7th May 2015

Independent Pricing and Regulatory Tribunal Methodology for Assessment of Council Fit for the Future Proposals PO Box K35 Haymarket Post Shop NSW 1240 http://www.ipart.nsw.gov.au/Home/For_Consumers/Having_your_say/Lodge_a_submission

On behalf of JRA I support the principles in the consultation paper and make the following comments and recommendations.

- Strongly support IP&R alignment. The alignment with Integrated Planning and Reporting (IP&R) is the central
 policy and practice guide. Where there is ambiguity of methodology application, the IP&R guidelines should be
 used in conjunction with Australian Infrastructure Financial Management Guidelines (AIFMG), International
 Infrastructure Management Manual (IIMM) plus codes and circulars by the Office of Local Government. The key
 element of this is the asset management strategy identifying risks and an improvement program.
- 2. IPART please provide urgent guidance on backlog calculation. Infrastructure Backlog or Bring to Satisfactory (BTS) and Maintain at Satisfactory (MAS) Needs Clear Definition for Consistent Practice. The calculation methods for BTS and MAS continue to be inconsistently applied and this is likely to continue to provide high variability and low confidence policy decisions unless there is clear guidance from IPART. Code update 23 does not provide this guidance. An auditable determination of BTS must connect to the IP&R resourcing strategy for an informed trade-off for risk, affordability and service levels. Appendix 1 suggests a methodology that has been peer reviewed, successfully tested with a significant sample of NSW Councils and compatible with interim simplified approaches for Councils that do not have reliable asset and risk management plans.
- 3. **Strongly support "meet or improve".** Where a Councils has a resourcing strategy under IP&R to move to a financially sustainability position over a 10 year period then the Council should be able to show both an improvement in 3 years (that may not meet the FFF target) but a 10 year strategy for financial sustainability under Councils IP&R resourcing strategy that does meet the FFF target. This is clearly shown in table 3.3 in the IPART methodology.
- 4. Lower own source revenue target for rural Councils. A 60% own source revenue target is not achievable for rural councils and ignores vertical fiscal imbalance. Rural councils have high infrastructure to population ratios and implementing strategies to achieve 60% own source revenues would result in adverse impacts for primary industry competitiveness for NSW. The TCorp financial benchmark reported the average for NSW was 37.4 % for rural and 69.6% for metropolitan Councils with an overall sector average of 56.7%. The target should be lowered to an achievable level for rural councils.
- 5. Using (WDV) in sustainability reporting is unreliable with current practice. The use of WDV (carrying amount) in an infrastructure sustainability measure is likely to lead to inconsistent and potentially unreliable policy decisions. The WDV or carrying amount may include residual values that are inconsistently applied and commented on by the Australian Accounting Standards Board (AASB) in a tentative agenda decision in February 2015. The AASB decision noted that *"a residual value would only be recognised when an entity expects to receive consideration for an asset at the end of its useful life."* The decision also observed that *"AASB 116 (paragraph 43) requires each part*



of an item of property, plant and equipment with a cost that significant in relation to the total cost of the item to be depreciated separately and includes guidance when parts of items of property, plant and equipment require replacement at regular intervals (paragraphs 12-14). This requirement is not fully met for a significant number of NSW Councils

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APPENDIX 1 – BRINGING INFRASTRUCTURE TO SATISFACTORY.

EXISTING POLICY FRAMEWORK

The existing policy framework to determine satisfactory service levels and risks based on IP&R is robust and effective and provide the basis for a transparent, accountable and evidence based methodology. JRA observation is that this policy framework has not been applied consistently to "Bring to Satisfactory" BTS or "backlog" across NSW local government primarily due to it being seen as a lower priority. The realisation of importance has changed, the guidance needed to implement this awareness is needed urgently and the following guide provides a summary of policy and practice.

- 1. The Annual Report is one of the key accountability mechanisms between a Council and its community. As such, it should be written and presented in a way that is appropriate for each council's community.¹
- 2. Councils are required to report on the condition of the public works (including public buildings, public roads, as well as water, sewerage and drainage works) under the control of the Council as at the end of that year, together with:
 - An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard;
 - An estimate (at current values) of the annual expense of maintaining the works at that standard;
 - The council's program of maintenance for that year in respect of the works; and
 - The report on the condition of public works is also included in the financial reports and is known as Special Schedule 7. Councils must complete this Schedule each year.²
- 3. The Asset Management Strategy must identify assets that are critical to the council's operations and outline the risk management strategies for these assets.³
- 4. The Asset Management Plan/s must identify asset service standards and should incorporate an assessment of the risks associated with the assets involved and the identification of strategies for the management of those risks. The strategies should be consistent with the overall risk policy of Council. The International and Australian Standard AS/NZS/ISO/31000:2009 Risk management Principles and guideline provides a useful guide. ⁴
- 5. For water supply and sewerage a 30-year total asset management plan (TAMP, which is a key element of the Strategic Business Plan (SBP) and Integrated Water Cycle Management (IWCM) Strategy) and a 30 year financial plan are required. A council's peak planning document is the later of its IWCM Strategy and SBP, which are required every 8 years on a rotation of every 4 years (www.water.nsw.gov.au). The key outputs of the IWCM Strategy or SBP are a 30-year TAMP, a 30-year financial plan and an affordable Typical Residential Bill (TRB) on the basis of the agreed levels of service and the projected demographic growth. The annual Action Plan to Council, which is the key water and sewerage working document provided to the council each year, enables the council to effectively and efficiently manage its risks and highlights any corrective actions needed to address emerging issues, areas of underperformance, or to implement Best Practice Management (BPM) requirements.
- 6. The report on the condition of public works (Special Schedule 7) should flow directly from the Delivery Program (Note 1) which should define performance indicators for both existing and proposed levels of service. These performance measures can be used to quantify the upgrade costs (or degree of over-servicing) between existing and target service levels (Note 2).

¹ IP&R Manual March 2013. Section 6.1.

² Ibid Section 6.4

³ Ibid Section 3.4.1

⁴ Ibid Section 3.4.2

- 7. The determination of satisfactory target service levels (Note 3) involves an informed trade-off using the Long Term Financial Plan and Asset Management Plan 10 year scenarios for revenues, risks and service levels. This approach is consistently identified in the IP&R Manual and expanded in complementary resources such the IPWEA Level of Service and Community Engagement Practice Note 8.
- 8. Cost to bring to assets to satisfactory (BTS) should be determined by asset and risk management plans. This guide recommends that the cost to bring to satisfactory should be the total unfunded cost to renew all high residual risk assets in the current risk register. Residual risk includes all types of risk shown in table 1 on the following page.
- 9. Special Schedule 7 is auditable by checking for alignment between SS7 and asset and risk management plans. The risk register establishes a consistent and evidence based cost to bring to satisfactory and connects to good governance practice of transparent reporting of risk through appropriate governance processes such as an audit committee.
- Asset Risks include operational, technical, financial, legal, social and environmental risks using the ISO 31000 framework. Supporting resources are available and this methodology is consistently applied internationally. (Note 4)

Note 1 – For water supply and sewerage, this is the first 4 years of a water and sewerage council's 30-year total asset management plan (TAMP) in accordance with the Strategic Business Planning Check List (http://www.water.nsw.gov.au/ArticleDocuments/36/town_planning_strategy_checklist.pdf.aspx). The TAMP involves a cost -effective 30-year capital works program showing each of works for growth, improved standards and a renewals plan, together with an operation plan, which includes non-build solutions, and a maintenance plan. **Note 2** – NSW Office of Local Government, IP&R Manual Section 6.4 P133

Note 3 – Levels of service for water supply and sewerage need to be determined and reported in accordance with Item 4 on page 5 of the Strategic Business Planning Check List.

Note 4 – IPWEA NAMSPLUS – Asset and Risk Management Plan Templates

The input of the NSW Office of Water to the draft of this guide is gratefully acknowledged. Also the peer review by Dr Penny Burns and John Comrie (JAC).

POLICY APPLICATION

The following principles are suggested to implement the existing policy framework. This methodology focuses limited council resources to areas of highest risk.

- 1. "Bring to satisfactory" is the sum of Modern Equivalent Renewal Cost (MERC) of high residual risk assets not financed in the current annual reporting period. This is based on assets due for renewal or partial renewal but not fundedⁱ. Cost to bring to satisfactory is the most efficient modern equivalent capital treatment to keep the asset to service at a satisfactory level. (Note 5) This aligns with Code update 23. Satisfactory level of service is not bringing and asset to "as new" condition but to a level where "only minor maintenance is required".
- 2. "Maintain at satisfactory" (MAS) is the unfunded maintenance treatments recommended by the risk management plan to manage BTS risks but not financed in the current annual reporting period.
- 3. BTS is audited by examining the Asset Management Plan and Risk Register that act as "working papers" for BTS and MAS in the annual report.
- 4. Deferring renewal may result in the modern equivalent renewal cost increasing and will impact future BTS reporting.
- 5. BTS analysis must be carried out for each material asset component. Network averages are not likely to provide reliable or consistent BTS reporting.

6. The connection to risk registers reinforces the importance of independent Audit Committees to report service risks associated with "unsatisfactory service levels" to Council. This enables the essential separation of aspirational but unaffordable service levels from target service levels identified in the delivery program.

Table 1 Types of Risk

(NAMSPLUS Risk Management Plan Template, ISO 31000)

Criterion	Risk Evaluation Notes
Operational	Risks that have the potential to reduce services for a period of time unacceptable to the community and/or adversely affect the council's public image.
Technical	Risks that cannot be treated by council's existing and/or readily available technical resources.
Financial	Risks that cannot be treated within council's normal maintenance budgets or by reallocation of an annual capital works program.
Legal	Risks that have the potential to generate unacceptable exposure to litigation.
Social	Risks that have the potential to: - cause personal injury or death and/or - cause significant social/political disruption in the community.
Environmental	Risks that have the potential to cause environmental harm.

Note 5 – This application is consistent with code update 23 where Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate". The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard. Where an asset is in condition 3, 4 or 5 AND has low risk AND acceptable levels of community complaint (operational risk) then the cost or renewing these assets would represent an unaffordable cost to the community and should not be included in reported backlog. It may be included in aspirational service levels for consultation in the Community Strategic Plan (CSP).

POLICY APPLICATION EXAMPLES

Code Update 23. "Unless Council has undertaken consultation with their community and has agreed to a level of service from councils assets the BTS should be measured against the second condition rating of Good as stated in the Integrated Planning and Reporting Manual for local government in NSW." "Asset condition should be based on up to date asset condition assessments rather than an engineering estimates."

Current Methodologies Applied in NSW.

The methodologies used to calculate "backlog" are inconsistent across councils and policy decisions based on current unaudited annual special schedule 7 reports are likely to be materially flawed without clear policy direction on methodology. Most councils do not comply with the fundamental code update 23 pre requisite that "Asset condition should be based on up to date asset condition assessments rather than an engineering estimates." It is JRA's experience that less than half of NSW councils have up to date condition assessments for all infrastructure. This is deemed not affordable for these Councils. Condition assessment for buried assets (other than by limited sampling) is very expensive and unreliable where assets are in the first 50% of their lifecycle. This has a major influence on the reliability and variability of the resulting reports and the primary reason for the suggested methodology in this guide that ensures limited resources are applied to areas of highest risk.

Common Method 1 – The sum of Current Replacement Cost (CRC) of assets in condition 3, 4 and 5.

Comment - this method provides very high backlog estimates and is not affordable nor sustainable for most communities.

Common Method 2 - The sum of modern equivalent renewal cost of assets in condition 4 and 5. (Or only condition 5)

Comment - this method provides lower backlog estimates and does not comply with code update 23 unless the community has agreed to this level of service.

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Common Method 3 – A proportion applied to each condition group in option 1. (Current Replacement Cost of Condition 5 x nominal %)

Comment - This approach "factors down" backlog to a pre-determined result. If the factor is based on risk then this aligns with the recommended method. This is not a transparent of evidence based approach.

Common Method 4 – Sum of accumulated depreciation for assets with condition 3, 4, and 5.

Comment - This approach does not comply with code update 23 nor the intent of the policy framework. This is not a transparent of evidence based approach and does not enable community consultation on service levels, risks and revenues.

Recommended Method – BTS (backlog) is the Modern Equivalent Renewal Cost (MERC) of high residual risk assets not financed in the current annual reporting period. This is based on assets due for renewal or partial renewal but not funded. Cost to bring to satisfactory is the most efficient modern equivalent capital treatment to keep the asset to service at a satisfactory level. (Note 5)



Time Years



Figure 2 – Example of Partial Renewal in Figure 1

This pit has a current replacement cost of \$3,000 and is in condition 5.

The pit has 2 components (chamber and lid) but is currently valued as a single asset. Renewal of the damaged lid at a cost of \$1,000 will

manage high risk resulting in the average pit condition of 3 (based on value). Better practice would be to manage as 2 components (long and short life)

BTS under alternative methods = \$3,000 BTS under recommended method = \$1,000

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Figure 3 – Example of Partial Renewal in Figure 1

This kerb and adjoining pavement has failed due to not resealing roads in time, poor sub-grade and drainage. Pavement condition = 5 but only 20% of the pavement needs reconstruction plus resurfacing. Using value of condition 5 asset or accumulated depreciation would materially over state BTS (backlog)

BTS under alternative methods = renew 100% BTS under recommended method = renew high risk proportion (20% of pavement area)

Figure 4 – Example of Partial Renewal in Figure 1

Value of bridges in condition 3, 4 & 5 = \$50MValue of bridges in condition 4 & 5 = \$19 M

Level 2 inspection completed Bridge Engineering estimate to complete high risk work = \$720,000

BTS under recommended method = renew high risk proportion (\$720,000).

Asset management plan recommends upgrade to meet increasing traffic loads.







Figure 6 – Example of Full Renewal in Figure 5

This roof sheeting cannot be partially renewed and would require full renewal before the roof starts to leak. High risk of damage if roof leaks.

BTS under recommended method = renew high risk proportion (renew rusted roof sheeting) and not the supporting timber structure.



Time Years



Figure 8 – Example of No Renewal Required

A large proportion drains in this network had condition 4 and 5 based on age. This is common practice for buried assets. Sampling by CCTV showed that none of these had risk of failure. Some like the one shown had 5-10mm displacement that did not warrant reconstruction. Low risk.

BTS under recommended method = No renewal required. Alternative methods would all overstate BTS (backlog)



Figure 9 - Example of No Renewal Required

This road serves 3 properties. The sealed section is condition 5 and will shortly be reverted to a formed road with thin gravel layer of < 100mm under the asset management plan to improve network efficiency. (lifecycle cost per vehicle). Low risk.

The gravel section is condition 4 because there almost no gravel left and is managed by maintenance grading to minimise lifecycle cost per vehicle. Low risk.

BTS under recommended method = No renewal required Alternative methods would all overstate BTS (backlog)

Note that BTS is zero for a council which has developed and is implementing a cost-effective 30-year total asset management plan (TAMP) for water supply and sewerage in accordance with Item 7 on page 10 the Strategic Business Planning Check List (www.water.nsw.gov.au). Councils need to annually 'roll forward' their 30-year TAMP and to review and update the TAMP for projects completed, modified or deferred. The council then needs to update its 30-year financial plan using the updated TAMP and the council's latest annual financial statements. Any unfunded renewals must be added to the required renewals expenditure for the following year. However, BTS would arise if the council fails to implement its identified 30-year water and sewerage renewals plan in a timely manner. The amount of any BTS is the difference between the following years' required renewals and the budgeted amounts. Asset valuation for water supply, sewerage and stormwater assets needs to be in accordance with the NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets, 2014 (www.water.nsw.gov.au).

2015

FINANCIAL

SUSTAINABILITY

Building and Asset Renewal Ratio (2014/15)

- Renewal Expenditure—\$ 7M •
- Depreciation \$5.8M (based on FFF projections)
- Ratio = 120% (Target =>100%) Better than Target now, in 5 and in 10 years.

Infrastructure Backlog Ratio (2014/15)

- Cost to Bring Assets to Satisfactory \$0.2M
- Written Down Value-\$ 182M
- Ratio = 0.1% (Target = < 2%)

Better than Target, now, in 5 and in 10 years.

The aspirational target of having all assets at condition 2 or better exceeds \$90M and is not an affordable standard. The backlog of \$0.2M represents unfunded high risk assets and Council is managing these risks in our risk management plan.

Asset Maintenance Ratio (2014/15)

- Cost to Maintain at Satisfactory \$4.2M
- Maintenance Budget \$ 4.2M
- Ratio = 100% (Target = 100%) •

Meets Target now, in 5 and in 10 years.



With the current funding in the long term financial plan Council will be able to maintain the current levels of service and the current condition of Council's infrastructure assets over the next 10 years.

Greater Hume Council: Asset Management Plan Summary

"Living in an idyllic rural landscape that sets us apart, we draw on our passion and location to maintain a model community for people of all ages whilst building an economy that abounds with opportunities."

East Ward



KEY STRATEGIC RISKS

Age & Condition of Infrastructure

As assets age Council will continue to review its strategic asset management plan (SAMP) and risk management plans in consultation with the community to balance service levels and revenues

Data Confidence

Supporting data and analysis will continue to improve under councils data improvement plan in the updated SAMP. Improvements to service level information on function and capacity will enable Council to measure and report the impacts of changing transport demands on Councils network and the impact of changing demographics on Councils infrastructure based services

Ongoing expectation for service improvement and growth is placing growing strain financial resources needed to renew the ageing infrastructure. The tradeoff between achievable targets, available resources and acceptable risk will require very high levels of asset management and governance combined with effective community consultation and engagement.

Organisational Capacity and Loss of skilled people. Council manages risk by the skills and experience of Greater Hume Council's staff and supporting systems. Asset and risk management plans clearly communicate current risks are be central to informing the budget and 4 year delivery program during 2014/15 and beyond.





North Ward

South Ward

GREATER HUME SHIRE



Jeff Roorda and Associates: GHSC DRAFT V1 JRA



Our Strategy

Council has continued to improve our asset management strategy to balance long term revenues and service levels while managing risk. This will continue as Council engages with the community on affordable levels of service for the next 10 years. Improvements on service efficiency will also continue and Council is benchmarking our costs and performance with similar Councils to ensure value for money and efficient service deliverv.

ASSET MANAGEMENT STRATEGIES

Ongoing consultation with the community on affordable service levels and risks balanced to the revenues set in the long term financial plan to retain a financially sustainable position over a 10 year period. Annual review of risk management plan to ensure residual risks are managed The delivery program and annual budgets will align with Councils asset manage ment plans and be guided by the following principles Resource allocation (capital or maintenance/operating) will conside \Rightarrow existing highest residual risk in the risk register \Rightarrow Resource allocation will consider assessed need determined by a gap between the actual service level and set affordable targets in the service plan / asset management plan. \rightarrow Resource allocation will consider alternative options to minimize life cycle costs and propose the best option. Resource allocation align with the resourcing strategy for long term \Rightarrow financial sustainability Develop and implement an advocacy campaign with other Councils to other levels of Government with the following messages \Rightarrow Council is a responsible and competent asset manager and provides value for money services within available revenues. The service levels that are affordable by the community are likely to \Rightarrow have adverse long term infrastructure impacts and risks as defined by asset management plans and resourcing strategy State and federal government objectives can be enhanced by assisting Council in funding key infrastructure projects identified in the asset management plans \Rightarrow Aspirational service levels for infrastructure remain a Council objective but are beyond the funding capacity for local communities are require a whole of government response that recognises vertical fiscal imbalance. Adoption of an AM Policy • Provision of funds and resources required

Council Community Management & Staff Develop and implement
 SAMP rcing Councils SAMF process processes and documents in all Providing leadership in all
 Council functional areas of council.
 implementation of SAMP in the
 delivery of all services and to
 the community ions towards the SAM • processes

Infrastructure Assessment Report

1

Greater Hume Council

Infrastructure Depreciation Review And FFF Summary



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The projections and outcomes contained in the report do not necessarily take into consideration the commercial risks, various external factors or the possibility of poor performance by the Council all of which may negatively impact the financial capability and sustainability of the Council.

This report focuses on whether the Council has reasonable capacity, based on the information provided to JRA, to manage infrastructure risks

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Table of Contents

1.	Executive Summary	5
2.	Introduction	10
3.	Infrastructure Backlog	11
4.	Calculation of Bring to Satisfactory / Backlog	12
5.	References	17

List of Tables

Table 1: Infrastructure Sustainability Measures	5
Table 2: Asset Values	6
Table 3: Infrastructure BTS Backlog Value	. 7
Table 4: Infrastructure Sustainability Measures Forward Projection Scenario 1	8
Table 5: Infrastructure Sustainability Measures Forward Projection Scenario 2	9
Table 6: Types of Risk	15

List of Figures

Figure 1: Australian Accounting Standards Terminology	. 7
Figure 2: Infrastructure Sustainability Measures Forward Projection Scenario 1	. 8
Figure 3: Infrastructure Sustainability Measures Forward Projection Scenario 2	9
Figure 4: Infrastructure Backlog Definition 1	12

Abbreviation	Full Term
FFF	"Fit for the Future" NSW Office Local Government
OLG	NSW Office of Local Government
BTS	Bring to Satisfactory – see report section 3.
IPART	Independent Pricing and Regulatory Tribunal
ILGRP Report	Final Report of the NSW Independent Local Government Review Panel October 2013
IIMM	International Infrastructure Management Manual, IPWEA
IPART Guide	IPART Local Government — Assessment Methodology, Methodology for Assessment of Council Fit for the Future
	Proposals, June 2015
IPWEA	Institute of Public Works Engineering Australasia
IPR	NSW Integrated Planning and Reporting
IPR Manual	Integrated Planning and Reporting Manual for
	local government in NSW, March 2013, NSW Office of Local Government
Code Update 23	Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Update 23 March 2015, NSW Office of Local Government.
CSP	Community Strategic Plan as described in IPR Manual
AMP	Asset Management Plan as described in IPR Manual
RMP	Risk Management Plan – should be included in AMP.
AASB	Australian Accounting Standards Board
AIFMG	Australian Infrastructure Financial Management Guidelines
	IPWEA

Abbreviations used in this report in the order they appear

1. Executive Summary

Greater Hume Council's is in a very strong financial position for infrastructure management and FFF targets are achievable within 5 years with the current funding and service levels.

Asset Management Plans will be updated by the end of 2015 to ensure ongoing optimisation of infrastructure expenditure. Council has the financial capacity to manage infrastructure risks.

Previous backlog reporting has been recalculated to \$0.2 M for all infrastructure categories to align with community expectation for affordable levels of service. Previous backlog reporting included assets that didn't need renewal yet as well as upgrade items. This has been re aligned to reflect actual current renewal need and high risk assets aligned with community consultation as set out in section 3 of the report.

1.1 Infrastructure Backlog

Infrastructure Sustainability Measures	2014 Annual Report	2015 JRA estimate
Infrastructure WDV (For SS7 Backlog Ratio)	\$310,097	\$384,561
AASB116 Infrastructure Current Replacement Cost	\$476,323	\$508,294
Population	9,815	9,815
Annual Revenue	\$26,878	\$26,196
Depreciation	\$6,525	\$4,878
Annual Depreciation % of Current Replacement	1.4%	1.0%
Cost		
Infrastructure BTS Backlog Value #	\$90,892	\$238
BTS Backlog / Total Infrastructure Value	0.19	0.00
Renewal Expenditure (SS7)	\$6,674	\$6,990
Actual Maintenance Expenditure (SS7)	\$4,365	\$4,200
Required Maintenance Expenditure (SS7)	\$4,577	\$4,202
Total Capital Expenditure	\$13,026	\$11,782
Annual Maintenance % of Value	0.92%	0.83%
1. Building & Infrastructure Renewals Ratio	1.02	1.43
2. Infrastructure Backlog Ratio	0.293	0.001
3. Asset Maintenance Ratio	0.95	1.00
4. Capital Expenditure Ratio	2.00	2.42
5. Infrastructure Population/Ratio	\$49	\$52
Expansion/Upgrade Expenditure *	\$6,352	\$4,792
Expansion/Upgrade Ratio **	0.95	0.69
8. Maintenance and Operating Increase ***	\$148.05	\$85.60
9. Infrastructure Growth per Population	0.65	0.49

Table 1: Infrastructure Sustainability Measures

Refer section 4 of the report

All amounts in '000's

* Capital Expenditure on new or upgraded infrastructure. Represents increasing service levels and operating costs (maintenance and operations)

** Expansion/Upgrade Expenditure divided by Renewal Expenditure. A measure of how much is being spent on upgraded and new assets compared with renewal of existing.

*** Addition depreciation and maintenance resulting from upgrade new

Observations and Trends

- 1. Previous backlog reporting included low risk and upgrade/new costs and this has been recalculated to \$0.2 M for all infrastructure categories to align with community expectation for affordable levels of service. A review of all asset classes has been completed to identify high risk unfunded assets.
- 2. Depreciation has been adjusted after revaluation of roads and drainage.
- 3. Asset management plans are being updated to provide a 10 year forward projection of operating, maintenance, renewal and expansion balanced to the Long Term Financial Plan.
- 4. Current service levels are likely to gradually improve as funding for maintenance and renewal increases.
- 5. The target renewal and maintenance programme in the 4 year rolling forward delivery program will align with the annually reviewed asset management plan.
- 6. Asset Management Plans will provide annual updates of service level risk and revenue projections.
- REROC and RAMROC Councils have formed a strategic alliance to benchmark service levels and unit costs in order to improve service cost efficiency and move to consistent measurement and reporting of service levels and unit costs.
- 8. Current replacement cost has been used to enable comparisons across councils. Depreciable amount is a preferred measure for the future, however not all Councils separately report non depreciable amounts and residual values.

Greater Hume LGA - Note 9a	As at 30/6/2014							As at 30/6/2015 with JRA Revaluation **					
\$'000	C	Current Cost *		Carrying Value		Depreciation		Current Cost		Carrying Value		Depreciation	
					Exp	pense						Expense	
Land Improvements - depreciable	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Buildings - Non Specialised	\$	20,309	\$	13,106	\$	224	\$	20,309	\$	13,106	\$	224	
Buildings - Specialised	\$	53,945	\$	28,125	\$	705	\$	53,945	\$	28,125	\$	705	
Other Structures	\$	2,247	\$	1,960	\$	85	\$	2,247	\$	1,960	\$	85	
Infrastructure							\$	-	\$	-	\$	-	
- Roads, Bridges, Footpaths, Kerb	\$	257,610	\$	129,289		5,366	\$	292,854	\$	205,141	\$	3,785	
- Bulk Earthworks NonDepreciable	\$	129,855	\$	129,855		-	\$	130,258	\$	130,258	\$	-	
	\$	-	\$	-		-							
- Stormwater Drainage	\$	4,307	\$	3,349	\$	39	\$	8,681	\$	5,971	\$	79	
Other Assets													
- Swimming Pools	\$	8,050	\$	4,413	\$	106	\$	8,050	\$	4,413	\$	106	
TOTAL	\$	476,323	\$	310,097	\$	6,525	\$	508,294	\$	384,561	\$	4,878	

Table 2: Asset Values

* Note 9a incorrectly labels AASB 116 Current Replacement Cost as "Fair Value". Fair value is "is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."¹ Depreciated replacement cost should be shown as fair value where there is no active market (non-specialised buildings and infrastructure). Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

** Civil infrastructure (roads and drains) are currently being revalued and this is an interim estimate.

¹ AASB116



Figure 1: Australian Accounting Standards Terminology

Table 3 shows the summary of the backlog results. Working papers for each group have reviewed asset condition and risk to deterimine backlog in accordance with the methodology set out in this report. The backlog represents the unfunded renewal cost of high risk assets in poor condition. Previous years backlog calculations included costs for upgrade work and asset that did not require any renewal.

Category	Subcategory	Description	BTS/
Buildings	All Buildings	Cost to demolish or renew buildings in condition 4 and 5	\$150
Other Structures		No high risk unfunded assets	\$-
Roads	Sealed Surface	Unfunded additional reseal	\$88
Roads	Sealed Structure	No high risk unfunded assets	\$-
Roads	Unsealed	No high risk unfunded assets	\$-
Roads	Bridges	No high risk unfunded assets	\$-
Roads	Footpaths	No high risk unfunded assets	\$-
Roads	Kerb	No high risk unfunded assets	\$-
Stormwater Drainage		No high risk unfunded assets	\$-
Open Space	Swimming Pools	No high risk unfunded assets	\$-
			\$238

Table 3:	Infrastructure	BTS	Backlog	Value
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Scenario 1 shows the forward projection for the long term financial plan. Backlog is fully funded in 2016.

These models are optimisation models that predict depreciation, renewal need and backlog that are not intended to balance to the OLG FFF template. FFF targets are not achieved under this scenario. Maintenance and renewal optimum targets are estimates based on best available data and will be updated to align with asset management plans when the AMP update is completed. Maintenance required increases as the deferred renewal amount increases.

Table 4: Infrastructure Sustainability Measures Forward Projection Scenario 1

All amounts in '000s.

Scenario 1 - Current LTFP	Greater Hume		Forward Project	tions in LTFP		Asset Fully De	preciated at Re	newal	Upgrade E	\$ 10,767	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Renewal Budget	\$ 6,990	\$ 7,090	\$ 7,105	\$ 6,406	\$ 6,121	\$ 8,308	\$ 6,778	\$ 7,077	\$ 6,945	\$ 7,225	\$ 7,725
Expansion Upgrade Budget	\$ 6,036	\$ 644	\$ 646	\$ 232	\$ 177	\$ 419	\$ 420	\$ 445	\$ 604	\$ 505	\$ 639
Maintenance Budget	\$ 4,200	\$ 3,827	\$ 3,899	\$ 3,977	\$ 4,053	\$ 4,154	\$ 4,258	\$ 4,364	\$ 4,473	\$ 4,585	\$ 4,700
Total Capital Budget	\$ 13,026	\$ 7,734	\$ 7,751	\$ 6,638	\$ 6,298	\$ 8,727	\$ 7,198	\$ 7,522	\$ 7,549	\$ 7,730	\$ 8,364
AASB116 Current Replacement Cost	\$ 508,294	\$ 508,938	\$ 509,584	\$ 509,816	\$ 509,993	\$ 510,412	\$ 510,832	\$ 511,277	\$ 511,881	\$ 512,386	\$ 513,025
AMP Renewal Need (excluding backlog)	\$ 5,366	\$ 5,373	\$ 5,379	\$ 5,382	\$ 5,384	\$ 5,388	\$ 5,393	\$ 3,435	\$ 3,537	\$ 3,540	\$ 3,545
AMP Renewal Plus Backlog	\$ 5,604	\$ 5,373	\$ 5,379	\$ 5,382	\$ 5,384	\$ 5,388	\$ 5,393	\$ 3,435	\$ 3,537	\$ 3,540	\$ 3,545
Maintenance Optimum Target	\$ 4,219	\$ 4,224	\$ 4,230	\$ 4,231	\$ 4,233	\$ 4,236	\$ 4,240	\$ 6,647	\$ 6,654	\$ 6,661	\$ 6,669
Depreciation	\$ 4,878	\$ 4,884	\$ 4,890	\$ 4,893	\$ 4,894	\$ 4,898	\$ 4,902	\$ 4,907	\$ 4,912	\$ 4,917	\$ 4,923
BTS Backlog (Deferred Renewal)	\$ 238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$-	\$ -	\$ -
Infrastructure WDV (For SS7 Backlog Ratio)	\$ 384,561	\$ 387,411	\$ 390,272	\$ 392,017	\$ 393,421	\$ 397,250	\$ 399,546	\$ 402,161	\$ 404,798	\$ 407,611	\$ 411,051
1. Building & Infrastructure Renewals Ratio	1.43	1.45	1.45	1.31	1.25	1.70	1.38	1.44	1.41	1.47	1.57
2. Infrastructure Backlog Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Asset Maintenance Ratio	1.00	0.91	0.92	0.94	0.96	0.98	1.00	0.66	0.67	0.69	0.70
4. Capital Expenditure Ratio	2.67	1.58	1.58	1.36	1.29	1.78	1.47	1.53	1.54	1.57	1.70

Figure 2: Infrastructure Sustainability Measures Forward Projection Scenario 1



Greater Hume Council Infrastructure Projection Scenario 1 (S1) **Current Budget Settings**

> **Deferred Renewal** Deferred renewal plus renewal gap in each year. necessary to continue service as per CSP. Service level trends and risk should be reviewed annually and reported in AMP.

Upgrade New

Graph shows budget allocation. New or upgraded assets increase service levels, asset values, depreciation and maintenance costs Asset renewal budget provided

Maintenance

Budget to maintain assets. Scenario 1 locks maintenance to set budget levels and allows underfunding of maintenance. Risk from unfunded maintenance needs shown in AMP and reported to audit committee. Operating Not included in this model run.



Renewal is overfunded and maintenance is underfunded and scenario 2 applies some optimisation corrections.

Scenario 2	Greater Hume		Meet FFF Target	ts in 5 years	Asset Fully De	preciated at Re	newal	Renewal Tran	tenance	\$ 126	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Renewal Budget	\$ 6,971	\$ 6,693	\$ 6,774	\$ 6,152	\$ 5,941	\$ 8,226	\$ 6,796	\$ 7,198	\$ 7,170	\$ 7,557	\$ 8,167
Expansion Upgrade Budget	6,036	644	646	232	177	419	420	445	604	505	639
Maintenance Budget	4,219	4,224	4,230	4,231	4,233	4,236	4,240	4,244	4,249	4,253	4,258
AASB116 Current Replacement Cost	508,294	508,938	509,584	509,816	509,993	510,412	510,832	511,277	511,881	512,386	513,025
AMP Renewal Need (Optimised)	5,366	5,373	5,379	5,382	5,384	5,388	5,393	5,397	5,404	5,409	5,416
AMP Renewal Need Including Backlog	5,604	5,373	5,379	5,382	5,384	5,388	5,393	5,397	5,404	5,409	5,416
Renewal Transfer to Maintenance	19	397	331	254	180	82	(18)	(121)	(225)	(332)	(442)
Maintenance Optimum Target	4,219	4,224	4,230	4,231	4,233	4,236	4,240	4,244	4,249	4,253	4,258
Depreciation	4,878	4,884	4,890	4,893	4,894	4,898	4,902	4,907	4,912	4,917	4,923
BTS Backlog (Deferred Renewal)	238	0	0	0	0	0	0	0	0	0	0
Infrastructure WDV (For SS7 Backlog Ratio)	384,561	\$ 387,014	\$ 389,544	\$ 391,035	\$ 392,259	\$ 396,005	\$ 398,319	\$ 401,055	\$ 403,917	\$ 407,062	\$ 410,944
1. Building & Infrastructure Renewals Ratio	1.43	1.37	1.39	1.26	1.21	1.68	1.39	1.47	1.46	1.54	1.66
2. Infrastructure Backlog Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Asset Maintenance Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4. Capital Expenditure Ratio	2.67	1.50	1.52	1.30	1.25	1.76	1.47	1.56	1.58	1.64	1.79
Initial Renewal	\$ 6,990	\$ 7,090	\$ 7,105	\$ 6,406	\$ 6,121	\$ 8,308	\$ 6,778	\$ 7,077	\$ 6,945	\$ 7,225	\$ 7,725
Renewal Funding Needed	\$ 5,366	\$ 5,373	\$ 5,379	\$ 5,382	\$ 5,384	\$ 5,388	\$ 5,393	\$ 5,397	\$ 5,404	\$ 5,409	\$ 5,416

Table 5: Infrastructure Sustainability Measures Forward Projection Scenario 2

Figure 3: Infrastructure Sustainability Measures Forward Projection Scenario 2



JRA ODM Optimization Systems

2. Introduction

This report provides an independent assessment of Greater Hume Council's capacity to sustainably deliver infrastructure based services to its community. This report has reviewed two of the primary indicators of financial sustainability of interest to IPART, depreciation compared with renewal expenditure and "infrastructure backlog."

The NSW Government has asked IPART to perform the role of the Expert Advisory Panel to assess how council proposals meet the Fit for the Future criteria. Councils are to prepare proposals as to how they will meet the criteria for submission to IPART by 30 June 2015.

This report provides a forward estimate of the 3 asset management inputs to FFF criteria and measures set out in the IPART Guide Table 1.1.

Building and Asset Renewal Ratio

Building and	Asset renewals (building and infrastructure)	Greater than
Asset Renewal	Depreciation, amortisation and impairment	100% average over
Ratio	(building and infrastructure)	3 years

Infrastructure Backlog Ratio

Infrastructure	Estimated cost to bring assets to satisfactory condition	Less than
Dacklog Rallo	Total (WDV) ^a of infrastructure, buildings, other structures, depreciable land, and improvement assets	2%

Asset Maintenance Ratio

Asset Maintenance Ratio	Actual asset maintenance Required asset maintenance	Greater than 100% average over 3 years
Maintenance Ratio	Required asset maintenance	average over 3 years

Part 2 will address asset management scale and capacity issues and in particular the essential element of prioritising asset management planning² and the "Rigorous ongoing implementation of Integrated Planning and Reporting requirements for long term financial and asset management plans, and upgraded 4-year Delivery Programs"³. It should also be noted that Code Update 23 requires that Asset condition should be based on up to date asset condition assessments rather than an engineering estimates. This requires up to date asset management plans that are subject to ongoing monitoring and regular review (at least annually) to reflect any changes in asset conditions and/or the asset portfolio.⁴ Part 2 will address Councils

² ILGRP Report, P34 – Fiscal Responsibility

³ ILGRP Report, P49 – Meeting Infrastructure Needs

⁴ IPR Manual, Essential Element 2.11 p80.

plan to ensure it has the scale and capacity to maintain Asset Management Plans that integrate to the delivery program and annual budget process and are based on up to date and reliable condition assessments.

Finance, asset management and corporate will work closely together to ensure:

- Condition assessment is based on "up to date asset condition assessments rather than an engineering estimates."⁵
- Asset Management Plans aligns with the requirements set out the ILGRP Report and IPR Manual.

3. Infrastructure Backlog

Infrastructure backlog needs to be defined in asset management terms to ensure auditable and evidence based approach to measurement and reporting and avoid theoretical and aspirational goals the community does not want to pay for. The International Infrastructure Management Manual (IIMM) does not focus on "backlog". It concentrates on minimising asset lifecycle cost for service levels essential to strategic objectives while managing risk. The NSW Integrated Planning and Reporting Manual (IPR) also focuses on managing infrastructure services and risk does not mention "backlog".

Engagement with communities on appropriate and affordable service levels while managing risk is also a foundational principle of IPR, encouraging councils to *"engage the community in identifying the acceptable level of service for each asset type in Asset Management Plans."*

Asset Management Plans balanced to Long Term Financial Plans, annually reviewed in accordance with the IPR manual are the key instrument to enable organisations to be fit for the future and accordingly this report will also review the state of asset management plans.

For the purpose of this report "infrastructure backlog" will be defined as "unfunded high residual risk associated with assets essential to achieving Council's Community Strategic Plan (CSP). High risk assets not essential to Councils CSP should be disposed, closed or reclassified and do not represent a financial sustainability risk." This is shown in figure 3 and ensures backlog is aligned with Council's asset management plan in accordance with Code Update 23, IPR manual and the IPART Assessment Methodology released 5th June 2015.

⁵ Code update 23 pC21



Figure 4: Infrastructure Backlog Definition

4. Calculation of Bring to Satisfactory / Backlog

4.1 Existing Policy Framework

- The existing policy framework to determine satisfactory service levels and risks based on IP&R is robust and effective and provide the basis for a transparent, accountable and evidence based methodology. JRA observation is that this policy framework has not been applied consistently to "Bring to Satisfactory" BTS or "backlog" across NSW local government primarily due to it being seen as a lower priority. The realisation of importance has changed, the guidance needed to implement this awareness is needed urgently and the following guide provides a summary of policy and practice.
- The Annual Report is one of the key accountability mechanisms between a Council and its community. As such, it should be written and presented in a way that is appropriate for each council's community.⁶
- Councils are required to report on the condition of the public works (including public buildings, public roads, as well as water, sewerage and drainage works) under the control of the Council as at the end of that year, together with:
- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard;
- An estimate (at current values) of the annual expense of maintaining the works at that standard;
- The council's program of maintenance for that year in respect of the works; and

⁶ IP&R Manual March 2013. Section 6.1.

- The report on the condition of public works is also included in the financial reports and is known as Special Schedule 7. Councils must complete this Schedule each year.⁷
- The Asset Management Strategy must identify assets that are critical to the council's operations and outline the risk management strategies for these assets.⁸
- The Asset Management Plan/s must identify asset service standards and should incorporate an assessment of the risks associated with the assets involved and the identification of strategies for the management of those risks. The strategies should be consistent with the overall risk policy of Council. The International and Australian Standard AS/NZS/ISO/31000:2009 – Risk management – Principles and guideline provides a useful guide.⁹
- For water supply and sewerage a 30-year total asset management plan (TAMP, which is a key element of the Strategic Business Plan (SBP) and Integrated Water Cycle Management (IWCM) Strategy) and a 30 year financial plan are required. A council's peak planning document is the later of its IWCM Strategy and SBP, which are required every 8 years on a rotation of every 4 years (www.water.nsw.gov.au). The key outputs of the IWCM Strategy or SBP are a 30-year TAMP, a 30-year financial plan and an affordable Typical Residential Bill (TRB) on the basis of the agreed levels of service and the projected demographic growth. The annual Action Plan to Council, which is the key water and sewerage working document provided to the council each year, enables the council to effectively and efficiently manage its risks and highlights any corrective actions needed to address emerging issues, areas of underperformance, or to implement Best Practice Management (BPM) requirements.
- The report on the condition of public works (Special Schedule 7) should flow directly from the Delivery Program (Note 1) which should define performance indicators for both existing and proposed levels of service. These performance measures can be used to quantify the upgrade costs (or degree of over-servicing) between existing and target service levels (Note 2).
- The determination of satisfactory target service levels (Note 3) involves an informed trade-off using the Long Term Financial Plan and Asset Management Plan 10 year scenarios for revenues, risks and service levels. This approach is consistently identified in the IP&R Manual and expanded in complementary resources such the IPWEA Level of Service and Community Engagement Practice Note 8.
- The Final Report of the NSW Independent Local Government Review Panel October 2013 noted that "Collaborative approaches are also needed to ensure that all councils have access to high quality technical assistance in fields such as setting realistic condition standards for infrastructure, including undertaking community engagement to determine what levels of service are acceptable. It needs to be more widely understood that at any given time a significant percentage of a council's infrastructure assets will be at a less than desirable

⁷ Ibid Section 6.4

⁸ Ibid Section 3.4.1

⁹ Ibid Section 3.4.2

standard: it is simply financially impossible (and irresponsible) to aim for every road, bridge, drain, building etc to be 'satisfactory' or better."¹⁰ The report notes that some councils have already done excellent work in this regard and that the Institute of Public Works Engineering and the Australian Centre of Excellence for Local Government have prepared a 'practice note' on levels of service which should provide a sound basis for training programs.

- Cost to bring to assets to satisfactory (BTS) should be determined by asset and risk management plans. This guide recommends that the cost to bring to satisfactory should be the total unfunded cost to renew all high residual risk assets in the current risk register. Residual risk includes all types of risk shown in table 1 on the following page.
- Special Schedule 7 is auditable by checking for alignment between SS7 and asset and risk management plans. The risk register establishes a consistent and evidence based cost to bring to satisfactory and connects to good governance practice of transparent reporting of risk through appropriate governance processes such as an audit committee.
- Asset Risks include operational, technical, financial, legal, social and environmental risks using the ISO 31000 framework. Supporting resources are available and this methodology is consistently applied internationally. (Note 4)

Note 1 – For water supply and sewerage, this is the first 4 years of a water and sewerage council's 30year total asset management plan (TAMP) in accordance with the Strategic Business Planning Check List (http://www.water.nsw.gov.au/ArticleDocuments/36/town_planning_strategy_checklist.pdf.aspx). The TAMP involves a cost -effective 30-year capital works program showing each of works for growth, improved standards and a renewals plan, together with an operation plan, which includes non-build solutions, and a maintenance plan.

Note 2 – NSW Office of Local Government, IP&R Manual Section 6.4 P133 **Note 3** – Levels of service for water supply and sewerage need to be determined and reported in accordance with Item 4 on page 5 of the Strategic Business Planning Check List. **Note 4** – IPWEA NAMSPLUS – Asset and Risk Management Plan Templates

The input of the NSW Office of Water to the draft of this guide is gratefully acknowledged. Also the peer review by Dr Penny Burns and John Comrie (JAC).

4.2 Application for Greater Hume Council

The following principles have been applied to implement the existing policy framework. This methodology focuses limited council resources to areas of highest risk.

 "Bring to satisfactory" is the sum of Modern Equivalent Renewal Cost (MERC) of high residual risk assets not financed in the current annual reporting period. This is based on assets due for renewal or partial renewal but not funded. Cost to bring to satisfactory is the most efficient modern equivalent capital treatment to keep the asset to service at a satisfactory level. (Note 5) This aligns with Code update 23 when read together with the IPR manual. Satisfactory level of service is not bringing and asset to "as new" condition but to a level where "only minor maintenance is required".

¹⁰ Revitalising Local Government Final Report of the NSW Independent Local Government Review Panel October 2013, p52

- "Maintain at satisfactory" (MAS) is the unfunded maintenance treatments recommended by the risk management plan to manage BTS risks but not financed in the current annual reporting period.
- BTS is audited by examining the Asset Management Plan and Risk Register that act as "working papers" for BTS and MAS in the annual report.
- Deferring renewal may result in the modern equivalent renewal cost increasing and will impact future BTS reporting.
- BTS analysis must be carried out for each material asset component. Network averages are not likely to provide reliable or consistent BTS reporting.
- The connection to risk registers reinforces the importance of independent Audit Committees to report service risks associated with "unsatisfactory service levels" to Council. This enables the essential separation of aspirational but unaffordable service levels from target service levels identified in the delivery program.

Criterion	Risk Evaluation Notes
Operational	Risks that have the potential to reduce services for a period of time unacceptable to the community and/or adversely affect the council's public image.
Technical	Risks that cannot be treated by council's existing and/or readily available technical resources.
Financial	Risks that cannot be treated within council's normal maintenance budgets or by reallocation of an annual capital works program.
Legal	Risks that have the potential to generate unacceptable exposure to litigation.
Social	Risks that have the potential to: - cause personal injury or death and/or - cause significant social/political disruption in the community.
Environmental	Risks that have the potential to cause environmental harm.

Table 6: Types of Risk (NAMSPLUS Risk Management Plan Template, ISO 31000)

Note 5 – This application is consistent with code update 23 where Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate". High levels of complaint. The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard. Where an asset is in condition 3, 4 or 5 AND has low risk AND acceptable levels of community complaint (operational risk) then the cost or renewing these assets would represent an unaffordable cost to the community and should not be included in reported backlog. It may be included in aspirational service levels for consultation in the Community Strategic Plan (CSP).

4.3 Calculation of Maintain at Satisfactory

The objective of the methodology is to have an evidence based approach to show Council is well managed and can be fit for the future. Risk management and governance are a core part of capacity in fit for the future and a core element in the Final Report of the NSW Independent Local Government Review Panel final report.

- Greater Hume Council will be aligning with IPR manual requirements to align the annual budget with funding high risk first in the annual budget process.
- The additional maintenance is calculated by JRA applies the current ratio of maintenance to backlog amount, effectively saying Council needs to double the normal maintenance on backlog assets. JRA experience is that that more than covers the additional maintenance required except where there are very high backlog proportions. That is not the case for Greater Hume Council.

- The drop in maintenance is aligned with the required connection in the resourcing strategy between the LTFP and AMP.
- Underfunding maintenance is very high risk and high levels of underfunded risk should be reported to the audit committee. In future, the annual review of the Asset Management Plans (IPR essential element 2.11) should inform the budget process to direct resources where the highest risks are.
- For example High risk items like inspecting and maintaining bridges, footpaths, play equipment, public buildings for fire safety should be funded first in the annual budget process informed by the asset and risk management plans.

From the OLG Internal Audit Guidelines

Internal audit is an essential component of a good governance framework for all councils. At both a management and councillor level, councils must strive to ensure there is a risk management culture. Internal audit can assist in this regard. Internal audit is widely used in corporate Australia as a key mechanism to assist councils to manage risk and improve efficiency and effectiveness. At Federal and State Government levels there are clear requirements for internal audit and risk management.

From the IPR Manual

Essential Element 2.12

The Asset Management Strategy must include an overarching council endorsed Asset.

Management Policy. Essential Element 2.13

The Asset Management Strategy must identify assets that are critical to the council's operations and outline the risk management strategies for these assets. Essential Element 2.14

The Asset Management Strategy must include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes.

Essential Element 2.11

Asset Management Plans should also be subject to ongoing monitoring and regular review (at least annually) to reflect any changes in asset conditions and/or the asset portfolio.

5. References

References

 Final Report of the NSW Independent Local Government Review Panel October 2013

IPART Local Government — Assessment Methodology, Methodology for Assessment of Council Fit for the Future Proposals, June 2015

- NSW Integrated Planning and Reporting Integrated Planning and Reporting Manual for local government in NSW, March 2013, NSW Office of Local Government
- Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Update 23 March 2015, NSW Office of Local Government.
- Australian Infrastructure Management Financial Management Guidelines, Institute of Public Works Engineering Australasia
- AASB, Australian Accounting Standard 116, Property, Plant and Equipment, Australian Accounting Standards Board, Melbourne.
- AASB 136 Impairment of Assets
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- IPWEA, 2015, Australian Infrastructure Financial Management Guidelines, 2nd Edition (in preparation), Institute of Public Works Engineering Australasia Sydney.
- TAO, 2012, Report of the Auditor-General No 4 of 2012-13, Auditor-General's Report on the Financial Statements of State entities, Volume 4 Part 1, Local Government Authorities, 2011-12, Tasmanian Audit Office, Hobart.
- TAO, 2013, Report of the Auditor-General No. 5 of 2013-14, Infrastructure Financial Accounting in Local Government, Tasmanian Audit Office, Hobart.

The useful life of a gravel road is entirely dependent on the appropriate maintenance program being implemented. The maintenance program should be designed around the traffic patterns, the weather, the soil type the road is built on, the topography and the sheeting material available.

The variability in the traffic pattern is reasonably consistent and has been a primary driver in developing classifications for our road classes in our road strategy, How to deal with the soil type, the topography and the sheeting gravel variation is part of the knowledge within our maintenance and construction crews who vary the method used for the particular situation and location being maintained.

Council has a maintenance program that will ensure that the gravel roads are maintained to an acceptable service level and are able to continue to provide service to the community well into the foreseeable future

GHSC has developed the roads strategy to ensure that roads are maintained to a service level appropriate to the use they are exposed to;- for example a class 6 single lane gravel road that services three houses on a dead end road that has only 16 vehicle movements per day will be graded once a year and have the surface resheeted with 100mm of gravel every 20 years, while a class 5 two lane gravel road that is a link to the main roads services that has 40 vehicle movements per day will be graded twice a year and resheeted with 100mm of gravel every 10 years

The majority of the roads in the shire were constructed between 1900 and 1930 as the towns were established, giving them an age of between 85 and 115 years at this stage and with maintenance and improvements taking place as the budget allowed none of the roads have reached the end of their useful lives.

One of the main drivers of the increasing cost in road maintenance is the increase in service levels and increases in the traffic volumes. The smoother roads should (and has) attracted increasing funding from external sources to provide a more efficient transport system.

Our roads have been constantly upgraded to improve safety and comfort, To achieve this we have been lowering crests, opening corners to allow higher safe speeds and sight distances and widening the sealed surfaces to reduce edge breaks, we have lifted road surfaces and installed more and better drains to reduce the water from flowing over the roads during flood events.

The improvements made to cope with the demands on our road network reduce future costs such as replacing roads that have been washed away in flood events and rebuilding edges worn by trucks moving across for oncoming traffic.

Our current road reconstruction is based on bringing the road up to current service levels rather than roads having reached the end of their useful lives.

Based on this we propose to bring useful lives to:-

Regional Roads - 106 years -20% = 85 years useful lives

Local Rural Roads – 125 years – 20% = 100 years useful lives

Local Urban Roads – 137 years – 20 % = 110 Years useful lives

A check was made to determine the gravel depth and design of our existing roads, the example roads checked were two rural roads, Four mile Lane and Fellowhills Road, one Urban road, Victoria Street and a regional road, Lookout Road MR547.

Holes were dug within the formation of each road confirming the gravel depths to be adequate for the expected lives of the roads tested and with the proper maintenance the roads should attain the lives proposed above.

Four Mile lane

150mm hill gravel continuing down as fill, levelling from the hill onto the flat



Fellowhills Road

120mm hill gravel over a firm clay base.



Fellowhills Road



Victoria Street



Victoria Street



Lookout Road MR547

260mm hill gravel on a firm clay base with 30mm of reseals on top



Lookout Road MR547



A road inspection was done in October 2014 by Radar Portal Surveys using the vehicle pictured below, using laser profiling technology, photometric stereo technology and precision geolocation system.



The report was based on the road segments within our asset register with the data being averaged over the length of the segment.

We have extracted ratings from 1 to 5 - with 1 being as new condition, - 2 very good condition needing only minor maintenance, - 3 good condition needing regular maintenance, - 4 approaching the end of serviceable life and - 5 in urgent need of replacement.

From the road inspection we have extracted ratings on Roughness, Rutting and Surface texture.

Using the Roughness and Surface Texture we have assessed the seal condition and using the Roughness and Rutting to give a condition of the pavement.

Condition 5 in the Roughness Condition gives us five sections of road, being; -

Jingellic Road section 18 – Rebuild completed since inspection

Raymond Street section 3 - Rebuild in budget 2016/17

Victoria Street section 2 - In next year's budget to reconstruct

Allan Street section 2 – Rebuild completed since inspection

Sladen Street section 1 - Rebuild completed since inspection

There are no Rutting Condition 5s and in the Condition 4 rating we have only nine sections and all are in the budget over the next ten years.

There are no Texture Condition 5s and in the Condition 4 rating we have thirty six sections, most are on low speed roads and all are in the budget over the next ten years.

GREATER HUME SHIRE COUNCIL SS7 ROADS RISK CALCULATOR

Category	High Risk Quantity 1	Unit	Unit Cost	BTS1	Description	High Risk Quantity 2	Unit	Unit Cost	BTS2	Description	TOTAL BTS
Sealed Roads HTU - Regional urban class 3	-	m2	20	\$ -	Spray Seal. Pavement OK but needs reseal before pavement damaged. Includes 10% Patch	-	m2	60	\$-	Reconstruct Pavement in Condition 5	\$-
Sealed Roads HTR - Regional Rural class 3	-	m2	7	\$ -	Pavement OK but needs reseal before pavement damaged. Includes 10% Patch	-	m2	20	\$-	Stabilise pavement in condition 5	\$ -
Sealed Roads LTU - Urban class4A	6,520	m2	11.29	\$ 73,611	Spray Seal - Pavement OK but needs reseal before pavement damaged. Includes 10% Patch	-	m2	20	\$-	Only stabilise high risk failures	\$ 73,611
Sealed Roads LTR - Rural class 4A and 4B	1,250	m2	11.29	\$ 14,113	Pavement OK but needs reseal before pavement damaged. Includes 10% Patch	-	m2	20	\$-		\$ 14,113
Unsealed Roads High Traffic - Rural class 5	-	m2	15	\$ -	Prioritised grading and resheeting based on risk	-	m2	20	\$-		\$ -
Unsealed Roads Low Traffic - Rural class 6	-	m2	15	\$ -	Unlikely to have high risk profile	-	m2		\$-		\$ -
Bridges		\$	1	\$ -	Total Rectification Cost based on Level 2 bridge inspection or equivalent. See bridge report	-	\$		\$ -		\$-
Footpaths and Cycleways	-	m2	100	\$ -	High Risk Path Defect Rectification. Replace highy risk path concrete bays and grind where possible	-	m2		\$ -		\$-
Kerb and Gutter	-	m	25	\$ -	High Risk Kerb Defect Rectification where there is high pedestrian traffic - monitor incidents	-	m		\$ -		\$-
Ancillary				\$ -	No high risk items	-	item		\$-		\$ -
Other				\$ -	No high risk items	-	item		\$ -		\$ -
Drainage structures / Buildings, Modern equivalent renewal cost to rehabilitate assets that have structurally failed.				\$ -	High risk components fail and result in reputation or safety issue with possible liability claim (compliance, efficiency, condition, capacity)	-	item		\$ -		\$-
Paths and Kerb - Modern equivalent renewal cost to rehabilitate high residual risk failures and defects.				\$ -	Insurance		m		\$ -		\$ -
Buildings - Unfunded building rectification cost identified in the risk register				\$ -	High risk components fail and result in reputation or safety issue with possible liability claim (compliance, efficiency, condition, capacity)		item		\$-		\$ -
Stormwater - Unfunded structural failure of stormwater				\$ -	High risk components fail and result in reputation or safety issue with possible liability claim (compliance, efficiency, condition, capacity)		item		\$ -		\$-
Water and Sewer Below Ground - Unfunded Structural Failure Cost to reline or renew				\$ -	High risk components fail and result in reputation or safety issue with possible liability claim (compliance, efficiency, condition, capacity)		m		\$ -		\$ -
Water and Sewer Above Ground -Modern equivalent renewal cost to rehabilitate assets that have structurally failed.				\$ -	High risk components fail and result in reputation or safety issue with possible liability claim (compliance, efficiency, condition, capacity)		item		\$ -		\$-

ANNEXURE 6

GREATER HUME SHIRE COUNCIL

BUILIDNG CONDITION ASSESSMENT 2015

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

AR Gro	up			Date	Condition	Revised	6	Cost to Bring to	Budgetted Y/N	Amount included as	
NO	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YID Depn
	BUILDINGS	Shiro Chambors	40 Palfour Streat	2011	2						¢10 701 00
4	060 80520028	Shire Champers	40 Ballour Street	2011	3						\$40,734.23
4	000 80528519	Holdrook Shire Administration Centre	e sa roung street	2011	2		Lised for				\$49,705.08
1		Holbrook Chiro Offices (orig)	40 Young Street	2011		2	Storage		Ν		¢E 039 06
4	000 80528507-01	Holbrook shire Offices (ong)	40 Young Street	2011	4	•	Storage		IN		\$5,928.90
						Demolish?	Confirmed				
4	060 B0528567-02	Amenities Block (behind orig offices)	40 Young Street	2011	4	2016/17	GB	\$10.000	N	\$10.000	\$629.34
4	060 BO520027	42 Balfour Street. Culcairn	library	2011	2	•		<i>+_0,000</i>		<i>+_0,000</i>	\$3.496.32
		· · · · · · · · · · · · · · · · · · ·									1-,
DEPOT	BUILDINGS										
4	060 B0519926-01	Amenities Building	Baird St & Old Henty Rd, Depot	2011	3						\$2,863.02
4	060 B0519926-02	Awnings	Baird St & Old Henty Rd, Depot	2011	3						\$2,587.50
4	060 B0519926-03	Chemical Store	Baird St & Old Henty Rd, Depot	2011	3						\$232.94
4	060 B0519926-04	Store	Baird St & Old Henty Rd, Depot	2011	3						\$9,918.39
4	060 B0520781	Works Depot Building	Billabong St, Sports/Showground	2011							\$994.60
4	060 B3023337-01	Awning (petrol)	Davis Drive, Depot	2011	3						\$466.19
4	060 B3023337-02	Machinery Shed (truck shed)	Davis Drive, Depot	2011	3						\$1,180.83
4	060 B3023337-03	Offices/Workshop/Store/Amenities	Davis Drive, Depot	2011	3						\$6,568.77
4	060 B3023337-04	Shed (large)	Davis Drive, Depot	2011	3						\$1,368.00
4	060 B3023337-05	Shed (small)	Davis Drive, Depot	2011	3						\$0.00
							Tidy up				
4	060 B3059806	Recycle Shed	Wallace Street	2011	5		shedding	\$10,000	N	\$10,000	\$635.16
4	060 B3065508-01	Building 1	Smith Street, Depot	2011							\$576.00
4	060 B3065508-02	Building 2	Smith Street, Depot	2011							\$792.00
4	060 B3065508-03	Recycling Building	Smith Street, Depot	2011							\$39.60
AGED B	UILDINGS	Family Day Cana (Usalth Cantus	20 Creatly Streagt	2011	2						
4	360 B0531104-02	Family Day Care/Health Centre	80 Creek Street	2011	3						\$6,769.56
4	360 B0528010-02	Aged Units (15)	17 Frampton Court	2011	3						\$16,928.11
4	360 B0528106	Raid Court Housing Units	20-26 Frampton Court	2011	2						\$53,566.60
4	360 80520111	Self Care Units lindera	9 Elizabeln & Kimbeen Streets	2011	3						\$4,706.20
4	300 80531105	Sell Care Units Jindera	84-86 Creek Street	2011	T						\$3,839.50
	460 B0520044-01	Peridence	7 Black Street Culcaire	2011	2						\$2 552 50
4	400 B0520044-01	Residence	9 Black Street, Culcairn	2011	3						\$2,332.30
	460 B0520044-02	Residence	11 Black Street, Culcairn	2011	3						\$2,520.15
-	400 00320044-03	Residence	11 black Street, Culcaliti	2011	J		minor				<i>42,113.33</i>
4	460 B0520044-04	Residence	13 Black Street, Culcairn	2011	4	3	refurb	re:jody			\$2,326.15
4	460 B0520109	Residence	13 Elizabeth Street, Culcairn	2011	3						\$2,516.88
4	460 B0520110	Residence	11 Elizabeth Street, Culcairn	2011	3						\$2,030.78
4	460 B0528564	Residence	46 Young Street, Holbrook	2011	3						\$1,070.79
4	860 BO0528216	Residence	65 Peel Street, Holbrook	2011	2						\$1,206.87

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ANNEXURE 6

BUILIDNG CONDITION ASSESSMENT 2015

BUILDINGS - SPECIAL SCHEDULE 7

Assets - Building Depreciation

										Amount	
AR Group				Date	Condition	Revised		Cost to Bring to	Budgetted Y/N	included as	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
4460	B3048513	Residence	45 Lyne Street, Henty	2011	2						\$4,837.26
4460	B3066885	Residence	57 McBean Street, Culcairn	2011	1						\$6,697.50

BUILIDNG CONDITION ASSESSMENT 2015

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

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										Amount	
AR Group)			Date	Condition	Revised		Cost to Bring to	Budgetted Y/N	included as	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
PUBLIC TO	OILETS										
446	0 B0519387	Toilet Block	Lyne Street, Henty	2011	3						\$2,061.94
446	0 B0519881-01	Coach Terminal	Railway Parade, Culcairn	2011	2						\$1,872.20
446	0 B0527814	Toilet Block	Wagga Road, Airfield	2011	3						\$188.76
446	0 B0528565	Toilet Block/Shed	Young Street, 10 Mile Creek Garde	2011	3						\$2,808.44
446	0 B0531233	Amenities Block	Urana Street, Pioneer Park	2011	3						\$646.71
446	0 B114	Toilet Block	Jubilee Park, Culcairn	2011	2						\$1,476.00
446	0 B130	Toilet Block/BBQ	Olympic Way	2011	3						\$1,629.44
446	0 B173-02	Toilet Block	41 Howlong Road, Wirraminna EEC	2011	2						\$382.50
446	0 B198	Toilet Block	Jingellic Road	2011	2						\$168.03
456	0 B188	Toilet Block	Albury Street, Memorial Park	2011	3						\$1,250.17
456	0 B189-01	Amenities Block Holbrook Racecourse	e Equine Centre, Holbrook	2011	2						\$7,064.10
446	0 B0528893-04	Toilet Block	Murray Street	2011	2						\$539.83
446	0 B107	Henty Cemetry Toilet	Henty Cemetry	2011	2						\$746.53
446	0 B206	Gerogery Public Toilet Block	Gerogery	2011	2						\$718.95
						Upgrade	Confirmed				
446	0 B205	Public Toilets	Walla Road, Morgan's Lookout	2011	4	2016/17	GB	\$20,000	N	\$20,000	\$199.73
456	0 B187	Toilet Block	Albury Street, Circus Flats	2011	2						\$4,439.35
456	0 B0529338-01	Toilet Block	brocklesby Hall	2011	4	2	upgraded				
						Demolish?	Confirmed				
	B0520944-01	Toilet Block	behind WAW- Walla	2011	4	2016/17	GB	\$15,000	N	\$15,000	
SDORTING	CROUNDS	(Includes Tailet Placks at Sportsgroup	dc)								
SPORTING	0 802010202	Auditorium & Toilot	lindera Villago Green	2011	1						¢E 102 E2
430	0 002919392	Additorium & Tonet	Jildera village Green	2011	I	Demolish?	Confirmed				Ş5,105.55
156	0 00519706 01	Amonition Plack	William Street Sportsground	2011	4	2016/17	GB	\$10.000	N	¢10.000	¢1 01E 67
450	0 00518790-01	Clubbourge (notball)	William Street, Sportsground	2011		2010,17	walla	\$10,000	IN	\$10,000	\$1,015.07
450	0 00518790-02	Clubhouse (Change Booms	William Street, Sportsground	2011	2		walla				\$1,020.00
450	0 00510790-05	Commontator's Pox	William Street, Sportsground	2011	5 2		walla				٥,299.00 ۲1 ٦٨
450	0 00510790-04	Kinck	William Street, Sportsground	2011	2		walla				\$71.74 \$775.11
450	0 B0518790-00	Shad (tannis)	William Street, Sportsground	2011	2		walla				\$275.11
450	0 00510790-07	Shed (terms)	William Street, Sportsground	2011	2 2		walla				\$99.91 \$99.91
450	0 00510790-00	Store	William Street, Sportsground	2011	2		walla				\$00.05 \$7 104 00
450	0 00518790-09	Teilot Block	William Street, Sportsground	2011	2		walla				\$7,104.00 \$770.11
450	0 00518790-10	Nothell Courts (2)	William Street, Sportsground	2011	5		Walla				\$779.11
450	0 80518796-11	Club Booms (toppic)	William Street, Sportsground	2011	3		walla				\$4/3.52 \$181.02
450	0 80519697-01	Club Rooms (tennis)		2011	2		соока				\$181.03
450	0 80219697-02	Tennis Courts (2)		2011	Z	ungrado	Confirmed				\$499.72
150	0 80510607 02	Toilat Plack/tappic courts	Halbrook Boad (off) Cookardinia	2011	4	2017/19	GB	¢10.000	N	¢10.000	6222.20
450	0 00010091-00	Club Poome (toppie)	Holbrook Moryon Bood	2011	4	2017/10	00	\$10,000	IV	310,000	\$323.29 \$174.01
450	0 00019021-01	Toilet Plack	Holbrook Morvon Bood	2011	2						\$1/4.91 \$440.75
456	0 00519821-03			2011	2		aulaatu-				\$449.75
456		Amenilles BIOCK	Federal Street, Sports/Snowground	2011	T		cuicairn				\$848.91 \$191 F2
456	U DUSZUSZ/-U3	Ancinary improvements	reueral Street, Sports/Showground	2011	T		cuicairh				Ş181.52

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

AR Group				Date	Condition	Revised		Cost to Bring to	Budgetted Y/N	Amount included as	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
4560	B0520527-07	Clubhouse	Federal Street, Sports/Showground	2011	2		culcairn				\$20,472.50
4560	B0520527-08	Grandstand	Federal Street, Sports/Showground	2011	3		culcairn				\$162.87
						upgrade	Confirmed				
4560	B0520527-09	Kiosk	Federal Street, Sports/Showground	2011	4	2017/18	GB	\$20,000	N	\$20,000	\$38.53
4560	B0520527-10	Netball Courts (2)	Federal Street, Sports/Showground	2011	3		culcairn				\$473.14
4560	B0520527-11	Pony Club	Federal Street, Sports/Showground	2011	3		culcairn				\$842.69
4560	B0520527-13	Small Building	Federal Street, Sports/Showground	2011	2		culcairn				\$53.78
4560	B0520527-14	"AA Hicks Pavilion""	Federal Street, Sports/Showground	2011	2		culcairn				\$715.63
4560	B0520527-15	Pavilion 1 (open)	Federal Street, Sports/Showground	2011	2		culcairn				\$627.15
4560	B0520789-01	Bar Shelter	Billabong St, Sports/Showground	2011	2		walbundrie				\$50.23
4560	B0520789-02	Clubhouse (tennis)	Billabong St, Sports/Showground	2011	2		walbundrie				\$493.87
4560	B0520789-03	Clubhouse/Changerooms	Billabong St, Sports/Showground	2011	3		walbundrie				\$11,401.53
4560	B0520789-04	Commentator's Boxes	Billabong St, Sports/Showground	2011	2		walbundrie				\$315.00
4560	B0520789-05	Gatehouse	Billabong St, Sports/Showground	2011	2		walbundrie				\$36.08
4560	B0520789-06	Kiosk	Billabong St, Sports/Showground	2011	3		walbundrie				\$551.22
4560	B0520789-07	Netball Courts (2)	Billabong St, Sports/Showground	2011	2		walbundrie				\$592.41
4560	B0520789-08	Official's Building (netball)	Billabong St, Sports/Showground	2011	3		walbundrie				\$865.53
4560	B0520789-09	Pavilion (netball)	Billabong St, Sports/Showground	2011	3		walbundrie				\$400.46
4560	B0520789-10	Pavilion (sheep)	Billabong St, Sports/Showground	2011	3		walbundrie				\$2,512.37
4560	B0520789-11	Pavilion No. 1	Billabong St, Sports/Showground	2011	3		walbundrie				\$296.31
4560	B0520789-12	Pavilion No. 2	Billabong St, Sports/Showground	2011	3		walbundrie				\$346.03
4560	B0520789-13	School Building	Billabong St, Sports/Showground	2011	3		walbundrie				\$423.22
4560	B0520789-14	Secretary Office/Changerooms (netba	Billabong St, Sports/Showground	2011	2		walbundrie				\$3,820.27
4560	B0520789-15	Tennis Courts (6)	Billabong St. Sports/Showground	2011	3		walbundrie				\$3.269.23
4560	B0520789-16	Toilet Block	Billabong St. Sports/Showground	2011	2		walbundrie				\$2,483,44
4560	B0520789-17	Storage Shed Walbundrie Showgroun	Billabong St. Sports/Showground	2011	2		walbundrie				\$1.084.01
4560	B0528024-01	"James McCov Pavilion""	Bowler Street. Showground	2011	2		holbrook				\$3.800.91
4560	B0528024-02	Cricket Clubrooms/Store/Judges Box	Bowler Street, Showground	2011	3		holbrook				\$6.015.74
4560	B0528024-04	Gymnastics Clubhouse	Bowler Street, Showground	2011	3		holbrook				\$11,905,74
4560	B0528024-05	Poultry Pavilion	Bowler Street, Showground	2011	2		holbrook				\$1 710 00
4560	B0528024-06	Sheen Pavilion	Bowler Street, Showground	2011	2		holbrook				\$12 757 50
4560	B0528024-00	Sporting Complex	Bowler Street, Showground	2011	2		holbrook				\$38,085,06
4560	B0528024-08	Toilet Block (east)	Bowler Street, Showground	2011	2		holbrook				\$1 626 88
4560	B0528024-09	Toilet Block (west)	Bowler Street, Showground	2011	2		holbrook				\$1,020.00
4560	B0528024-05	Nethall Courts (1)	Bowler Street, Showground	2011	2		holbrook				\$1,650.01
4560	B0528024-10	Tennis Courts (8)	Bowler Street, Showground	2011	2		holbrook				\$1,545.00
4500	D0528024-11	PBO choltor	Comphell Court Ros Ground	2011	2		hurrumhuttoc	k			\$10,400.02 \$607 E0
4500	B0529559-01	Clubbourg	Campbell Court, Rec. Ground	2011	5 7		burrumbuttoc	K L			\$097.30 \$7.601.10
4500	B0529559-02	Nethall Courts (2)	Campbell Court, Rec. Ground	2011	2			K L			\$7,091.12
4500		Shad	Campbell Court, Rec. Ground	2011	5						¢405.00
4500		Juleu	Campbell Court, Rec. Ground	2011	3						\$495.00
4560	DUD29009-UD	Chalter Chad		2011	3			ĸ			\$4,050.40
4560	DU529/40-01	Sherter Sheu	ivy Street, KeC. KeServe	2011	1		gerogery				\$621.06
4560	DU529/40-03	Tennis Courts	ivy street, Rec. Reserve	2011	2		gerogery				۵۵٫۷۵۶/۰24

BUILIDNG CONDITION ASSESSMENT 2015

Assets - Building Depreciation

ANNEXURE 6

BUILDINGS	; -	SPECI/	AL SCH	IEDU	LE 7	

AR Grou	p			Date	Condition	Revised	Commont	Cost to Bring to	Budgetted Y/N	Amount included as	
		AR Description1	AR Description2	2011	Assessment	assessment	Comment	Satisfactory	IN 2015/2016	васкю	seve es
450	50 B0529740-04	Clubbouse	Wymah Road, Rec. Reserve	2011	3 2		gerogery				\$040.02 \$6 525 27
450	50 B0532328-01	Pavilion	Wymah Road, Rec. Reserve	2011	2		wymah				\$0,555.27
450	00 00002020-02	T avinon	wyman Road, Rec. Reserve	2011	2	Demolish?	Confirmed				<i>\$2,030.03</i>
		old toilets	Wymah Road, Rec. Reserve	2011	4	2016/17	GB	\$5.000	N	\$5.000	
456	60 B0532328-03	Synthetic Tennis Court Grass	Wymah Recreation Grounds	2011	3		wymah	+0,000		<i>40,000</i>	\$54.59
456	50 B101-01	, Clubhouse (football)	, Recreation Street, Rec. Reserve	2011	2		brock				\$3,288.81
456	50 B101-02	Clubhouse (tennis)	Recreation Street, Rec. Reserve	2011	2		brock				\$504.55
456	50 B101-03	Pavilion (football)	Recreation Street, Rec. Reserve	2011	2		brock				\$49.81
456	50 B101-04	Tennis Courts (4)/Fencing	Recreation Street, Rec. Reserve	2011	2		brock				\$9,678.26
456	50 B101-05	Toilet Block (tennis)	Recreation Street, Rec. Reserve	2011	3		brock				\$1,034.90
456	50 B111	Bungowannah Tennis Courts Upgrade	e Bungowannah Rec Reserve	2011	3						\$80,156.78
456	50 B115-01	Clubhouse (tennis)	Federal Street	2011	3		culcairn				\$4,260.25
456	50 B115-02	Tennis Courts (6)	Federal Street	2011	3		culcairn				\$13,322.43
456	50 B123-01	Awnings (2)	Glenellen Road	2011	3		gerogery				\$864.00
456	50 B123-02	Clubhouse (tennis)	Glenellen Road	2011	3		gerogery				\$638.97
456	50 B123-03	Shelter	Glenellen Road	2011	3		gerogery				\$77.10
456	50 B123-04	Tennis Courts (6)	Glenellen Road	2011	3		gerogery				\$2,190.77
456	50 B123-05	Toilet Block	Glenellen Road	2011	3		gerogery				\$502.58
456	50 B132-01	Clubhouse (tennis)	Keightley & Comer Streets henty	2011	4	Demolish	Part project	\$8.000	Y		\$991.93
456	50 B132-02	Tennis Courts (6)	Keightley & Comer Streets	2011	3		henty	+-,			\$8,131,30
456	50 B144-01	Clubhouse (netball)	Dight Street, Rec. Reserve	2011	3		henty				\$807.64
450	50 B144-02	Clubhouse (tennis)	Dight Street, Rec. Reserve	2011	3		henty				\$1.615.43
450	50 B144-03	Graham Moll Stand/Clubhouse	Dight Street, Rec. Reserve	2011	3		henty				\$9.117.60
456	50 B144-04	Kiosk	Dight Street, Rec. Reserve	2011	3		henty				\$484.54
450	50 B144-07	Tennis Courts (6)/Fencing	Dight Street, Rec. Reserve	2011	3		henty				\$14,498.99
450	50 B144-08	Toilet Block	Dight Street, Rec. Reserve	2011	3		henty				\$994.26
456	50 B210	Henty Showgrounds Shed	Henty Showgrounds	2011	3		henty				\$1,174.66
		, ,									
LIBRARIES	S & CTC										
450	60 B0519126	Library/Urban Committee Office	Sladen Street West	2011	2		henty				\$7,193.12
456	50 BO520027-01	42 Balfour Street, Culcairn	Internal Renovations Culcairn Libra	2011	2		culcairn				\$9,118.83
456	50 B0528010-02A	Library/Community Centre/CTC	48 Bowler Street	2011	2		holbrook				\$15,742.95
MUSEUM	S										
456	50 B182	Header Museum	Olympic Hwy Henty	2011	2		henty				\$4,838.62
486	50 B0528468-02	Visitors Centre/Museum/CEC	Wallace Street, Germanton Park	2011	2		holbrook				\$15,769.32
436	50 B173-04	Wirraminna Interpretive Centre	41 Howlong Road, Burrumbuttock	2011	3		burrumbuttoo	:k			\$2,210.95

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GREATER HUME SHIRE COUNCIL

BUILIDNG CONDITION ASSESSMENT 2015

ANNEXURE 6

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

AB Crown				Data	Condition	Doviced		Cast to Bring to	Budgetted V/N	Amount	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
4860	B173-01	Visitors Centre	40 Howlong Road, Wirraminna EEC	2011	3		burrumbuttoc	k			\$247.50
4860	B173-03	Visitors Entry	42 Howlong Road, Wirraminna EEC	2011	3		burrumbuttoc	k			\$495.00
PUBLIC HAL	.LS										
4560	B0519098	Memorial Hall Henty	Lyne & Allan Streets	2011	N/A		henty				\$3,724.57
4560	B0519679	Memorial Hall	Holbrook Road	2011	3		cooka				\$5,461.00
4560	B0519964	School of Arts/Library	Balfour & Blair Streets	2011	3		culc				\$15,493.29
4560	B0520785	Hall	Billabong & Queen Streets	2011	3		walb				\$9,001.48
4560	B0520944	Literary Institute	72 Commercial Street	2011	3		walla				\$3,796.80
4560	B0527392	Carabost Hall	Tumbarumba Rd	2011	3		carab				\$2,059.39
						requires					
						structural					
4560	B0527481	Hall - Little Billabong Hall	Tumbarumba Road	2011	4	work	Billabong	\$15,000	Y		\$4,726.30
4560	B0529338	School of Arts	92-98 Main Street	2011	3		brock				\$954.57

Assets - Building Depreciation

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BUILDINGS - SPECIAL SCHEDULE 7

AR Grou	n			Date	Condition	Revised		Cost to Bring to	Budgetted V/N	Amount included as	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
456	50 B0529422	Hall	Bungowannah & Ferguson Roads	2011	N/A				-	-	\$1,879.97
456	60 B0529537-01	Public Hall	Walla & Urana Roads	2011	3		burrum				\$5,431.46
456	60 B0529742-01	Public Hall	Main Street	2011	3		gerog				\$6,046.97
							needs re-				
456	50 B0529742-02	Toilet Block (behind hall)	Main Street gerogery	2011	4		furb	\$10,000	Y		\$581.24
							long term				
456	50 B0531340-01	School of Arts	109 Urana Street Jindera	2011	4		future?	\$40,000	N	\$40,000	\$3,669.27
456	50 B0531340-02	Toilets (behind school of arts)	Urana Street	2011	3		jind				\$1,282.82
456	60 B0532000	Public Hall - Mullengandra Hall	Hume Highway (3km sth)	2011	3						\$0.00
456	50 B139	Holbrook Shire Hall	Young & Albury Streets	2011	3						\$51,866.45
456	50 B153	Soldiers Memorial Hall	Jingellic Road	2011	3		lankeys Ck				\$2,228.91
SWIMMI	NG POOLS	I									
456	50 B0520940-01	Entrance/Changerooms (Pool)	Commercial St, Bi-Centennial Park	2011	3		walla				\$7,489.51
456	50 B0520940-02	Floodlighting (4)	Commercial St, Bi-Centennial Park	2011	3		walla				\$515.56
456	60 B0520940-03	Main Pool (25m)	Commercial St, Bi-Centennial Park	2011	3		walla				\$9,237.49
456	60 B0520940-04	Toddlers Pool	Commercial St, Bi-Centennial Park	2011	3		walla				\$38.48
456	60 B0520940-05	Wading Pool	Commercial St, Bi-Centennial Park	2011	3		walla				\$261.54
450	60 B0528563-01	Dressing Rooms/Kiosk	Young Street, Pool Complex	2011	3		holbrook				\$3,574.80
450	60 B0528563-03	Main Pool (33m)	Young Street, Pool Complex	2011	3		holbrook				\$14,491.30
							Part project				
456	60 B0528563-04	Pump Shed	Young Street, Pool Complex	2011	4	Demolish	for upgrade	\$15,000	Y		\$1,741.99
456	60 B0528563-05	Wading Pool	Young Street, Pool Complex	2011	3		holbrook				\$553.66
456	60 B0528563-06	Shelters	Young Street, Pool Complex	2011	3		holbrook				\$256.56
456	50 B115-03	Kiosk/Change Rooms	Federal Street, Pool Complex	2011	3		culcairn				\$5,728.42
456	50 B115-04	Learners Pool	Federal Street, Pool Complex	2011	3		culcairn				\$1,190.30
456	60 B115-05	Main Pool (25m)	Federal Street, Pool Complex	2011	3		culcairn				\$10,194.19
456	50 B132-03	Toilet Block/Playground	Keightley Street	2011	3		henty				\$1,362.11
456	50 B132-04	Ancillary Improvements	Keightley Street, Pool Complex	2011	3		henty				\$3,645.00
							Part project				
456	50 B132-05	Kiosk/Change Rooms	Keightley Street, Pool Complex	2011	4	Demolish	for upgrade	\$20,000	Y		\$4,038.50
456	50 B132-06	Learners Pool	Keightley Street, Pool Complex	2011	3		henty				\$748.72
456	50 B132-07	Main Pool (25m)	Keightley Street, Pool Complex	2011	3		henty				\$19,939.20
456	50 B152-02	Plant Room	Dight Street, Pool Complex	2011	3		jindera				\$1,840.63
456	50 B152-03	Shade Structures	Dight Street, Pool Complex	2011	3		jindera				\$2,250.00
456	50 B152-04	Main Pool (25m)	Dight Street, Pool Complex	2011	3		jindera				\$16,996.78
456	60 B152-05	Junior Pool	Dight Street, Pool Complex	2011	3		jindera				\$346.15
CARAVAN	PARKS & OTHER										
486	60 B0527855	Amenities Block	51 Albury Street, Caravan Park	2011	3		holbrook				\$6,421.14
486	50 B117-02	Residence	South Street, Caravan Park	2011	3		culcairn				\$2,953.85

O:\GOVERNANCE\Fit For The Future\Final Submission\A6\Buildings Condiiton Assessment 2015

4560 B0528893-02 Shelters (2)

BUILIDNG CONDITION ASSESSMENT 2015

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

Murray Street

AR Group				Date	Condition	Revised		Cost to Bring to	Budgetted Y/N	Amount included as	
No	AR Asset Code	AR Description1	AR Description2	Inspected	Assessment	assessment	Comment	Satisfactory	in 2015/2016	Backlog	YTD Depn
4860	B117-03	Shed	South Street, Caravan Park	2011	2		culcairn				\$450.00
4860	B3300604-01	Amenities Block	Culcairn Caravan Park	2011	2		culcairn				\$0.00
4860	BO3436931	57 Gordon Street Culcairn Factory	Lot 5 DP 9695	2011	3		culcairn				\$5,661.72
4560	B0528566	Loading Facility (miniature railway)	Young Street, 10 Mile Creek Garde	2011	3		holbrook				\$133.43
4560	B191	Platform (miniature railway)	Hay & Byng Streets	2011	3		holbrook				\$810.00

2

woomargama

2011

\$366.56

BUILIDNG CONDITION ASSESSMENT 2015

ANNEXURE 6

Assets - Building Depreciation

BUILDINGS - SPECIAL SCHEDULE 7

AR Grou No	p AR Asset Code	AR Description1	AR Description2	Date Inspected	Condition Assessment	Revised assessment	Comment	Cost to Bring to Satisfactory	Budgetted Y/N in 2015/2016	Amount included as Backlog	YTD Depn
45	60 B185	Rotunda	Albury & Hay Streets	2011	2		holbrook	,		8	\$1 157 88
45	50 B190	BBO Shelter	Hav & Byng Streets	2011	2		holbrook				\$169.73
45	50 B186	Picnic Shelter	Albury Street, Circus Flats	2011	2		holbrook				\$464.85
48	60 B0527898	Submarine Cafe Building	159 Albury Street	2011	- 3		holbrook				\$15 975 45
45	60 B105	Gazebo Henty Cemetery	155 Albary Street	2011	3		henty				\$464 54
48	60 B0528468-01	Visitor Information Shelter	Wallace Street Germanton Park	2011	2		holbrook				\$607.50
48	50 B184	Information Shelter	Bartsch Ave. Railway Dam	2011	3		holbrook				\$49.50
10					U U	Demolish?	Confirmed				<i>¥</i> 15166
		holbrook airpark	holbrook	2011	4	2016/17	GB	\$10,000	Ν	\$10,000	
PUBLIC O	RDER & SAFETY BU	ILDINGS - OTHER									
41	60 B0519808	BFB Morven Station	Brownrigg Street	2011	2						\$1,400.80
41	60 B0519926-05	Culcairn Pounding Fencing		2011	2						\$0.00
41	60 B0528785	BFB Talmalmo Station	River Road	2011	2						\$945.00
41	60 B0528893-01	BFB Woomargama Station/Hall	Murray Street	2011	3						\$4,683.48
41	60 B0529328	BFB Brocklesby Station	Olive Street	2011	2						\$1,027.02
41	60 B0529765	BFB Gerogery Station	Main Street & Bells Road	2011	?						\$1,098.00
41	60 B0531767	BFB Jindera Station	128 Urana Street	2011	3						\$5,435.55
41	60 B132	Mountain Creek RFS Station		2011	2						\$1,984.68
41	60 B170	Walbundrie RFS Station	Billabong Street, Walbundrie	2011	3						\$1,978.02
41	60 <mark>B171</mark>	BFB Goombargana Station	Morebringer Road (3km sth)	2011	3						\$901.71
41	60 B172	BFB Goombargana Station	Walbundrie & Tower Hill Roads	2011	3						\$0.00
41	60 B174	BFB Burrumbuttock Station (large)	38 Urana Road	2011	2						\$3,467.25
41	60 B175	BFB Burrumbuttock Station (small)	39 Urana Road	2011	2						\$491.74
41	60 B176	BFB Carabost Station	Carabost Road	2011	2						\$1,192.50
41	60 B181	BFB Glenellen Station	Glenellen & Bartsch Roads	2011	2						\$2,070.00
41	60 B200	Telecommunications Hut/Tower		2011	?						\$0.00
41	60 B201	BFB Mullengandra Station	Hume Highway (3km sth)	2011	?						\$2,272.50
41	60 B203	BFB Table Top Brigade Station		2011	?						\$249.62
41	60 B214	Holbrook Pound Fencing		2011	?						\$0.00
41	60 B3041948	BFB Walla Walla Station	Victoria & Commercial Streets	2011	1						\$3,375.00
41	60 B3146446	BFB Bulgandra Station	Fullers Road	2011	2						\$922.50
41	60 B0520368-01	Amenities Block	Melville Street, SES	2011	3						\$3,333.58
41	60 B0520368-02	Garage	Melville Street, SES	2011	3						\$585.00
41	60 B0520368-03	Residence	Melville Street, SES	2011	3						\$1,642.50
41	60 B0520368-04	Shed	Melville Street, SES	2011	3						\$1,056.94
41	60 B0520368-06	Training Tower	Melville Street, SES	2011	3						\$585.00
41	60 B0520368-07	Garage - Culcairn SES	Melville Street, SES	2011	3						\$1,094.40
41	60 B0528457	SES Building	22 Wallace Street	2011	3						\$2,441.07