, or the assignment of a power or function of a municipality or entity to an organ of state, any borrowings or other amounts owing by the municipality or entity specifically associated with the performance of that municipal service or the exercise of that power or function, must also be transferred to that organ of state.

- In addition, a portion of the outstanding balance of general borrowings on capital expenditure by the municipality or municipal entity which is attributable or associated with the capital asset being transferred or with the performance of the relevant municipal service or with the exercise of the relevant power or function must also be transferred to the organ of state, in a ratio of total value of capital assets being transferred to the organ of state to the total value of all capital assets of the municipality or entity, as appears in the accounting records of the municipality or entity.
- The requirements on transfer of borrowings only applies if –
  - the creditor to whom the amount is owed consents to the transfer to the organ of state of the amount owing; and
  - any legal, operational, administrative or other constraints do not prevent the transfer to the organ of state of the amount owing.
- If borrowing or other amount owing is transferred to an organ of, the organ of state –
  - replaces the municipality of municipal entity as debtor in relation to the borrowing or amount owing; and
  - becomes liable for the borrowing or amount owing as fully and effectually as is it originally entered into the agreement with the creditor.
- If for any reason a borrowing or other amount owing, is not transferred to the organ of state –
  - the municipality or municipal entity remains liable for the amount owing to the creditor; and
  - the municipality or municipal entity and the organ of state undertakes to compensate the municipality or entity for all payments made by it to the creditor.
- A borrowing or other amount owing, must be identified and allocated to the organ of state on a reasonable basis.

- Transfer of staff associated with performance of functions assigned to organs of state.
  - If a municipality or municipal entity transfers an exempted capital asset to an organ of state and the transfer of that asset gives rise to the transfer to the organ of state of staff associated with the asset the staff transfer must be consistent with legislation regulating staff transfers in those circumstances, including any applicable labour legislation and legislation regulating the transfer of liabilities associated with such staff.
- Compensation for transfer of assets
  - If a municipality or municipal entity transferring an exempted capital asset or any subsidiary assets to an organ of state may receive compensation for the value of those assets, as may be agreed with the organ of state.
- Transfer of agreements
  - A municipality or municipal entity may transfer assets and liabilities to an organ of state only in accordance with a written transfer agreement concluded between the municipality or entity and the organ of state.
  - A transfer agreement must set out the terms and conditions of the transfer, including, as a minimum –
    - a sufficient description of the capital asset being transferred in order to identify the asset;
    - particulars of any subsidiary assets that are transferred with the capital asset;
    - details of all staff that will be affected and the legislation in terms of which such staff will be transferred;
    - particulars of any liabilities transferred with the asset;
    - the amount of any compensation payable to the municipality or municipal entity for the transfer of the asset, and the terms and conditions of payment;
    - the effective date from which the risk and accountability for the asset or asset is transferred to the organs of state;

- in instances in which the organ of state is required or chooses to use the billing, information technology or any other administrative structure of the municipality or municipal entity in the operation of the asset, the terms and conditions of such usage together with basis of compensation for such usage and the financial risk exposure to the municipality or entity.
- details of any staff of the municipality or municipal entity that will be available to the organ of state on a temporary or defined basis in the operation of the asset, together with the basis of compensation for such staff and the financial risk exposure to the municipality or entity;
- where the asset is to be used by both the municipality or municipal entity and the organ of state, the basis of how the asset is to be shared as well as how the costs and benefits of the shared asset will be apportioned between parties;
- the value of the asset must be determined;
- appropriate evidence to support the valuation of the asset; and
- details of any encumbrances, rights and servitudes, applicable to the asset
- state that the transfer is affected on the basis of the provisions and that these provisions must for this purpose be regarded as forming part of the agreement; and
- be signed on behalf of the municipality or municipal entity and the organ of state.

– If a capital assets is transferred following the appointment of an organ of state as the service provider for the performance of a municipal service, the transfer agreement must provide for–

- contract termination in the case of non- or underperformance, which must be linked to termination of any serviced delivery agreement entered into between parties;
- dispute resolution mechanisms to settle disputes between the parties;
- a periodic review of the agreement whenever the service delivery agreement to which it is linked is reviewed in terms of the Municipal Systems Act, but at least once every three years in the case of an agreement for longer than three years; and
- requirements for the organ of state to maintain and safeguard the asset for its intended purpose, taking into account the condition of the asset and its estimated remaining life at the date of transfer;

– the transfer agreement may contain –

- limitations or restrictions on the use or subsequent transfer of the asset; and
- limitations and conditions by which an asset may be used for the provision of security over any borrowing of the organ of state; and

– ◦ may be incorporated into any service delivery agreement to be concluded with the organ of state as service provider.

- Impact of asset transfers on financial interest of transferring municipalities and municipal entities
  - Before entering into a transfer agreement, a municipality or municipal entity must consider the effect that the transfer of an asset will have on –
    - its credit rating and ability to raise long-term or short-term funds in the future; and
    - its financial position and cash flow.
  - The above statement does not apply if the asset is transferred because of the assignment of a power or function, transfer of municipal land and housing for the poor or when a transfer is permitted according to national legislation.
- Due diligence
  - Before entering into a transfer agreement, the organ of state to whom a capital asset is to be transferred must undertake and document a due diligence review on the asset and any liabilities transferred to it.

ANNEXURE C:
GRADING SCALES FOR IMMOVABLE ASSET REGISTER

This annexure details the grading scales that will be utilised for determining the data confidence, condition, criticality, utilisation, cost-of-operations and performance when compiling and updating the municipal immovable asset register.

Data Confidence Grade Scale

Grade	Description	Accuracy
1	Accurate	95%
2	Minor inaccuracies	90%
3	Some estimation	75%
4	Significant data estimated	60%
5	All data estimated	45%

Condition Grade Scale

Grade	Description	Detailed description	Indicative RUL*
1	Very Good (Ideal condition)	Asset is new, "as good as new", has recently been recently renovated, or is Not Applicable.	71% - 100% EUL
2	Good (Routine maintenance)	Asset requires routine or minor maintenance to restore asset to "as good as new". Deterioration mostly due to normal wear and tear.	51% - 70% EUL
3	Fair (Repair work required)	Asset requires non-emergency repair and exhibits damaged areas, but does not pose a health or safety risk. It is tolerable but not for much longer.	31% - 50% EUL
4	Poor (Partly replace)	Asset has deteriorated significantly and needs urgent repair work. Significant sections are damaged and could be dangerous. It has become intolerable and a major problem but it is not affecting adjacent elements.	16% - 30% EUL
5	Very Poor (Replacement required)	Asset requires replacement of substantial sections. Dangerous if not attended to soon! Adjacent elements are being significantly affected. If asset it's of no use it should be condemned.	0% - 15% EUL

Criticality Grade Scale

Grade	Description	Consequence of Failure[1]	[1] - Consider System and Facility redundancies and impacts on:
1	Cursory	Insignificant - is readily absorbed under normal operating conditions	• health & safety • cost (direct and loss of income) • reputation • service delivery • environmental damage
2	Non critical	Minor - can be managed under normal operating conditions	
3	Important	Moderate - Can be managed but requires additional resources and management effort	
4	Critical	Major - Will have a prolonged impact and extensive consequences	
5	Most critical	Catastrophic - Irreversible and extensive impacts, or significantly undermining key business objectives	

Utilisation Grade Scale

Grade	Description
1	Not used
2	Under used
3	Normal use (including strategic redundancy)
4	At capacity
5	Overloaded

Cost-of-Operations Grade Scale

Grade	Description
1	Substantially below norms
2	Moderately below norms
3	Within norms
4	Moderately exceeds norms
5	Substantially exceeds norms

Performance Grade Scale

Grade	Description	
1	Substantially exceeds requirements	For Buildings consider suitability of: • Geographical Position • Facility Standard • Accessibility
2	Exceeds requirements moderately	
3	Meets requirements	
4	Moderate non-compliance	
5	Substantial non-compliance	

Commencement

This policy will be effective on the 1st July 2025.

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MUNICIPAL MANAGER