FAIR VALUE MEASUREMENT INDICATIVE EXPECTATIONS

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| *Asset class* | *Examples of  types of assets* | *Expected fair  value level* | *Likely valuation  approach* | *Significant inputs  (Level 3 only) (a)* |
| Non‑specialised land | In areas where there is an active market –   * Vacant land * Land not subject to restrictions as to use or sale | Level 2 | Market approach | n.a. |
| Specialised land | * Land subject to restriction as to use and/or sale * Land in areas where there is not an active market | Level 3 | Market approach | * CSO adjustments |
| Non‑specialised buildings | For general/commercial buildings that are just built | Level 2 | Market approach | n.a. |
| Specialised buildings (b) | Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals and schools | Level 3 | Current replacement cost approach |  |
| Heritage assets | Shrine of Remembrance  Governor’s House | Level 3 | Current replacement cost approach (b) | * Cost per square metre * Useful life |
| Dwellings (b) | Social/public housing, employee housing | Level 2, where there is an active market in the area | Market approach | n.a. |
|  |  | Level 3, where there is no active market in the area | Current replacement cost approach | * Cost per square metre * Useful life |
| Vehicles | If there is an active resale market available | Level 2 | Market approach | n.a. |
|  | If there is no active resale market available | Level 3 | Current replacement cost approach | * Cost per unit * Useful life |
| Plant and equipment (a) | Specialised items with limited alternative uses and/or substantial customisation | Level 3 | Current replacement cost approach | * Cost per square metre * Useful life |
| Infrastructure | Water infrastructures (Metro) | Level 3 | Income approach | * Estimated cash flow per year * Discount rate |
|  | Water infrastructure (Regional)  Rail infrastructure  Others | Level 3 | Current replacement cost approach | * Cost per unit * Useful life |
| Road, infrastructure and earthworks (b) | Any type | Level 3 | Current replacement cost approach | * Cost per metre * Useful life |
| Cultural assets | Artworks, for which there is an active market for the item | Level 2 | Market approach | n.a. |
| Cultural assets (c) | Museum/library collections, for which there is no active market for the item | Level 3 | Current replacement cost approach | * Cost per unit * Useful life |

Notes:

(a) AASB 13 Fair Value Measurement provides an exemption for not-for-profit public sector entities from disclosing the sensitivity analysis relating to ‘unrealised gains/(losses) on non-financial assets’ if the assets are held primarily for their current service potential rather than to generate net cash inflows.

(b) Newly built/acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10 per cent materiality threshold).

(c) For heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost as their service potential could only be replaced by reproducing them with the same materials.