#### Template 2 – Impairment Test Questionnaire

|  |  |  |  |
| --- | --- | --- | --- |
| Indicator Question | Yes | No | Comments |
| *External Indicators* | | | |
| Are there observable indications that an asset’s value has declined during the period significantly more than would be expected as a result of the passage of time or normal use? |  |  |  |
| Have any significant changes with an adverse effect on the local government taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the local government operates or in the market to which an asset is dedicated? |  |  |  |
| Have market interest rates or other market rates of return on investments 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 Indicators* | | | |
| Is there any evidence is available of obsolescence or physical damage of an asset? |  |  |  |
| Have any significant changes with an adverse effect on the local government 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? |  |  |  |
| Is there any evidence available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected? |  |  |  |
| *Other Indicators* |  |  |  |
| Are there any other indicators of impairment not previously considered? |  |  |  |
| *If any question has been answered “Yes” and any indication is present – make a formal estimate of recoverable amount. If the recoverable amount is less than the asset’s carrying amount, the carrying amount of the asset must be reduced to its recoverable amount.*  *If all questions have been answered “No” – no formal estimate of recoverable amount is required to be made if no indication of an impairment loss is present.* | | | |