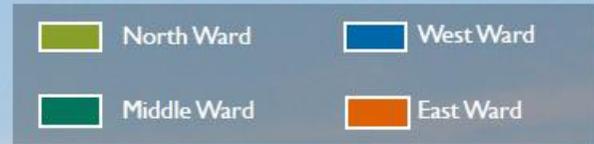


RESOURCING STRATEGY





KOGARAH CITY PROFILE



CONTENTS

1 BACKGROUND

- 1.1 Relationship to the Community Strategic Plan 6
- 1.2 Council's Charter, Mission and Values 7

2 WORKFORCE PLAN

- 2.1 Council's Staff Values 10
- 2.2 Organisational Structure 12
- 2.3 Current Workforce Profile 13
- 2.4 Workforce Issues Identified 14
- 2.5 Opportunities 16
- 2.6 Workforce Planning Strategies 17
- 2.7 Review 19
- 2.8 References 19

3 ASSET MANAGEMENT STRATEGY AND POLICY

- 3.1 Introduction 23
- 3.2 Existing Situation 27
- 3.3 Where Do We Want To Be? 31
- 3.4 Gap Analysis 34

4 OVERARCHING ASSET MANAGEMENT PLAN

- Executive Summary 37
- 4.1 Introduction 40
- 4.2 Principles of Asset Management 42
- 4.3 Goals and Objectives of Asset Management 43
- 4.4 Levels of Service 43
- 4.5 Future Demand 45

- 4.6 Lifecycle Management Plan 48
- 4.7 Financial Summary 58
- 4.8 Asset Management Practices 62
- 4.9 Plan Improvement and Monitoring 64
- 4.10 References 65
- 4.11 Abbreviations 65
- 4.12 Glossary 66

APPENDICES

- Appendix 1 - Asset Management Policy
- Appendix 2 - Conditions Maps
- Appendix 3 - Future Renewals
- Appendix 4 - Current Situation
- Appendix 5 - Current Service Levels
- Appendix 6 - Legislation

5 LONG TERM FINANCIAL PLAN

- 5.1 Introduction 119
- 5.2 Policy Framework 119
- 5.3 Current Financial Position of Council 121
- 5.4 Significant Forecasting Assumptions, Uncertainties & Risks 121
- 5.5 Planned Scenario 123
- 5.6 Conservative Scenario 134
- 5.7 Optimistic Scenario 143
- 5.8 Annual Review 150

1. BACKGROUND

The Resourcing Strategy has been prepared in accordance with the requirements of the State Government's Integrated Planning Framework and gives consideration to the capacity for Council to deliver on its responsibilities within *Bright Future, Better Lifestyle: Kogarah 2020*, our City's community strategic plan.

The diagram below outlines Council's integrated planning and reporting framework and outlines the relationship between the Resourcing Strategy and other elements of the Integrated Planning framework.



Both the Community Strategic Plan and the Resourcing Strategy inform and are informed by the four-year Delivery Plan, which has also been developed to meet the requirements of the Integrated Planning Framework.

The Resourcing Strategy incorporates the following:

Council's Workforce Plan

The Workforce Plan is focused on retaining staff, developing leaders, skilling managers, and positioning Council as an employer of choice.

Council's Asset Management Framework

The Asset Management Framework is a reflection of Council's intention that our community's infrastructure network is maintained in partnership with other levels of government and stakeholders to meet the need of the local residents. As part of this, the Plan is predicated on the need for assets to be maintained at a reasonably safe and functional standard as detailed in the Plan. Critical to the achievement of the Plan will be the provision of sufficient funding over the life of the Plan to ensure that infrastructure provides services at the standard that the community agrees to and can afford.

Council's Long Term Financial Plan

The Long Term Financial Plan focuses on Council's long term goal of financial sustainability and delivering quality services to the community. The Long Term Financial Plan is a decision making tool. It is not intended to be a document that specifically indicates to what services or proposals funds should be allocated; rather it addresses areas that impact on the Council's ability to fund its services and capital works, whilst living within its means and ensuring financial sustainability.

I.1 RELATIONSHIP TO THE COMMUNITY STRATEGIC PLAN

The Resourcing Strategy supports the six key Strategic Directions of Bright Future, Better Lifestyle: Kogarah 2020 being:

	A CLEAN, GREEN AND SUSTAINABLE CITY
	A LIVEABLE AND CONNECTED CITY
	A THRIVING AND PROSPEROUS CITY
	A VIBRANT, SAFE AND INCLUSIVE CITY
	AN ACTIVE AND HEALTHY CITY
	AN INNOVATIVE AND EFFICIENT COUNCIL

These Key Strategic Directions also guide the direction of Council's Delivery Plan, budget and capital operational allowances. The diagram below represents how each of the plans fit within the overall Resourcing Strategy Framework:





1.2 COUNCIL'S CHARTER, MISSION AND VALUES

The Local Government Act 1993 provides Council with the following Charter:

- to facilitate the involvement of Councillors, members of the public, users of facilities and services and council employees in the development, improvement and co-ordination of local government;
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants;
- to keep the local community and the State Government (and through it, the wider community) informed about its activities;
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected; and
- to be a responsible employer.

In order to fulfil the Charter, Kogarah City Council has developed the following Vision and Mission Statements:

Our Vision:

A viable and sustainable future in partnership with our community.

Mission:

To build on the diversity of our community
To improve our natural and built environment
To respond to changing community needs and expectations

2. WORKFORCE PLAN

- 2.1 Council's Staff Values
- 2.2 Organisational Structure
- 2.3 Current Workforce Profile
- 2.4 Workforce Issues Identified
- 2.5 Opportunities
- 2.6 Workforce Planning Strategies
- 2.7 Review
- 2.8 References

2. WORKFORCE PLAN

Council's Workforce Planning Process is a continual process designed to match workforce requirements with organisational objectives, now and in the future. It provides us with direction and helps identify our future desired workforce. In simple terms, our Plan aims to have the right people in the right place at the right time, all the time.

Further, it contributes to the attraction, retention and development of a capable workforce which delivers Council's strategy and ensures we have adequate and appropriately skilled staff employed in the most effective way.

Council's Workforce Plan supports our Strategic Community Plan, *Bright Future, Better Lifestyle: Kogarah 2020*. The Plan is also an extension of our already existing workforce programs, policies, procedures and plans and should continue to link in with these processes.

Some of the main benefits¹ derived from the workforce planning process are:

- Appropriate numbers of staff are being recruited or developed to meet future needs;
- Reduced staffing costs through appropriate staffing levels;
- Reduced staffing costs by correcting skill imbalances before they become unmanageable and expensive;
- Improved identification of staff development needs;
- Improved capacity for career management;
- Improved employee productivity through better job design;
- Increased job satisfaction
- Improved employee relations
- Reduced staff turnover

- New or emerging job roles can be planned for through specific recruitment or training initiatives
- An enhanced capacity for staff to perform higher value work ¹.

The Workforce Plan consists of the following sections:

- Council's Staff Values and Organisational Structure.
- Current Workforce Profile – provides a snapshot of current staffing levels and trends.
- Workforce Issues Identified – analyses internal & external factors & identifies gaps that may impact on our existing & future workforce.
- Opportunities – identifies opportunities and lists overall recommendations to bridge the gaps identified.
- Workforce Planning Strategies – outlines specific strategies to address the workforce issues facing us now and in the future.
- Review – outlines how and when reviews of the Workforce Plan should occur.
- References – lists other material / documents that have been referred to when developing the Plan.

2.1 COUNCIL'S STAFF VALUES

Kogarah City Council's Values (VISTA) are at the very core of what we do and help to build and maintain our family friendly, cohesive and progressive culture.

Our values guide our behaviour, how we go about our work, how we engage with each other and our customers, the choices we make and how we spend our time. They also provide a framework for improving the way we do things.

Our values should be reflected in our everyday actions and decisions and by all employees, regardless of their position and whether with us for a short time or long term career.

We measure our success by living up to these values each day of our career with Kogarah City Council.

Our values are:

- Valuing people
- Integrity
- Serving our customers
- Teamwork and communication
- Achieving excellence

Valuing People

We care about our people.

We show this by:

- Treating others with kindness and courtesy
- Respecting people's differences and accepting their individual characteristics
- Embracing diversity
- Acknowledging the ideas and contributions of others and celebrating successes
- Working in a safe manner

Integrity

We value trust, honesty and respect for each other.

- Being open and honest with each other
- Being reliable and delivering on our commitments
- Acting fairly and lawfully
- Being consistent in our decision making, behaviour and interactions
- Maintaining high standards of personal conduct and character

Serving our Customers

We provide quality service to our customers.

- Listening and responding to the needs of both our internal and external customers
- Delivering prompt, courteous and helpful service
- Providing services and facilities that offer value to the community in terms of cost, quality, reliability and timeliness
- Ensuring our decisions are economically, socially and environmentally sustainable
- Having positive interactions with other staff and the community.

Teamwork and Communication

We work together to achieve our shared goals and objectives.

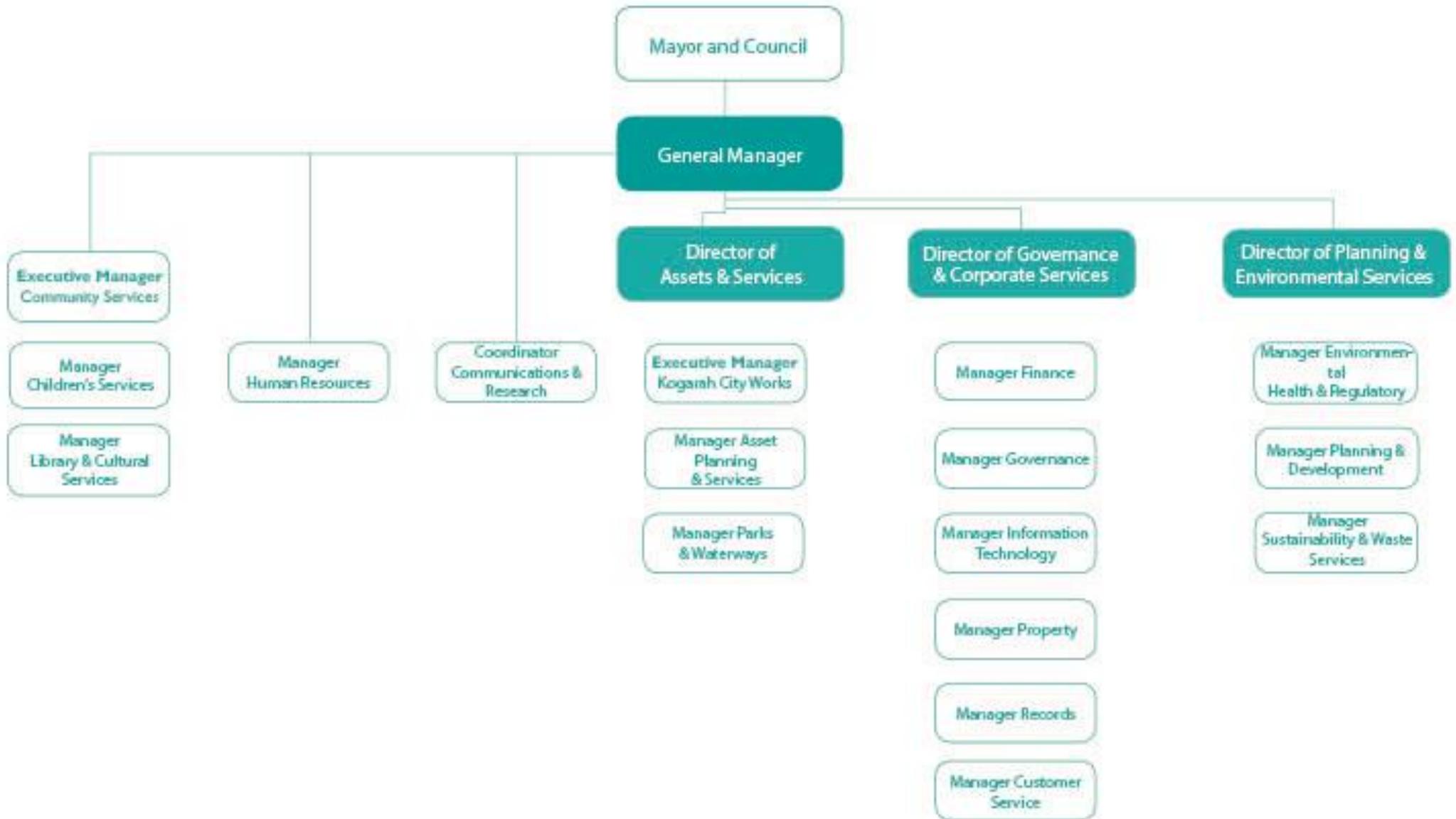
- Willingness to be flexible in assisting others when they need help
- Sharing knowledge, ideas and talents to problem solve and achieve outcomes
- Engaging in clear and open communication
- Encouraging participation in decision making
- Open and honest communication.

Achieving Excellence

We achieve Excellence.

- Leading by example in all areas of our business
- Being innovative and having a strong commitment to continuous improvement
- Promoting and embracing meaningful change
- Applying ourselves fully so that we consistently meet or exceed individual, team and organisational goals and objectives
- Persisting when faced with obstacles or challenges.

2.2 ORGANISATIONAL STRUCTURE



2.3 CURRENT WORKFORCE PROFILE

Kogarah City Council is considered a small to medium size Council, employing some 339 staff across a very diverse range of occupations.

Employment Status

Our workforce consists of permanent, temporary and casual staff and this combination contributes to not only commitment and loyalty but also allows flexibility in responding to the needs of our community. Staffing levels as at December 2012 were as follows:

Status	Number of Staff
Permanent Full time	202
Permanent Part time	66
Temporary Full Time	14
Temporary Part Time	6
Casual	51

As indicated above, approximately 79% of our staff are employed on a permanent basis and 21% are employed on a temporary / casual basis. Just under one quarter of all permanent staff are employed on a part time basis indicating that flexible work arrangements are utilised by Council staff.

Gender Profile

Currently the ratio of female to male staff is almost equal, with 48.67% of our workforce female, and 51.33% male. This demonstrates a good mix of diversity in our workforce. Further, it should be noted that this ratio closely matches the gender profile of the community which we serve.

Age

Our permanent workforce is spread across all age ranges, as outlined below:

Age Bracket	Number of Staff	Percentage of total workforce
Under 25 yrs	38	11.21 %
25 – 34 yrs	83	24.48 %
35 – 44 yrs	74	21.83 %
45 – 49 yrs	41	12.09 %
50 – 54 yrs	48	14.16 %
55 – 59 yrs	31	9.14 %
60 – 64 yrs	17	5.01 %
65+ yrs	7	2.06 %

Looking at these figures, it can be seen that just over one quarter (30.37%) of all staff are aged over 50 years, which shows that Council is no longer highly reliant on mature aged workers. Obviously there is a high attrition rate associated with older workers, especially as they approach retirement age. This has further been confirmed by a recent Future Work Plans survey conducted at Council which indicated that over half of respondents to the survey (approximately 15 staff) are planning on leaving Council within the next 2 to 10 years. This will contribute to a higher turnover rate and may result in possible skill gaps in various departments and positions across Council.

Council also has good representation of staff in the younger and mid-career age brackets, with approximately 11.21% of staff aged under 25 years and over 58.4% between ages 25 and 49 years.

Location

Our workforce is made up of staff from various Local Government Areas.

LGA	Number of Staff	Percentage of total workforce
Kogarah	83	24.49 %
Rockdale	34	10.02 %
Hurstville	21	6.19 %
Sutherland	100	29.50 %
Other	101	29.79 %

Approximately 25% of staff employed by Council also resides within the Kogarah City Local Government Area (LGA). A number of other employees also reside within neighbouring LGA's. This could indicate that proximity to home is an important factor when potential staff consider applying for a job with Council.

Occupations

Council employs staff across a range of occupational groups, including various professional, technical, operational and administrative positions. According to a recent Workforce Planning Survey issued to Managers, many consider that a large proportion of positions across their areas of delegation are critical to the ongoing success of Council operations. This means that we must, where possible, ensure that we have the right skills and capabilities available at any time to fulfil these positions.

Turnover

Our current level of staff turnover is 7%. Last year this figure was 9.8%. This figure is slightly lower than local government benchmarks. Through information collected via exit questionnaires there appears to be no obvious issues of concern, however the Human Resources department will continue to monitor and analyse reasons for staff exits in the future.

2.4 WORKFORCE ISSUES IDENTIFIED

A number of issues are currently facing Council in terms of our existing workforce and such issues have been identified via:

- Analysis of our current Workforce Profile.
- Results of staff surveys – A survey was issued to staff aged 50 years and over, asking respondents about their work and retirement plans and what is shaping these plans. Another survey was issued to department Managers and sought information about current and future staffing and skill needs, including the identification of critical and difficult to fill positions, as well as general thoughts on Council's working environment.

Internal factors

The Survey results, together with information from our current workforce profile indicate the following:

Age profile of our workforce

Just under one fifth of our current workforce is aged over 50 years and many staff will be considering retirement within the next 10 years. This means that we will face challenges in filling the skill gaps as older employees retire and leave the workforce.

Differing needs of a multigenerational workforce

Council has three generations currently engaged in the workforce: the baby boomers, generation X and generation Y. Each generation has unique traits which define them and influence their attitudes and expectations regarding work. For example, external studies show that generation X and Y are defined by an increased grasp on technology, mobility and an idealology that seeks a balance in life. Baby boomers on the other hand have a deep knowledge base, are fiercely loyal and have traditionally worked longer hours. The staff opinion survey provided further information on the attitudes and expectations of our existing workforce. Regardless, varying attitudes and expectations towards work directly impacts on the types of attraction and retention strategies that should be adopted by Council.

Further, results of our Future Work Plans survey indicated that a large proportion of our workers aged over 50 years may be interested in accessing flexible work arrangements leading in to retirement. Again, this indicates a need to put in place programs to ensure Council is responding to the needs of our workers.

Critical Positions

Managers have identified via the Workforce Planning Survey that a number of positions are critical to the ongoing functioning of Council's operations. If such positions were left vacant for a period of time, this could have a detrimental impact on service delivery. These critical positions have been identified at all levels of the organisation, not just at Management and senior levels. Many of these positions are considered critical for various reasons, including community / customer demand or simply due to the specialised nature of the position and the specialised skill and knowledge requirements of the position incumbent.

To minimise any detrimental effects that could be caused by a position incumbent leaving a critical position, Council must ensure ongoing succession planning is undertaken for such positions.

Internal Skill Gaps

Many of our workers will soon be approaching retirement age and we may face some challenges in filling skill / employment gaps as these older employees leave the workforce. Younger employees remaining with Council are less likely to have the acquired skills and experience necessary for promotion to senior and managerial roles, which indicates a need for ongoing succession planning.

Managers however have identified that such skill gaps may be able to be filled internally, in some cases by the acquisition of relevant tertiary qualifications and on-the-job experience and mentoring. Also, more than half of all department

Managers believe that future leaders exist within their departments, which means that many of these skills gaps can in fact be filled internally, by encouraging ongoing staff development and internal promotion of such staff.

Specific skill shortages have been identified in the following areas: Environmental Health, Engineering and Early Childhood Teaching.

External factors

Australia is confronted with the global phenomena of technological and demographic changes that are slowing growth of the workforce and dramatically changing the way we work. These national and global trends all contribute to a skills shortage in particular key areas and currently threaten Local Government².

Specifically, some external influences which may impact upon our future Workforce include:

An ageing workforce

Australia's population is ageing and this is mainly due to sustained low levels of fertility and increasing life expectancy. According to the latest population projections released by the Australian Bureau of Statistics (ABS), Australia's population is set to change substantially over the next 50 years, and it is predicted that around one in four Australians will be 65 years or older by 2056³. This is in contrast to population figures in 2007 which showed that only 13% of our population were 65 years and older.

Research highlights that there is a reduced desire to remain in the workforce for those of retirement age for various reasons (mid 50s to early 60s)⁴. The ageing workforce together with the trend towards early retirement will have a direct impact on the size of our workforce and will directly impact on the potential pool of employees available to local government, and more specifically, Council.

A shrinking workforce

Australia's workforce is shrinking. This can be demonstrated by the following statistics: Our working age population usually grows by around 180,000 people every year, but trends already in place will see the working age population grow by just 190,000 for the entire decade of the 2020s - a tenth of the current pace⁵. This is a direct result of the ageing population, as well as a fall in the number of young people of working age, which is due to lower levels of fertility. This will obviously result in a much smaller workforce and will directly impact on the potential pool of employees available to local Government, and more specifically, Council.

Differing needs and expectations of multi-generational workforce

As is reflected within our own workforce, the labour market as a whole consists of 3 generations, all of which have varying attitudes and expectations towards work. This means that employers need to adopt a variety of workforce strategies to meet the various needs of workers.

Skills shortages

Skills shortage is a major issue facing Australia's workforce, as the Australian workforce is not growing fast enough to keep up with the demand for labour and the particular skills required by many industries⁶.

Skill shortages have been identified in a number of occupations required by local government, including engineering, town planning, environmental health and early childhood teaching.

Increasing Competition

There is increasing competition across local government and private industry to attract and recruit employees with the right skills and experience, which means employers need to continually set themselves apart from others and market and promote themselves accordingly.

Other factors

In addition, technological changes, rising expectations of the community, financial reforms, together with changes in legislation could also impact on our future workforce requirements.

2.5 OPPORTUNITIES

Despite the above challenges facing Council now and in the future, there are a number of positive factors that should be highlighted.

Evidence suggests that Council has a good reputation, an enviable work culture and offers competitive employment conditions and benefits;

Managers have identified that a number of 'future leaders' exist across Council;

Many existing staff may have the potential to fill critical positions in the future, (provided specific qualifications are acquired and further training is undertaken);

The global economic crises may lessen the impact of candidates in short supply (in the short term).

To address workforce issues identified in section 2.4 and to ensure any workforce gaps are minimised, the following general recommendations are made:

1. Continue to attract and recruit staff from a wider applicant pool so as to allow Council to become a career pathway for a range of potential new recruits – i.e. consider age diversity (both young and mature), people from diverse backgrounds (multi cultural, indigenous Australians, women with children, people with a disability)
2. Focus on retaining appropriately skilled staff, including retaining our older workforce as well as younger generations;
3. Continue to strengthen our reputation as an employer of choice, thereby assisting with attraction and retention; and
4. Offer continuous learning and development opportunities for all staff and accelerate the development of the next generation of leaders, thereby ensuring any skill gaps are reduced.

2.6 WORKFORCE PLANNING STRATEGIES

Objective 1: Attraction and Recruitment of staff from a wider applicant pool

To provide opportunities for Council to become a career pathway for a range of potential new recruits.

STRATEGY	ACTION
Recruitment of younger workers by:	<ol style="list-style-type: none"> Continued annual recruitment of trainees and apprentices in various positions, including those positions identified as critical (5% target of total workforce) Continued implementation of Work Experience Program, thereby promoting a career with Council Strengthening of links with local High Schools, Universities and Technical Colleges, thereby promoting a career with Council.
Recruitment of a diverse workforce by:	<ol style="list-style-type: none"> Continued implementation of Council's EEO Management Plan, including consideration of whether positions, as they become vacant are suitable for redesign for part time employment or other flexible work arrangements – to suit women, mature workforce or people with a disability.
Attract adequate numbers of new recruits by:	<ol style="list-style-type: none"> Advertising in a variety of media, i.e. Local papers, internet job advertising sites, industry magazines, especially for jobs where candidates are in short supply Continuing to utilise volunteers and invite them to apply for any current or future vacancies Encourage and invite work experience students to apply for any current or future vacancies Continuing with an open door return policy so that talented staff exiting the organisation are aware that they are welcome to apply for Council vacancies in the future Continued benchmarking of external salaries and necessary adjustment to ensure Council remains competitive and is able to attract candidates in short supply or of high calibre.

Objective 2: Retention of appropriately skilled staff

To retain existing staff, including mature aged workers, generation X and Y, by providing opportunities for career diversity and flexibility that accommodates both professional and personal aspirations.

STRATEGY	ACTION
Retention of mature aged workers by:	<ol style="list-style-type: none"> Maintaining a Flexible Retirement Options Policy, which offers a range of flexible work options to staff approaching retirement and establishes a structured process for individual phased retirement plans Raising awareness among managers of the value of the older worker and ensuring promotion of such diversity within Council Continuing professional development New skill development to permit staff taking on new roles such as mentoring and coaching Creating a pool of experienced people who have retired but are willing to work during peak periods, on specific projects or for leave coverage. Allowing access to extended leave to allow social and caring needs
Retention of younger workers by:	<ol style="list-style-type: none"> Developing and implementing a coaching / mentoring program for emerging talent Encouraging and offering opportunities to act at higher levels by regularly advertising internal promotional opportunities and other short term vacancies
Retention of appropriately skilled and experienced staff (which may also include mature and younger workers) by:	<ol style="list-style-type: none"> Continuing to offer best practice flexible working arrangements and promotion within (i.e. Investigate condensed working week and other leading edge initiatives) Reviewing existing performance and remuneration system and development & implementation of new system, ensuring best practice

Objective 3: Employer of Choice

To promote the use of flexible and leading edge human resource management practices that ensures Council is a desirable workplace.

STRATEGY	ACTION
Establish innovative HR practices responsive to workers' needs by:	<ol style="list-style-type: none"> 1. Regularly monitoring and reviewing the appropriateness of existing policies - conduct internal employee opinion survey to seek feedback from staff 2. Regularly conducting external research of 'best practice' in a range of employment areas, such as career diversity, professional and personal development, work life balance, reward and recognition, job flexibility etc 3. Reviewing existing salary system and continued benchmarking to ensure market competitiveness
Promote Council as an employer of choice by:	<ol style="list-style-type: none"> 1. Marketing the benefits of working for Council by development of promotional brochures to hand out to job candidates, school advisors, tertiary institutions etc 2. Continuing to market the benefits of working for Council via Council's website 3. Marketing the benefits of working for Council via all job advertisements. 4. Participate in interviews, presentations or attend various forums to promote Council

Objective 4: Minimising skill gaps, now and in the future

By offering continuous learning and development opportunities for all staff and accelerate the development of the next generation of leaders

STRATEGY	ACTION
Grow our own leaders and other key professionals by:	<ol style="list-style-type: none"> 1. Researching and developing a Succession Management framework, which ensures succession plans are developed for all senior and critical positions 2. Encouraging and regularly offering opportunities to act at higher levels 3. Supporting career development secondments within Council and facilitating secondments / transfers between other Councils 4. Improving the level of skills available in Council by actively recruiting new staff with appropriate qualifications
Offer continuous learning and development opportunities by:	<ol style="list-style-type: none"> 1. Promoting participation in performance review process, which involves a structured approach to individual development and training plans 2. Increasing staff utilisation of sponsored study 3. Increasing staff access to leadership / management training 4. Continuing to build the capacity and skills of our existing Senior staff

2.7 REVIEW

This Workforce Plan will be reviewed and updated annually and strategies adjusted to align the existing workforce with changing internal and external influences.

Also, annual checks will be made to ensure that strategies are successfully implemented.

2.8 REFERENCES

Extracts from the following documents have been utilised when developing Council's Workforce Plan:

¹ Queensland Disability Services - Planning for Capability, Disability Sector – Workforce Planning Guide – 2001

² Local Government Skills Shortage Steering Committee – National Skills Shortage Strategy for Local Government – May 2007

³ Australian Bureau of Statistics Media Release – One in four Australians aged 65 years and over by 2056 – September 4, 2008

⁴ Local Government Skills Shortage Steering Committee – National Skills Shortage Strategy for Local Government – May 2007

⁵ Australian Bureau of Statistics Media Release – First Australian baby boomers reach 60 – December 13, 2006

⁶ Local Government Skills Shortage Steering Committee – National Skills Shortage Strategy for Local Government – May 2007

3. ASSET MANAGEMENT STRATEGY AND POLICY

- 3.1 Introduction
- 3.2 Existing Situation
- 3.3 Where Do We Want To Be?
- 3.4 Gap Analysis

ASSET MANAGEMENT FRAMEWORK

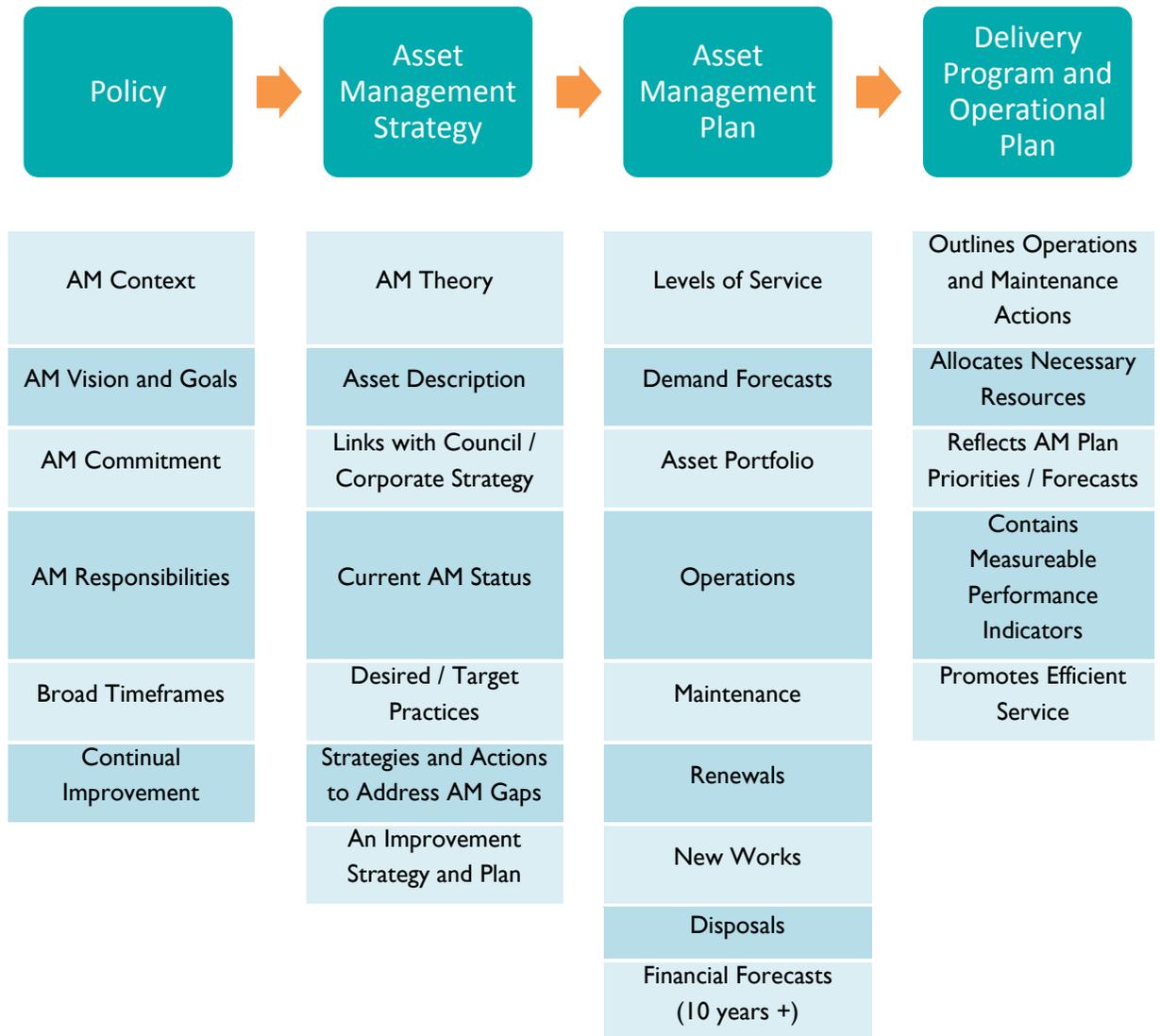
The Asset Management Framework consists of a number of components, and includes the following:

- Asset Management Policy; and
- Asset Management Strategy (AMS); and
- Asset Management Plan (AMP).

The Asset Management Plan covers each of the four asset categories as follows:

- Road Reserve
- Water
- Parks & Recreation
- Buildings

This document should be viewed as a constituent element of an overall framework and will be under continuous review and adjustment as annual budgets and operating plans are developed.



ASSET MANAGEMENT STRATEGY AND POLICY

BACKGROUND

Providing effective management of community assets is a key Council obligation. Local Government infrastructure should effectively serve the needs and priorities of the Community and should be of a satisfactory standard in terms of providing services in a relevant, functional, safe, reliable and cost efficient manner. This Asset Management Strategy (AMS), incorporating Council's Asset Management Policy and Council's Infrastructure Asset Management Plan forms part of Kogarah's Community Strategic Plan (CSP), *Bright Future, Better Lifestyle: Kogarah 2030*.

The Asset Management Strategy and associated Policy sets out a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for Kogarah City Council to provide services to the community.

ASSET MANAGEMENT POLICY

An Asset Management Policy has been prepared and was adopted by Council on 22 July 2013.

This provides an integrated and multidisciplinary approach to the sustainable management of Kogarah City Council's assets.

The objectives of this policy are to ensure adequate provision is made for the long-term renewal of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents and visitors whilst considering the natural environment.
- Safeguarding Council assets, including physical assets and employees, by implementing appropriate asset management strategies and the allocation of appropriate financial resources.
- Providing information to all Council employees to enable all employees to play an integral part in the sustainability and overall management of Council assets.
- Ensuring legislative requirements for asset management are met.
- Ensuring resources and operational capabilities are identified and responsibilities for asset management allocated.
- Demonstrating transparent and responsible asset management processes that align with best practice.
- Undertaking maintenance programs, which may include conservation, rehabilitation, minor replacements or infrastructure renewal, to prolong the life of an asset and to monitor life cycle management.
- Considering the current and future needs of the Community and its ability to provide infrastructure assets which contribute to meeting these needs.

A copy of the Asset Management Policy is included in Appendix I of the AMP.

ASSET MANAGEMENT STRATEGY

3.1 INTRODUCTION

Council has been collecting information on its infrastructure assets since 1993, with a program of performance optimisation activities established in 1995 to address asset lifecycle management concerns. Changes to Council's financial management system in 1997 enabled the introduction of a job numbering system that linked all expenses/costs to individual assets.

In 2002 Council made a significant investment in the collection of asset data, leading to the development of its first infrastructure asset management plan in 2003. This initial asset management plan was prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual to meet minimum legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting.

Kogarah continues to move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels. This Asset Management Strategy plays an integral part in moving Kogarah towards 'advanced' asset management.

Council is the custodian of infrastructure assets, with a total replacement value of some \$471 million. These infrastructure assets are broken into four asset categories; road reserve, water, parks & recreation and buildings. Each of these asset categories covers a variety of asset classes that include infrastructure such as roads, footpaths, retaining walls, marine structures, stormwater, open space assets including parks, gardens, playgrounds, sporting facilities and bushland and property assets including civic, commercial, operational and recreational buildings.

The majority of essential infrastructure already exists within Kogarah, however, much of this existing infrastructure is old and nearing the end of its useful life. The issue of aging infrastructure is a major concern, common to federal, state and local governments alike.

This Asset Management Strategy does not cover operating assets such as office furniture and equipment, plant and vehicles and computers. These are not infrastructure for the community and are managed separately.

3.1.1 Scope

This strategy applies to all infrastructure assets owned and controlled by Kogarah City Council, as shown in the following table.

ASSET CLASS	DETAIL
ROAD RESERVE ASSET CATEGORY	
Pavement	Mainly bitumen trafficable surfaces and substructure
Footpath	Includes concrete footpaths, nature strips, driveways and pram ramps
Kerb & Gutter	Mainly concrete with some brick in heritage areas
Traffic Facilities	Includes signs, lines and traffic devices
Retaining Walls	Natural and man made
Street Furniture	Includes bus shelters, seats and rubbish bins
WATER ASSET CATEGORY	
Stormwater Pits & Pipes	Includes open water carrying structures
Stormwater Quality Improvement Devices (SQIDs)	Includes pollution traps and wetlands
Foreshore/ Marine Structures	Boat ramps, seawalls, jetties, tidal pools and pontoons
PARKS & RECREATION ASSET CATEGORY	
Parks & Reserves	Includes all elements except bushland and trees
Bush Areas	Indigenous bushland areas
Public & Street Trees	Public trees located within parks and reserves and street trees located within the road reserve
Park Furniture	Includes seating, irrigation, artwork, sporting infrastructure
BUILDINGS ASSET CATEGORY	
Buildings	Includes civic centre, libraries, child care centres, water reclamation plant, amenities blocks
Car Parks	Above and underground

3.1.2 Methodology

In recent years there has been considerable discussion at the state and local government levels across Australia as to the most effective methodology for predicting, planning and collecting the funds necessary to ensure public assets are maintained to a satisfactory standard.

In 2006, the Australian Local Government and Planning Ministers Council adopted the Local Government Financial Sustainability Framework. That Framework requires local councils across Australia to develop asset management policies, and implement asset management strategies linking the policies to service needs and asset delivery plans.

The report on the Independent Inquiry into the Financial Sustainability of NSW Local Government (the Percy Allan Report, 2006) recommended councils adopt a Total Asset Management System which would cover registration, valuation, depreciation, condition assessment, planning, design, acquisition, funding, maintenance, operation, and replacement of assets.

Unlike the other states, NSW councils are constrained in revenue raising capacity by “rate pegging”. The 2008 report of the Productivity Commission on Local Government Revenue Raising Capacity found that “rate pegging has dampened the revenue raised from rates in New South Wales relative to other States and there seems to have been little offset from non-rate revenue sources”.

Kogarah City Council is committed to implementing a systematic asset management methodology in order to apply best practice asset management across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council’s priorities for service delivery.

Council recognises asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council’s strategic service delivery objectives.

Council considers that a strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide a positive impact for members of our community and will allow Council to deliver the expected level of service and infrastructure.

A number of studies have been undertaken into asset management in local government in Victoria and South Australia. The key findings of these studies denote the need for a more

flexible considered methodology which will allow councils to assess more accurately the actual cost of bringing assets to an acceptable standard.

A key feature of this methodology is knowledge:

- knowledge of the actual condition of the asset,
- knowledge of the preferred use of the asset in service provision and its suitability for that, relative to other ways of providing the service, and
- knowledge of the desired standard for maintenance of the asset.

Like most councils Kogarah is limited in its means. As the Percy Allen South Australian Study found:

...Funding for asset management has to compete with all of the other demands on council, and recently these demands - for social and environmental reasons as well as for increased services - have themselves been increasing. Revenue increases have not kept pace with these extra demands, a limited revenue base, and community sensitivity to tax (property rates) increases have been the main reasons.

The task facing Kogarah is to establish a strategic action framework for each of its ageing major asset categories, allowing it to approach their future improvement and management in the most responsible and cost-effective manner.

While such a task may reveal the need to make additional funds available in certain areas, a knowledge based approach of ongoing assessment of both the condition of assets and desired community standards has the best potential to assist Council to contain costs in the long run and prioritise investment wisely.

Although, Kogarah City Council has been undertaking asset management planning for a number of years, this Asset Management Strategy reflects the outcomes of the CSP which identifies a number of key goals and strategies relating to infrastructure and assets and the level of service expected by our community.

Over time, Council will build on the “knowledge” contained in this Strategy to ensure that the community’s infrastructure is appropriately managed and maintained.

3.1.3 Purpose and Objectives

This Asset Management Strategy will allow Council to accomplish its Community Strategic Plan goals and meet its 10-year objectives, 4-year delivery targets and annual operational plans. It will also provide the Community with a clear indication of what is required to effectively manage infrastructure assets.

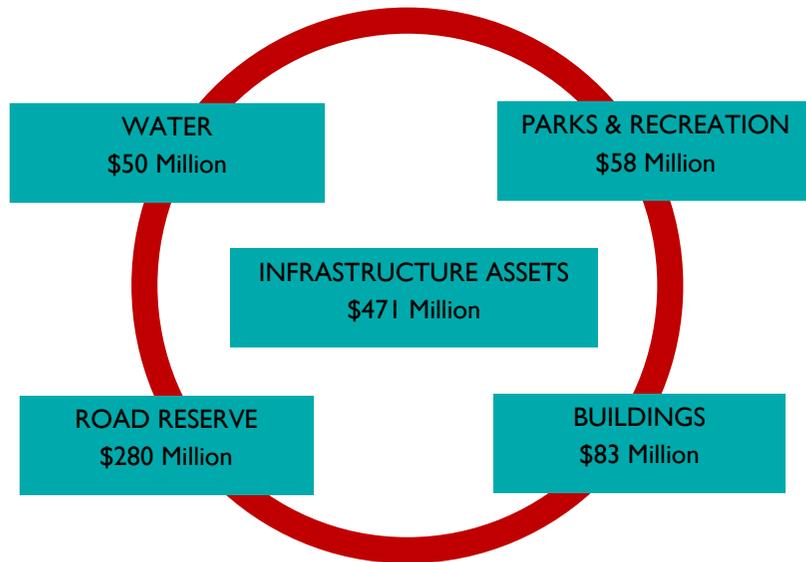
This Strategy has been prepared under the direction of Council's vision, mission statements and goals and objectives.

Our Community Strategic Plan, Bright Future, Better Lifestyle: Kogarah 2030 also provides key strategic directions and goals that are relevant to asset management and planning. Those relevant to asset management and planning are identified in the following table:

1. A CLEAN, GREEN AND SUSTAINABLE CITY	
1.1	Kogarah's natural areas, including our waterways, atmosphere, bush land and foreshore areas are protected and enhanced.
1.2	Kogarah City residents live in a clean and environmentally sustainable community.
1.3	Streets within the City of Kogarah are visually appealing, hosting a variety of native trees, flowers and sustainable gardens.
2. A LIVEABLE AND CONNECTED CITY	
2.1	Development in Kogarah maintains and enhances the character and amenity of our neighbourhoods, town centres and local centres.
2.2	Kogarah City residents can get to where they need to go in a way that is accessible, safe, environmentally-friendly and efficient.
2.4	Kogarah City residents are able to walk and cycle safely and conveniently throughout the city.
3. A THRIVING AND PROSPEROUS CITY	
3.1	Kogarah Town Centre is recognised as the major medical, financial and educational precinct in the St George Region.
3.2	Local centres within the City of Kogarah are distinctive and vibrant, providing opportunities for small businesses to flourish throughout the city.
3.3	Kogarah City has a dynamic and resilient business community that provides employment and training opportunities that meet the needs of local residents.
4. A VIBRANT, SAFE AND INCLUSIVE CITY	
4.1	Kogarah is a safe community where residents, workers and visitors feel safe in their homes, workplaces and in the community.
4.2	Kogarah City maintains high quality, accessible community services to meet the needs of the community.
4.3	Kogarah City is a vibrant city, with distinctive and diverse suburbs and strong cultural networks and partnerships in the community.
4.4	Kogarah City is a harmonious community, where diversity is respected and celebrated, and everyone is made to feel welcome.
5. AN ACTIVE AND HEALTHY CITY	
5.1	Kogarah City has a variety of safe and well maintained sporting fields, recreation areas and facilities to meet the recreational needs of all age groups in our community.
5.2	Kogarah City residents have access to a range of services and facilities that are relevant and responsive to health and wellbeing.
5.3	Parks and open spaces in Kogarah City are designed and managed for long term sustainability.
6. AN INNOVATIVE AND EFFICIENT COUNCIL	
6.1	Kogarah City Council is a leading, responsive, innovative, efficient and accountable organisation that effectively manages its finances and assets.
6.2	Kogarah City residents are kept informed and are encouraged to engage in the decision making processes of Council.
6.3	Kogarah City Council is an employer of choice, promoting a safe, healthy and innovative working environment.

3.2 EXISTING SITUATION

Council is the custodian of infrastructure assets, with a total replacement value of some \$471 million. These infrastructure assets are broken into four asset categories as shown below:



Road Reserve

The road reserve asset category is defined as any assets that are located within the boundary of the road reserve. This includes road pavement, kerb and gutter, footpath, traffic facilities, retaining walls and street furniture. While street trees are located within the road reserve, they will be included within the parks and reserves asset category as they are part of the natural urban landscape.

In terms of area Council has 3.3 km² of road reserve, which represents 21% of the area of the LGA (15.4 km² excluding waterways). Included in this 3.3 km² of road reserve are 180 km of roads, 344 km of kerb and gutter, 214 km of footpath, over 16,000 traffic facilities and pieces of street furniture and 125 retaining walls.

The street furniture class describes the furniture within the road reserve and includes; seats, benches, tables, shade structures, bins, bus stops, bollards and planter boxes. Traffic

facilities are all the elements which are installed on the road network to ensure that standards of safe traffic movement are in accordance with the Roads and Maritime Services (RMS), Australian Standards and Kogarah City Council policy. The traffic facilities asset class includes; traffic signs, line markings, general signs and traffic structures (such as roundabouts and refuges).

Every 3 years since 2009 Council's Infrastructure Asset Officer has conducted a complete network condition survey of all road pavement, footpath and kerb and gutter assets. From this network survey forward works programs are developed. Since the 2010 edition of this AMS condition data has been collected on CBD street furniture with other road reserve assets to be progressively inspected over the next four years. A rolling inspection program has been developed for road pavement, footpath and kerb and gutter assets based on Council's agreed service levels.

Details of the inspection frequencies for each asset class are contained in Appendix 2 of the AMP.

Water

The water asset category is comprised of 3 main classes; stormwater drains and pits, Stormwater Quality Improvement Devices (SQIDs) and foreshore/marine structures.

The stormwater drainage network typically includes all the components needed to form a complete urban stormwater collection and disposal system. The total length of Council's stormwater drainage network is approximately 105 km, which includes pipes, pits, retention basins and open channels.

Kogarah's stormwater network also contains a mix of nine types of SQIDs, totalling 75 devices. These devices are designed to cope with at least a 1 in 3 month storm event and are located preferentially to protect vulnerable and sensitive receiving waters such as Kogarah and Oatley Bays. SQIDs are cleaned and monitored for content and condition on a rolling program every quarter.

The Kogarah LGA contains 32 separate foreshore areas, extending along the Georges River from Neverfail Bay Reserve in Oatley to Sans Souci Park, Sans Souci. These foreshore areas contain a total of 118 marine/foreshore infrastructure assets of various types including; seawalls, revetments, stairs, pontoons, jetties, wharfs, boat ramps, viewing and fishing platforms and swimming enclosures. In 2008 Council commissioned both a

foreshores and a marine infrastructure asset management plan (FAMP and MAMP). These plans provide the results of detailed condition inspections and forward works programs. In April 2015 Council's Catchment Management Officer conducted their second bi-annual condition inspections of public jetties following the standards applied in the FAMP.

Parks & Recreation

The parks & recreation asset category includes sporting fields, parks and reserves, gardens, walking tracks and park footpaths, irrigation systems, playgrounds, trees (both parks and street trees), park furniture and bushland areas. Council's parks & recreation assets are highly valued by the community and provide biodiversity, natural habitat and a range of passive and active recreation opportunities. Traditionally it has been difficult to put a value on these assets; however this is changing as increasing demand on these facilities is making users and the broader community more aware of the worth of open space and ecological systems.

Plans of Management have been prepared for key parks and reserves within the LGA, as well as generic plans of management for local parks and reserves and bushland reserves. These plans of management are prepared in consultation with the community and highlight how Council plans to meet the expectations of the community in managing natural resources, parks and recreation.

A detailed condition inspection of the 47 sites containing children's playgrounds within the LGA is conducted twice yearly by independent consultants, providing recommendations for renewal and replacement. A four year forward works program for playgrounds has been developed based on the condition data collected in these audits. Since the last revision of this AMS in 2010, Council has allocated significant funding to the removal and replacement of playgrounds as the age and condition of playgrounds in the LGA was a significant concern.

In 2012 and 2013 Parks and Assets staff conducted a complete asset survey of all Council parks (excluding bushland). A total of 2,906 assets were collected and included items such as park furniture, artworks, fences and sports fields. This included a 1 to 5 condition and appearance rating for most of the assets collected (where applicable).

A detailed data capture of street trees was conducted in 2004 and 2005 by Council staff and included various physical, condition and risk attributes including, inclination, stability, root damage, condition and risk. The street tree data is continuously updated by Council's Tree Management Officer when responding to customer requests and general

street tree maintenance. The capture of street trees has been an important factor in the modelling of the existing and potential impacts on other assets, such as footpaths, kerb and gutter and stormwater pits and pipes.

Buildings

Council owns, operates and maintains 91 buildings, facilities and car parks in partnership with specialist contractors and in-house staff to ensure customer and community needs are satisfied by delivering a quality service efficiently. These buildings include the Civic Centre, the works depot, libraries, child care centres, commercial buildings, amenities buildings, swimming pools, a water reclamation plant, toilets and car parks.

The age of Council owned buildings ranges from 1 to 120 years. This includes heritage listed buildings such as the Carss Park Cottage and The School of the Arts through to newly constructed facilities such as the Beverley Park Water Reclamation Plant.

In 2003 and 2012 Council staff conducted condition surveys of all Council owned car parks, including assessment of surface condition, line marking condition and adequacy of lighting.

In 2008 and 2013 Council staff conducted condition surveys of all Council owned small buildings (toilet and amenity blocks), which included componentisation of the structure into roof, structure, electrical, plumbing and other. From these inspections a forward works program was developed.

In 2013 Council commenced a program of inspection and componentisation of all Council owned buildings using independent certified building inspectors. The purpose of these inspections is to identify any major defects and to provide an opinion as to the general condition of the asset. The information provided in these reports is assisting Council's property section in effectively componentising Council's building assets. Currently all Scout and Girl Guide Halls, child care centres and libraries have been inspected. The program aims to have all of Council's buildings inspected and componentised by 2016.

Condition of Kogarah's Assets

The condition rating methods adopted at Kogarah City Council vary across the asset classes. Generally, rating methods are based on the International Infrastructure Management Manual¹ as described below and adapted according to the specifics of the

asset class. Appendix 3 of the AMP provides detailed examples of the condition rating methods used by Council. Special Schedule 7 of the Statement of Accounts uses the same 5-point rating scale and reports on the percentage of each asset class within each condition.

Rating	Description of Condition
1	Very Good: Only planned maintenance required.
2	Good: Minor maintenance required plus planned maintenance.
3	Fair: Significant maintenance required.
4	Poor: Significant renewal/upgrade required.
5	Failed: Unserviceable or does not meet current Australian Standards.

¹IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

Further work is required to determine the condition ratings of assets in the following classes. Council aims to have a 1 to 5 condition rating (where possible dependent on the type of asset) for these asset classes.

- Stormwater Quality Improvement Devices (SQIDs)
- Parks and Reserves
- Bushland Areas
- Public Trees (excluding street trees)
- Buildings

The table adjacent, along with the maps in Appendix 4 of the AMP indicate the current condition of the Council's assets.

Asset Class	Condition 1 – Very Good	Condition 2 – Good	Condition 3 – Fair	Condition 4 – Poor	Condition 5 – Failed
Road Pavement (% of length)	9	24	63	4	0
Footpath (% of length)	5	17	77	1	0
Kerb & Gutter (% of length)	0.6	6.0	93.0	0.3	0
Retaining Walls (% of walls)	N/A	60	24.8	12	0.8
Traffic Facilities (% of facilities)	24	47	14	5	1
Street Furniture (% of total)	1	77	21	1	0
Stormwater Pits (% of pits)	7	28	25	38	2
Stormwater Pipes (% of pipes)	8	20	31	39	2
Marine/Foreshore Structures (% of structures)	5	29	31	33	3
Public Jetties (% of structures)	7	64	21	7	0
Playgrounds (% of playgrounds)	2	17	18	0	0
Unconstructed Car Parks (% of car parks)	13	62	20	5	0

* The high percentage of stormwater pits and pipes in the poor and failed condition ratings is indicative of the aging profile of Council's stormwater pits and pipes.

Preferred Minimum Asset Condition Targets

This revision of the AMP sets targets for the condition of Council's assets, with the purpose of ensuring the proportion of assets in the poorer condition ratings (4 and 5) does not increase beyond the levels reported in the 2010 AMP.

During the community consultation for the Community Strategic Plan the community determined what is considered to be a 'satisfactory' condition of our assets. Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate". The framework for defining what condition ratings are acceptable takes into consideration the following items:

- Community views and attitudes.
- Establishing asset standards necessary to provide and support desired levels of service now and into the future.
- Determining appropriate and sustainable levels of maintenance and upgrades as the owner of these assets.
- Risk and hazard reduction needs.

As such the following points have been agreed upon by Council's Asset Management Group in relation to asset condition targets;

- The intervention point for Council's assets is a condition 4 (Poor), as is consistent with Council's financial reporting in Special Schedule 7.
- No asset shall be allowed to become a condition 5 (failed) unless Council has decided to decommission the asset.
- In general it is agreed that satisfactory and in fact very good service levels can be provided by our assets as a whole without having to have every asset in condition 1 or 2.

The Council has determined, in conjunction with the community, the required levels of service for Council's assets. Council's renewal point is condition level 4. All assets condition rated below 4 are considered to be part of Council's infrastructure backlog. Although Council is only required to show the infrastructure backlog as the cost to bring assets to a satisfactory condition, Council shows infrastructure backlog in Special Schedule 7 as the replacement cost of all assets with a condition rating of 5. This provides a better indication of the true backlog costs as Council's intervention point has not been met and Council renews assets not return them to a satisfactory condition.

Utilisation and User Satisfaction of Assets

Aside from some of the parks and recreation asset classes and those halls and community facilities which are available for hire, Council does not currently assess the level of utilisation of assets. Council will investigate and instigate a process of assessing and reporting the utilisation of assets for future revisions of this AMS.

Council has not carried out any industry accepted surveys on customer expectations such as the Comparative Performance Measures in Local Government Customer Satisfaction survey. However, customer feedback received during the public exhibition of the service levels in 2008 and during the various community consultations for Council's CSP have indicated the community are generally satisfied with the services provided by Council.

Lifecycle Costs and Expenditure Summary

The average annual cost over the lifecycle of each asset category is:

Asset Category	Lifecycle Cost, \$M	Lifecycle Expenditure, \$M (2013/14)
Road Reserve	\$4.79	\$4.56
Water	\$1.12	\$1.02
Parks and Recreation	\$3.66	\$2.84
Buildings	\$2.49	\$2.11

Future Renewal Profile

As previously discussed Council has developed forward works programs for some of its key infrastructure asset classes. These forward works programs were developed based on those assets in the poorest condition and the knowledge of the Asset Managers and the relevant Kogarah City Works Supervisors.

Detailed forward works programs exist in for the following asset classes:

- Road pavement
- Footpath

- Playgrounds
- Buildings
- Foreshore/marine structures

In the future forward works programs will be developed for other Council infrastructure asset classes.

3.3 Where Do We Want To Be?

The following roles and responsibilities apply to asset management at Council:

- A full time Asset Co-ordinator to oversee and implement the Asset Management Strategy. The Co-ordinator is responsible for ensuring the Asset Management Plans are up to date and reviewed when programmed. The Co-ordinator also ensures the effective implementation of the Asset Management System and training of staff.
- An assisting Officer to support the Asset Co-ordinator in the role outlined above.
- Staff responsible for each asset category are sourced from other sections of Council specialising in that asset category.
- An efficient and user friendly Asset Management software system.
- Training of staff is undertaken to ensure they have a sound working knowledge of the Asset Management approach and the Asset Management System.
- Suitable equipment (hardware and software) is provided for inspections, data recording and loading of information into the Asset Management System.
- An asset condition inspection program is in place based on Council's Infrastructure Asset Service Levels.
- Interaction and involvement with the asset management industry and professional bodies ensures Council's Asset Management processes are consistent with industry best practice.
- An Asset Management Group, consisting of key Asset Management staff, meets on a bi-monthly basis to address relevant asset management issues.
- An Asset Management Working Party, including representation by key Asset Management staff and Councillors, meets on a bi-monthly basis.

Monitoring and review of Asset Management Practices and Procedures

- This AMS is to be reviewed every 4 years.
- The AMP included in this AMS is to be reviewed annually following financial reporting timeframes. Condition and financial information will be updated accordingly by the Assets & GIS Co-ordinator.
- Future revisions of this AMS will include reporting on the percentages of assets in the different condition ratings as per Special Schedule 7 reporting.
- This 2015 revision of the AMS includes reporting on the outcomes of the Special Rate Variation funding received.

Current and Future Funding Strategies

Kogarah City Council's aim in managing its infrastructure assets is to maintain assets at a level from which they will not further deteriorate.

In 2010 it was determined that Council's level of funding was inadequate to meet the required service levels. Significant gaps were identified in the lifecycle costs and expenditures and a strategy was devised for the allocation of additional funds to asset maintenance. The decade before had seen extensive changes to Council's operations to achieve major efficiencies and cost reductions throughout the organisation. As a result, the most appropriate strategy to assist in closing this funding gap was the introduction of a Special Rate Variation.

During the community consultation phase of the CSP the community indicated they would be willing to support a special rate variation to assist in financing maintenance and improvement of assets. The Community strongly supported additional funding for four (4) specific asset classes, being roads, footpaths, playgrounds and buildings. In addition, the Community acknowledged the provisions made by the Environmental Levy in asset management and highlighted the need to continue this funding provision beyond June 2013, at which time the Environmental Levy ceased.

In 2010, Council had approved by the Department of Local Government a special variation to rates under Section 508(A) of the Local Government Act. This Special Rate Variation (SRV) was a 5.9% annual increase for four years, commencing in 2010/2011. At the end of the four years (2013/14) the SRV generated an additional \$1.899 million.

The additional funds generated by the Special Rate Variation achieved the following in the 2013/2014 financial year:

Asset Classes	Additional Funding	Works Completed
Roads	\$603,000	Resurfacing of 3.2km of road (9 locations)
Footpaths	\$394,000	Reconstruction of 3.2km of footpaths (10 locations)
Playgrounds	\$300,000	Replacement of 4 Local playgrounds and 1 Regional playground
Buildings	\$254,000	Refurbishment and renewal works in council buildings
Foreshore	\$245,000	Bushland regeneration in 6 large reserves and upgrade of seawalls and foreshore structures in 8 locations

Through the SRV Council has concentrated on addressing those asset classes which pose the greatest risk to the Community should they deteriorate to the point of failure. This can be illustrated by the replacement of an additional 15 playgrounds over the four year period. This has had a significant impact on the age of Council's playground stock, with a current average age of 6 years, compared to 9.8 years in the last edition of this AMS in 2010.

Appendix 5 of the AMP shows the works completed over the four year period of the SRV.

3.4 GAP ANALYSIS

Risk Analysis

The implementation of an effective AMS considers the relationship and prioritisation of maintenance and capital works to support the delivery of Council services. To this effect it will be a major tool in assisting the Council to manage risk and liability through the development of defined works and service programs which best allocate the use of available resources.

In 2010 a limited risk assessment was carried out and documented in the risk register and risk management plan for each asset category. In this revision of the Asset Management Strategy, Council conducted a detailed review of the risk management plan. This review included an asset specific risk assessment so that assets can be managed to reflect the risks (likelihood and consequence) of asset failure.

This risk assessment classified each asset class into high, medium and low risk assets considering why an asset would be critical and/or at what times it would be critical and therefore the factors that made this asset a higher risk than other assets. Appendix 6 of the AMP details the three risk categories for all asset classes considered.

This risk assessment is based on the fundamentals of the Australian Standard for Risk Management, ISO 31000:2009. If a risk is deemed unacceptable a risk treatment plan will be developed. During the risk assessment, Council concluded that the treatment options currently employed are sufficient to classify all risks as acceptable.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in the table following.

ASSET CLASS AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN
ROAD RESERVE ASSET CATEGORY			
Road Pavement – High Risk	Crashes occur causing fatality / injury / property damage. Possible causes: Design flaws, damaged road surface, existing unsafe elements in the road environment.	High	Australian Standards. RMS Regulations. Annual pavement inspections.
	Congestion and delay. Possible causes: Inadequate / inappropriate road infrastructure, road accidents.	High	Existing traffic control devices. Variable message warning signage.
	Network deterioration, e.g. potholes. Possible causes: Poor maintenance practices by other parties, development related, ongoing rain.	High	Annual resheeting program. Reactive pothole repairs. Road restoration standards.
Road Pavement – Medium & Low Risk	Crashes occur causing fatality / injury / property damage. Possible causes: Design flaws, damaged road surface, existing unsafe elements in the road environment.	High	Australian Standards. RMS Regulations. Annual pavement inspections.
	Network deterioration, e.g. potholes. Possible causes: Poor maintenance practices by other parties, development related, ongoing rain.	High	Annual resheeting program. Reactive pothole repairs. Road restoration standards.
Footpath – High Risk	Path user trips / slips causing injury / fatality / successful liability claim. Possible causes: Damaged path surface, loose material on path, tree root lifting path & causing displacement, poor lighting.	High	Annual inspections. Tree replacement program. Footpath maintenance & replacement programs. Liability insurance.
Footpath – Medium & Low Risk	Path user trips / slips causing injury / fatality / successful liability claim. Possible causes: Damaged path surface, loose material on path, tree root lifting path & causing displacement, poor lighting.	High	Bi-Annual inspections. Tree replacement program. Footpath maintenance & replacement programs. Liability insurance.
Traffic Facilities – High, Medium & Low Risk	Crash occurring causing injury / death / successful litigation. Possible causes: Existing damaged traffic control device, existing damaged / obscured or missing sign, driver is unaware of danger / recommended speed, vandalism of traffic facilities.	High	Australian standards. RMS regulations. Faded sign replacements. Reactive maintenance.
Retaining Walls	Failure of wall resulting in injury or property damage. <i>Possible causes;</i> Deterioration, often unseen to the eye, natural causes.	High	Programmed inspections. Vegetation management. Public Liability Insurance.
WATER ASSET CATEGORY			
Private Property	Flood damage. Possible causes: Storm beyond stormwater network capacity.	High	Floodplain Risk Management Plans.
Public Land	Flood damage. Possible causes: Storm beyond stormwater network capacity.	High	Floodplain Risk Management Plans.
Open Stormwater Channel	Channel collapse, failure, flooding. Possible causes: Storm beyond stormwater channel capacity, blockage, ground conditions.	High	Routine cleaning and visual assessment. Floodplain risk management program.
	Channel collapse, failure, flooding - accidental entry into stormwater system by person. Possible causes: Storm beyond stormwater channel capacity, blockage, ground conditions.	High	Routine cleaning and visual assessment. Floodplain risk management program. Fences and warning signage.
Pits & Pipes - High Risk	Pipe or pit collapse, localised flooding - accidental entry into stormwater system by person. Possible causes: Aging pipe/pit, ground movement, traffic loading, blockage, tree roots, damage by other utility.	High	Routine maintenance. Street sweeping. Design standards. Routine condition assessment. Floodplain risk management program. Fences and warning signs.
	Pipe or pit collapse, localised flooding. Possible causes: Aging pipe/pit, ground movement, traffic loading, blockage, tree roots, damage by other utility.	High	Routine maintenance. Street sweeping. Design standards. Routine condition assessment. Floodplain risk management program.

PARKS & RECREATION ASSET CATEGORY

Playgrounds	Personal injury. Possible causes: Misuse of equipment.	High	Insurance.
Parks – High, Medium & Low Risk	Damage to public property, misuse of public space. Possible causes: Anti-social behaviour, vandalism.	High	Park lighting.

BUILDINGS ASSET CATEGORY

Buildings – High, Medium & Low Risk	Major structural damage/defect. Possible causes: Poor Design/Construction Methodology, Act of Nature, human impact.	High	Complete Structural Assessments On Existing Buildings. Follow Regulatory Controls For New Buildings. Asbestos register. Visual inspections during the course of maintenance.
	Hydraulic System Failure. Possible causes: Age of System Components, incorrect assemblage/installation.	High	Regular System of Inspection. Proactive Maintenance.
Buildings – High Risk	Filtration System Failure. Possible causes: Age of System Components, higher standards introduced (non-compliance), poor maintenance.	High	Regular System of Inspection for Mechanical and Health Risks. Proactive Maintenance. Scheduled Maintenance Regime.

The Gaps

In order to achieve all the outcomes of this AMS, Council needs to recognise the existing gaps and address the feasibility of bridging these.

The main gaps in Infrastructure Asset Management are;

- Financial resources.
- Human resources.
- Technological limitations.
- Community representation.

Financial resources are well covered through the AMP chapter.

Human resources are closely related to financial resources. They particularly relate to the labour component of costs to maintain assets, but also to professional services in collecting data and updating inventory information.

Technological limitations, whilst less significant, still impact the ability to manage assets efficiently. As an example, the assessment of underground stormwater assets using CCTV or X-ray technology is not cost effective to be used across entire networks and is only used for special purposes. This however limits the accuracy to which these underground assets may be condition rated.

Infrastructure assets service the community. Gauging the community's expectations is a complex exercise. It can be described as a gap because community representation is not truly uniform, as often a vocal minority may determine the course of action.

The challenge in bridging these gaps is ongoing. Kogarah City Council's main challenge is the financial resourcing gap.

Bridging the gaps is a difficult process and will be more of an evolutionary process. This AMS treats these gaps realistically in its approach and methodology and in its long term projections.

4. ASSET MANAGEMENT PLAN

Executive Summary

- 4.1 Introduction
- 4.2 Principles of Asset Management
- 4.3 Goals and Objectives of Asset Management
- 4.4 Levels of Service
- 4.5 Future Demand
- 4.6 Lifecycle Management Plan
- 4.7 Financial Summary
- 4.8 Asset Management Practices

EXECUTIVE SUMMARY

This Asset Management Plan (AMP) reflects the outcomes of the Community Strategic Plan (CSP), *Bright Future, Better Lifestyle: Kogarah 2030* which identifies a number of key goals and strategies relating to infrastructure assets and the level of service expected by our Community.

This plan is one component of the Asset Management Framework – it covers each of the following four asset categories:

- Road Reserve
- Water
- Parks and Recreation
- Buildings

This Asset Management Plan is a living dynamic document and over time, Council will build on the “knowledge” contained within this plan to ensure that the Community’s infrastructure and building assets are managed and maintained in a sustainable manner.

What Council Provides

Council is the custodian of a significant infrastructure asset portfolio which enables services to be provided to the community. Council’s infrastructure assets currently have a total replacement value in the vicinity of \$471 million, as outlined below:

ASSET CATEGORY	CURRENT REPLACEMENT COST (\$M)
Road Reserve	\$280
Water	\$50
Parks & Recreation	\$58
Buildings	\$83
TOTAL	\$471

What does it Cost?

There are two key indicators of cost in providing levels of service; lifecycle costs and maintenance and renewal expenditure.

- Lifecycle costs - The average annual cost over the lifecycle of assets administered by Kogarah City Council is as follows:

ASSET CATEGORY	LIFECYCLE COST (\$M)	LIFECYCLE EXPENDITURE (\$M)
Road Reserve	\$4.79	\$4.56
Water	\$1.12	\$1.02
Parks & Recreation	\$3.66	\$2.84
Buildings	\$2.49	\$2.11

- Maintenance and renewal expenditure - Four year forward works programs developed for road pavement, footpaths, playgrounds and buildings from condition assessments conducted in 2009 highlighted the annual funding gap in maintenance of these four asset classes. The table below quantifies this funding gap.

ASSET CLASSES	2009 ALLOCATION	REQUIRED ALLOCATION	FUNDING GAP
Roads	\$766,000	\$1,369,000	\$603,000
Footpaths	\$275,000	\$670,000	\$395,000
Playgrounds	\$25,000	\$325,000	\$300,000
Buildings	\$626,000	\$910,000	\$284,000

Council conducted extensive consultation with the community during the community engagement component of *Bright Future, Better Lifestyle: Kogarah 2020*. During this consultation the community indicated they would be willing to support a special rate variation to assist in financing maintenance and improvement of various asset classes.

The Community strongly supported additional funding for four (4) specific asset classes, being roads, footpaths, playgrounds and buildings.

In addition, the Community acknowledged the provisions currently made by the Environmental Levy in asset management and highlighted the need to continue this funding provision beyond June 2013, at which time the Environmental Levy ceased.

As a consequence, Council applied to the Department of Local Government for a special variation to rates under Section 508(A) of the Local Government Act. The Special Rate Variation (SRV) commenced in 2010/2011 and provided an annual increase of 5.9% for four years. The additional funding generated by the SRV ensured that Council is able to:

- Maintain existing infrastructure at a high standard (roads, footpaths, buildings); and
- Replace ageing infrastructure (e.g. playgrounds, foreshores), where the need is identified; and
- Provide additional infrastructure and services, as identified by the community in Council's CSP (e.g. cycle ways and youth recreation facilities).

Plans for the Future

Council plans to operate and maintain its infrastructure assets to achieve the following strategic objectives.

1. Ensure all infrastructure assets are maintained at a safe and functional standard.
2. Provide infrastructure that serves current and future community needs.
3. Provide a road transport network for efficient movement of traffic.
4. Provide pedestrian networks that connect important nodes within the City of Kogarah.
5. Recognise the intrinsic value of biodiversity and natural ecosystems and their protection and restoration.
6. Ensure that future land use planning and management enhances and protects biodiversity and natural heritage.
7. Ensure that trees posing a risk to the community safety be removed and replaced in accordance with the Street Tree Management Strategy Master Plan.
8. Ensure all public parks and open space are accessible, maintained and managed to meet the recreational needs of current and future residents.
9. Implement safe-by-design principles into parks and open space.
10. Ensure Council provides a range of community services and facilities.
11. Allow Council to generate revenue through the profitable management of building assets.

Measuring our Performance

Quality

All infrastructure assets will be maintained in a usable condition. Defects found or reported that are outside our service standard will be repaired according to Council's adopted service levels. Appendix 7 describes the asset service levels in relation to defect prioritisation and response times.

Function

Council's intent is that appropriate infrastructure assets are maintained in partnership with other levels of government and stakeholders to meet agreed service levels.

All infrastructure assets will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety.

Safety

Council inspects all infrastructure assets regularly and prioritises and repairs defects in accordance with our service levels to ensure they are safe. When necessary we seek specialist advice regarding a defect.

The Next Steps

The actions resulting from this asset management plan are:

- Ongoing efficient maintenance
- Prioritisation of capital works
- Continued regular inspections for condition rating
- Environmentally sustainable programs.

4.1 INTRODUCTION

4.1.1 Background

The main aim of the AMP is to communicate information about assets, to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate the funding required to provide the required levels of service.

This AMP should be read in conjunction with key strategic and policy documents, including:

- Bright Future, Better Lifestyle: Kogarah 2030 – Community Strategic Plan
- Asset Management Policy
- Asset Management Strategy
- Delivery & Operational Plans
- Community Land Plans of Management
- 10 year (Long-term) Financial Plan
- Capital Works Programs
- Traffic and Transport Strategic Plan
- Section 94A Development Contributions Plan
- Heritage Kerb and Gutter Policy
- Street Tree Management Strategy and Master Plan
- Floodplain Risk Management Plan
- Marine Infrastructure Asset Management Plan (MAMP)
- Foreshore Management Study and Plan (FAMP)
- Total Water Cycle Management Plan
- Water Savings Action Plan
- Kogarah Open Space Policy
- Youth Recreational Facilities Policy
- Draft Playground Policy

The abovementioned documents, together with other plans and policies form the framework for the City of Kogarah's Integrated Planning Framework which has been prepared in accordance with the Integrated Planning and Reporting Guidelines developed by the Department of Local Government.

Table I following provides an overview of the assets covered by this Asset Management Plan:

TABLE I - ASSETS COVERED BY THIS PLAN

ASSET CLASS	QUANTITY	UNIT
ROAD RESERVE		
Road Pavement	167	Km
Footpath	214	Km (length)
Kerb & Gutter	344.5	Km (length)
Traffic Facilities	16,922	No.
Retaining Walls	125	No.
Street Furniture	500	No. (Approx.)
WATER		
Stormwater Pits	3453	No.
Stormwater Pipes	105	km
Stormwater Quality Improvement Devices (SQIDs)	75	No.
Marine/Foreshore Infrastructure (includes Seawalls & public jetties)	122	No.
PARKS AND RECREATION		
Parks and Reserves	102	No.
	186	Ha
Bushland Areas	13	No.
Playgrounds	47	No.
Lights (including solar and floodlights)	161	No.
Park Furniture	2,973	No.
Trees (both public and street)	11,999	No.
BUILDINGS		
Operational Buildings (e.g. Civic Centre & Works Depot)	14	No.
Libraries	3	No.
Childcare Facilities	3	No.
Community Halls & Facilities	15	No.
Swimming Pools/Leisure Centres & associated buildings	4	No.
Toilets, Amenities & Park Facilities	38	No.
Other Buildings (sports stadiums, water reclamation plant, etc.)	14	No.

Picnic Shelters	48	No.
Bus Shelters	12	No.
Car Parks	41	No.

The road reserve asset category is defined as any assets that are located within the boundary of the road reserve. It is important to note that while street trees are located within the road reserve; these assets are considered part of the natural urban landscape and are included in the parks and recreation asset category. 21% (3.3km²) of the LGA falls within the road reserve asset category. Council has been progressively collecting more data about its road reserve assets since the last revision of the AMP. This includes CBD street furniture and scheduled re-inspection of road pavement, footpath and kerb assets.

The water asset category covers stormwater pits and pipes, stormwater quality improvement devices and foreshore/marine infrastructure. The main difficulty with the water asset category is the underground nature of the assets and the costs associated with assessing these assets.

The parks and recreation asset category includes sporting fields, parks and reserves, gardens, walking tracks and park footpaths, irrigation systems, playgrounds, trees (both in parks and street trees), park furniture (fixtures and fittings) and bushland areas.

Council's parks and reserves are either in Council's ownership or in the ownership of a State Government Department (e.g. the NSW Department of Lands, Railcorp, Sydney Water) but are under Council's care, control and management. The State dedicated reserves are managed through the provisions of the Crown Lands Act, 1989. While those parcels of land owned by Council and classified as 'Community Land' are managed through the provisions of the Local Government Act, 1993. The use and management of community land is regulated through a Plan of Management. Bushland areas are defined as all areas of remnant or regenerated vegetation where there is evidence of a natural vegetation structure comprised of locally indigenous species.

In 2012 Council's Parks Officer and Infrastructure Assets Officer completed a data capture and condition assessment of park furniture within Council's parks excluding bushland reserves.

Council's buildings asset category includes operational buildings, libraries, childcare facilities, halls, rental properties, swimming pools, toilets, amenities buildings and car

parks. Some building assets are managed by external parties, for example the Beverley Park Golf Course or the Australian Tax Office car park.

Appendix 2 provides more detail about each of the asset classes described above.

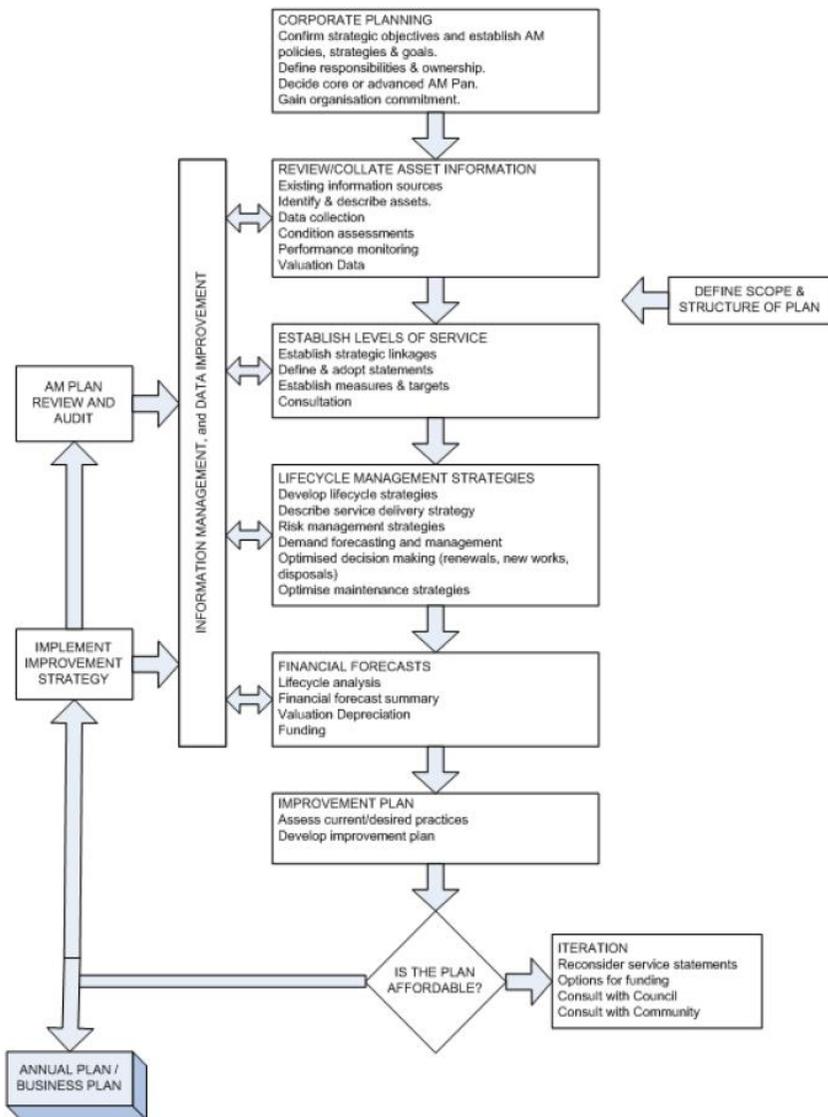
4.1.2 Plan Framework

Key elements of this plan include:

- Levels of service – specifies the services and levels of service to be provided by Council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how Council will manage its existing and future assets to provide the required services.
- Financial summary – what funds are needed to provide the required services.
- Asset management practices.
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan.

A road map for preparing an AMP is shown in Figure I following:

FIGURE I ROAD MAP FOR PREPARING AN ASSET MANAGEMENT PLAN
 Source: IIMM Fig 1.5.1, p 1.11



4.2 PRINCIPLES OF ASSET MANAGEMENT

4.2.1 Key Elements

Council first prepared an initial asset management plan in 2003 as a ‘core’ asset management plan in accordance with the International Infrastructure Management Manual. This first asset management plan was prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long-term financial planning and reporting. Core asset management is a ‘top down’ approach where analysis is applied at the ‘system’ or ‘network’ level.

In 2010 Council revised this initial asset management plan to align with the new Integrated Planning Guidelines and under the structure of the National Asset Management Strategy (NAMS.PLUS). In conjunction with this, a dedicated resource was allocated for infrastructure asset condition inspection.

In 2013 Council engaged Morrison Low Consultants Pty Ltd to conduct an independent review of asset management practices at Council. This review gave Council an overall score of ‘C’, indicating that Council is at a core level of competence in asset management. Based on Morrison Low’s recent experience across the asset management practices, systems and processes of councils in reviewing NSW this result puts Council’s asset management well above the average of NSW councils.¹ In Morrison Low’s report a series of recommendations were made to improve asset management at Council. These items have been included in the improvement plan of this revision of the AMP.

In this revision of the AMP, Council continues to move towards ‘advanced’ asset management using a ‘bottom up’ approach for gathering asset information for individual assets to support the optimization of activities and programs to meet agreed service levels. An example of the advanced asset management techniques employed at Council is the collection of detailed condition data of multiple assets driving the optimisation of assets and forward works programs which in turn dictate work prioritisation.

¹ Morrison Low Asset Management Assessment of Kogarah City Council, p 4

The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.²

4.2.2 Asset Sustainability

Asset sustainability identifies the need to spend more on asset renewal than on depreciation (or consumption). In 2010 a gap was identified and a Special Rate Variation applied to increase the available funding for asset renewal. The SRV has generated an additional \$1.899 million annually and has ensured that Council is able to:

- Maintain existing infrastructure at a high standard (roads, footpaths, buildings); and
- Replace ageing infrastructure (e.g. playgrounds, foreshores), where the need is identified; and
- Provide additional infrastructure and services, as identified by the community in Council's CSP (e.g. cycle ways and youth recreation facilities).

The current level of funding is considered to be sustainable.

² IIMM 2006 Sec 1.1.3, p 1.3

4.3 GOALS AND OBJECTIVES OF ASSET MANAGEMENT

4.3.1 Developing the Asset Management Plan

One of the primary functions of a council is to provide services to its community, including services provided by infrastructure assets.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future users.

The Asset Management Plan has been prepared taking into consideration Council's vision and mission and is consistent with the CSP, *Bright Future, Better Lifestyle: Kogarah 2030*.

4.4 LEVELS OF SERVICE

4.4.1 Customer Research and Expectations

Council has not carried out any industry accepted surveys on customer expectations such as the Comparative Performance Measures in Local Government Customer Satisfaction survey. However, customer feedback was requested during the public exhibition of the service levels in 2008 and during the various community consultations undertaken as part of the development of the CSP, *Bright Future, Better Lifestyle: Kogarah 2020* was positive.

4.4.2 Current Levels of Service

Levels of service represent an agreement between Council and the Community to perform certain activities now and into the future. The objective of asset management is to match the level of service provided by the asset with the expectations of the Community. Understanding the level of service required for each asset category then allows Council to determine the required maintenance, replacement and disposal cycles.

Current service levels have evolved over a number of years. They have been developed from a combination of Council officers' decisions and methods, traditional work practices and industry standards.

In 2007 and 2008 a three level category rating system for service levels was developed utilising expertise within the organisation. The category rating concept provides a succinct framework to describe assets. It not only attempts to describe the traditional considerations such as risk and technical factors, but also aims to address Community expectations by specifying response times.

Each asset category is different in its composition and function. This means that the descriptors relating to each category level also vary significantly. However, from a strategic viewpoint the category ratings have been developed to broadly conform to the criteria shown in the following table:

TABLE 2 - THREE LEVEL CATEGORY RATING

COMMUNITY	FUNCTIONAL	FAILURE	RISK
Category 1	High Value	Essential	Very High
Category 2	Important	Important	High
Category 3	Lower Value	Less Critical	Medium

Council's current service levels for each of the asset categories and the objectives considered in defining the service levels are overviewed in Appendix 7.

As recommended in the Morrison Low review Council plans to expand the current levels of service to include parameters which describe the provision (how much), performance (how big, what capacity) and quality (how good) of the assets. These parameters would reflect the community objectives identified in the CSP. This revision of service levels will be documented in the next review of this AMP.

4.4.3 Desired Levels of Service

Indications of desired levels of service have been obtained from various sources including the community consultation undertaken during the development of the CSP, *Bright Future, Better Lifestyle: Kogarah 2020*, residents' feedback to Councillors and staff, service requests and correspondence.

As part of the community consultation undertaken for the development of the CSP, *Bright Future, Better Lifestyle: Kogarah 2020* the following issues related to each of the asset categories were raised:

ROAD RESERVE ASSET CATEGORY

- More parking facilities, particularly in and around the Kogarah CBD.
- Improved public transport services servicing the whole of the City.
- Walking or cycling on designated paths to a range of commercial, recreational and community spaces around the City.
- Maintaining roads and footpaths to ensure they are safe and accessible.
- Managing increased traffic in local streets.
- A transport-interchange facility at Kogarah Railway Station (bus/car/rail).
- Ensuring that our major centres within the city are pedestrian friendly.

WATER ASSET CATEGORY

- A clean and healthy Kogarah, with a particular focus on our waterways and foreshore areas.
- Improving management of stormwater, noise and air pollution.

PARKS AND RECREATION

- Provide more children's play equipment that is sheltered from the sun.
- Increase the number of public BBQs, seating and tables in our parks and recreation areas.
- Provide more pet friendly open spaces that are fenced off and safe for everyone.
- Maintain our parks and open spaces to ensure they are clean and safe.
- Provide more well maintained public amenities.
- Increase the number of trees and gardens within the City.
- Provide recreational facilities for all age groups within our community.
- Continuously improve and increase public local infrastructure.

BUILDINGS

- Conserving our built heritage.
- Encouraging and promoting sustainable, "green" building.
- Increase parking options in the Kogarah CBD for both workers and visitors to the area.
- Provide more, well maintained public amenities.

Council is also required to meet a number of legislative requirements as part of the development of the asset management framework. A detailed list of the relevant Legislation applying to Asset Management is included at Appendix 8.

4.5 FUTURE DEMAND

4.5.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, environmental awareness.

Demand factor trends and impacts on service delivery are summarised in the table adjacent:

TABLE 3 – DEMAND FACTORS

PROJECTION	IMPACT ON SERVICES
POPULATION	
59,999 (2012 census), projected to be 66,115 by 2036	Increased users of road reserve assets causing greater deterioration rates and more traffic.
	Increased population, increased pressure on the ageing stormwater network.
	Increased demand/usage of foreshore/marine structures.
	Greater demand for public space and community services.
	Potential increase in conflict and intrusion into personal space.
DEMOGRAPHICS	
Increase in our ageing population Increase in migration Changing cultural diversity More working parents	Increased demand for footpath network linking public transport nodes, shopping areas, hospitals and community precincts. Increased demand for street lighting and a safer/more accessible footpath network.
	Greater need for education programs regarding covering of drains and dumping into waterways and drains.
	Change in park usage to suits visitation by adults with grandchildren and aged persons. Increased demand for more accessible spaces and park amenities.
	Recreational facilities and services need to meet different cultural needs.
	Increased demand for aged housing and related services.
URBAN PLANNING	
Increase in higher density housing and development of the CBD areas	Increased users of road reserve assets, e.g. more pedestrians on footpaths, more cars on roads, increased use of bicycles. Increased heavy vehicles on roads due to construction sites, particularly in CBD areas.
	Greater impervious surfaces, therefore an increase in stormwater runoff volume. This adds to the pollutant load and increases pressure on the ageing stormwater network.
	More people have less personal outdoor space and therefore greater use and demand for parks, outdoor public areas, dog leash free areas and amenities.
	People have less room for entertaining etc., therefore higher use of community based facilities such as halls for functions.
TRAFFIC VOLUMES	
Increasing population and prosperity of population, leading to more vehicles on roads.	Significant loading impact on roads and increased traffic congestion.
ENVIRONMENTAL FACTORS	
Potential Sea Level Rise and Climate change impacts on foreshores and marine structures	Increased need for waterfront protection measures and modelling of potential impacts. Changes to terrestrial and marine flora and fauna.

4.5.2 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this plan. Examples, where technology changes will affect the delivery of the services covered by this plan are identified in the following table:

TABLE 4 - CHANGES IN TECHNOLOGY AND FORECAST EFFECT ON SERVICE DELIVERY

TECHNOLOGY CHANGE	EFFECT ON SERVICE DELIVERY
Change in road construction methods.	Use of existing road pavement materials for in-situ stabilisation reducing construction and disposal cost.
Relining and rehabilitation of pipes, rather than replacement.	This is an easier, more cost effective and less disruptive way of repairing a failed or failing pipe. It lowers the risks involved and saves time and money.
Increasing use of CCTV survey methods.	CCTV survey increases the amount of information for planning with less disruption.
Continued improvement and development of SQIDs.	The new generation of SQIDs are increasingly becoming more effective, cost efficient and require less maintenance.
Water Sensitive Urban Design.	WSUD generally incurs a greater cost, but results in a better environmental outcome.
Development of improved/different materials which are less susceptible to environmental degradation.	Longer remaining life for marine structures and reduced maintenance costs for Council.
The use of stormwater harvesting infrastructure for park irrigation and on buildings to run amenities.	Reduces the use of potable water and saves on cost.
Energy efficient/solar lighting.	Decreased running costs allowing for more lighting and make a safer environment for users.
Water efficient technology, such as shower heads and spring handle taps.	Decreases the amount of water wasted and the cost.
Changes in computing and telecommunications.	Impact on the design of buildings owned by Council.
Use of electronic asset data management systems for buildings (e.g. MEX).	This will allow for better management and more proactive maintenance. This will also act as a stock inventory as individual building components can be catalogued and then also valued.
New and cheaper/efficient construction/maintenance methodologies and materials.	More cost effective and more efficient construction/maintenance.
The increasing complexity of Building Management Systems (BMA), e.g. remotely controlling buildings air-con, lighting, etc.	Allows for quicker and more accurate troubleshooting, also reducing turnaround time for rectification of faults. Allows for more efficient operation of buildings and reduces maintenance costs.
The increased use of solar power and bi-directional meters.	Decreased running costs and greater environmental sustainability of Council's building portfolio.

4.5.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in the adjacent table. Further opportunities will be developed in future revisions of this Asset Management Plan.

TABLE 5 - DEMAND MANAGEMENT PLAN SUMMARY

SERVICE ACTIVITY	DEMAND MANAGEMENT PLAN
ROAD RESERVE ASSET CATEGORY	
Pedestrian access	Kogarah Pedestrian Access and Mobility Plan.
Alternative modes of transport	Bicycle network investigation study.
Managing traffic and parking	Local traffic/parking studies.
WATER ASSET CATEGORY	
Stormwater Conveyance	Floodplain risk management planning process.
Stormwater Conveyance	Local hydraulic surveys/studies.
Water Quality Improvement	Estuary Management Plans, identifying new gross pollutant trap opportunities.
Water Quality Improvement	Development Application water quality management policy.
Marine Facilities	Marine Infrastructure Asset Management Plan and speciality studies undertaken e.g. Kogarah Bay boat ramp survey.
Foreshore Structures	Foreshore Asset Management Plan, including a measure of social values.
PARKS & RECREATION ASSET CATEGORY	
Removal/renewal of park assets	Risk and hazard assessment as per AS:4360:2004.
Kogarah City Council Parks and Recreation Risk Management Plan	Local hydraulic surveys/studies.
Removal/replacement of street trees	Kogarah City Council Street Tree Management Strategy and Master Plan.
The use and management of Community Land	Community Land Plans of Management.
Redevelopment of parks and amenities	Community surveys of park visitors and residents around park sites (approximately 200 surveys), assessing items such as lighting/safety, frequency of use, expectations etc.
Management of Kogarah's bushland areas.	Kogarah Biodiversity Study. Bushland Plans of Management.
Long-term planning of parks and recreation strategies.	St George Leisure and Recreation Strategy Plan, Kogarah Recreation Survey Report, Kogarah Council Leisure, Recreation Strategy Action Plan and Community Land Plans of Management.
BUILDINGS ASSET CATEGORY	
Professional Management	Manage properties to maximise commercial benefit to Council.
Reuse Asset Stock	Highlight underutilised assets and either increase usage for maximum return, or retire the asset appropriately.
System of Inspection	Continuous system of inspection conducted at a minimum annually, the data from these inspections feeds into the rolling forward works program.

4.5.4 New Assets from Growth

The new assets required to meet growth will be acquired from additional development and constructed by Council.

As Kogarah is an older and already developed LGA, new assets from growth do not generally have a significant impact on road reserve asset management. However, redevelopment of land into higher density housing often provides Council with the opportunity to install new or upgrade existing stormwater pipes and pits.

The new parks and recreation assets required to meet growth will be installed or constructed by Council in existing parks and reserves or land purchased for additional parks and reserves. The purchase of land for conversion to provide additional public open space will be subject to Council's Section 94A Plan, income generated from new development and the availability of suitable market real estate within the area of need.

Acquiring new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. The future costs are identified and considered in developing forecasts of future operating and maintenance costs.

4.6 LIFECYCLE MANAGEMENT PLAN

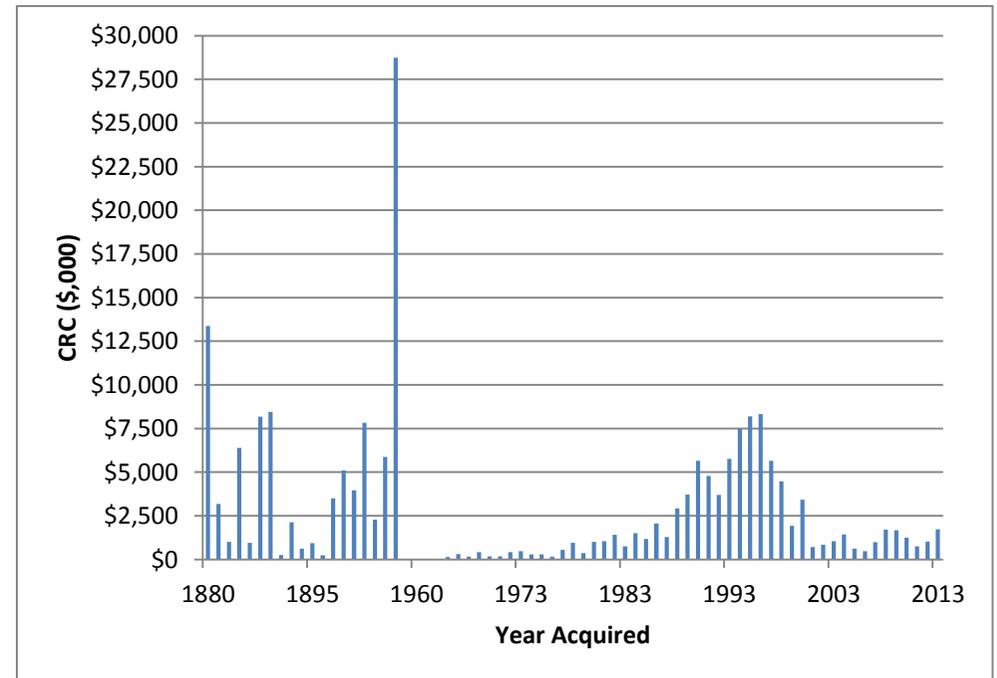
The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service while optimising lifecycle costs.

4.6.1 Background Data

The tables in Appendix 2 in conjunction with Table 1 in Section 4.1 provide detail as to the number, type and condition of Council's infrastructure assets.

The following graphs identify the current replacement costs (CRC) and the age profile of Council's major infrastructure assets.

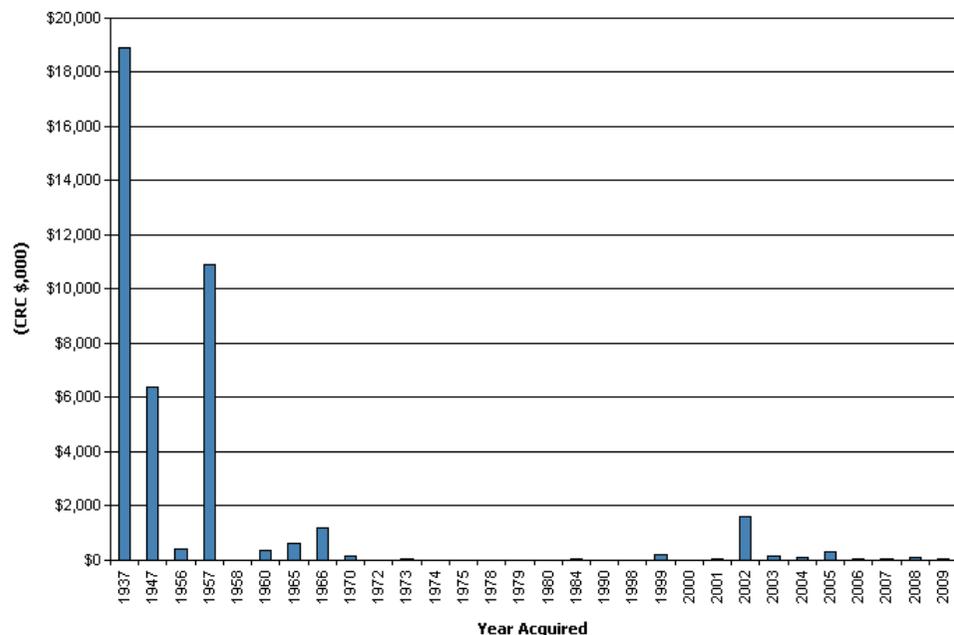
FIGURE 2: AGE PROFILE – ROAD RESERVE ASSET CATEGORY (ROAD BASE, SEAL, FOOTPATH AND KERB & GUTTER)



The age profile data for the road reserve asset category (Figure 2) appears to be in distinct groups, this could be due to the year acquired for some asset classes predominantly being calculated from remaining life, for example kerb and gutter. This is in

comparison to road seal data, which is highly accurate and based on historical and current reseal data.

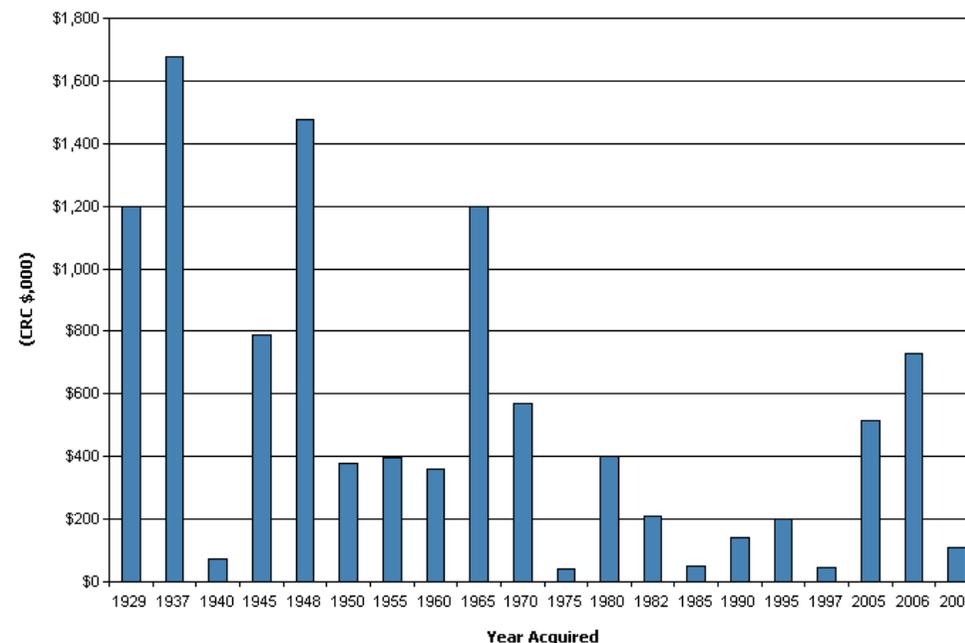
FIGURE 3: AGE PROFILE – STORMWATER ASSET CLASS



The age profile data for the stormwater asset category (Figure 3) indicates a large portion of the infrastructure was constructed in the period from 1937 to 1957 this is indicative of Kogarah’s ageing stormwater pits and pipes. The small peak in the graph in 2002 indicates the installation of several of the larger SQIDs, including Moore Reserve wetland.

It is important to note that the data shown in figures 3 and 4 is from the 2010 AMP. Council is currently undergoing a process of updating its stormwater asset information in preparation for asset revaluation and figures 3 and 4 will be updated after revaluation.

FIGURE 4: AGE PROFILE –FORESHORE/MARINE INFRASTRUCTURE ASSET CLASS

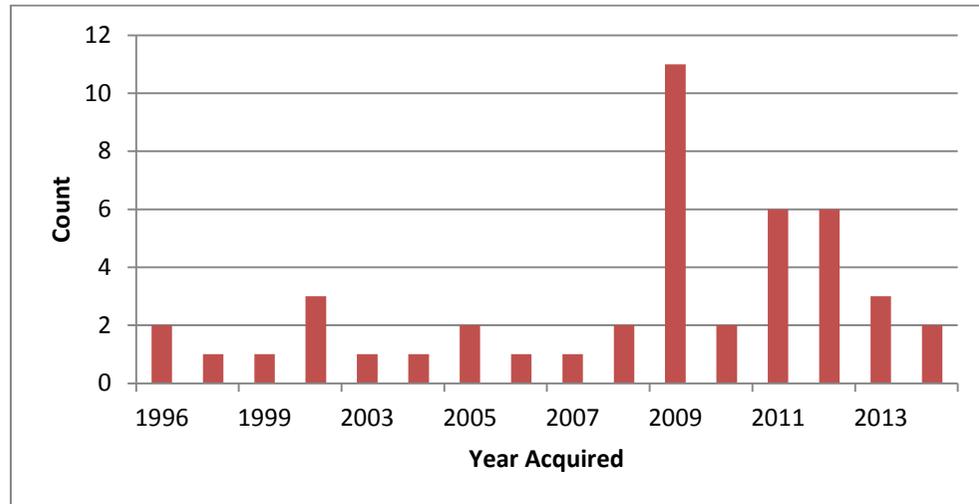


The age profile data for the playground asset category (Figure 5) indicates that playground stock is constantly being replaced and/or rejuvenated.

Kogarah City Council has 47 playground sites. These playgrounds are inspected for condition and safety twice-yearly by an independent consultant – Playfix as well as continual inspection by KCW staff when carrying out general maintenance.

The average age of a playground in the Kogarah LGA is 6 years. This is comparable to an average playground age of 9.8 years in 2010 and 12.8 years when Kogarah’s first asset management plan was published in 2003. This is indicative of the additional funding supplied by the SRV for the replacement of playgrounds not meeting the Australian Standard or higher risk playgrounds. Over the four year SRV period the additional funding was allocated for the replacement of 15 playgrounds, with an additional 3 playgrounds replaced through capital works. The number of playgrounds between 17 and 40 years in age has dropped from 9 in 2010 to currently 3, which represents 6.5% of the total number of playgrounds. There are an additional 5 playgrounds over 10 years old, this number has reduced from 13 four years ago.

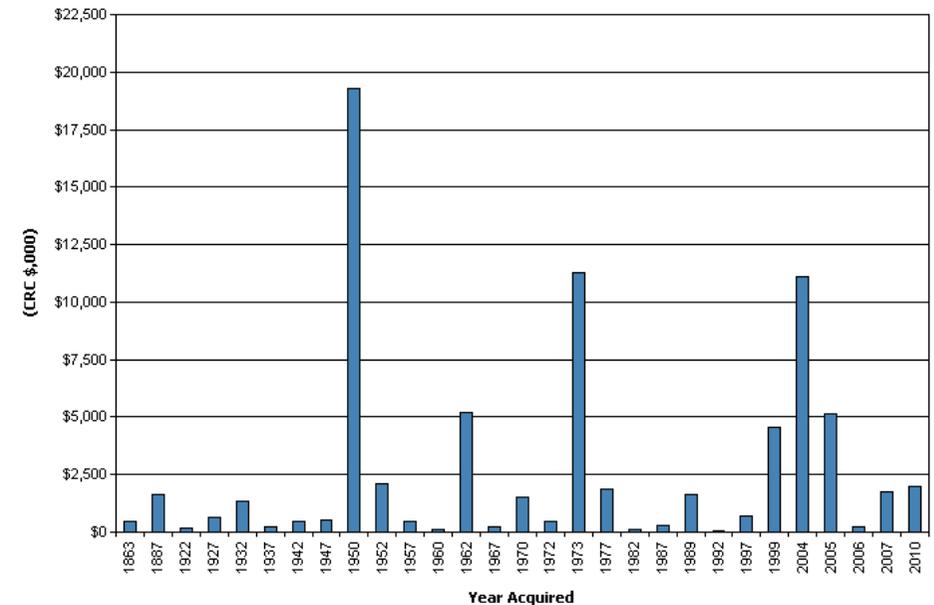
FIGURE 5: AGE PROFILE – PLAYGROUND ASSET CLASS



In 2011 and 2012, an asset condition inspection was conducted to capture all park furniture and fittings. This inspection included an appearance and a condition rating for most park furniture, but did not include capturing information about the age of assets.

Aside from playgrounds the age of Council’s parks and reserves assets is difficult to assess due to the nature of the asset category.

FIGURE 6: AGE PROFILE –BUILDING ASSET CATEGORY



The age of Council owned buildings (Figure 6) ranges from 1 to almost 150 years. This includes heritage listed buildings such as the Carss Park Cottage and The School of the Arts through to the water reclamation plant. It should be noted that Figure 6 does not include the 25 unconstructed car parks in Kogarah as data is not currently recorded as to the age of these assets. Several of Council’s buildings have currently been refurbished, for example the Customer Service Centre and the Oatley Embankment Scout Hall.

4.6.2 Asset Capacity and Performance

Council's services are generally provided to meet design standards where these are available.

Asset Condition

The condition rating methods adopted at Kogarah City Council vary across the asset categories. Generally, rating methods are based on the International Infrastructure Management Manual¹ as described below and adapted according to the specifics of the asset category.

Rating	Description of Condition
1	Very Good: Only planned maintenance required.
2	Good: Minor maintenance required plus planned maintenance.
3	Fair: Significant maintenance required.
4	Poor: Significant renewal/upgrade required.
5	Failed: Unserviceable or does not meet current Australian Standards.

A detailed description of the rating methods applied to each specific asset category is included in Appendix 3.

The frequency of asset inspection is generally based on Council's service levels. For example road pavement service level 1 assets are inspected yearly, with service levels 2 and 3 bi-annually, with the aim of having the whole network inspected every 2 – 3 years. Any hazards observed are reported immediately through Council's CRM system and assessed and repaired according to service levels and risk. Kogarah City Works day sheets are monitored by Council's Infrastructure Assets Officer, who inspects new and upgraded assets and rates their condition. Appendix 2 provides more detail about Council's assets, including the inspection frequencies of each.

The following graphs provide an overview of the condition ratings for each of the asset categories.

FIGURE 7: ROAD PAVEMENT CONDITION PROFILE (AS AT MARCH 2015)

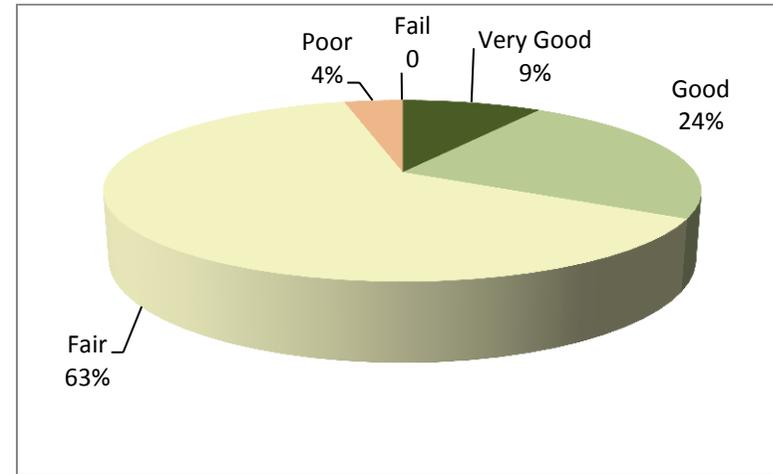
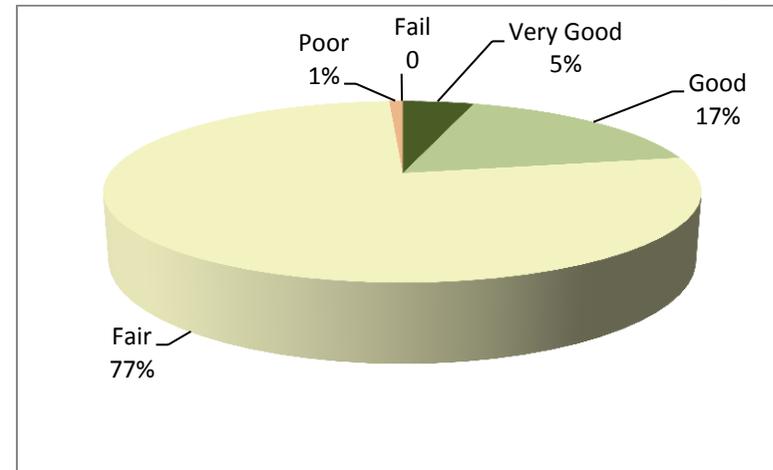
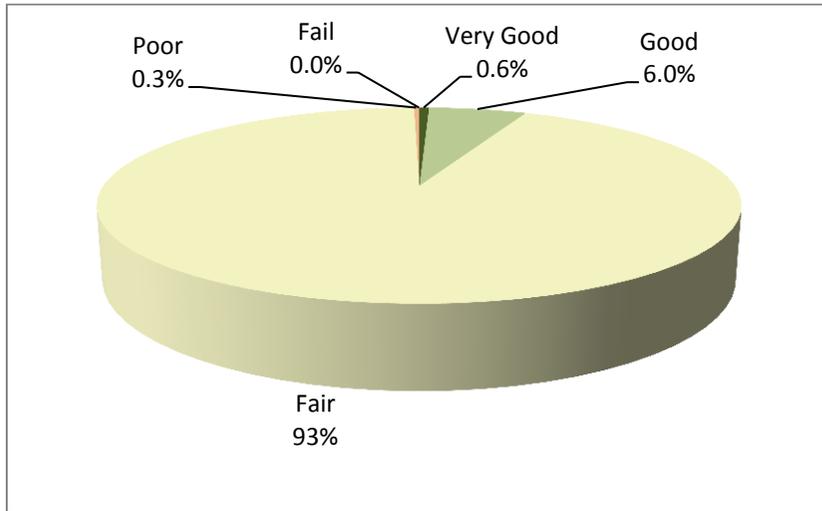


FIGURE 8: FOOTPATH CONDITION PROFILE (AS AT MARCH 2015)



¹IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

FIGURE 9: KERB AND GUTTER CONDITION PROFILE (AS AT MARCH 2015)



In 2009 a complete network condition assessment was completed by Council’s Infrastructure Assets Officer for the road pavement, footpath and kerb and gutter assets. A subsequent survey was conducted during 2012 and 2013, with another full assessment due to be completed by the end of 2015.

As indicated in Figures 7, 8 and 9 above, the condition assessments showed that the majority of road pavement (96%), footpath (99%) and kerb and gutter (99.7%) assets in the LGA are in a very good to fair condition.

Figures 10 and 11 following show the condition of Kogarah’s stormwater pits and pipes as assessed by the theoretical modelling conducted in 2008 and verified through CCTV sampling. These figures indicate that there are a large percentage of pits (41%) and pipes (42%) which have been assigned a poor to failed condition rating. This is indicative of the ageing nature of Kogarah’s stormwater assets. Council plans to develop a system to update condition and remaining life data when CCTV footage is received.

FIGURE 10: STORMWATER PITS CONDITION PROFILE (AS AT MARCH 2015)

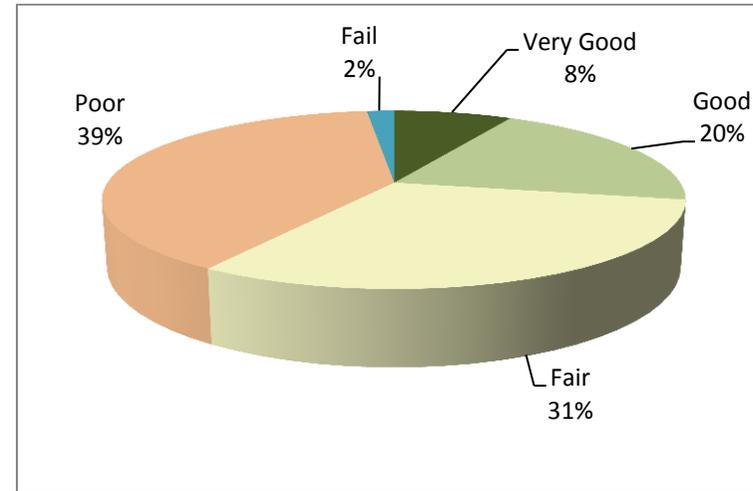


FIGURE 11: STORMWATER PIPES CONDITION PROFILE (AS AT MARCH 2015)

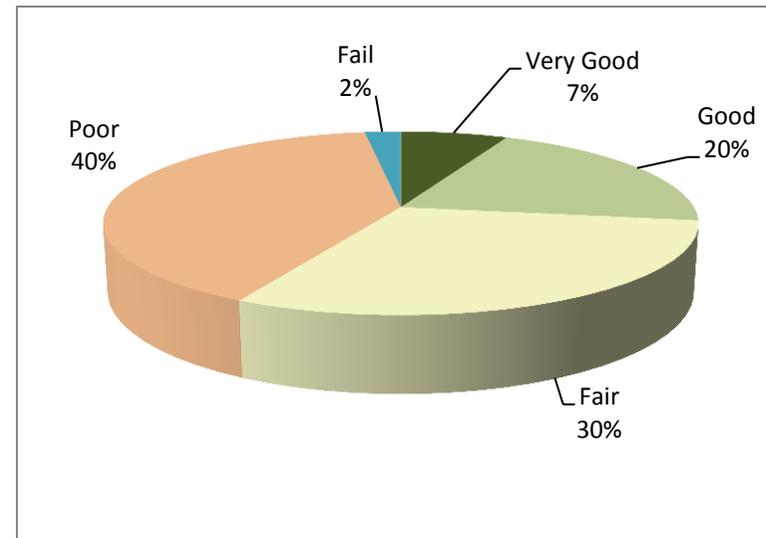
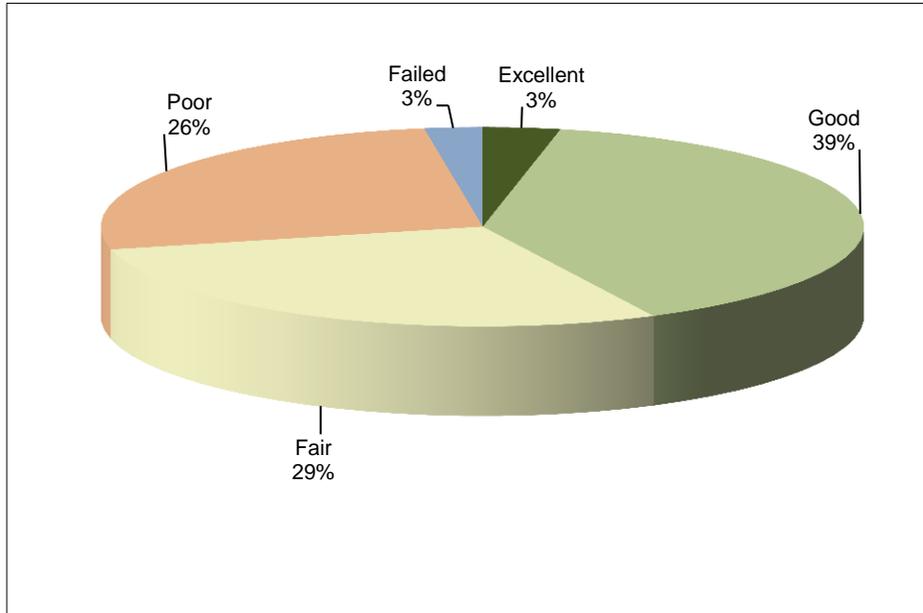


FIGURE 12: FORESHORE/MARINE STRUCTURES CONDITION PROFILE (2008 WMA ASSESSMENT)



In 2008, Council commissioned independent consultants WMAwater to conduct assessments of the 23 foreshore areas and all foreshore/marine infrastructure assets contained within these areas. This included low tide inspections to determine the condition of the assets. Each asset was broken into components and the condition of each component assessed. Figure 12 above shows a summary of the condition assessment indicating the majority (75%) of Council's foreshore/marine structures are in an excellent to fair condition.

Figure 13 shows the condition of Kogarah's public jetties. Jetties are assessed by Council's Catchment Management Officer every 6 months based using the assessment criteria developed by WMAwater in 2008. Figure 13 shows 93% of Council's public jetties are in very good to fair condition.

FIGURE 13: PUBLIC JETTIES CONDITION PROFILE (AS AT MARCH 2015)

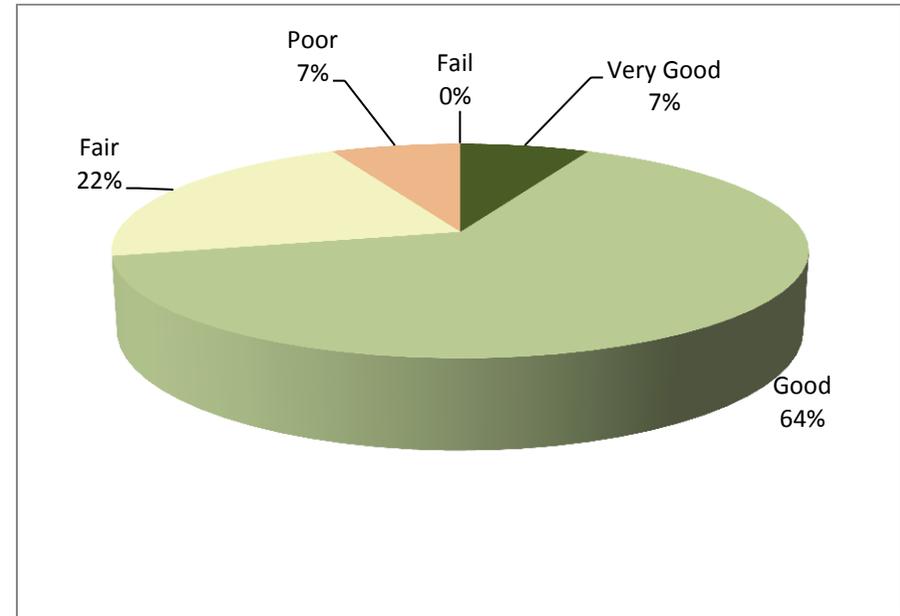


FIGURE 14: PLAYGROUND ASSETS CONDITION PROFILE (AS AT MARCH 2015)

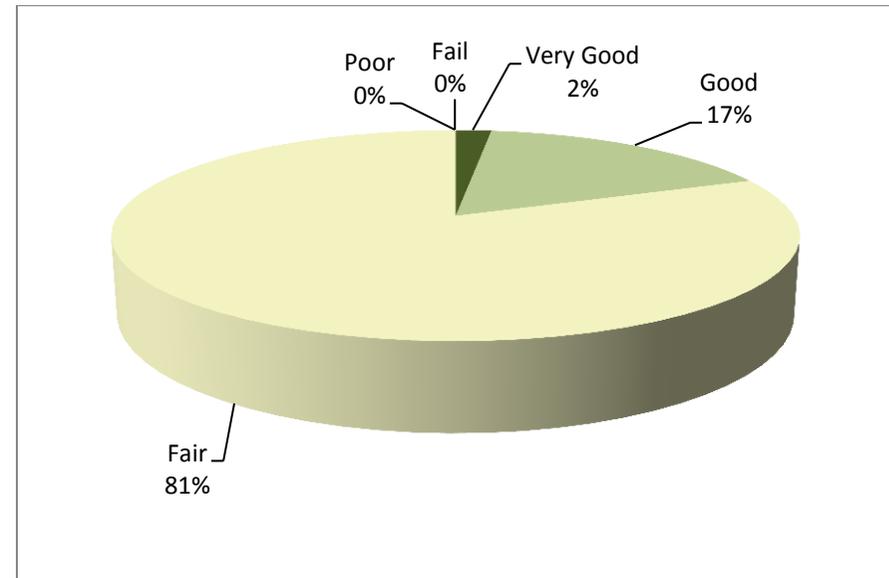


Figure 14 shows the condition of Kogarah’s playground assets as assessed by PlayFix Pty Ltd. This graph shows Kogarah’s entire playground asset stock is in a very good to fair condition, this can be compared to 18% which were of a failed condition at the last revision of this AMP in 2010. This change is indicative of the additional funding which was supplied by the SRV allowing for the replacement of 15 playgrounds and 4 additional through capital works since 2010.

It is important to note that the condition rating provided by PlayFix is an average for the whole playground site, for example while there may be a brand new playground of condition 1, there may still be other components that are not of like new condition therefore the average condition is pulled down slightly.

In 2011 and 2012 Council’s Parks Officer and Assets Infrastructure Officer conducted a capture and assessment of all park furniture and fittings (excluding bushland areas). 2,953 assets were captured with a 1 to 5 condition and appearance rating collected for most. Appendix 3 describes the ratings used and shows examples.

Figures 15 and 16 following show the condition and appearance rating of park furniture. These figures show that 81% and 84% of Council’s park furniture and fittings have a very good to fair condition and appearance rating respectively.

FIGURE 15: PARK FURNITURE ASSETS CONDITION PROFILE (AS AT MARCH 2015)

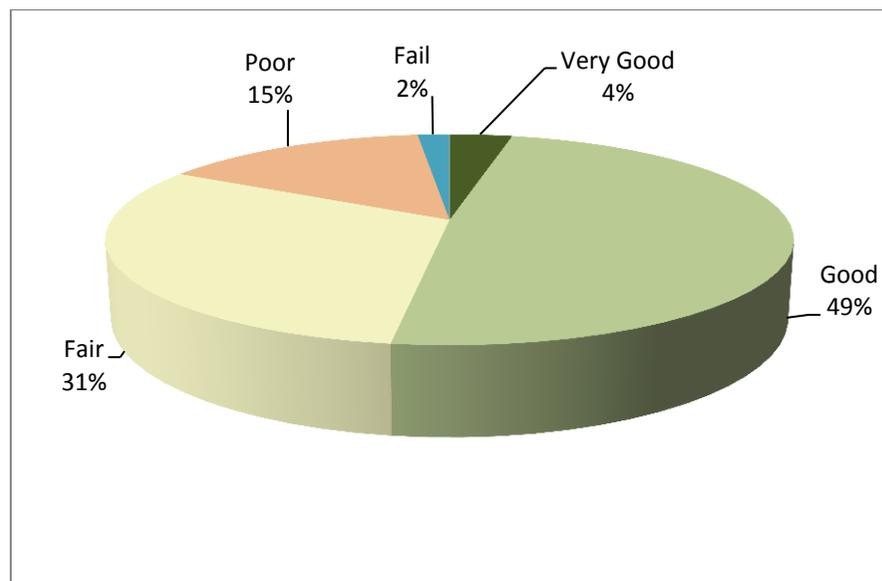
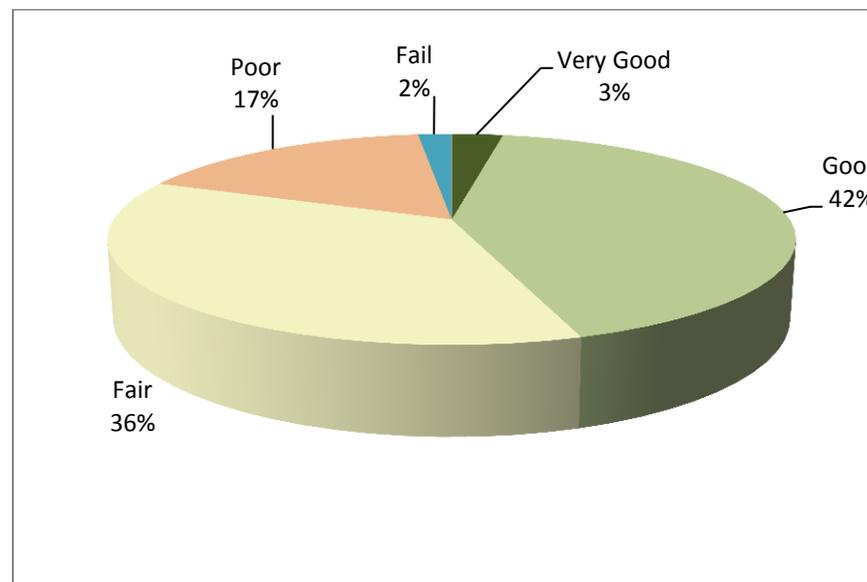


FIGURE 16: PARK FURNITURE ASSETS APPEARANCE PROFILE (AS AT MARCH 2015)



Figures 17 and 18 following show the surface and line marking condition of Council’s car parks, excluding those within a building (ATO, Derby Street and Empress car parks). These figures show that most of Council’s car parks are in a very good to good condition, 74% for surface and 47% for line marking. It is important to note that there are 39% of car parks for which line marking is non-applicable.

FIGURE 17: CAR PARK ASSETS SURFACE CONDITION PROFILE (AS AT MARCH 2015)

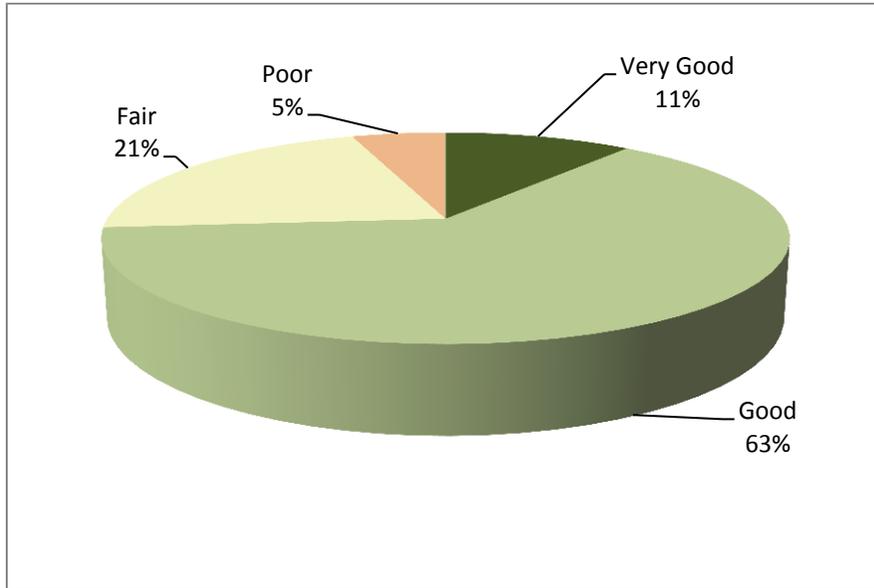
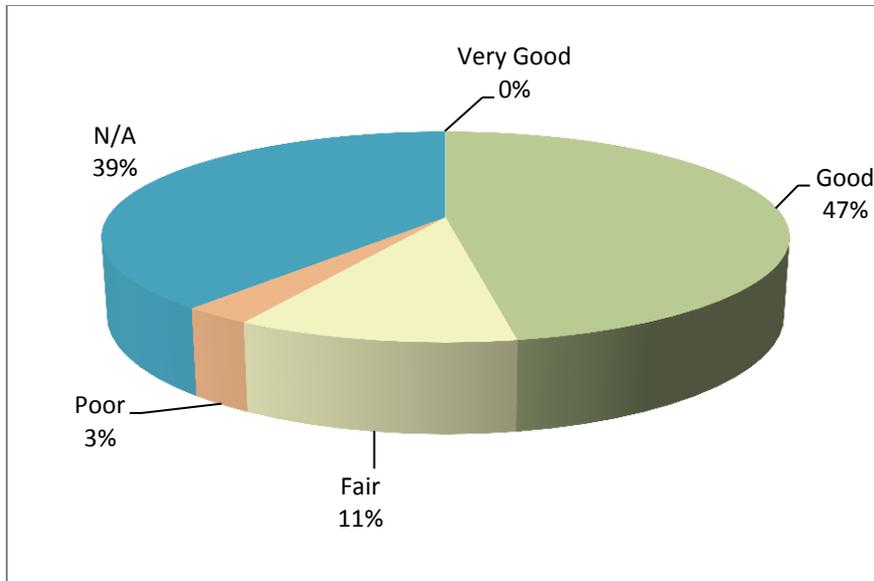


FIGURE 18: CAR PARK ASSETS LINE MARKING CONDITION PROFILE (AS AT MARCH 2015)



Asset Valuations

The following table shows a summary of the financial reporting for Kogarah's assets. The following points should be noted;

- Road reserve assets do not currently include retaining walls or street furniture.
- Parks and recreation values include improvements to parks and reserves land (e.g. park lighting, playgrounds) and the value of community land but are not comprehensive for all parks and reserve assets.
- The last revaluation of building assets in 2012 did not include unconstructed car parks.

FINANCIAL SUMMARY

Asset Category	Current Replacement Cost (\$M)	Depreciable Amount (\$M)	Depreciated Replacement Cost (\$M)	Annual Depreciated Expense (\$M)	Asset Consumption (%)	Asset Renewal (%)	Annual Upgrade / Expansion (%)
Road Reserve	\$280.03	\$280.03	\$193.12	\$2.27	0.81%	0.7%	0.25%
Water	\$49.86	\$49.86	\$21.17	\$0.89	1.78%	0.98%	0.13%
Parks & Recreation	\$58.46	\$58.46	\$33.64	\$1.42	2.43%	0.96%	0.45%
Buildings	\$82.74	\$82.74	\$49.65	\$1.46	1.76%	1.09%	0.00%

The following table shows the asset revaluation schedule to be followed by Council over the next five years and is based on the schedule provided by the Office of Local Government. Council assets are valued using Brownfield rates.

REVALUATION SCHEDULE

Asset Category	Kogarah Proposed Revaluation date
Stormwater Drainage	30 June 2015
Community Land	30 June 2016
Land Improvements	Annual (Depreciated Historical Cost)
Other Structures	Annual (Depreciated Historical Cost)
Operational Land	30 June 2017
Buildings	30 June 2018
Plant & Equipment	Annual (Depreciated Historical Cost)
Road & Footpath	30 June 2019

4.6.3 Risk Management Plan

Refer to section 3.4 of the AMS for discussion around Council's Risk Management Plan.

4.6.4 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities. Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, action the work and reporting what was done in order to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting of buildings, pruning of street trees, street sweeping and cleaning of stormwater pits. This work generally falls below the capital/maintenance threshold.

The table following shows the 2015/16 budget for maintenance by asset category.

TABLE 6 – 2015/16 BUDGET FOR MAINTENANCE

Asset category	Reactive	Planned	Cyclic
Roads	\$1,008,678	\$229,602	\$1,537,047
Water	\$68,140	\$165,900	\$224,934
Parks & Recreation	\$1,133,664	\$605,654	\$1,688,933
Buildings	\$706,539	\$49,750	\$213,076

Standards & Specification

Maintenance, renewal and new assets work is carried out in accordance with the following Standards and Specifications:

- Councils adopted Standards and Guidelines
- AusSpec
- Australian Standards
- RTA Guidelines
- Austroad Guidelines
- Operational Tender

Summary of Future Maintenance Expenditures

Future maintenance for each of the asset categories is forecast to trend in line with the following graphs. Note that all costs are shown in the current 2015 values.

FIGURE 19: REACTIVE MAINTENANCE EXPENDITURE - ROAD RESERVE

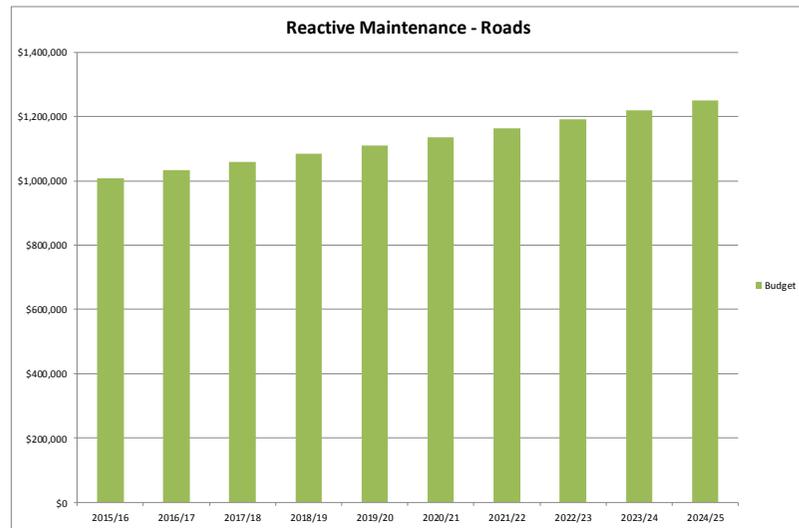


FIGURE 20: PLANNED MAINTENANCE EXPENDITURE - ROAD RESERVE

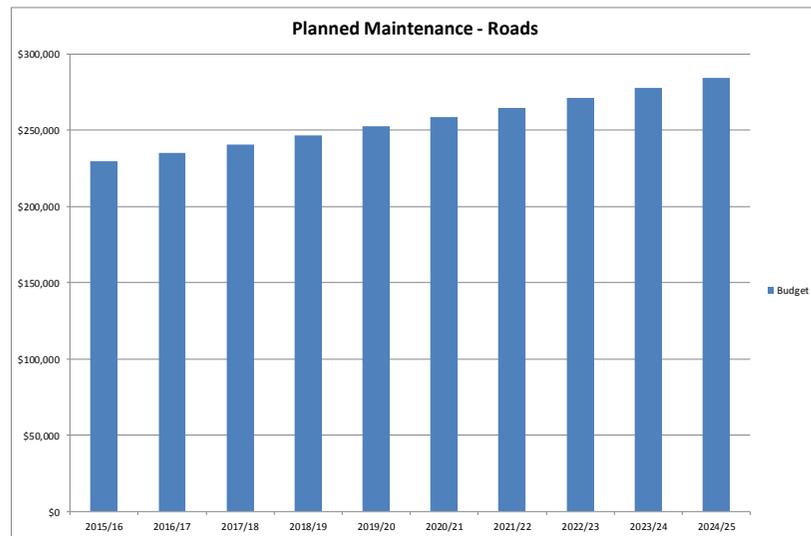


FIGURE 21: CYCLIC MAINTENANCE EXPENDITURE - ROAD RESERVE

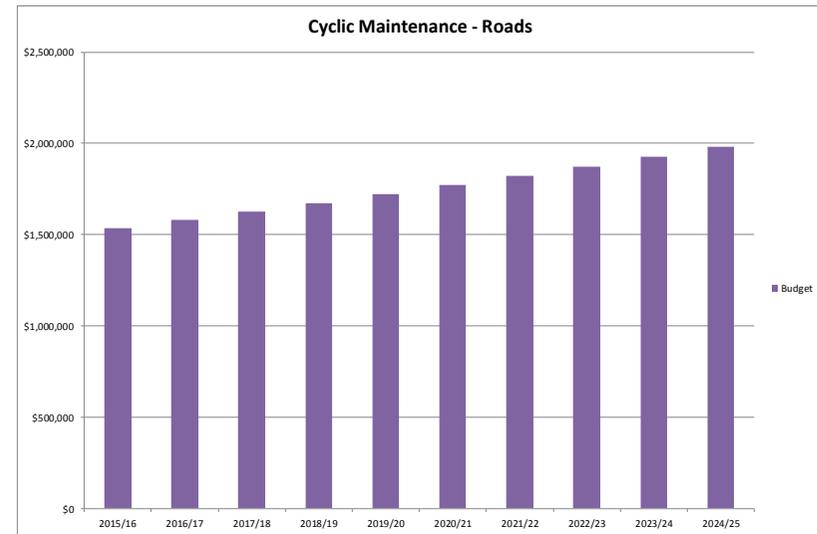


FIGURE 22: REACTIVE MAINTENANCE EXPENDITURE - WATER

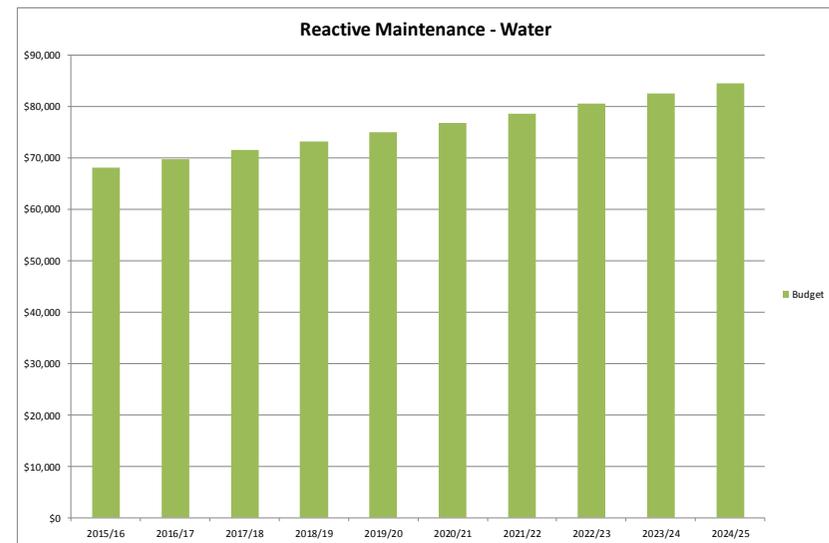


FIGURE 23: PLANNED MAINTENANCE EXPENDITURE - WATER

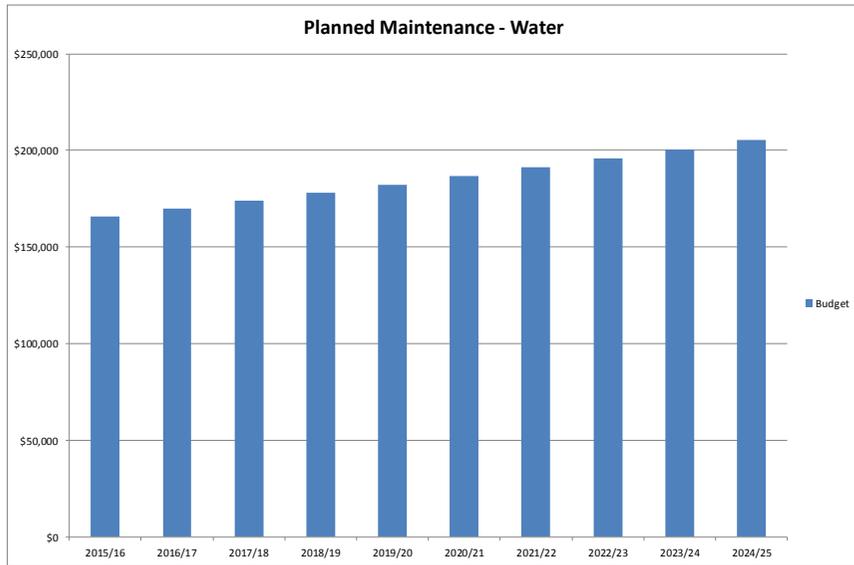


FIGURE 25: REACTIVE MAINTENANCE EXPENDITURE – PARKS AND RECREATION

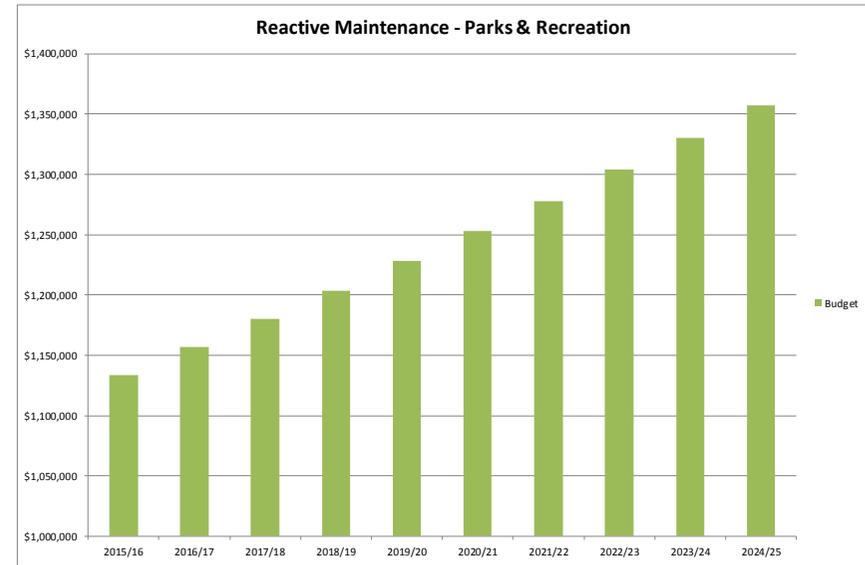


FIGURE 24: CYCLIC MAINTENANCE EXPENDITURE – WATER

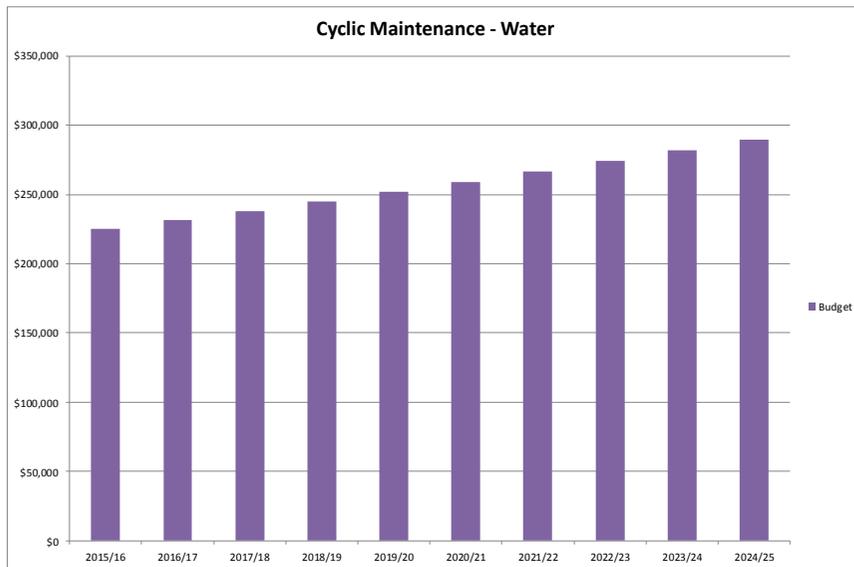


FIGURE 26: PLANNED MAINTENANCE EXPENDITURE – PARKS AND RECREATION

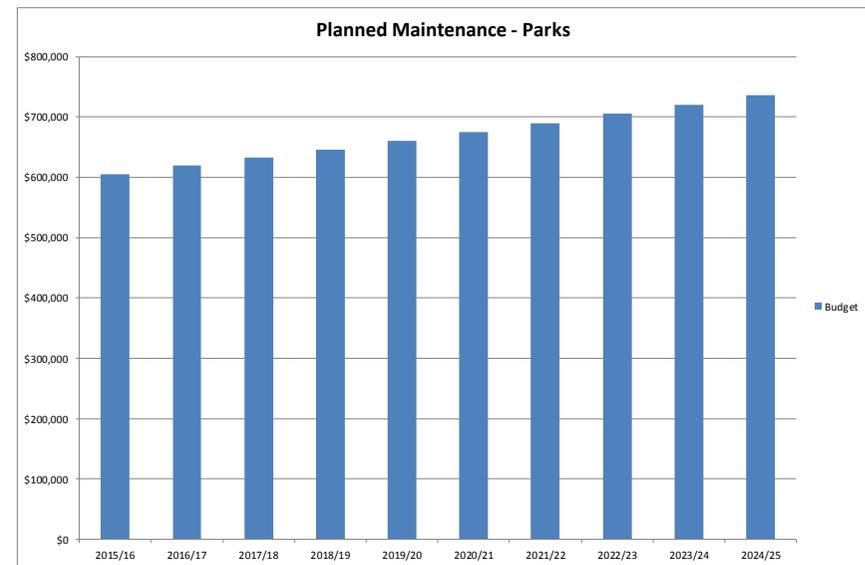


FIGURE 27: CYCLIC MAINTENANCE EXPENDITURE – PARKS AND RECREATION

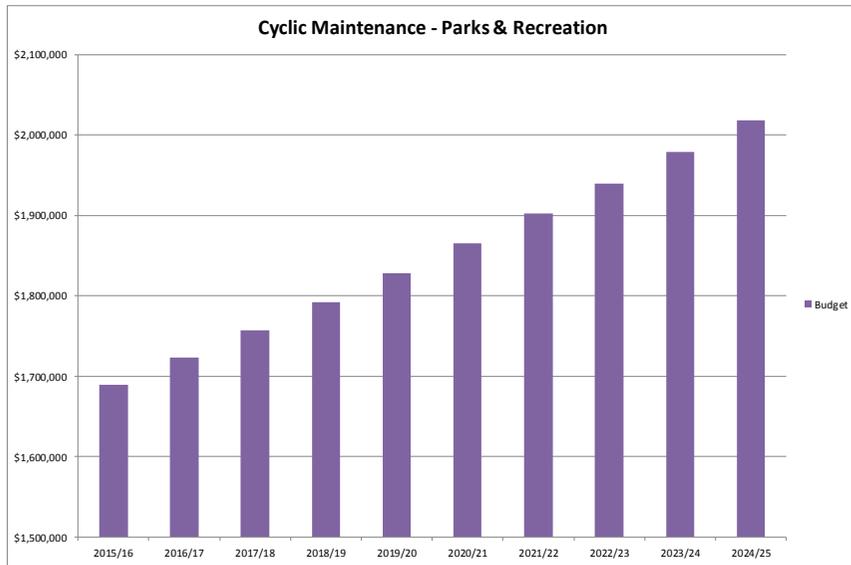


FIGURE 29: PLANNED MAINTENANCE EXPENDITURE - BUILDINGS

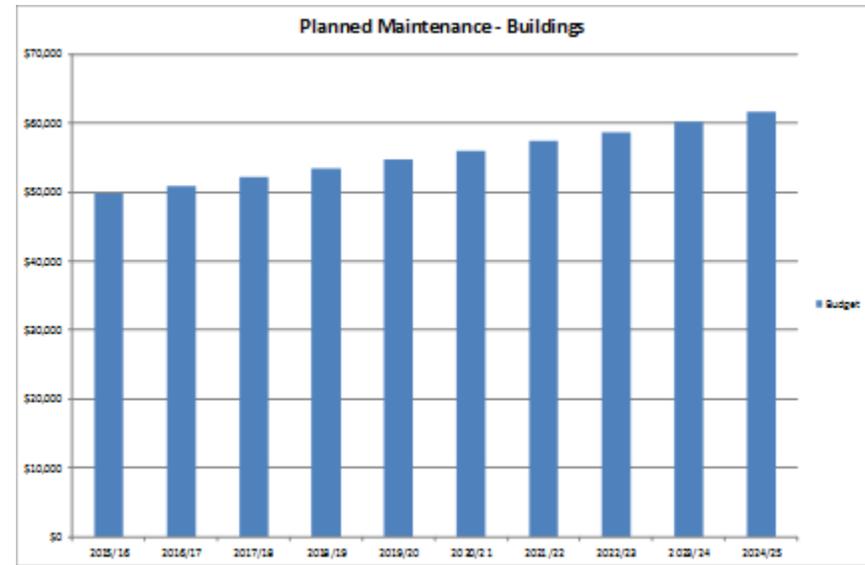


FIGURE 28: REACTIVE MAINTENANCE EXPENDITURE - BUILDINGS

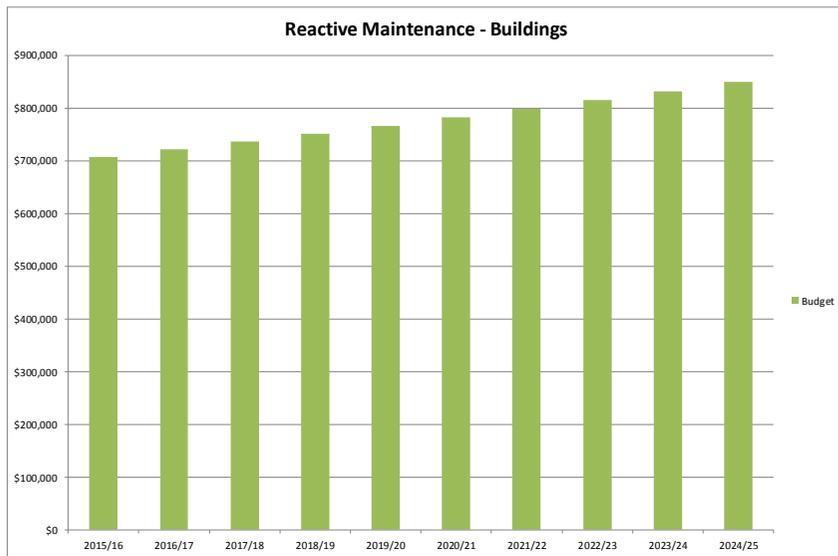
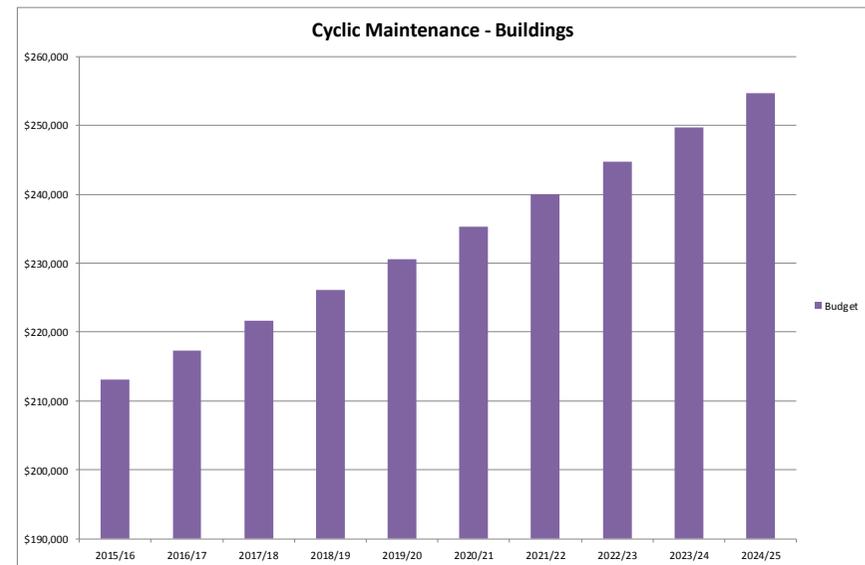


FIGURE 30: CYCLIC MAINTENANCE EXPENDITURE - BUILDINGS



4.6.5 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Renewal Plan

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than the replacement cost.

Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Council's adopted Standards and Guidelines
- AusSpec
- Australian Standards
- RMS Guidelines
- Austroad Guidelines
- Operational Tender

Table 7 following details the asset renewal priority ranking schedule.

TABLE 7– RENEWAL PRIORITY RANKING CRITERIA

Criteria	Ranking
Road Assets	
Condition Rating	1
Public Safety/Risk	2
Frequency of Usage	3
Traffic and/or Pedestrian Volumes	4
Proximity to CBDs	5

Water Assets

SQIDs, stormwater pits and pipes – condition (public safety)	1
SQIDs, stormwater pits and pipes – likelihood of flood damage	2
SQIDs, stormwater pits and pipes – location within the catchment	3
Foreshore/Marine Structures – extent of damage (public safety)	4
Foreshore/Marine Structures – likely implications (safety, further deterioration etc.)	5

Parks and Recreation Assets

Playgrounds – risk/hazard assessment	1
Playgrounds – community demand	2
Playgrounds – market capacity	3
Parks & Reserves – loss of native flora and fauna	1
Parks & Reserves – loss of natural heritage	2

Buildings Assets

Safety of building	1
Legislative requirements	2
Community expectations	3
Agreed service levels	4
The financial implications both of leaving the building as is and renewing it.	5

4.6.6 Creation/Acquisition/Upgrade Plan

New works are those works which create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development.

Section 94A of the Environmental Planning & Assessment Act 1979 provides the basis under which Council may levy contributions for the provision of public amenities and services. Appendix 9 shows the works schedule for new community infrastructure for which levies will be sort from the current Kogarah City Council Section 94A Development Contributions Plan 2014.

Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as Councillor or community requests and proposals identified by strategic plans or partnerships with other organisations.

Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority with linkages to the outcomes identified in *Bright Future, Better Lifestyle: Kogarah 2030* and funding opportunities and are considered by Council. Table 8 details the priority ranking criteria used.

Contender projects for future year's considerations are maintained and accessed annually as part of the Capital Works bidding process.

TABLE 8 – NEW ASSETS PRIORITY RANKING CRITERIA

Criteria	Ranking
Road Assets	
Public Demand	1
Safety	2
Masterplan Development	3
Integration into surrounding aesthetics	4
Water Assets	
Reduction in Flood Risks to Property	1
Improvement to Stormwater Conveyance	2
WSUD Principles	3
Parks and Recreation Assets	
Proximity and prominence of the open space in relation to existing and projected future populations.	
Potential to increase serviceability and market potential to the community	
The need to provide equity in the provision of recreational opportunities for existing and future socio-economic, age, gender, ethnic minority and	

physically impaired groups.

Buildings Assets	
Based on Master plans, Local Environmental Plans and/or Plans of Management	1
Community needs and expectations	2
Safety/Compliance with Building Codes & Australian Standards	3
Strategic Location	4
Heritage Significance	5

Standards and Specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal and maintenance shown in Section 4.6.4 above.

Summary of Future Upgrade/New Assets Expenditure

The planned upgrade/new capital works are to form part of Council's four (4) year Delivery Plan. New assets and services are to be funded from Council's Capital Works program and grants where available.

4.6.7 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

Council is currently undertaking a channel realignment project with Sydney Water. As part of this project some pits and pipes have been identified as more appropriately owned by Sydney Water. Council are currently in the process of transferring ownership of these pits and pipes to Sydney Water.

4.7 FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

4.7.1 Financial Statements and Projections

The financial projections for operating maintenance and capital expenditure (renewal and upgrade/expansion/new assets) for each of the asset categories are indicated in the graphs below³.

FIGURE 31 OPERATING MAINTENANCE AND CAPITAL EXPENDITURE – ROADS

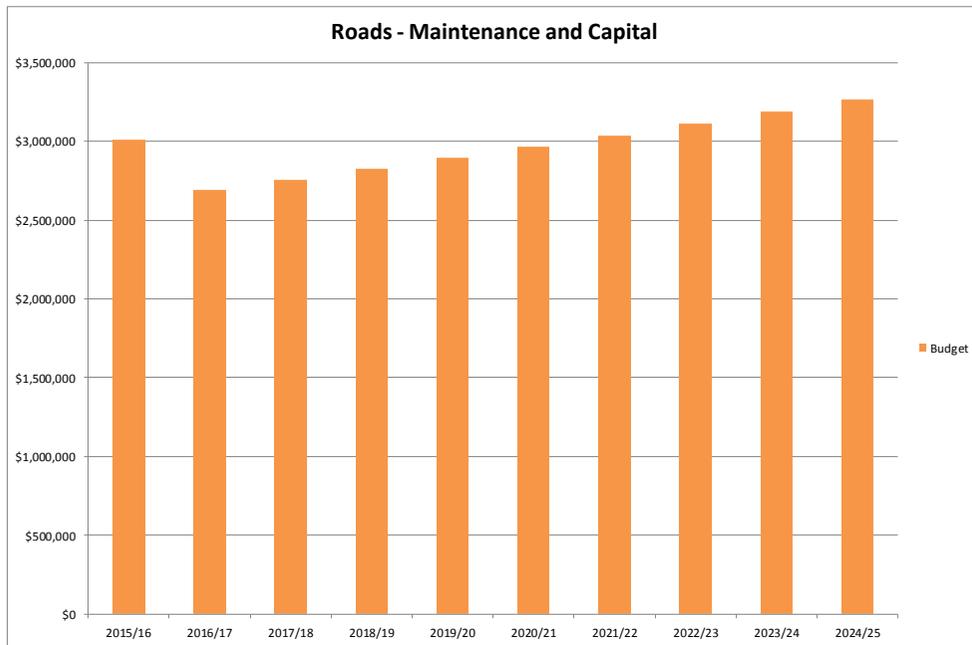


Figure 31 above shows the operating maintenance and capital expenditure for the road reserve asset category, including road pavement, footpath and kerb & gutter.

FIGURE 32: OPERATING MAINTENANCE AND CAPITAL EXPENDITURE - WATER

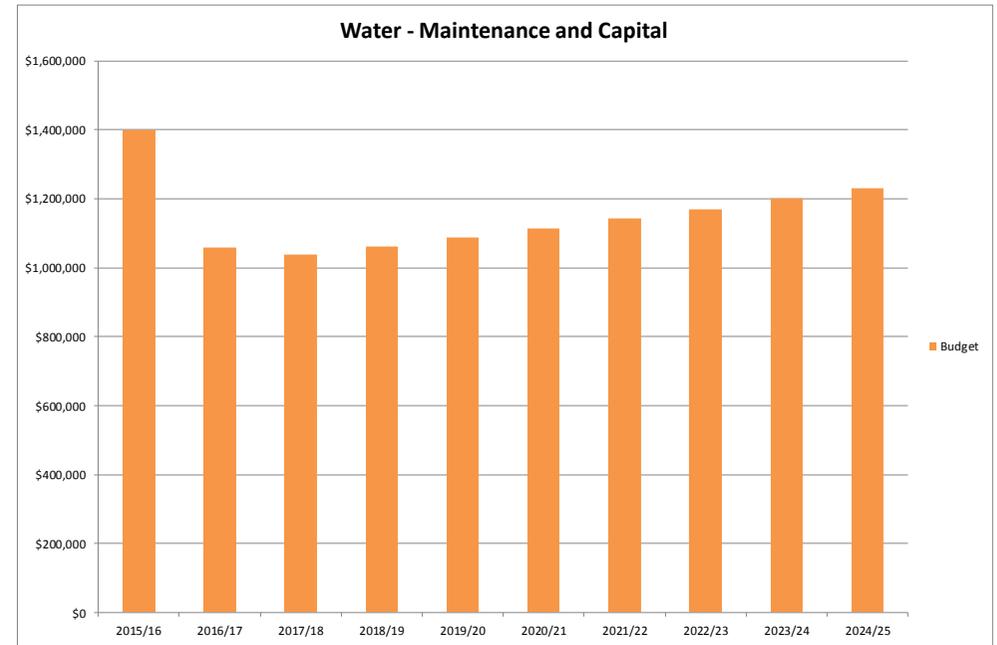


Figure 32 above indicates the operating maintenance and capital expenditure (renewal and upgrade/expansion/new assets) for the water asset category.

³Note, all costs are shown in current 2015 dollar values

FIGURE 33: OPERATING MAINTENANCE AND CAPITAL EXPENDITURE- PARKS AND RECREATION

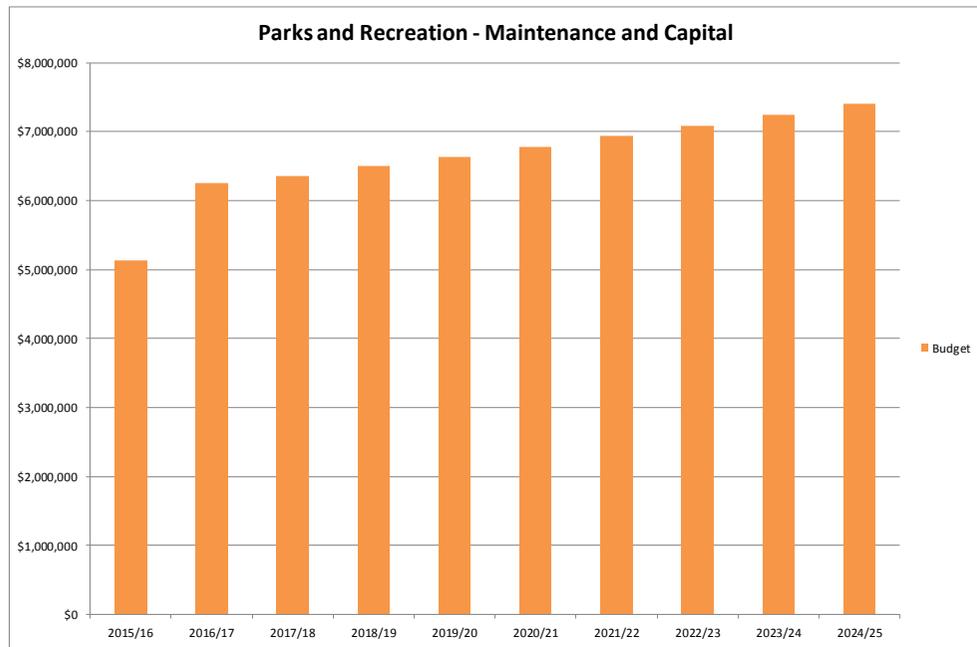


Figure 33 above indicates the operating maintenance and capital expenditure (renewal and upgrade/expansion/new assets) for the parks and recreation asset category.

FIGURE 34: OPERATING MAINTENANCE AND CAPITAL EXPENDITURE – BUILDINGS

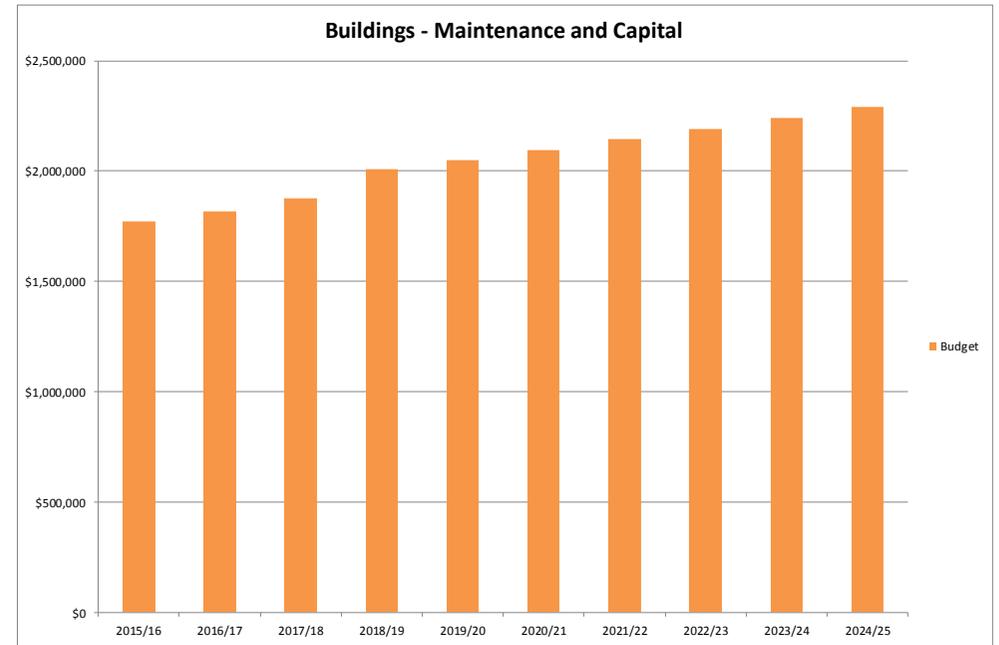


Figure 34 above indicates the operating maintenance and capital expenditure (renewal and upgrade/expansion/new assets) for the buildings asset category.

Sustainability of Service Delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by assets, these being long-term life cycle costs and medium term costs over the 10 year financial planning period.

Long-term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year.

Asset category	Life Cycle Cost \$M	Life Cycle Expenditure \$M (2013/14)	Life Cycle Gap	Life Cycle Sustainability Index
Roads	\$4.79	\$4.56	\$0.23	0.95
Water	\$1.12	\$1.02	\$0.10	0.91
Parks & Recreation	\$3.66	\$2.84	\$0.82	0.78
Buildings	\$2.49	\$2.11	\$0.38	0.85

Medium-term – 10 year financial planning period

This Asset Management Plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Council will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services.

Council's long-term financial plan covers the first 10 years of the 20-year planning period.

4.7.2 Funding Strategy

Projected expenditure is to be funded from Council's operating and capital budgets. The funding strategy will be detailed in Council's 10-year long-term financial plan.

4.7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.

The depreciation expense is increasing due to the new assets created. Each of these new assets will have an associated depreciation cost which aggregate to increase the total depreciation to Council. The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

Depreciated replacement costs show the value of the assets. A decline in value currently indicates that the consumption (or depreciation) is occurring at a greater rate than the assets are being renewed. Details relating to the valuation forecasts for each asset category are contained within the relevant AMP.

Council is currently undertaking a project internally to establish a depreciation curve for the seal component of Council's local roads. This is to replace the traditional 'straight line'

depreciation used and to establish a model which represents the reality of how Council manages local roads. In addition to providing a depreciation curve, this project also aims to show Council's intervention point in relation to remaining life.

In stage one of the project a curve was created based on the 20 plus years' experience of Council's maintenance supervisor and the Operations Foreman from Bernipave Pty Ltd. Stage two involves condition assessing various road segments based on the date of last resheet and testing the curve. The results of this project will be added to the AMP once completed.

Council is also conducting a similar project to test the design lives of stormwater pits.

For other assets Council has agreed to use the design lives as agreed by the Southern Sydney Regional Group of Councils (SSROC) in 2014. The design lives for each asset are detailed in the tables in Appendix 2.

4.7.4 Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- No substantial increase in asset stock.
- Future financial forecasts are based on stable price increases in accordance with RBA forecasts for price growth.
- Technology in delivery of new infrastructure and maintenance of existing infrastructure will not substantially change over the forward estimates.
- Service level expectations of the community will not change substantially over the forward estimates.
- The population growth will not be significantly different to the population estimates determined by the state government plan.

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions.

- More detailed information on asset classes e.g. park furniture, street furniture.

- Inclusion of all asset classes into financial forecasting.
- More detailed long-term modelling for capital works spending.
- Increased accuracy of condition monitoring.

4.8 ASSET MANAGEMENT PRACTICES

4.8.1 Accounting/Financial Systems

Council uses Civica's Authority software. "Authority" has the capacity to record not only financial transactions, but also units of work and where they occur. In 1997 Council implemented a 'job numbering' system which required a large shift in work practices for both outdoor and administration staff. This job numbering system has been very successful and now provides the foundation for asset management practice at Kogarah City Council.

Asset managers at Council maintain their own budgets, including the setup of job numbers according to maintenance and capital and the processing of invoices against these budgets. The Asset Manager, in combination with the Assets and GIS Coordinator provide valuation information to the finance section of Council. Finance use this information to update the accounting records and to produce the yearly financial reports.

The following accounting guidelines and standards are applicable to asset management practices:

- AASB 116 – Property, Plant & Equipment
- AASB 136 – Impairment of Assets
- AASB 138 – Intangible Assets
- AASB 140 – Investment Properties
- AASB 1031 – Materiality
- AASB 1051 – Land under Roads

4.8.2 Asset Management Systems

Asset Register

In 2002 Council engaged Jeff Roorda & Associates (JRA) to capture and assess the condition of signs, kerb, footpath, line markings and pedestrian facilities within the local

government area. This was the first time detailed information had been collected on these assets and allowed for an accurate assessment of each asset's condition and value. Each asset was represented as a feature in the relevant layer in Council's GIS (Geographical Information System), MapInfo.

Since the JRA survey in 2002 Council has primarily conducted asset condition surveys in-house. In 2008 a permanent position of Assets Infrastructure Officer was created to fulfil this function. When specialist skills are required for asset inspection, they are sourced externally, for example building condition reports.

Council has been using a GIS since 1996. The GIS provides the interface to convey detailed information in a simple map based format. The most obvious function of GIS within asset management is to provide a location of each asset. However, knowing the location of each asset also allows users of GIS software to analyse groups of assets by their spatial relationships and allows for complicated analysis to be performed very easily. An example of this is the modelling of street trees on other assets such as footpaths and kerb and gutter.

Council uses MapInfo Professional software for all asset register editing and map layer creation. Exponare Enquiry is used as a desktop viewer, which allows asset information to be viewed easily by all staff. Certain asset information such as stormwater drainage can be viewed by the public at the Customer Service Centre. Some additional asset information is stored in Microsoft Access, for example the building componentisation. This information is also linked to the map base and available in Exponare.

At the completion of a data collection cycle and before a new data collection commences, the relevant MapInfo layer is archived. This layer is added to the Exponare setup and in this manner it is possible to see historical asset condition data about an asset. For example it is possible to see condition data for footpaths from 2002, 2008, 2011 and 2013.

Council's Assets Infrastructure Officer and Tree Management Officers use the MapInfo based GBM Mobile for condition assessment of Council's assets in the field using a Personal Digital Assistant (PDA). It is expected in the future that these data capture systems will be expanded to also operate on smart phones and tablet devices.

The MapInfo system and the asset register are administered by Council's Assets & GIS Section. Where possible, assets in the GIS contain a 5 digit asset ID which provides a link into Authority. The asset ID is generated from Authority, by Council's Finance section. The first number of the asset ID relates to the type of asset, for example road assets

begin with a '1', park assets a '4' and building assets a '6'. Some assets inherit the asset ID of the parent asset in which they are spatially contained, for example kerb and footpath segments have the ID of the road segment in which they are located. Some of the minor assets which are not financially reported are not allocated IDs, for example signs.

Customer Request Management System

Council uses an intranet based Customer Request Management System or CRM for all telephone or 'over the counter' communication with residents and the wider community. The CRM system was developed by Civica and implemented for Council in 2006. The CRM can be accessed by staff via the intranet and has the ability to automatically assign tasks to the appropriate staff and record the actions taken by that staff member and the completion time.

Enquiries are primarily entered by Council's customer service centre and actioned by Kogarah City Works, although the system is utilised by other areas of Council. Council's Infrastructure Assets Officer uses the CRM to report any unsafe assets identified during their inspections. Future developments of the CRM system may allow for residents to lodge their own enquiries via the internet.

Electronic Document Management

ECM Dataworks is Council's electronic document management system. It is widely used throughout the organisation as the primary records management system. It contains all appropriate written correspondence, either sent or received by Council. ECM Dataworks functions in a similar way to Council's CRM for all written requests concerning an asset related issue. Tasks can be assigned to appropriate staff and the actions, dates and comments recorded. All correspondence and documents are stored under the relevant 5 digit asset ID for that feature. ECM Dataworks is administered by the 'IT & T' and 'Records' sections and is stored on the Council computer network.

In the future Council plans to provide a link between Exponare and ECM Dataworks, allowing employees to easily query any correspondence related to an asset using a map location.

4.8.3 Information Flow Requirements and Processes

The key information flows into this AMP are the:

- Asset register data including size, age, value and remaining life of the network.
- Unit rates for categories of work/material.

- Adopted service levels.
- Projections of various factors affecting future demand for services.
- Correlations between maintenance and renewal, including decay models.
- Data on new assets acquired by Council.

The key information flows from this AMP are the:

- Assumed Works Program and trends.
- Resulting budget, valuation and depreciation projections.
- Useful life analysis.

These impact the Long-Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

The recognition of new assets and capitalisation process is defined by the following steps;

- Asset managers identify through the budgeting process the distinction between capital and operating expenditure.
- Council uses the project costing module in Authority to monitor the cost of new assets during the financial year.
- The finance section uses the project costing data to update the asset database with all new capitalised assets.
- This information is used to prepare annual financial reports.
-

4.8.4 Standards and Guidelines

Council has adopted an Asset Management Policy and Strategy.

4.9 PLAN IMPROVEMENT AND MONITORING

4.9.1 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

- The degree to which the required cash flows identified in this AMP are incorporated into Council's long-term financial plan and CSP;
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the AMP.

4.9.2 Improvement Plan

The improvement plan generated from this AMP is shown in the table below. This table will be updated annually when condition and financial information is updated.

TABLE 9 - ASSET MANAGEMENT IMPROVEMENT PLAN

TASK NO	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
1.	Complete data collection and asset condition assessment for incomplete asset classes.			
1.1	Update line markings data from new aerial photography.	Infrastructure Assets Officer		
1.2	Capture and condition survey of public trees in regional parks.	Manager Parks & Waterways		
1.3	Development of new data collection system for smart phone and tablet, pilot project with street trees.	Infrastructure Assets Officer		June 2015
1.4	Continued componentisation of all buildings.	Manager Property		
1.5	Continued program of inspection of buildings by external consultant.	Manager Property		
1.6	Continued development of buildings database and consolidation of all condition data.	Assets & GIS Co-ordinator, Manager Property		June 2015.
1.7	Development & documentation of process for condition/remaining life assessment of pits and pipes surveyed through CCTV.	Manager Parks & Waterways		
2	Testing of SSROC remaining life for local roads and development of depreciation curve.	Executive Manager Kogarah City Works		
	Testing of SSROC remaining life for stormwater pits and development of depreciation curve	Manager Parks & Waterways		
3.	Addition of new work for stormwater pits and pipes from old plans. Development of procedure whereby this occurs as new work is completed.	Manager Parks & Waterways		Completed 2010
4.	Dates of acquisition for footpaths, kerb and gutter based on historical data rather than current back calculation from remaining and design lives.	Manager Asset Planning & Services		Completed 2011
	Development of process where new work dates of acquisition are reset, similar to road resheeting.			
5.	Defining minimum targets for maintaining the condition of our assets for AMS reporting.	Asset Management Group		
6.	Procedures for assessing and reporting the utilisation of assets, across the four asset categories.	Asset Managers		
7.	Addition of long-term, 10-year financial forecasts.	Manager Finance		Ongoing.

8.	Revaluation of asset classes per Department of Local Government directives and addition of this information into AMP.	Asset Management Group		Ongoing.
9.	Development of a more detailed/advanced risk analysis. Analysis to be conducted at the asset level, rather than the asset class level.	Asset Managers		Completed January 2015.
10.	Expand the levels of service statements to include parameters which describe the provision (how much), performance (how big, what capacity) and quality (how good) of the assets.	Asset Management Group		
11.	Develop methodology to assess and report the level of utilisation of assets, this may be part of the service level review.	Asset Management Group		
12.	Review the underlying asset data which informs the asset renewal forecasts in the AMP and compare it with the equivalent data used to prepare the LTP financial profiles. Improve the alignment of the two forecasts.	Manager Finance & Assets & GIS Co-ordinator		
13.	Review the practices used to take account of asset life cycles factors in asset investment decision making and incorporate them into the Asset Management Strategy,	Manager Finance		
14.	Local roads depreciation curve project.	Executive Manager Kogarah City Works		
15.	Document infrastructure backlog calculation process.	Manager Finance		

4.9.3 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election. Financial and condition data will be updated on a yearly basis in line with the financial reporting period.

The responsibility of review lies with the Assets and GIS Co-ordinator.

4.10 REFERENCES

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IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

Kogarah City Council, 2014, Section 94A Contribution Plan

AAAC	Average Annual Asset Consumption
LEP	Local Environmental Plan
LGA	Local Government Area
MMS	Maintenance Management System
PCI	Pavement Condition Index
RTA	Roads & Traffic Authority
RV	Residual Value
SS	Suspended Solids
vph	Vehicles Per Hour

4.11 ABBREVIATIONS

AAAC	Average Annual Asset Consumption
AMP	Asset Management Plan
ARI	Average Recurrence Interval
BOD	Biochemical (biological) Oxygen Demand
CRC	Current Replacement Cost
CWMS	Community Wastewater Management Systems
DA	Depreciable Amount
DoH	Department of Health
EF	Earthworks/Formation
GIS	Geographic Information System
IRMP	Infrastructure Risk Management Plan
LCC	Life Cycle Cost
LCE	Life Cycle Expenditure

4.12 GLOSSARY⁵

Annual service cost (ASC)

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 months.

Asset Hierarchy

A framework in which components of an asset base are allocated appropriate classifications, determined by asset functionality or type. The hierarchy classifications are:

Category – the highest level at which assets are grouped according to function, and being the title of each of the suite of Asset Management Plans e.g. ROAD RESERVE.

Class - the overall asset type, e.g. KERB.Element - sub-classification of Class, e.g. BRICK KERB.

Asset (Individual) - item or segment to which a unique identifier has been assigned, e.g. KERB & GUTTER, NORTH SIDE, JONES STREET, Brown Street to White Street, ID 9999.

Average Annual Asset Consumption (AAAC)*

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Component - individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Brownfield asset values**

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition.

Capital new expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation/amortisation and accumulated impairment losses thereon.

Class of assets

See asset hierarchy definition.

Component

See asset hierarchy definition.

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to

acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current Replacement Cost (CRC)

The cost Council would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current Replacement Cost "As New" (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, road cleaning, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6).

Depreciated Replacement Cost (DRC)

The Current Replacement Cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair value

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

Greenfield asset values **

Asset (re)valuation values based on the cost to initially acquire the asset.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the council holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets

Physical assets of the council or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and often have no market value.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business (AASB 140.5).

Level of service

The defined service quality for a particular asset against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Life Cycle Cost **

The Life Cycle Cost (LCC) is the average cost to provide the service over the longest asset life cycle. It comprises of annual maintenance and asset consumption expense, represented by depreciation expense. The LCC does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure **

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. power, fuel, staff, plant equipment, on-costs and overheads.

Planned maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, action the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Rate of annual asset consumption*

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal*

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade*

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal

See capital renewal expenditure definition above.

Residual value

The net amount which Council expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The capacity to provide goods and services in accordance with Council's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that are still available for use in providing services (DRC/DA).

Asset Management Strategy

Documents Council's objectives for a specified period (4 years), the principle activities needed to achieve the objectives, the means by which they will be carried out, estimated income and expenditure, measures to assess performance and how this relates to the Council's objectives and activities.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

It is the estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council. It is the same as the economic life.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

APPENDICES

Appendix 1 - Asset Management Policy

Appendix 2 - Current Situation

Appendix 3 – Asset Condition Assessment Methodologies

Appendix 4 - Conditions Maps

Appendix 5 – Special Rate Variation Projects Completed 2010 – 2014

Appendix 6 – Asset Risk Categories

Appendix 7 - Current Service Levels

Appendix 8 – Legislation

Appendix 9 - Section 94A Works Schedule for new Community Infrastructure

Appendix 10 - Additional Maps

APPENDIX I -

ASSET MANAGEMENT POLICY



Policy/Code Title: Policy – Asset Management Policy

Policy/Code Number: P005.03

Directorate: Assets & Services

Department: Asset Planning & Services

Strategic Direction/s:

1. A clean, green and sustainable City
2. A liveable and connected City
4. A vibrant, safe and inclusive City
5. An active and healthy City
6. An innovative and efficient Council

Strategic Goal/s:

- 1.1. Kogarah’s natural areas, including our waterways, local air quality, bushland and foreshore areas are protected and enhanced.
- 1.2. Kogarah City residents live in a clean and environmentally sustainable community.
- 1.3. Streets within the City of Kogarah are visually appealing, hosting a variety of native trees, flowers and sustainable gardens.
- 2.1. Development in Kogarah maintains and enhances the character and amenity of our neighbourhoods, Town Centres and local centres.
- 2.3. Kogarah City residents can get to where they need to go in a way that is accessible, safe and efficient.
- 2.4. Kogarah City residents are able to walk and cycle safely and conveniently throughout the City.
- 4.1. Kogarah City is a safe community where residents, workers and visitors feel safe in their homes, workplace and in the community.
- 4.2. Kogarah City maintains high quality, accessible community services to meet the needs of the community.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

Strategic Goal/s (Cont.):	<p>5.1. Kogarah City has a variety of safe and well maintained sporting fields, recreation areas and facilities to meet the recreational needs of all age groups in our community.</p> <p>5.2 Kogarah City residents have access to a range of services and facilities that are relevant and responsible to health and wellbeing.</p> <p>5.3. Parks and open spaces in Kogarah City are designed and managed for long term sustainability.</p> <p>6.1. Kogarah City Council is a leading, responsive, innovative, efficient and accountable organisation that effectively manages its finances and assets.</p>
Responsible Officer:	Manager Asset Planning & Services
Relevant Legislation:	Local Government Act 1993 and Local Government Regulation 2005
Adoption / Amendment / Revision Date:	Adopted 22 July 2013
Resolution Number:	Minute No. 79/2013
Amendment History:	Adopted 27 April 2010 (Min No.60/2010); Revised 30 November 2010
Review Year:	2016

Note: Policy details may change prior to review date due to legislative changes etc, therefore this document is uncontrolled when printed.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

Policy Statement

1. Introduction / Background

1.1 Council is required as part of its Community Strategic Plan to develop a Resourcing Strategy. The Resourcing Strategy is comprised of Council's Long-Term Financial Plan, Workforce Management Strategy and Asset Management Framework. A component of the Asset Management Framework is that an Asset Management Policy be developed. In accordance with this requirement and the Department of Local Government's Integrated Planning and Reporting Guidelines the following policy has been developed. This policy will provide a framework under which Kogarah City Council's infrastructure assets will be managed.

1.2 Asset management is defined as the systematic and coordinated activities and practices through which an organisation optimally manages its physical assets, and their associated performance, risks and expenditures over their life-cycle for the purpose of achieving its Community Strategic Plan.

1.3 Council has four infrastructure asset categories: road reserve, water, parks & recreation and buildings. Each of these asset categories covers a variety of asset classes that include infrastructure such as roads, footpaths, retaining walls; foreshore/marine structures, stormwater; open space assets including parks, gardens, playgrounds, sporting facilities and bushland and property assets including civic, commercial, operational and recreational buildings.

1.4 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

1.5 A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its infrastructure assets. This will provide a positive impact on:

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and the legal liabilities of Council.

2. Definitions of Terms

The Act - The Local Government Act 1993.
LGA - Local Government Area.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

3. Purpose

The purpose of this policy is to establish a framework for the management of Kogarah City Council's infrastructure assets.

This policy aims to set a framework for undertaking asset management in a structured and coordinated way and ensure it aligns with Kogarah City Council's vision '*A viable and sustainable future in partnership with our Community*' and Council's key community strategic visionary directions.

The application of sound asset management is critical to the successful implementation of the following key strategic visionary directions of Kogarah City Council's Community Strategic Plan:-

- A clean, green and sustainable City (1)
- A liveable and connected City (2)
- A vibrant, safe and inclusive City (4)
- An active and healthy City (5)
- An innovative and efficient Council (6)

This policy is needed to provide direction and guidance for asset management and planning based on service provision. The Asset Management Policy, Resource Strategy, four year Delivery plan and one year Operational plan are all integral to the success of the Community Strategic Plan. The four year Delivery plan and one year Operational plan outline the actions that will be undertaken in accordance with the Community Strategic Plan key strategic visionary directions.

In achieving the above key strategic visionary directions the following main goals and strategies have been identified as integral to contributing to successful implementation of our Community Strategic Plan and in turn Council's Asset Management Policy:- (Refer Community Strategic Plan Bright Future Better Lifestyle: Kogarah 2020 for associated strategies related to the goals outlined below).

- 1.1. Kogarah's natural areas, including our waterways, local air quality, bushland and foreshore areas are protected and enhanced.
- 1.2 Kogarah City residents live in a clean and environmentally sustainable community.
- 1.3 Streets within the City of Kogarah are visually appealing, hosting a variety of native trees, flowers and sustainable gardens.
- 2.1 Development in Kogarah maintains and enhances the character and amenity of our neighbourhoods, Town Centres and local centres.
- 2.3 Kogarah City residents can get to where they need to go in a way that is accessible, safe and efficient.

- 2.4 Kogarah City residents are able to walk and cycle safely and conveniently throughout the City.
- 4.1 Kogarah City is a safe community where residents, workers and visitors feel safe in their homes, workplace and in the community.
- 4.2 Kogarah City maintains high quality, accessible community services to meet the needs of the community.
- 5.1 Kogarah City has a variety of safe and well maintained sporting fields, recreation areas and facilities to meet the recreational needs of all age groups in our community.
- 5.2 Kogarah City residents have access to a range of services and facilities that are relevant and responsible to health and wellbeing.
- 5.3 Parks and open spaces in Kogarah City are designed and managed for long term sustainability.
- 6.1 Kogarah City Council is a leading, responsive, innovative, efficient and accountable organisation that effectively manages its finances and assets.

The following objectives enhance, compliment and provide direction in achieving the above mentioned goals and strategies.

4. Objectives/

The objectives of this policy are to ensure adequate provision is made for the long-term renewal of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents and visitors whilst considering the natural environment.
- Safeguarding Council's assets, including physical assets and employees, by implementing appropriate asset management strategies and the allocation of appropriate financial resources.
- Providing information to all Council employees to enable all employees to play an integral part in the sustainability and overall management of Council's assets.
- Ensuring legislative requirements for asset management are met.
- Ensuring resources and operational capabilities are identified and responsibilities for asset management allocated.
- Demonstrating transparent and responsible asset management processes that align with best practice.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

- Undertaking maintenance programs, which may include conservation, rehabilitation, minor replacements or infrastructure renewal, to prolong the life of an asset and to monitor life-cycle management.
- Considering the current and future needs of the Community and its ability to provide infrastructure assets which contribute to meeting these needs.

5. Application / Scope

This policy applies to all infrastructure assets owned and controlled by Council, as shown in the following table.

Asset Category	Asset Class	Detail
ROAD RESERVE	Pavement	Mainly bitumen trafficable surfaces and substructure
	Footpath	Includes concrete footpaths, nature strips, driveways and pram ramps
	Kerb & Gutter	Mainly concrete with some brick in heritage areas
	Traffic Facilities	Includes signs, lines and traffic devices
	Retaining Walls	Natural and man made
	Street Furniture	Includes bus shelters, seats and rubbish bins
WATER	Stormwater Pits & Pipes	Includes open water carrying structures
	Stormwater Quality Improvement Devices (SQIDs)	Includes pollution traps and wetlands
PARKS & RECREATION	Foreshore/Marine Structures	Boat ramps, seawalls, jetties, tidal pools and pontoons
	Parks & Reserves	Includes all elements except bushland and trees
	Bush Areas	Indigenous bushland areas
BUILDINGS	Public Trees	Public trees located within parks and reserves and street trees located within the road reserve
	Buildings	Includes civic centre, libraries, child care centres, water reclamation plant, amenities blocks
	Car Parks	Above and underground

The scope of this policy includes all Directorates of Council.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

6. Principles / Body

6.1 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

6.2 Council has four infrastructure asset categories: road reserve, water, parks & recreation and buildings.

Road Reserve

The road reserve asset category is defined as any assets that are located within the boundary of the road reserve. This includes road pavement, kerb and gutter, footpath, traffic facilities, retaining walls and street furniture. While street trees are located within the road reserve, they will be included within the parks and reserves asset category as they are part of the natural urban landscape.

Water

The water asset category is comprised of three (3) main classes: stormwater drains and pits, stormwater quality improvement devices (SQIDs) and foreshore/marine structures.

Parks & Recreation

The parks & recreation asset category includes sporting fields, parks and reserves, gardens, walking tracks and park footpaths, irrigation systems, playgrounds, trees (both parks and street trees), park furniture and bushland areas.

Buildings

Council owns, operates and maintains a variety of buildings, facilities and car parks in partnership with specialist contractors and in-house staff. These buildings include the Civic Centre, the works depot, libraries, child care centres, commercial buildings, amenities buildings, swimming pools, a water reclamation plant, toilets and car parks.

6.3 A consistent Asset Management Strategy must exist for implementing systematic asset management and asset management best-practice throughout Council.

6.4 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

6.5 Asset management principles will be integrated within existing planning and operational processes.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

- 6.6 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 6.7 In accordance with Council's long-term financial plan Council's aim is to fully fund the required asset renewals to meet agreed service levels, as identified in Council's Infrastructure Asset Management Plans.
- 6.8 Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 6.9 Systematic and cyclic reviews will be applied to all asset classes to ensure that assets are managed, valued and depreciated in accordance with best practice and the applicable Australian Standards.
- 6.10 Future life-cycle costs will be reported and considered in all decisions relating to the provision of new services and assets and upgrading of existing services and assets.
- 6.11 Future service levels will be determined in consultation with the Community.

7. Community Consultation / Public Exhibition

Not applicable.

8. Relevant Legislation

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Australian Standards
- Building Code of Australia 2009
- Contaminated Lands Management Act 1997
- Contaminated Lands Management Amendment Act 2008
- Crown Lands Act 1989
- Coastal Protection Act 1979
- Civil Liability Act
- Dividing Fences Act 1991
- Disability Discriminations Act 1992
- Energy Efficiency Opportunities Act 2006
- Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment Amendment Act 2008
- Explosives Act 2003
- Graffiti Control Act 2008
- Graffiti Control Amendment Act 2009
- Home Building Act 1989
- Home Building Amendment Act 2001

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

- Housing Act 2001
- Infrastructure Implementation Corporation Act 2005
- Land and Environment Court Act 1979
- Land Acquisitions (Just Terms Compensation) Act 1991
- OH & S Act 2000
- OH & S Regulation 2001
- Protection of the Environment Operations Act 1997
- National Resources Management Act 2004
- Noxious Weed Act 1993
- Threatened Species Act 1995
- Roads Act 1993
- Valuation of Land Act 1916
- Valuers Act 2003
- Workers Compensation Act 1987

9. Related and Associated Council Policy and Procedures

Asset Management Strategy
 Asset Management Plan – Road Reserve
 Asset Management Plan – Buildings
 Asset Management Plan – Water
 Asset Management Plan – Parks & Reserves
 International Infrastructure Management Manual 2006

10. Responsible Officer / Policy Owner

The Manager Asset Planning & Services is the responsible officer.

The functions the Manager Asset Planning & Services will perform in relation to this policy are:

- Provide a point of contact about the meaning and application of the policy;
- Update the policy when necessary to ensure it is current;
- Implement communications, education and monitoring strategies;
- Ensure the policy is included on Council's policy register and record management system.

11. Responsibilities

The Manager Asset Planning & Services is responsible for the implementation, application and review of this policy across the organisation.

Staff have responsibilities for managing assets in their activities and workplace and are accountable through their individual work plans, position descriptions and actions identified in the four year Delivery Plan and the one year Operational Plan.

Employees are required to co-operate and be actively involved in the development and implementation of the Asset Management Plans. This collaborative approach will ensure a quality system delivering measurable outcomes.

KOGARAH CITY COUNCIL - CODE AND POLICY REGISTER

Managers and Supervisors are responsible for the day to day use of assets as described in the Asset Management Policy and Asset Management Plans. This includes the timely identification, assessment and recording of defects and referral to the person responsible for the day to day management of that asset.

The Director Assets & Services is responsible for the overview of the Asset Management Policy and the implementation and review of the Asset Management Plans. The Assets & Services directorate is responsible for the large majority of operational maintenance, renewal and capital projects and development of strategic plans for the current and future management of Council’s Infrastructure Assets. The Director Assets & Services is also responsible for ensuring the Community and key stakeholders inputs are integrated into the Asset Management Plans and that timely, accurate and reliable information is presented to Council for decision making.

All Directors are responsible for facilitating their directorates to operate effectively in consideration of the Asset Management Policy. Directors are also responsible for monitoring and reviewing the performance of staff in implementing asset management.

The General Manager has overall responsibility for ensuring that an Asset Management Plan is established, implemented and maintained in accordance with the Asset Management Policy, and for the assignment of responsibilities in relation to asset management. The General Manager is also responsible for reporting on the status and effectiveness of asset management within Council.

Councillors, as members of the governing body, work as part of a team to make decisions and policies that guide the activities of the council. The role as an elected person requires councillors to represent the interests of the community and provide leadership.

Councillors, administrators, members of staff of council, members of council committees and delegates of the council must comply with the applicable provisions of this policy.

12. Approval

The Executive Team has the authority to approve this policy. However, Council’s practice is those policies that have a significant impact on the Community be adopted by Council.

This policy was adopted by Council on 22 July 2013, Council Resolution Minute No. 79/2013.

13. Monitoring

The Manager Asset Planning & Services will monitor the application of this policy in accordance with Council’s four year delivery plan, one year operational plan and any legislative changes which would necessitate changes.

14. Review Date

This policy is scheduled to be reviewed every three (3) years. The due date for review is July 2016. However, this policy may be reviewed prior to this date if required.

15. Record Keeping, Confidentiality and Privacy

All documents created in relation to this policy will be kept in accordance with NSW State Records Act, Kogarah City Council's record management practice Corporate Records Policy and NSW State Records Act 1998.

Members of the public can access Council's documents in accordance with Government Information Public Access (GIPA) Act 2009 and Privacy and Personal Information Protection Act (PPIPA) 1998.

The Government Information (Public Access) Act became effective from 1 July 2010 it replaced previous legislation relating to access/rights to information i.e., Freedom of Information (FOI) Act 1989 and s12 of the Local Government Act 1993.

16. Breaches and Sanctions

Relevant legislation applies where applicable.

APPENDIX 2 -

CURRENT SITUATION

ASSET CATEGORY: ROAD RESERVE

ROAD PAVEMENT

Holdings	<ul style="list-style-type: none"> 179.8 km of roads comprising of:- <ul style="list-style-type: none"> 167.1 km of local road. 12.7km of state road. Council is responsible for the maintenance of all local roads. State roads are under the control and maintenance of the Roads and Maritime Services (RMS). The surface construction type is predominantly asphaltic concrete seal. The age of Kogarah's road network dates back as far as the late 1800's, with the majority of roads being formally registered by 1940. Council has accurate records of the age of the pavement seal since 1973. Figure 2, section 4.6.2 includes the age of seal and base of Kogarah's roads.
Replacement Value	<ul style="list-style-type: none"> \$150.7 million Last revalued in 2014.
Available data	<ul style="list-style-type: none"> X:\Assets\Road Asset\Road Pavement\Roads_master.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. Refer age graph in Section 4.6.1, Figure 2. Refer condition map in Appendix 4. Refer condition assessment methodology and photo references in appendix 3. Design lives based on SSROC lives and adapted to suit local conditions. <ul style="list-style-type: none"> Base – all 100 years. Seal – all 25 years. Unit rates based on SSROC values and adapted to suit local conditions. <ul style="list-style-type: none"> Base Sub-Arterial - \$150 Base Collector - \$100 Base Local - \$75 Seal Sub-Arterial - \$25 Seal Collector - \$25 Seal Local - \$20
Last Condition Survey	<ul style="list-style-type: none"> Network condition assessments completed in 2009 and 2013 by Council's Infrastructure Assets Officer.
Condition Assessment Schedule	<ul style="list-style-type: none"> Next complete network inspection scheduled to be completed by December 2015 by IAO. Service level one inspected annually, service level two and three bi-annually. Any hazards observed on inspection, reported through CRM and

- repaired according to service level response times.
- New work captured by Asset Infrastructure Officer at completion of work by Kogarah City Works from review of day sheets.

General Assessment of Condition:

	Condition Rating	% of length
1	Very Good	9%
2	Good	24%
3	Fair	63%
4	Poor	4%
5	Failed	0%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications

- Additional funds added from the SRV increased annual maintenance from \$766,000 (2009/10) to \$1,616 (2013/14).
- Current budget considered adequate to maintain network at current condition.

Maintenance Programs

- 4-year forward works program based on condition.
- Annual Reactive, planned and cyclic maintenance shown for all road assets¹
 - Reactive - \$985,030
 - Planned - \$224,220
 - Cyclic - \$1,550,640

Other comments

¹ The following are the breakup of the different road reserve maintenance budgets:-

- Reactive maintenance
 - Pavement maintenance (80%)
 - Footpath maintenance (80%)
 - Traffic facilities (100%)
- Planned maintenance
 - Pavement maintenance (20%)
 - Footpath maintenance (20%)
- Cyclic maintenance
 - Environmental control (82%)

FOOTPATH

Holdings	<ul style="list-style-type: none"> • 213.9km (length) of footpath. • 5km of new footpath since 2010 AMP, increase of 2%. • Footpath construction types (area):- <ul style="list-style-type: none"> ○ Concrete 301,572 m² ○ Various 27,618 m² ○ Pavers 3,130 m² ○ Stencilcrete 2,221 m² ○ Bitumen Seal 520 m² ○ Exposed Aggregate 130 m² • The width of footpath varies, some up to 3.5m wide, although most approximately 1.5m wide. • The age of some parts of the footpath network dates back to the early 1900's. Detailed records of the original construction of footpaths are contained in Council's road register.
Replacement Value	<ul style="list-style-type: none"> • \$42.7 million. • Last revalued in 2014.
Available data	<ul style="list-style-type: none"> • X:\Assets\Road_Asset\Footpath\Footpath_master.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • Refer age graph in Section 4.6.1, Figure 2. • Refer condition map in Appendix 4 • Refer condition assessment methodology and photo references in Appendix 3. • Design lives based on SSROC lives and adapted to suit local conditions. <ul style="list-style-type: none"> ○ Concrete – 80 years ○ AC – 25 years ○ Pavers – 20 years ○ Various – 80 years • Unit rates based on SSROC values and adapted to suit local conditions. <ul style="list-style-type: none"> ○ Concrete – \$130 ○ AC – \$25 ○ Pavers - \$20 ○ Various – \$130
Last Condition Survey	<ul style="list-style-type: none"> • Network condition assessments completed in 2009 and 2013 by Council's Infrastructure Assets Officer.
Condition Assessment Schedule	<ul style="list-style-type: none"> • Next complete network inspection scheduled to be completed by December 2015 by IAO.

- Service level one and two inspected annually, service level three bi-annually.
- Any hazards observed on inspection, reported through CRM and repaired according to service level response times.
- New work captured by Asset Infrastructure Officer at completion of work by Kogarah City Works from review of day sheets.

General Assessment of Condition:

	Condition Rating	% of area
1	Very Good	5%
2	Good	17%
3	Fair	77%
4	Poor	1%
5	Failed	0%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications

- Additional funds added from the SRV increased annual maintenance from \$275,000 (2009/10) to \$902,000 (2013/14).
- Current budget considered adequate to maintain network at current condition.

Maintenance Programs

- 4-year forward works program based on condition.
- Annual Reactive, planned and cyclic maintenance shown for all road assets refer road pavement for definitions.
 - Reactive - \$985,030
 - Planned - \$224,220
 - Cyclic - \$1,550,640

Other comments

KERB AND GUTTER

Holdings	<ul style="list-style-type: none"> • 344.6 km (length) of kerb. • 4km of new kerb since 2010 AMP, increase of 1%. • Kerb and gutter construction types (length):- <ul style="list-style-type: none"> ○ Concrete, 150mm integral kerb – 275.8km ○ Brick kerb – 40.8km ○ Concrete roll top kerb – 10.4km ○ 150mm integral kerb layback – 7.5km ○ Brick & concrete – 2.9km ○ Dish crossing – 2.5km ○ Concrete kerb other – 2.3km ○ Stone – 1.6km ○ Other – 0.7km • Driveway crossings are included in total length, however, when redevelopment activity occurs, construction costs are the responsibility of the owner. • In some areas the brick and stone kerb is protected under heritage orders and maintained and reconstructed by Council when required.
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Replacement Value	<ul style="list-style-type: none"> • \$75.1 million. • Last revalued in 2014.
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Available data	<ul style="list-style-type: none"> • X:\Assets\Road_Asset\Kerb\Kerbs_master.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • Refer age graph in Section 4.6.1, Figure 2. • Refer condition map in Appendix 4. • Refer condition assessment methodology and photo references in Appendix 3. • Design lives based on SSROC lives and adapted to suit local conditions. <ul style="list-style-type: none"> ○ Concrete – 80 years ○ AC – 25 years ○ Pavers – 20 years ○ Various – 80 years • Unit rates based on SSROC values and adapted to suit local conditions. <ul style="list-style-type: none"> ○ Concrete – \$130 ○ AC – \$25 ○ Pavers - \$20 ○ Various – \$130
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Last Condition Survey	<ul style="list-style-type: none"> • Network condition assessments completed in 2009 and 2013 by Council's Infrastructure Assets Officer.
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Condition Assessment	<ul style="list-style-type: none"> • Next complete network inspection scheduled to be completed by
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Schedule	<p>December 2015 by IAO.</p> <ul style="list-style-type: none"> • Service level one and two inspected annually, service level three bi-annually. • Any hazards observed on inspection, reported through CRM and repaired according to service level response times. • New work captured by Asset Infrastructure Officer at completion of work by Kogarah City Works from review of day sheets.
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General Assessment of Condition:		
	Condition Rating	% of area
1	Very Good	0.6%
2	Good	6.0%
3	Fair	93%
4	Poor	0.3%
5	Failed	0%

Level of Utilisation	Currently unassessed
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Level of User Satisfaction	Currently unassessed
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Budget Implications	<ul style="list-style-type: none"> • Current maintenance budget \$133,000 per annum. • Current budget considered adequate to maintain network at current condition.
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Maintenance Programs	<ul style="list-style-type: none"> • 4-year forward works program based on condition. • Annual Reactive, planned and cyclic maintenance shown for all road assets refer road pavement for definitions. <ul style="list-style-type: none"> ○ Reactive - \$985,030 ○ Planned - \$224,220 ○ Cyclic - \$1,550,640
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Other comments	
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TRAFFIC FACILITIES

Holdings	<ul style="list-style-type: none"> 15,393 items These are all the elements which are needed to be installed on the road network to ensure that standards of safe traffic movement are in accordance with RMS, Australian Standards and Kogarah City Council policy. Types include (count):- <ul style="list-style-type: none"> Signs 11,291 Lines 2,869 Islands 623 Traffic Control Devices 80 Roundabouts 39 Pedestrian Crossings 73 Fences 67 Parking Bays 351 Traffic signs are administered by RMS.
Replacement Value	<ul style="list-style-type: none"> \$9.1 million Last revalued in 2014.
Available data	<ul style="list-style-type: none"> X:\Assets\Road Asset\Signs\Signs_Master.TAB X:\Assets\Road Asset\Traffic Features\Traffic_Features.TAB X:\Assets\Road Asset\Lines\Lines.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layers. Refer Appendix 4 for condition maps. Age data not collected.
Last Condition Survey	<ul style="list-style-type: none"> Lines originally collected in 2002 by JRA. Signs originally collected in 2002 and 2009. Traffic features collected between 2009 and 2014 by IAO at the same time as assessing road assets.
Condition Assessment Schedule	<ul style="list-style-type: none"> New lines & signs added by IAO from traffic work orders. Signs condition 5 to be assessed by IAO in 2015. Lines and traffic features to be checked against 2014 aerial photography to confirm completeness of data set. 572, 10% of features have a '0' condition value, to be investigated in 2015.

General Assessment of Condition:

	Condition Rating	% of assets
1	Very Good	24%
2	Good	47%
3	Fair	14%
4	Poor	5%
5	Failed	1%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications

Maintenance Programs	<ul style="list-style-type: none"> Funding for signs and line marking is provided by RMS. Other maintenance is included in the road asset budgets as described in the road pavement section. <ul style="list-style-type: none"> Reactive - \$985,030 Planned - \$224,220 Cyclic - \$1,550,640
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Other comments

RETAINING WALLS

Holdings	<ul style="list-style-type: none"> 125 retaining walls with construction types of :- <ul style="list-style-type: none"> Man-made – 44 Partial – 42 Natural – 39 Any natural or man-made walls and cuttings constructed to retain roads, buildings, vehicles, natural areas or landscaping.
Replacement Value	<ul style="list-style-type: none"> Not currently valued
Available data	<ul style="list-style-type: none"> X:\Assets\Road Asset\Retaining Walls\Retaining_Walls.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. Refer condition map in Appendix 4.
Last Condition Survey	<ul style="list-style-type: none"> Condition assessed in 2005 and 2008 by Council staff.
Condition Assessment Schedule	<ul style="list-style-type: none"> To be re-inspected in 2015, by IAO and if necessary professional structural engineer.

General Assessment of Condition:

	Condition Rating	% of assets
1	Very Good	60%
2	Good	24.8%
3	Fair	12%
4	Poor	0.8%
5	Failed	2.4%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications

Maintenance Programs

Other comments

STREET FURNITURE

Holdings	<ul style="list-style-type: none"> 500 (approximate count) Any street furniture within the road reserve, including :- <ul style="list-style-type: none"> Seats and bus stops Rubbish bins Flag poles Bollard/fences Statues/water features
Replacement Value	<ul style="list-style-type: none"> Not currently valued
Available data	<ul style="list-style-type: none"> X:\Assets\Road Asset\Street Furniture\Street_Furniture.TAB X:\Assets\Road Asset\Bus Stops\Bus_Stops.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layers.
Last Condition Survey	<ul style="list-style-type: none"> CBD inspected by IAO in 2012, other assets picked up during the course of regular road inspections. Bus stops inspected 2012 and updated annually as upgrade program is implemented by Traffic Officer.

Condition Assessment Schedule • Service level 1 to be inspected by IAO at the same time as road assets.

General Assessment of Condition (excluding bus stops):

	Condition Rating	% of assets
1	Very Good	1%
2	Good	77%
3	Fair	21%
4	Poor	1%
5	Failed	0%

Bus stop Seat Condition:

	Condition Rating	% of assets
1	Very Good	3%
2	Good	63%
3	Fair	8%

4	Poor	2%
5	Failed	1%
	N/A	23%

Bus stop Signage Condition:

	Condition Rating	% of assets
1	Very Good	1%
2	Good	80%
3	Fair	4%
4	Poor	0%
5	Failed	14%

Bus stop Surface Condition:

	Condition Rating	% of assets
1	Very Good	4%
2	Good	63%
3	Fair	7%
4	Poor	1%
5	Failed	0%
	N/A	25%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications

Maintenance Programs

Other comments

ASSET CATEGORY: WATER

STORMWATER PITS

Holdings	<ul style="list-style-type: none"> • 3,453 (count) • Predominantly of concrete construction type.
Replacement Value	<ul style="list-style-type: none"> • \$4.7 million • Due for revaluation in 2015.
Available data	<ul style="list-style-type: none"> • X:\live\Stormwater\Kogpit.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • Refer condition map in Appendix 4. • Some incomplete data, due to be updated before revaluation June 2015. • Design lives currently under study, 100 year suggested by SSROVC not considered to be true to local conditions. • Vast majority of stormwater infrastructure was designed and installed more than 50 years ago. • Refer age graph in Section 4.6.1, Figure 3.
Last Condition Survey	<ul style="list-style-type: none"> • Original layer captured from plans and verified by survey. • Network condition assessment completed in 2008 using theoretical modelling and verified with CCTV inspections.
Condition Assessment Schedule	<ul style="list-style-type: none"> • New pits, including remaining life/condition attributes added by stormwater section as new works take place.

General Assessment of Condition:

	Condition Rating	% of assets
1	Very Good	7%
2	Good	28%
3	Fair	25%
4	Poor	38%
5	Failed	2%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications • Additional funding received from Council's stormwater levy.

Maintenance Programs	<ul style="list-style-type: none"> • Sites of known flooding are cleaned more frequently than the rest of the network to minimise impact of heavy rain. • Annual Reactive, planned and cyclic maintenance shown for all water assets¹ <ul style="list-style-type: none"> ○ Reactive - \$66,540 ○ Planned - \$162,010 ○ Cyclic - \$385,614
Other comments	<ul style="list-style-type: none"> • The high percentage of pits in the poor and failed condition is indicative of the ageing profile of the stormwater network.

¹ The following are the breakup of the different water maintenance budgets:-

- Reactive maintenance
 - Flood management minor works (100%)
 - Foreshore structures / seawalls minor works (100%)
- Planned maintenance
 - Stormwater structures budget (100%)
- Cyclic maintenance
 - Environmental control (12%)
 - Contract GPT Cleaning (100%)

STORMWATER PIPES

Holdings	<ul style="list-style-type: none"> • 105km • Construction types (length in m and as a % of the network) :- <ul style="list-style-type: none"> ○ Concrete – 75,600m 71.7% ○ Other/unknown – 21,283m 20.2% ○ Channel – 5,357m 5.1% ○ Clay – 1,452m 1.4% ○ Culvert – 861m 0.8% ○ Terracotta – 489m 0.5% ○ PVC – 288m 0.3% ○ Converter – 88m 0.1% • Pipe diameter (mm and as a % of the network) <ul style="list-style-type: none"> ○ <300mm – 2,744m 2.6% ○ 300 – 475mm – 61,127m 58.0% ○ 500 – 700mm – 10,275m 9.7% ○ 700 – 1000mm – 11,849m 11.2% ○ 1000 – 2400mm – 9,985m 9.5% ○ Unknown – 9,440m 9.0%
Replacement Value	<ul style="list-style-type: none"> • \$38.1 million • Due for revaluation in 2015
Available data	<ul style="list-style-type: none"> • X:\live\Stormwater\Kogdrain.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • Refer condition map in Appendix 4. • Some incomplete data, due to be updated before revaluation June 2015. • Design lives as per SSROC; <ul style="list-style-type: none"> ○ Reinforced concrete pipe 150 years ○ Fibre-reinforced concrete pipe 150 years ○ Clay/Terracotta pipe 100 years ○ Brick pipe 100 years ○ Steel pipe 50 years ○ Galvanised pipe 80 years ○ Cast Iron pipe 120 years ○ Aluminium pipe 40 years ○ UPVC pipe 60 years ○ Relined pipe 100 years ○ Concrete pipe 120 years ○ Sandstone pipe 100 years

	<ul style="list-style-type: none"> ○ High density polyethylene pipe 100 years • Vast majority of stormwater infrastructure was designed and installed more than 50 years ago. • Refer age graph in Section 4.6.1, Figure 3. 																		
Last Condition Survey	<ul style="list-style-type: none"> • Original layer captured from plans and verified by survey. • Network condition assessment completed in 2008 using theoretical modelling and verified with CCTV inspections. • New pipes added by stormwater section as new works take place. 																		
Condition Assessment Schedule	<ul style="list-style-type: none"> • New pipes, including remaining life/condition attributes added by stormwater section as new works take place. 																		
General Assessment of Condition:																			
	<table border="1"> <thead> <tr> <th></th> <th>Condition Rating</th> <th>% of assets</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Very Good</td> <td>8%</td> </tr> <tr> <td>2</td> <td>Good</td> <td>20%</td> </tr> <tr> <td>3</td> <td>Fair</td> <td>31%</td> </tr> <tr> <td>4</td> <td>Poor</td> <td>39%</td> </tr> <tr> <td>5</td> <td>Failed</td> <td>2%</td> </tr> </tbody> </table>		Condition Rating	% of assets	1	Very Good	8%	2	Good	20%	3	Fair	31%	4	Poor	39%	5	Failed	2%
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1	Very Good	8%																	
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4	Poor	39%																	
5	Failed	2%																	
Level of Utilisation	Currently unassessed																		
Level of User Satisfaction	Currently unassessed																		
Budget Implications	<ul style="list-style-type: none"> • Additional funding received from Council's stormwater levy. 																		
Maintenance Programs	<ul style="list-style-type: none"> • Sites of known flooding are cleaned more frequently than the rest of the network to minimise impact of heavy rain. • Annual Reactive, planned and cyclic maintenance shown for all water assets, refer stormwater pits for breakdown of the individual budgets. <ul style="list-style-type: none"> ○ Reactive - \$66,540 ○ Planned - \$162,010 ○ Cyclic - \$385,614 																		
Other comments	The high percentage of pipes in the poor and failed condition is indicative of the ageing profile of the stormwater network.																		

STORMWATER QUALITY IMPROVEMENT DEVICES (SQIDS)

Holdings	<ul style="list-style-type: none"> • 75 devices with the following types:- <ul style="list-style-type: none"> ○ 4 Litter baskets ○ 10 CDS units ○ 9 Litter devices ○ 4 Sediment basins ○ 2 Bandalong litter traps ○ 2 Biofilters ○ 2 Bioswale retention pit ○ 2 Ski jumps ○ 2 Wetland ○ 1 Trash rack • 1999 Lower Georges River Stormwater Management Plan prepared, Council has been acting on this plan since, hence all SQIDs are newer than 1999. • The size of a device depends on the catchment area and the amount of stormwater to be treated. Devices are designed to cope with at least a 1 in 3 month storm event. Devices have been located preferentially to protect vulnerable and sensitive receiving waters such as Kogarah and Oatley Bays. • 65% of Kogarah's catchment is treated in some way.
Replacement Value	<ul style="list-style-type: none"> • \$6.5 million
Available data	<ul style="list-style-type: none"> • X:\live\Water quality\Devices.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • Refer age graph in Section 4.6.2, Figure 3. • Appendix 10 shows the location of SQIDs.
Last Condition Survey	<ul style="list-style-type: none"> • No condition surveys undertaken to date, other than those conducted during routine maintenance and cleaning. The frequency of this depends upon the size of the SQIDs and can vary from quarterly to daily. • General condition considered to be good due to relatively new age of devices.
Condition Assessment Schedule	<ul style="list-style-type: none"> • SQIDs are cleaned and monitored for content and condition on a rolling program every quarter by maintenance staff.
General Assessment of Condition	Condition not assessed
Level of Utilisation	Currently unassessed
Level of User Satisfaction	Currently unassessed

Budget Implications

Maintenance Programs	<ul style="list-style-type: none"> • Annual Reactive, planned and cyclic maintenance shown for all water assets, refer stormwater pits for breakdown of the individual budgets. <ul style="list-style-type: none"> ○ Reactive - \$66,540 ○ Planned - \$162,010 ○ Cyclic - \$385,614
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MARINE/FORESHORE INFRASTRUCTURE

Holdings • 118 marine/foreshore structures, within Council's 32 foreshore areas, along the Georges River.

Replacement Value • \$3.2 million

Available data

- X:\Assets\Foreshore and Waterway\Foreshore_Assets.TAB
- X:\Assets\Foreshore and Waterway\Marine_Infrastructure.TAB
- X:\Assets\Foreshore and Waterway\Public_Jetties\Public_Jetties.TAB
- X:\Assets\Foreshore and Waterway\FAMP_Data.xls
- X:\Assets\Foreshore and Waterway\MAMP_Data.xls
- X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layers.
- Figure 4 in 4.6.1 shows the age of marine/foreshore infrastructure.
- Refer the condition map in Appendix 4.

Last Condition Survey

- 2008 assessment conducted by independent consultants, results published in Foreshore Management Study and Plan (FAMP) and Marine Infrastructure Asset Management Plan (MAMP). Conditions updated from forward works programs.
- Appendix 3 shows the criteria used when assessing condition.

Condition Assessment Schedule • Public jetties and boat ramps inspected twice yearly by Council's Catchment Management Officer.

General Assessment of Condition:

(all marine/foreshore infrastructure based on 2008 inspection data)

	Condition Rating	% of assets
1	Very Good	13%
2	Good	40%
3	Fair	22%
4	Poor	24%
5	Failed	1%

Assessment of Condition:

(public jetties and boat ramps)

	Condition Rating	% of assets
1	Very Good	7%

2	Good	64%
3	Fair	21%
4	Poor	7%
5	Failed	0%

Level of Utilisation Currently unassessed

Level of User Satisfaction Currently unassessed

Budget Implications • Additional funding of \$245,000 provided in 2013/2014 from SRV for work at 12 foreshore sites.

Maintenance Programs

- Jetty inspections provide information for forward works.
- Annual Reactive, planned and cyclic maintenance shown for all water assets, refer stormwater pits for breakdown of the individual budgets.
 - Reactive - \$66,540
 - Planned - \$162,010
 - Cyclic - \$385,614

Other comments

ASSET CATEGORY: PARKS & RECREATION

PARKS AND RESERVES

Holdings	<ul style="list-style-type: none"> 106 (count), 189 Hectares 78 local parks, covered by Local Parks and Reserves Plan of Management 2010, this includes some road reserves. 10 regional, 18 district parks, 85% of these parks are covered by park specific plans of management. Regional and district parks are generally those of a larger nature and situated around the foreshore of the Georges River. These parks often contain multiple sports fields and are used for large scale community events. Some of Council's park land is under the ownership of a State Department (e.g. the NSW Land and Property Information, RailCorp, Sydney Water) but are under Council's care, control and management and are managed through the provisions of the Crown Lands Act 1989. 6 parks include leash free, 4 with fenced areas.
Replacement Value	<ul style="list-style-type: none"> \$87.8 million
Available data	<ul style="list-style-type: none"> X:\live\Parks\Parks.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. Refer location map in Appendix 10.
Last Condition Survey	<ul style="list-style-type: none"> Carrying capacity, condition and adequacy of sports fields informally assessed by the Parks and Waterways section when receiving bookings and by the maintenance crews.
Condition Assessment Schedule	<ul style="list-style-type: none"> N/A
Level of Utilisation	<ul style="list-style-type: none"> Tri-annual surveys by Recreation and Urban Landscapes section.
Level of User Satisfaction	<ul style="list-style-type: none"> Usage of sportsfields is monitored through booking system, heavily used all year round. Community consultation through the process of the development of new Plans of Management.
Budget Implications	
Maintenance Programs	<ul style="list-style-type: none"> Annual reactive, planned and cyclic maintenance shown for all parks assets¹ <ul style="list-style-type: none"> Reactive - \$1,111,250 Planned - \$594,196 Cyclic - \$1,655,812

Other comments	<ul style="list-style-type: none"> Predicted to be an increased demand for public open space due to the increase in higher density housing. Lack of sports fields or used to maximum capacity known current service deficiency.
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The following are the breakup of the different parks maintenance budgets:-

- Reactive maintenance
 - Parks (15% of total budget)
 - Parks and Reserves Minor Works (100%)
 - Streetscapes (85% of 75% of total budget, this accounts for money that is spent on road reserve garden beds)
- Planned maintenance
 - Parks (10%)
 - Bush Regeneration Contractors (100%)
 - Bushfire Reduction Program (100%)
 - Contracted Playground Inspections (100%)
 - Street Tree Planting (Master Plan) (100%)
 - Street Tree Removals (Master Plan) (100%)
 - Streetscapes (15% of 75% of total budget)
- Cyclic maintenance
 - Parks (75%)

BUSHLAND AREAS

Holdings	<ul style="list-style-type: none"> 13 reserves with portions of land consisting of significant remnant bushland of varying sizes. Local Bushland Reserves Generic Plan of Management adopted July 2011.
Replacement Value	<ul style="list-style-type: none"> Included in the value of parks and reserves.
Available data	<ul style="list-style-type: none"> X:\Live\Bushland\Bushland2014.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer.
Last Condition Survey	<ul style="list-style-type: none"> No formal or cyclical condition assessments conducted.
General Assessment of Condition	<ul style="list-style-type: none"> Condition measured by the native or remnant biodiversity found within the reserve, by the levels of disturbance and the reserve's ability to recover after a disturbance event. Poulton Park, Kyle Williams Reserve & Carss Bush Park house 5 separate populations or communities of threatened species flora species and several rare plant species, including:- <ul style="list-style-type: none"> Southern Sydney Sheltered Forest Coastal Saltmarsh Community Swamp Oak Floodplain Forest Acacia Prominens (endangered) Sydney Turpentine Ironbark Forest (critically endangered) Many threatened and protected species of fauna have also been recorded, include the vulnerable listed Eastern Bentwing Bat. Other smaller reserves are more susceptible to disturbance and encroachment due to their location.
Condition Assessment Schedule	<ul style="list-style-type: none"> N/A
Level of Utilisation	Currently unassessed
Level of User Satisfaction	Currently unassessed
Budget Implications	
Maintenance Programs	<ul style="list-style-type: none"> Annual reactive, planned and cyclic maintenance shown for all parks assets, refer park and reserves for breakdown of individual budgets. <ul style="list-style-type: none"> Reactive - \$1,111,250 Planned - \$594,196 Cyclic - \$1,655,812
Other comments	

PLAYGROUNDS

Holdings	<ul style="list-style-type: none"> 47 Playground sites 223 pieces of equipment including:- <ul style="list-style-type: none"> Spring/Bouncing Unit – 61 Swing – 31 Shade Cloth – 20 Spinner – 6 Cubby House – 4 Slide – 3 Liberty Swing – 2 Fitness Centre – 2 Other – 94
Replacement Value	<ul style="list-style-type: none"> \$3.2 million
Available data	<ul style="list-style-type: none"> X:\Assets\Park Asset\Playgrounds\Playfix 20*.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. Refer condition map in Appendix 4. Refer age graph in Section 4.6.1, Figure 5.
Last Condition Survey	<ul style="list-style-type: none"> October 2014 Condition provided for each site is an average condition for the playground as a whole.
Condition Assessment Schedule	<ul style="list-style-type: none"> Assessed twice-yearly (April & October) by independent consultants PlayFix. Recommendations made for immediate repairs based on risk. Informal assessment by KCW maintenance crews while carrying out routine maintenance.

General Assessment of Condition:

	Condition Rating	% of playgrounds
1	Very Good	2%
2	Good	17%
3	Fair	81%
4	Poor	0%
5	Failed	0%

Level of Utilisation	<ul style="list-style-type: none"> • Tri-annual surveys by Recreation and Urban Landscapes section.
Level of User Satisfaction	<ul style="list-style-type: none"> • Tri-annual surveys by Recreation and Urban Landscapes section.
Budget Implications	
Maintenance Programs	<ul style="list-style-type: none"> • Additional \$300,000 provided in 2013/2014 from the SRV funding. • 15 new playgrounds provided over the 4 year SRV. • 4-year forward works program developed based on PlayFix inspections. • Annual reactive, planned and cyclic maintenance shown for all parks assets, refer park and reserves for breakdown of individual budgets. <ul style="list-style-type: none"> ○ Reactive - \$1,111,250 ○ Planned - \$594,196 ○ Cyclic - \$1,655,812
Other comments	<ul style="list-style-type: none"> • In 2010 edition of this AMP, concern for the high percentage of playgrounds that do not meet Australian Standards. Additional funding from the SRV has provided the means to rectify this issue.

PARK FURNITURE

Holdings	<ul style="list-style-type: none"> 2,906 pieces of furniture and park fittings
Replacement Value	<ul style="list-style-type: none"> Not currently reported
Available data	<ul style="list-style-type: none"> X:\Assets\Park Asset\Park Asset Condition\Artworks.TAB X:\Assets\Park Asset\Park Asset Condition\ConstructedWalls.TAB X:\Assets\Park Asset\Park Asset Condition\Electrical.TAB X:\Assets\Park Asset\Park Asset Condition\Feature.TAB X:\Assets\Park Asset\Park Asset Condition\Fences.TAB X:\Assets\Park Asset\Park Asset Condition\Gates.TAB X:\Assets\Park Asset\Park Asset Condition\ParkBins.TAB X:\Assets\Park Asset\Park Asset Condition\ParkGardenBeds.TAB X:\Assets\Park Asset\Park Asset Condition\ParkSeating.TAB X:\Assets\Park Asset\Park Asset Condition\PathwayTrackBridge.TAB X:\Assets\Park Asset\Park Asset Condition\PicnicSeating.TAB X:\Assets\Park Asset\Park Asset Condition\Playground_ExerciseStation.TAB X:\Assets\Park Asset\Park Asset Condition\Post.TAB X:\Assets\Park Asset\Park Asset Condition\Signs.TAB X:\Assets\Park Asset\Park Asset Condition\SportsField.TAB X:\Assets\Park Asset\Park Asset Condition\SportsHardcourts.TAB X:\Assets\Park Asset\Park Asset Condition\StepHandrail.TAB X:\Assets\Park Asset\Park Asset Condition\WaterTaps.TAB X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layers.
Last Condition Survey	<ul style="list-style-type: none"> Condition survey conducted in 2011 and 2012 by Parks Officer and Infrastructure Assets Officer.
Condition Assessment Schedule	<ul style="list-style-type: none"> Not scheduled to be repeated in the immediate future. General condition and risk assessed by parks maintenance staff during the course of routine maintenance.

General Assessment of Condition

	Condition Rating	% of park furniture
1	Very Good	4%
2	Good	49%
3	Fair	31%
4	Poor	15%
5	Failed	2%

Level of Utilisation	Currently unassessed
Level of User Satisfaction	Currently unassessed
Budget Implications	
Maintenance Programs	<ul style="list-style-type: none"> Annual reactive, planned and cyclic maintenance shown for all parks assets, refer park and reserves for breakdown of individual budgets. <ul style="list-style-type: none"> Reactive - \$1,111,250 Planned - \$594,196 Cyclic - \$1,655,812
Other comments	

TREES

Holdings	<ul style="list-style-type: none"> • 11,992 street trees • This information does not currently include public trees located in parks. • Plans to undertake public tree inventories in some of the higher usage parks.
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Replacement Value	<ul style="list-style-type: none"> • Not currently reported
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Available data	<ul style="list-style-type: none"> • X:\Assets\Treetree\STM.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer.
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Last Condition Survey	<ul style="list-style-type: none"> • Condition of all street trees assessed by Recreation and Urban Landscapes section in 2004 & 2005.
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Condition Assessment Schedule	<ul style="list-style-type: none"> • Data continuously updated by Tree Management Officer when responding to customer requests. • Plans to update data collection system in 2015 and potentially extend usage to maintenance crews. • Trees removed and new trees added manually updated by Infrastructure Assets Officer upon notification by Kogarah City Works. • Some public trees to be assessed.
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General Assessment of Condition

	Condition Rating	% of trees
1	Good	69%
2	Fair	23.8%
3	Poor	4.8%
4	Senescing	1.7%
5	Dead	0.8%

Level of Utilisation	Currently unassessed
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Level of User Satisfaction	Currently unassessed
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Budget Implications

Maintenance Programs

Other comments

ASSET CATEGORY: BUILDINGS

BUILDINGS

Holdings	<ul style="list-style-type: none"> • 151 including:- <ul style="list-style-type: none"> ○ Picnic shelters 48 ○ Toilets, amenities & park facilities 38 ○ Community halls & facilities 15 ○ Operational buildings 14 ○ Other buildings 14 ○ Bus Shelters 12 ○ Swimming Pool/Leisure centre & facilities 4 ○ Libraries 3 ○ Childcare facilities 3
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Replacement Value	<ul style="list-style-type: none"> • \$76 million
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Available data	<ul style="list-style-type: none"> • X:\Assets\Buildings Assets\Buildings.TAB • X:\Assets\Documentation\ Assets Data Dictionary.doc provides detail as to the fields used and the history of the layer. • S:\Building Assets\Buildings.accdb (Microsoft access database). • Refer age graph, Section 4.6.1, Figure 6.
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Last Condition Survey	<ul style="list-style-type: none"> • Not currently assessed as a whole asset class. • Small buildings/amenities assessed in 2008 & 2013 internally for valuation purposes. • Other buildings currently being assessed by independent property inspectors to create maintenance reports and provide recommendations for maintenance. Also provides an overall condition of the building.
-----------------------	--

General Assessment of Condition

Condition Rating	% of buildings
1 Very Good	N/A
2 Good	N/A
3 Fair	N/A
4 Poor	N/A
5 Failed	N/A

Level of Utilisation	Not currently assessed
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Level of User Satisfaction	Not currently assessed
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Budget Implications

Maintenance Programs	<ul style="list-style-type: none"> • Annual Reactive, planned and cyclic maintenance shown for all building assets¹ <ul style="list-style-type: none"> ○ Reactive - \$683,886 ○ Planned - \$40,505 ○ Cyclic - \$278,879
----------------------	---

Other comments	<ul style="list-style-type: none"> • 4-year buildings forward works program. • Projects to componentise all buildings and alignment of building's GIS and database ongoing.
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¹ The following are the breakup of the different buildings maintenance budgets:-

- Reactive maintenance
 - Car Parks (50%)
 - Buildings Minor Works (50%)
 - Properties (95%)
 - Civic Centre – various works (100%)
- Planned maintenance
 - Car Parks (50%)
 - Buildings Minor Works (50%)
- Cyclic maintenance
 - Properties (5%)
 - Property Operating Costs (Contract Cleaning) (100%)

CAR PARKS

- Holdings
- 41
 - 3 are part of a constructed building and maintenance is jointly managed with the strata or the buildings' owners.
 - 38 outdoor open land, mainly only pavement seal and line marking. Two of these are jointly owned by Council and private bodies.
 - Surface types of outdoor car parks are as follows:-
 - A/C 31, 79%
 - Concrete 3, 8%
 - Paved 1, 3%
 - Gravel 4, 10%

- Replacement Value
- Not currently reported, value of the three formed car parks included in Building value.

- Available data
- X:\Assets\Buildings Assets\Car Parks\Carparks.TAB
 - S:\Building Assets\Buildings.accdb (Microsoft access database)
 - Refer age graph, Section 4.6.1, Figure 6, only includes built car parks age.
 - Refer condition map in Appendix 4.

- Last Condition Survey
- Condition assessment conducted in 2003 and 2012 by Council staff, assessed condition of surface and line marking and adequacy of lighting.

- Condition Assessment Schedule
- Before the next full revision of this AMP, 2019.

Surface Condition

Condition Rating		% of car parks
1	Very Good	11%
2	Good	63%
3	Fair	21%
4	Poor	5%
5	Failed	0%

Line Marking Condition

Condition Rating

Condition Rating	% of car parks	
1	Very Good	0%
2	Good	47%
3	Fair	11%
4	Poor	3%
5	Failed	0%
	N/A	39%

Level of Utilisation

Currently unassessed

Level of User Satisfaction

Currently unassessed

Budget Implications

- Maintenance Programs
- Annual Reactive, planned and cyclic maintenance shown for all building assets, refer buildings above for the breakdown of the individual budgets.
 - Reactive - \$683,886
 - Planned - \$40,505
 - Cyclic - \$278,879

Other comments

APPENDIX 3 -

ASSET CONDITION INSPECTION METHODOLOGIES

ROAD RESERVE ASSET CATEGORY

Infrastructure Assets in the Kogarah LGA have been given a 5 level condition rating based on the levels defined in the International Infrastructure Management Manual.

During inspection of assets, the assessor will make a determination of the final score which may be any number between 1 and 5, e.g. 3.7. A score of say 2.7 indicates that the asset segment inspected is broadly rated "good" but may have some parts of it that are in a poorer condition, thus slightly reducing its score. The determination of the final score will be in the judgement of the assessor based on visual inspection and their background experience of the assets.

Road Reserve infrastructure assets such as the Road, Footpath & Kerb & Gutter are assessed in **segments**. Generally a road segment runs from intersection to intersection and is of homogenous nature, this does not necessarily apply to smaller laneways. Segments have been deliberately aligned with the numbering in the Council's financial system, so as to easily calculate valuations and depreciations.

Roads

The term "road" refers to that section of the road reserve between the kerbs. Most usually this is the bitumen section of the road.

Some of the considerations used by the assessor in the condition rating of roads include the road structure, the surface roughness and the extent of cracking. On this basis the five condition ratings for roads can generally be described as follows, with one or more of the descriptors being used to determine the final rating.

1 - Very Good

- No significant deflections in the road surface.
- No significant surface roughness.
- No visible cracking.

2 - Good

- Minor deflections in the road surface, but not requiring repair yet.
- Some level of roughness, but not dangerous to vehicle stability.
- Visible minor cracking that is only superficial.
- Isolated potholes.

3 - Fair

- Some deflections in the road surface. May be found in a good proportion of the length, but not dangerous to vehicle stability.
- Level of roughness that may cause a minimum level of ride discomfort, but not dangerous to stability or road grip.
- Cracking that is starting to become significant in extent and depth that requires monitoring.
- Pothole development and incidence may be high.

- **4 - Poor**

- Deflections on road surface are extensive to the point of being dangerous for vehicle stability.
- Roughness is significant to be a problem for ride and grip and hence dangerous.
- Extensive cracking indicating underlying problems and exacerbating water ingress into the structure.
- Extensive potholing and patching again indicating structural problems that require addressing.

5 - Failed

- For all intent and purposes, the physical deterioration of the road in the various considerations is such that it is a significant risk for vehicular traffic at normal operating speeds.

Footpath

The term "footpath" refers to the hard surface that pedestrians use located between the kerb and property boundary. The definition here does not include the grass nature strip or gardens found between kerb and property boundary. For assessment purposes, the footpath also includes driveways and pram ramps.

The predominant consideration for footpaths is deflections or displacements that could result in trip accidents. Roughness and aesthetics are less important considerations. On this basis the five condition ratings for footpaths can generally be described as follows, with one or more of the descriptors being used to determine the final rating.

1 - Very Good

- No significant displacements between slabs.
- No significant cracking within slabs.
- Fresh looking in appearance

2 - Good

- A number of slabs display displacements up to 10mm.
- Some slabs may be cracked.
- Fresh looking in appearance and fairly smooth.

3 - Fair

- Several slabs have displacements up to 10mm and some slabs have displacements up to 15mm.
- Several slabs may have cracking.
- Appearance may be fresh or somewhat faded with a degree of roughness.

4 - Poor

- Some slabs have displacements greater than 15mm.
- Some slabs have cracking that has fractured into pieces that are loose and missing.
- Appearance is very faded and dirty with high levels of roughness.

5 - Failed

- For all intent and purposes, the physical deterioration of the footpath in the various considerations is such that it is a significant risk for the least able of pedestrians.

Kerb & Gutter (K&G)

The K&G serves two main functions. The kerb section forms the shoulder of the road. The gutter section allows channelling of water into the drainage system. K&G will also include the layback of driveways.

The predominant consideration for K&G is for it to retain its linear design levels so as to allow proper drainage and forms a good shoulder for the road to grade to. On this basis the five condition ratings for K&G can generally be described as follows, with one or more of the descriptors being used to determine the final rating.

1 - Very Good

- No visible movement in K&G structure from original design.
- Very good aesthetic appearance.
- Unrestricted stormwater drainage adjacent to the road pavement.

2 - Good

- Minor movements in K&G structure but not affecting stormwater drainage or road integrity.
- Good appearance with little roughness in gutter section.
- Negligible distortion such as less than 5mm vertical movement or less than 5mm stepping.

3 - Fair

- Showing signs of surface deterioration, minor distortions such as 5mm to 15mm vertical movements or greater than 5mm or less than 10mm stepping.
- Average appearance in several lengths with a greater level of roughness.
- These defects may cause localised minor ponding but do not impede stormwater drainage adjacent to the road pavement.

4 - Poor

- Substantial surface deterioration or the construction is affected by areas of cracking over several of the K&G lengths.
- K&G may display distortion greater than 15mm vertical movement or greater than 10mm stepping. This could also include the rolling back of sections which cause a step and drainage obstruction between the road and channel.
- These defects may cause ponding in the channel and impedes the water drainage adjacent to the road pavement.
- Poor appearance across most of the K&G length.

5 - Failed

- For all intent and purposes, the physical deterioration of the K&G in the various considerations is such that it is unable to perform any reasonable drainage function, or does not form a sound shoulder for the road to grade to, or is a hazard to traffic or the public.

WATER ASSET CATEGORY

Foreshore and Jetty Rating Definitions.

Condition Ratings as per those supplied by WMAWater in 2008.

Excellent	As new/natural, with no significant damage and no maintenance requirements.
Good	Superficial damage and/or weathering that does not affect the integrity and does not require maintenance but should be monitored periodically.
Fair	Minor damage or weathering that requires minimal repairs.
Poor	Major damage or substantial weathering that requires significant repairs.
Failed	Substantial collapse that requires complete replacement.

PARKS & RECREATION ASSET CATEGORY

Park Furniture and Fittings

Condition Rating is the actual condition of the asset, appearance Rating is the appearance condition of the asset. Points to consider include:-

- Appropriate park furniture for the location
- Safe, hazard free, risk to public
- Comfortable
- Vandalism
- Graffiti
- Age
- Aesthetic appeal
- Function – park furniture which ensures that user requirements are met

Condition is measured using a 1-5 rating system:-

1 - Very Good

- As new and structurally sound.
- No evidence of deterioration, damage or discoloration.
- Suitable for a range of populations.

2 – Good

- Structurally sound.
- Minor deterioration, discoloration and wear to surfaces.
- Fully functional and fit for purpose.
- Only minor work required.

3 – Fair

- Minor cracking in structural elements.
- Minor deterioration, discoloration wear or damage to surfaces.
- Minor evidence of weatherproof breaches, dampness or mildew.
- Fittings generally operational with minor breakages or defect.

- Functional but occasional restrictions on use.
- Some customer concerns.
- Suitable for a limited population type.

4 – Poor

- Structure functional but signs of significant cracking or distortion.
- Breaches of weatherproofing evident.
- Surfaces in need of significant repair or replacement before recoating or painting.
- Fixtures often inoperable or damaged.
- Services have limited function.

5 – Fail

- Structures have serious problems and the integrity of the structure is questionable, serious cracking, distortion, leakages or breakages compromising operation and/or safety.
- Coatings badly damaged or non-existent.
- Fittings unsafe or inoperable.
- Structure is generally not fit for purpose or for use by customers.
- Urgent replacement/ rehabilitation required.
- Extremely poor design and not appropriate for most of the population.

Example, condition 1, appearance 1



Example condition 2, appearance 2



Example condition 2, appearance 4



Example condition 3, appearance 2



Example condition 3, appearance 4



Example condition 4, appearance 4



Example condition 5, appearance 5



APPENDIX 4 -

ASSET CONDITION MAPS

Road Pavement Condition Map

Footpath Condition Map

Kerb and Gutter Condition Map

Traffic Facilities (Lines and Features) Condition Map

Traffic Facilities (Signs) Condition Map

Retaining Wall Condition Map

Stormwater Pipes Condition Map

Stormwater Pits Condition Map

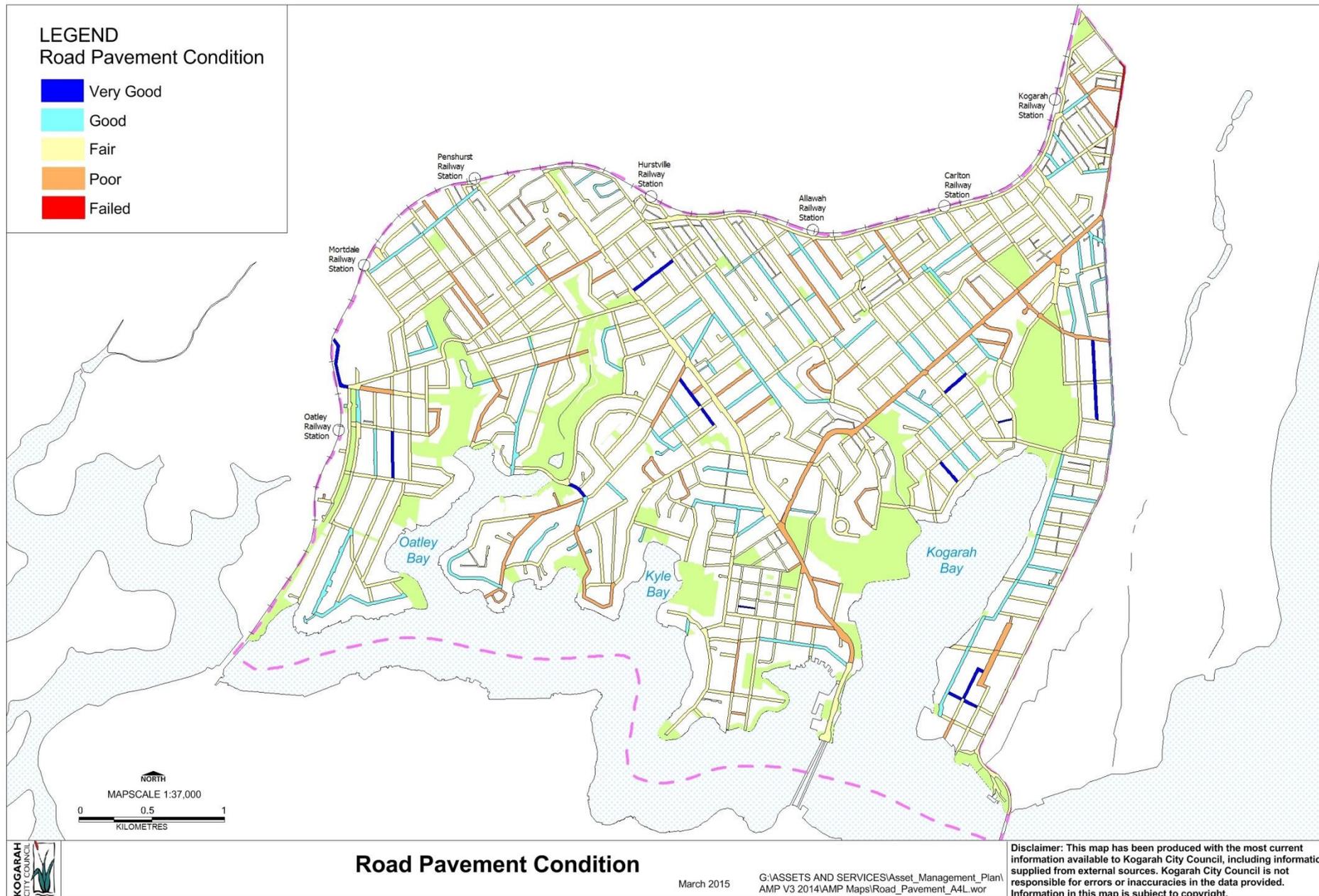
Public Jetties Condition Map

Playground Condition Map

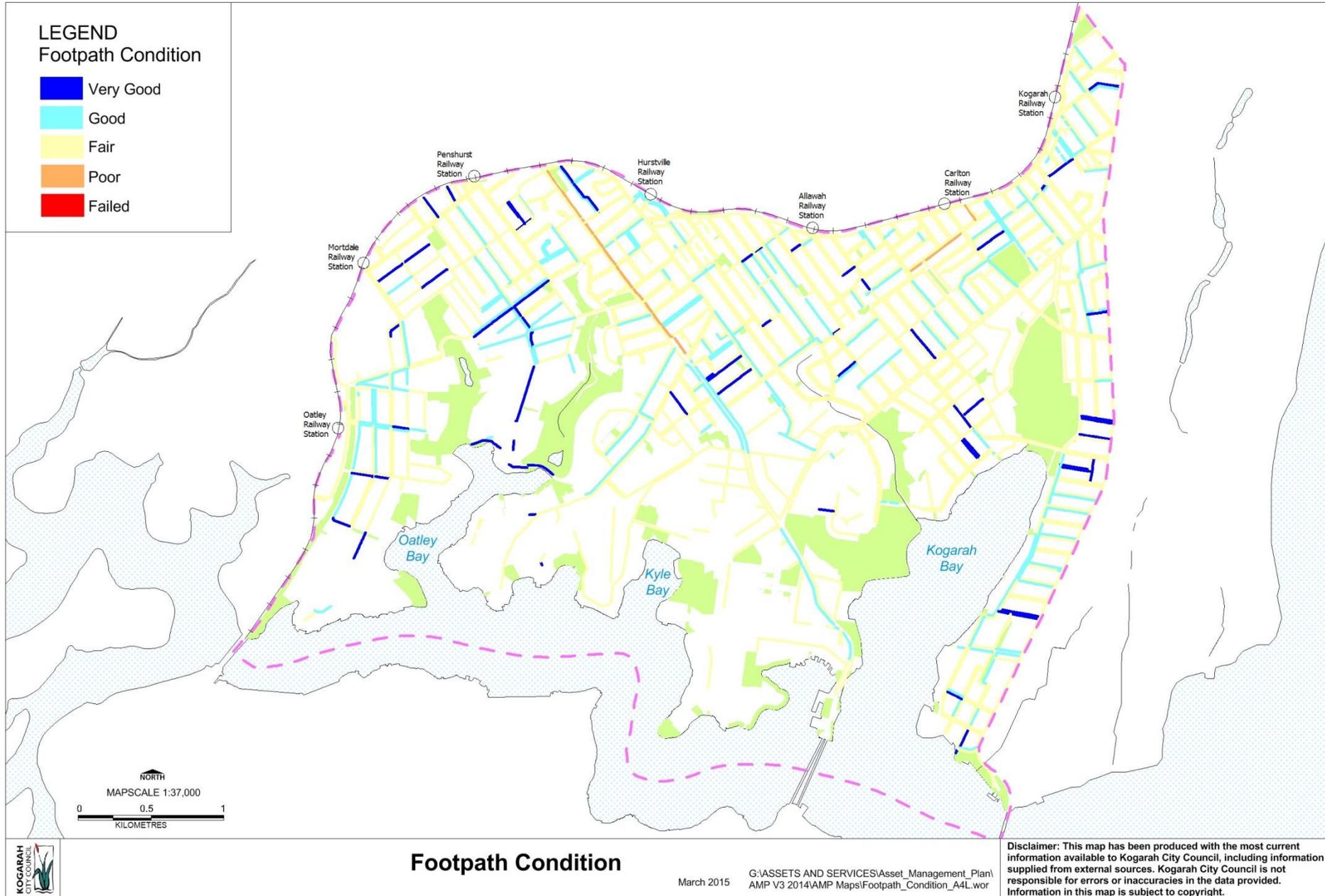
Car Parks Surface Condition Map

Car Parks Line Marking Condition Map

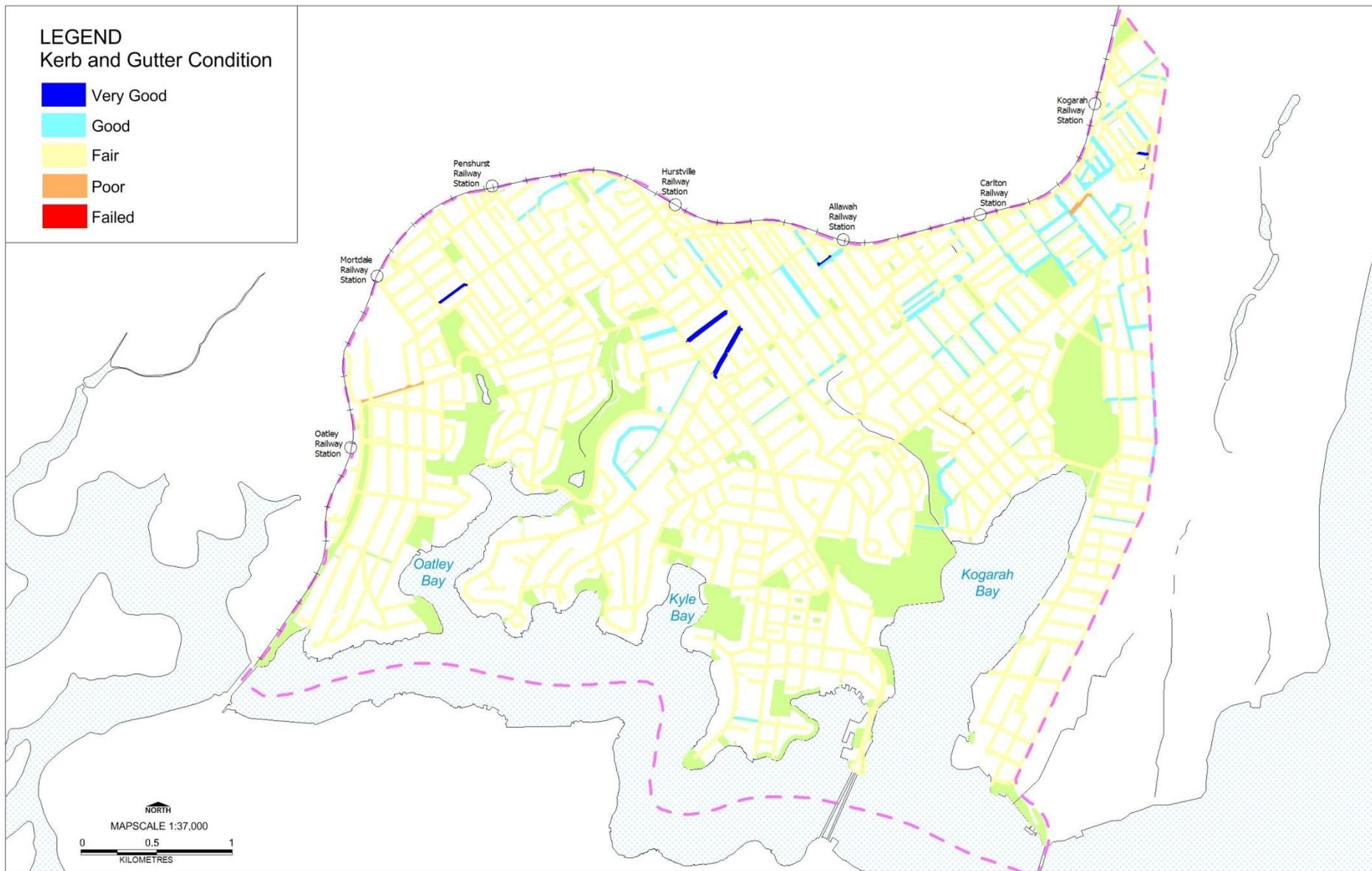
ROAD PAVEMENT CONDITION MAP



FOOTPATH CONDITION MAP



KERB AND GUTTER CONDITION MAP



LEGEND
Kerb and Gutter Condition

- Very Good
- Good
- Fair
- Poor
- Failed

Kerb and Gutter Condition

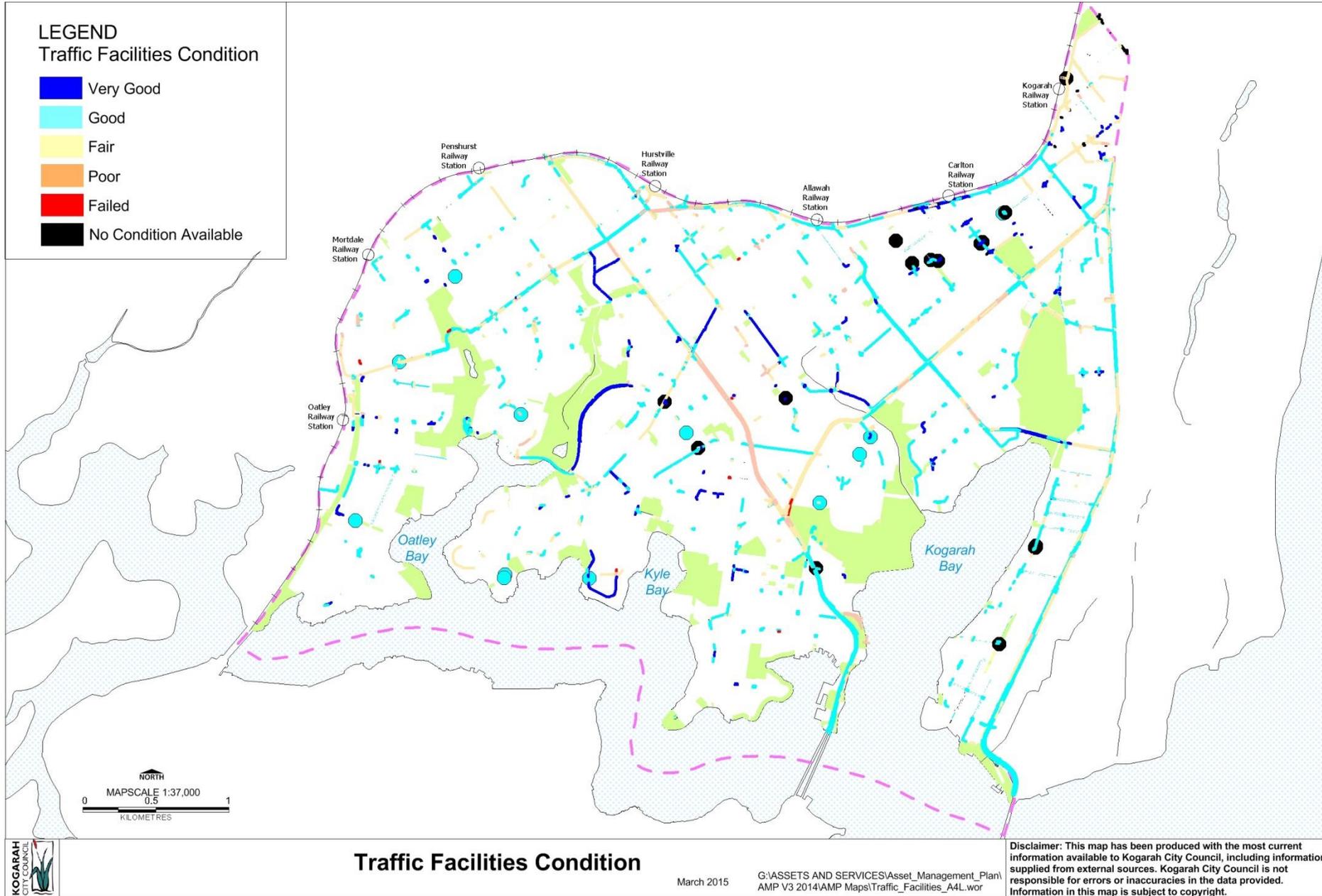
March 2015

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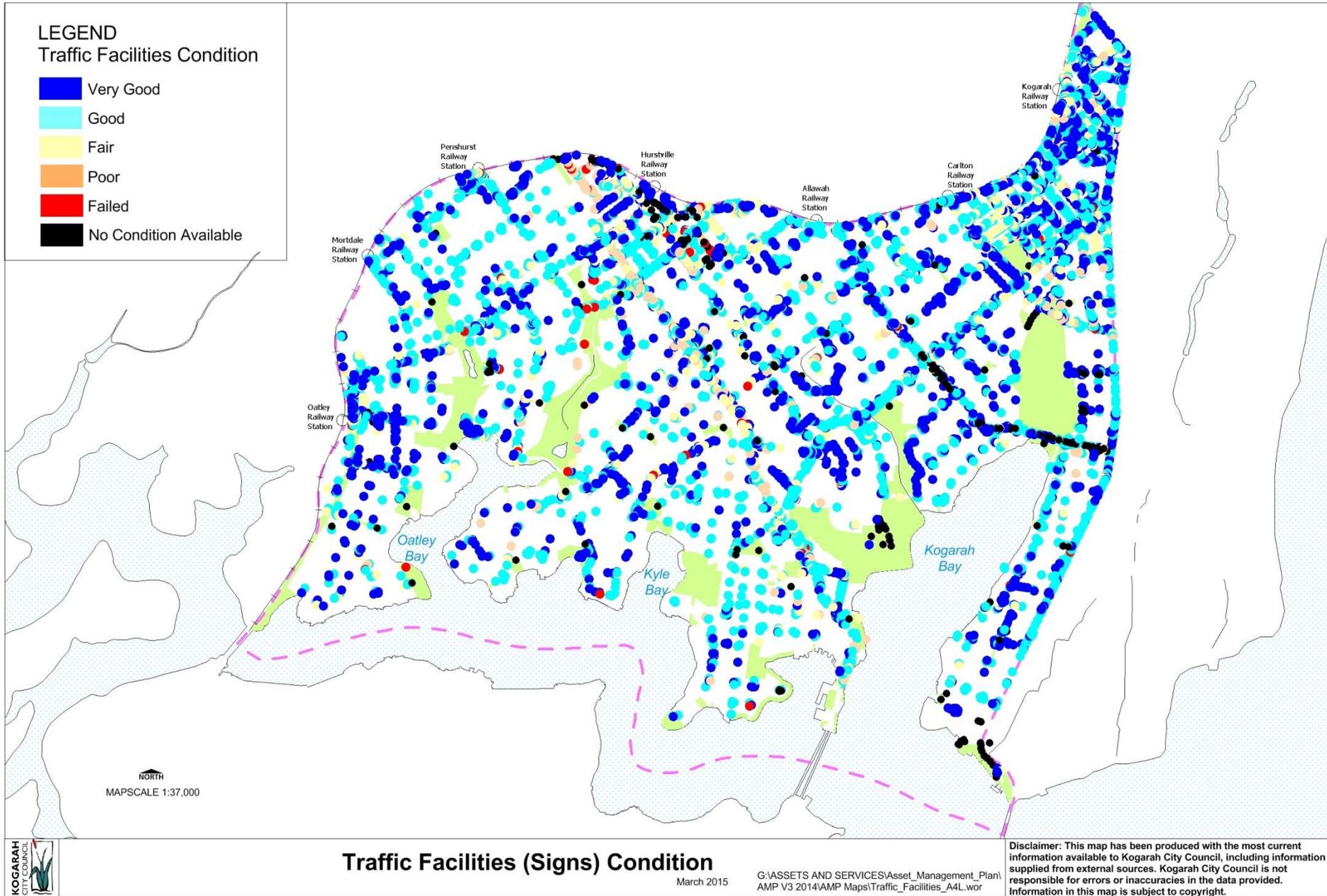
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TRAFFIC FACILITIES (LINES AND FEATURES) CONDITION MAP



TRAFFIC FACILITIES (SIGNS) CONDITION MAP



RETAINING WALL CONDITION MAP



LEGEND
Retaining Wall Condition

- Good
- Fair
- Poor
- Failed

Retaining Wall Condition

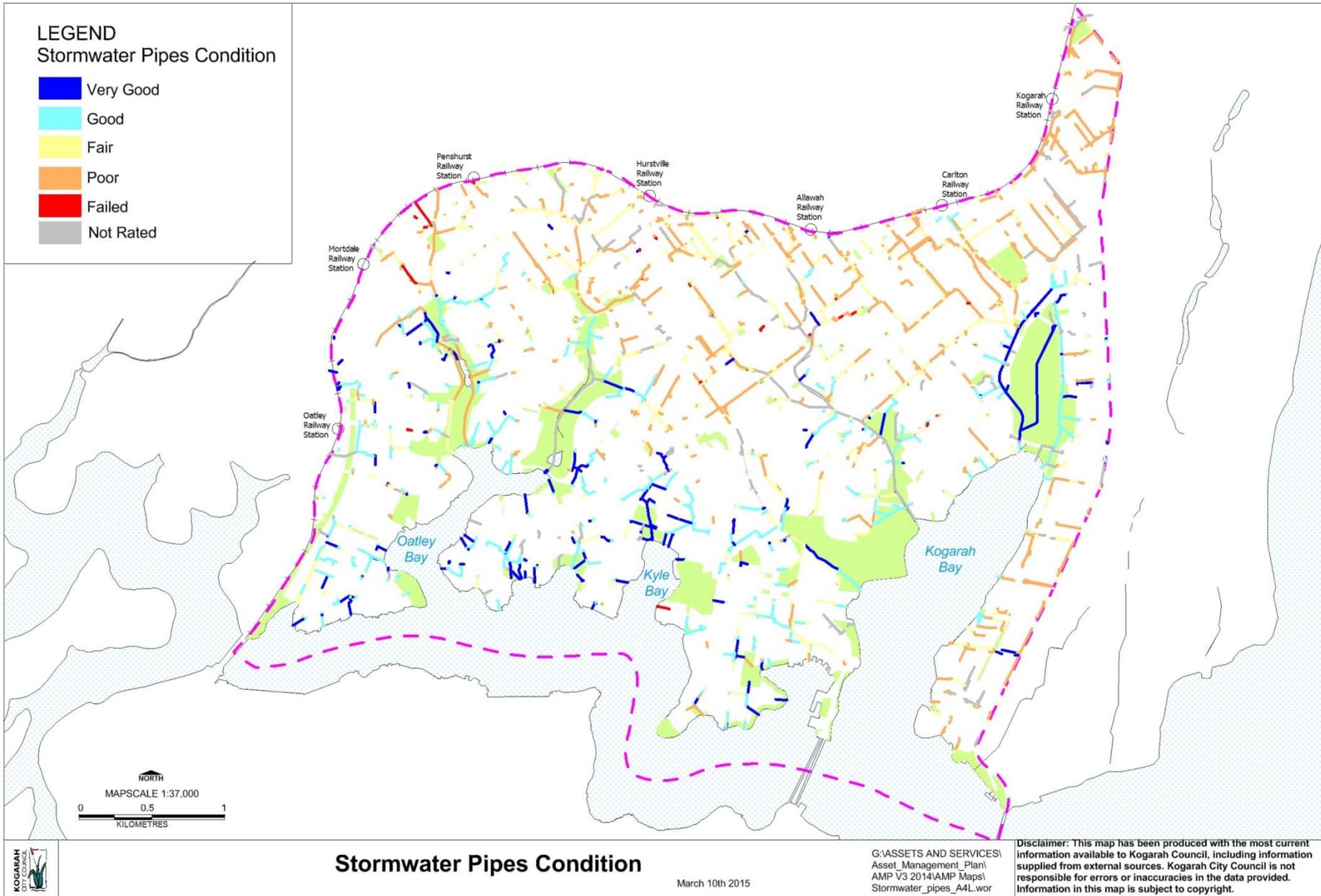
March 2015

G:\ASSETS AND SERVICES\Asset_Management_Plan\AMP V3 2014\AMP Maps\Retaining_wall_A4L.wor

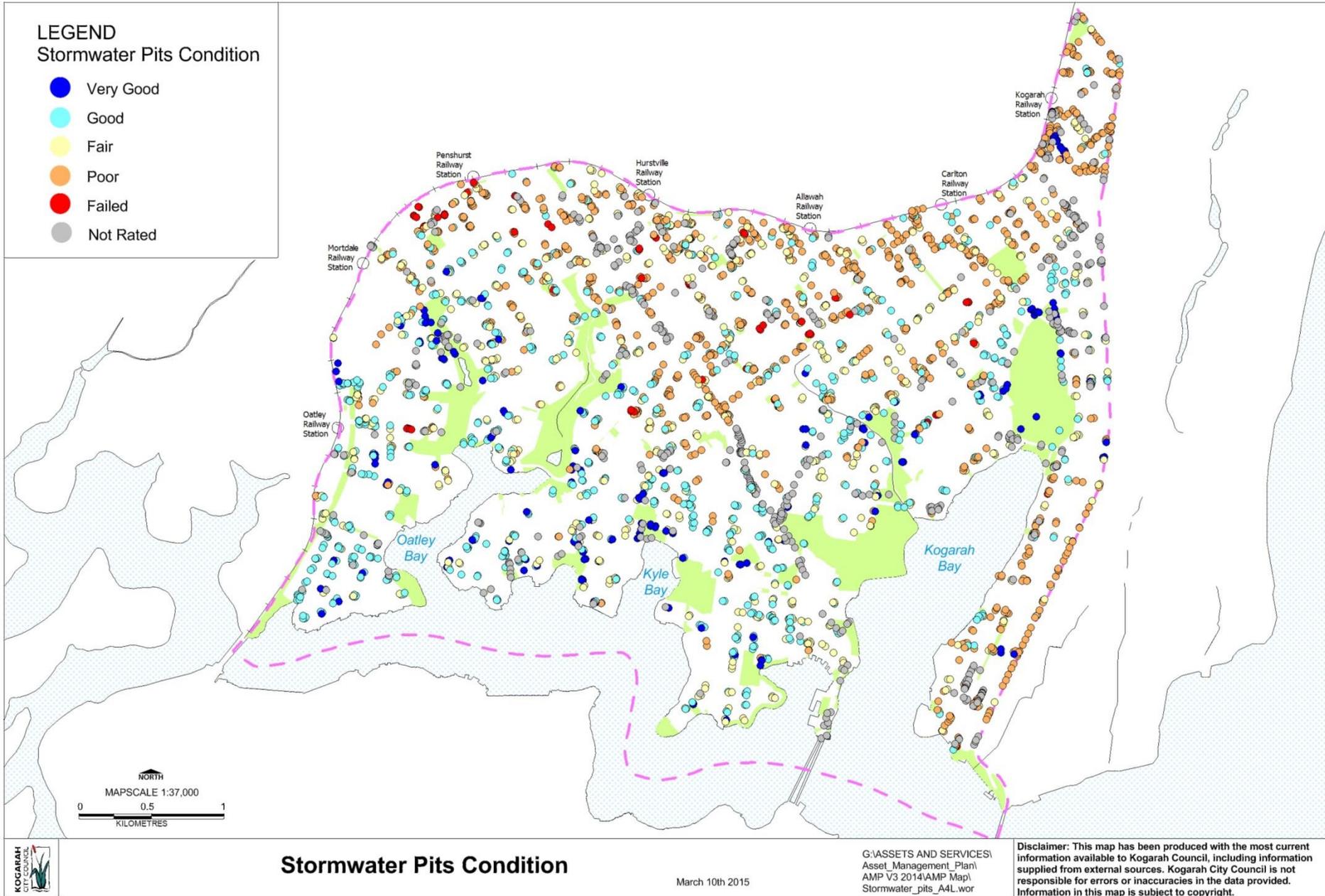
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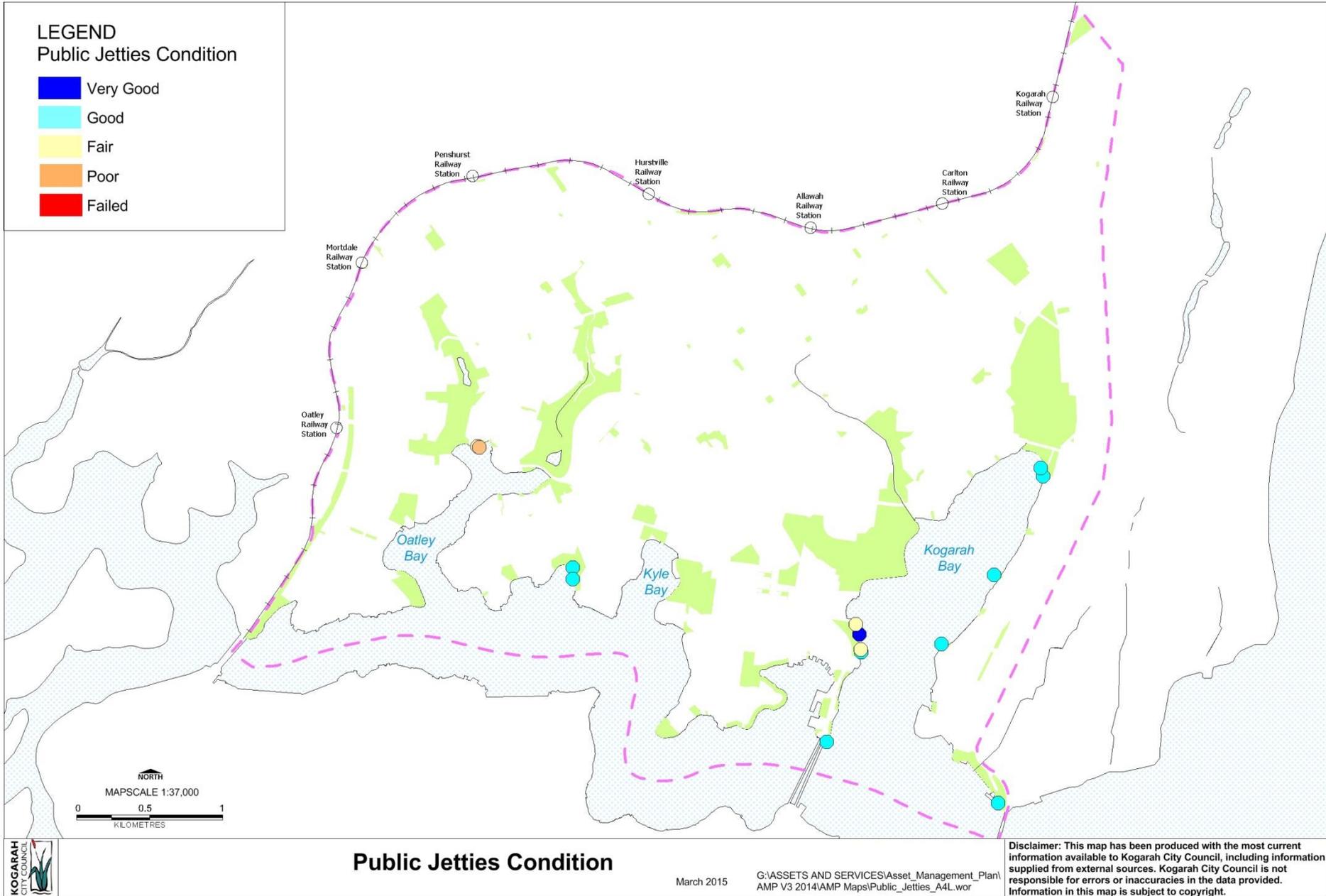
STORMWATER PIPES CONDITION MAP



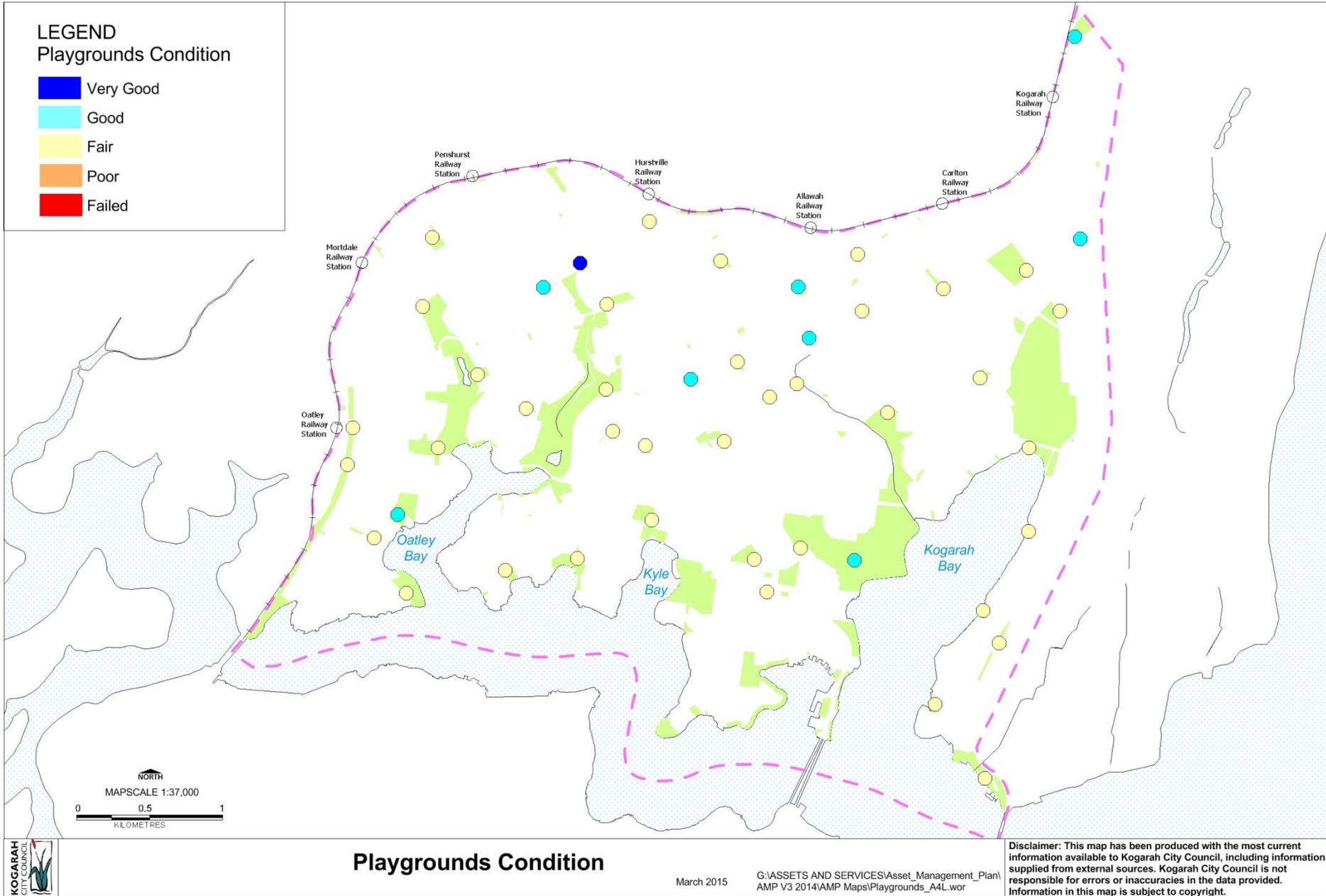
STORMWATER PITS CONDITION MAP



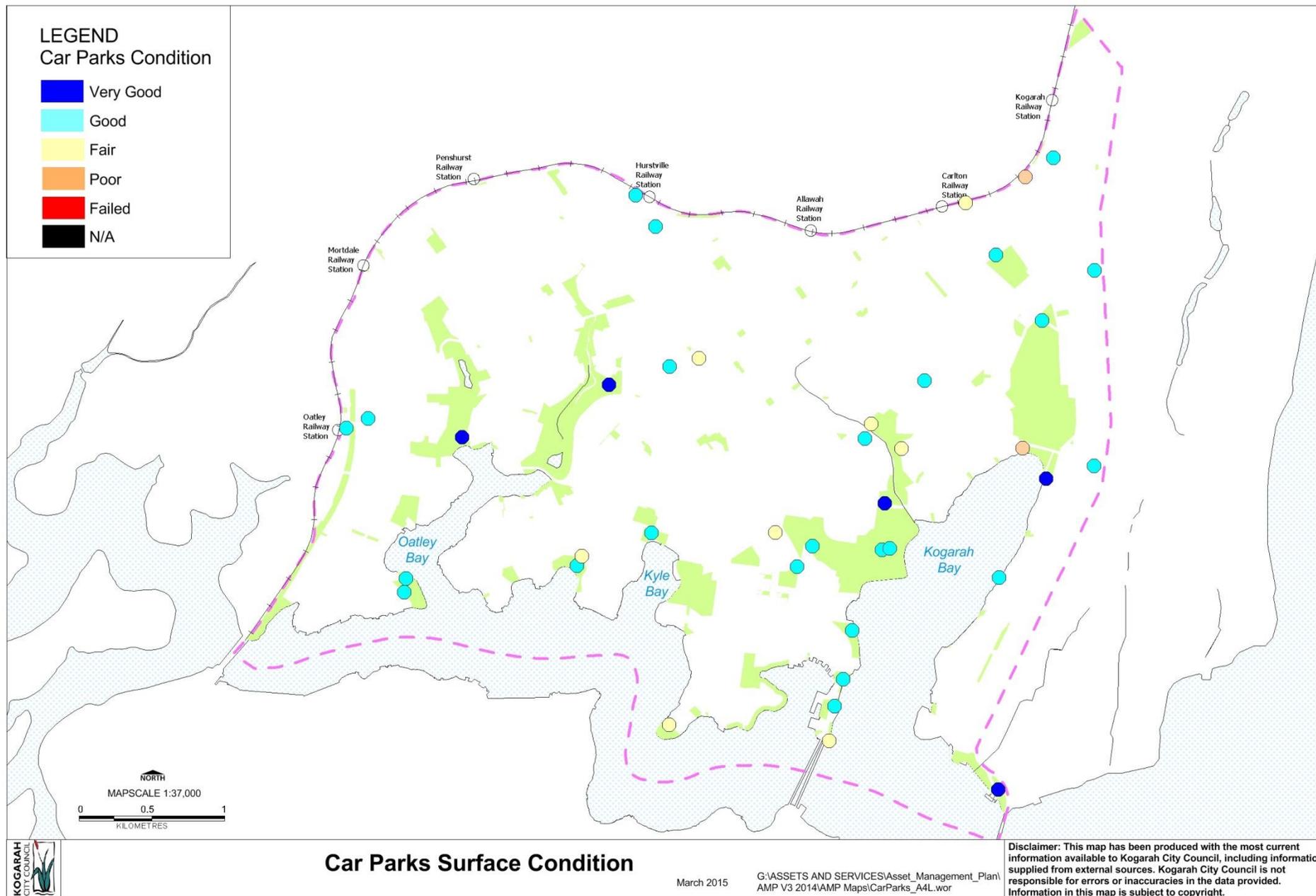
PUBLIC JETTIES CONDITION MAP



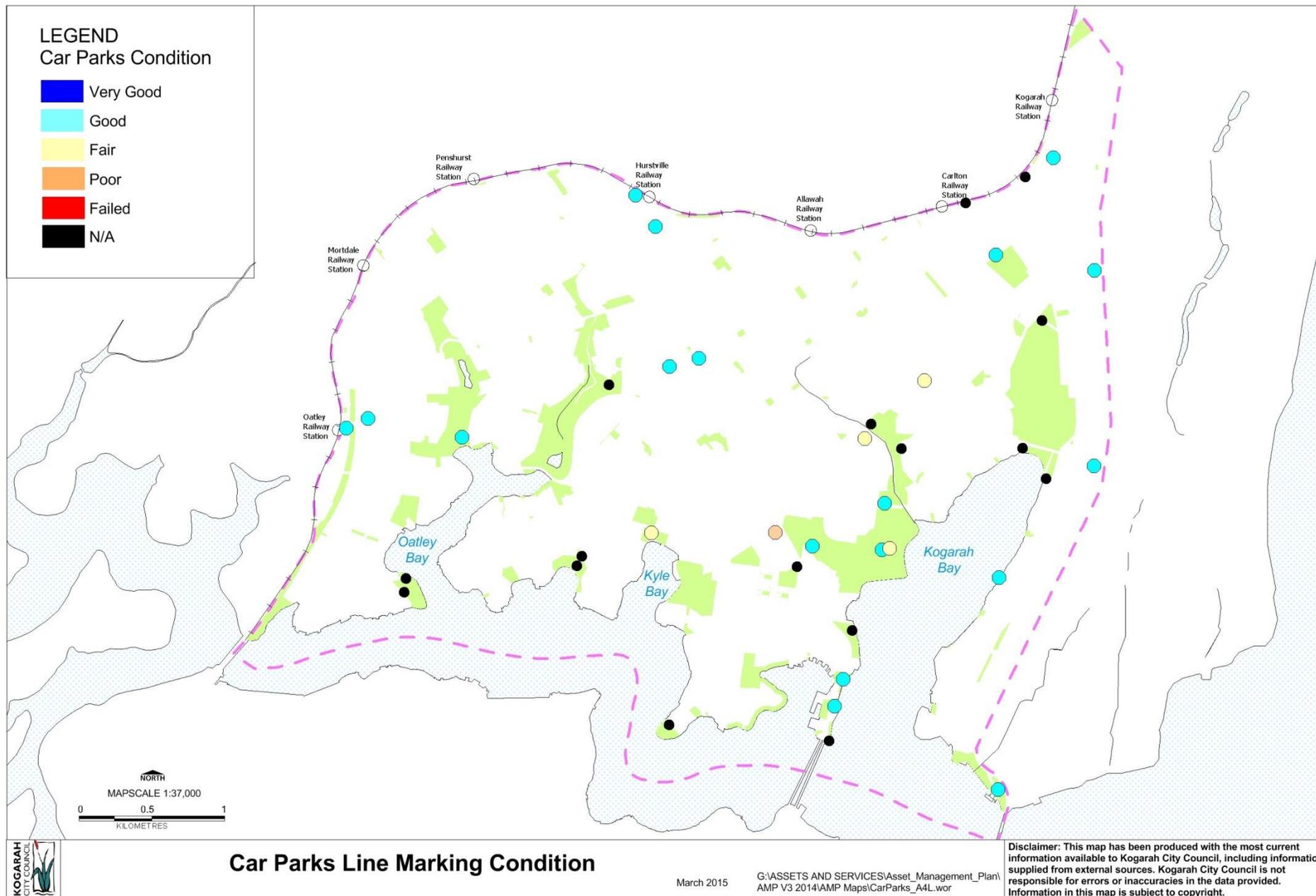
PLAYGROUND CONDITION MAP



CAR PARKS SURFACE CONDITION MAP



CAR PARKS LINE MARKING CONDITION MAP



APPENDIX 5 -

SPECIAL RATE VARIATION PROJECTS COMPLETED 2010 - 2014

The following table details the projects completed during the financial years 2010/2011 to 2013/2014 from the additional funding supplied by the special rate variation.

ASSET CLASS	ASSET DESCRIPTION	TOTAL SPENT
2010 / 2011 FINANCIAL YEAR		
Road Resheeting	Woniora Road South Hurstville (Part), from Cole Street to Connells Point Road	\$231,000
	Oatley Avenue Oatley, from Frederick Street to Wonoona Parade	
	Regent Street Kogarah, Princes Highway to Railway Parade	
Footpath Replacement	St Georges Parade from Blakesley Road to Russell Lane, Even side of the road	\$135,000
	Cole Lane from Cole Street to Empress Lane, Odd side of the road	
	Alma Street from Hillcrest Avenue to Maher Street, Even side of the road	
	Alma Street from Hillcrest Avenue to Maher Street, Odd side of the road	
	Endeavour Street from Rocky Pt Road to Vista Street, Even side of the road	
	Myerla Crescent from Terry Street to The End, Even side of the road	
	Endeavour Street from Rocky Pt Road to Vista Street, Odd side of the road	
Playground Replacement	Claydon Reserve, Sans Souci	\$87,000
Buildings	Tom Ugly's Bridge Amenities, Upgrade of fittings	\$82,000
	WIN Jubilee Stadium, Upgrade of Fire Alarm System	
	Carss Park Public Swimming Pool, Repairs and maintenance	
	Ocean Street Kindergarten, Replacement of Roof	
	Poulton Park Amenities Block, External repairs and painting	
	Quarry Reserve Tennis Courts, Bird proofing	
	Renown Park Amenities, Internal and external painting, repairs and maintenance	
	South Hurstville Kindergarten, Repairs and maintenance	
Todd Park Amenities, Repairs and maintenance		
TOTAL SPENT		\$535,000
2011 / 2012 FINANCIAL YEAR		
Road Resheeting	Letitia Street Oatley, from Frederick Street to Neville Street	\$364,000
	Gray Avenue Kogarah, from Rocky Point Road to Princes Highway	
	Waitara Parade Hurstville Grove, from East Crescent to Seymour Street	
	The Crescent Hurstville Grove, from Bayswater Avenue to Waitara Parade	
	The Mall South Hurstville, from Connells Point Road to Prairevale Road	
Footpath Replacement	Edna Avenue from Penshurst Avenue to The End, even side of the road	\$229,000
	Edna Avenue from Penshurst Avenue to The End, odd side of the road	

	Braeside Avenue from Laycock Road to Daisy Avenue, odd side of the road	
	Woids Avenue from First Avenue to Blakesley Road, even side of the road	
	Myers Street from The Promenade to Rocky Point Road, even side of the road	
	The Esplanade from Connells Point Road to Tavistock Road, even side of the road	
Playground Replacement	Len Reynolds Reserve, Sans Souci	\$182,000
	Oatley Pleasure Grounds, Oatley	
	Condor Street Reserve, Connells Point	
	Denman Street Reserve, Hurstville	
Buildings	Kogarah Community Services , Access and parking changes	\$172,000
	Kogarah School of Arts , Repairs and maintenance	
	South Hurstville Early Childhood , Repairs and maintenance	
	Carss Bush Park , Repairs and maintenance	
	Kogarah Council Civic Centre , Kitchen repairs	
	Carss Park Public Swimming Pool , Repairs and maintenance	
	South Hurstville Kindergarten , Landscaping repairs	
TOTAL SPENT		\$947,000

2012 / 2013 FINANCIAL YEAR

Road Resheeting	Railway Parade Kogarah, from Harrow Road to Regent Street	\$510,000
	Jubilee Avenue Carlton, from Railway Parade to Hampton Court Road	
	Mt Vernon Parade, Blakehurst, from Read Street to End	
	Woniara Road, from King Georges Road to Greenbank Street	
Footpath Replacement	Myers Street, from The Promenade to Rocky Point Road, odd side of the road	\$331,000
	Waterview Street, from Woids Avenue to Bellevue Parade, odd side of the road	
	Grosvenor Road, from Woniara Road to King Georges Road, even side of the road	
	Neville Street, from Oatley Avenue to Letitia Street, odd side of the road	
	Tavistock Road, from Woniara Road to King Georges Road, odd side of the road	
	Nelson Street, from Plimsoll Street to Vista Street, odd side of the road	
	Neirbo Avenue, from Woniara Road to Obriens Road, even side of the road	
	Neirbo Avenue, from Woniara Road to Obriens Road, odd side of the road	
	Hanigan Street, from Railway Parade to The End, odd side of the road	
	Centre Street, from Railway Parade to The End ,even side of the road	
	Princes Street, from Grove Avenue to Park Street, odd side of the road	
	Hastings Road, from Rocky Point Road to Burgess Street, even side of the road	
	Kuroki Street, from No.26 to Princes Street, even side of the road	

	Queens Road, from No.2 to Connells Point Road, even side of the road	
Playground Replacement	Anglo Square Reserve, Allawah	\$286,000
	Duggan Park, Connells Point	
	Meade Park, Allawah	
	Renown Park, Oatley	
	Taunton Street Reserve, Blakehurst	
Buildings	Kogarah SES Building (Harold Frazer Oval) , Design and construct extension for new vehicle	\$270,000
	Oatley Early Childhood Centre , Replace carpet and air-conditioning	
	Kogarah Town Square, Repairs and maintenance	
	Kogarah School of Arts, Roof repairs	
	49 English Street, Kogarah, Roof repairs	
	Oatley Pleasure Grounds, Sewer pump repairs	
	Old Lifesavers Hall, Parking changes	
TOTAL SPENT		\$1,397,000

2013 / 2014 FINANCIAL YEAR

Road Resheeting	South Street, from Princes Hwy to Belgrave Street	\$603,000
	Carroll Street, from Weeney Street to Jubilee Avenue	
	Nelson Street, from Vista Street to Harris Street	
	Plimsoll Street, from Nelson Street to The Boulevarde	
	Hurstville Road, from Oatley Parade to Rail Overpass	
	Winter Place, from Mimosa Street to End	
	Gallipoli Street, from King Georges Road to Woniara Road	
	Jubilee Avenue , from Battye Avenue to Rocky Point Road	
Footpath Replacement	Woids Avenue, from Waterview Street to Bibby Street, odd side of the road	\$394,000
	Woniara Road, from corner Rosebank to corner Rosebank, odd side of the road	
	Carrington Avenue, from Grove Avenue to Park Street, odd side of the road	
	Woniara Road, from Blakesley Road to Connells Point Road, even side of the road	
	Balfour Lane, from Balfour Street to Mcpherson Street, odd side of the road	
	Regent Street, from Princes Highway to Gladstone Street, even side of the road	
	Glenview Street, from Park Road to Lacey Street, odd side of the road	
	Payton Street, from Carlton Crescent to Wyee Street, odd side of the road	
	Payton Street, from Carlton Crescent to Wyee Street, even side of the road	
	Park Road, from Ramsgate Road to Wren Street, even side of the road	
	Laycock Road, from Railway Parade to Maclauren Street, odd side of the road	

	Laycock Road, from Railway Parade to Maclauren Street, even side of the road	
	Ormonde Parade, from Railway Overpass to Rsl Club, north side of the road	
Playground Replacement	Quarry Reserve (North), Hurstville Grove	\$300,000
	Joy Mead Reserve, Carlton	
	Harold Fraser Oval, Kogarah Bay	
	Terry Street/Prairevale Reserve, Blakehurst	
	Grove Reserve, Hurstville Grove	
Foreshore Repair & Reconstruction	Oatley Pleasure Grounds, repair holes and re-point wall, fill and resurface drop holes	\$245,000
	Tom Ugly's Point Reserve, repair holes and mortar between blocks	
	Endeavour Street Reserve, replace missing blocks and mortar between blocks	
	Oatley Bay, repair gangway slides, decking and fendering and pontoon	
	Endeavour Street Wharf, replace gangway / decking and replace pontoon	
	Sans Souci Park, upgrade pile rubbing slides and guides	
	Donnelly Park, reconstruct 55m of seawall, including geofabric and mortar joints	
	Carss Park, reconstruct 17m of concrete seawall	
	Endeavour Street Reserve, repairs to seawall including geofabric and mortar joints	
	Len Reynolds Reserve, repairs to seawall including geofabric and mortar joints	
	Oatley Bay, repair and refloat pontoon	
	Carss Park , replace shark net and repair anchor points	
Buildings	Carss Park Public Swimming Pool, Repairs and maintenance	\$283,000
	Carss Park Rangers Cottage, Refurbish building	
	Oatley Early Childhood Centre, Repairs and maintenance	
	Meriman Street Amenities, Repairs and maintenance	
	Oatley (Embankment) Scout Hall, Repairs and maintenance	
	Poulton Park Amenities Block, Painting	
	Harold Fraser Reserve SES Building, Replacement kitchen	
	Hogben Park Public Toilets, Internal painting	
	PJ Ferry Reserve Senior Citizens Centre, Repairs and maintenance	
	Tom Ugly's Bridge Amenities, Repairs and maintenance	
TOTAL SPENT		\$1,825,000

APPENDIX 6 -

ASSET RISK CATEGORIES

The following table details the criteria used to split assets into risk categories.

ROAD ASSETS		
Road Pavement		
Note: this asset class does not include King Georges Road, Rocky Point Road and Princes Highway as they are fully controlled and maintained by Roads and Maritime Services, though within the Kogarah LGA.		
High Risk	Medium Risk	Low Risk
Functional class is sub-arterial or Within the proposed high pedestrian activity area zone or Railway Parade between Kogarah and Hurstville train stations or Railway Parade north from Kogarah train station to Kogarah High School or Ormonde Parade and Butler Streets, Hurstville or Frederick Street, Oatley shopping centre or Adjacent to Calvary or St George Hospitals	Functional class is collector or Street which contains a school zone	Functional class is local
Footpath		
High Risk	Medium Risk	Low Risk
Railway line/railway parade plus zone R3 or Railway line/railway parade plus zone B2 or Railway line/railway parade plus zone SP2 or Zone B4	Zone R3 or Zone B2 or Zone SP2	Adjacent to zones other than those described in high and medium risk categories
Note, zone references refer to the LEP 2012; Zone B2 Local Centre Zone B4 Mixed Use Zone R3 Medium Density Residential Zone SP2 Infrastructure, in this instance only those for the purpose of; Health Service Facilities, Emergency Services and Educational Establishment.		
Street Furniture		
The categories for street furniture are deemed to be the same as footpath, but with the medium and low categories combined into one.		
Traffic Facilities		
High Risk	Medium Risk	Low Risk
Same as road pavement or Contains pedestrian traffic facilities e.g. refuges or crossings	Same as road pavement	Same as road pavement
Retaining Walls		
High Risk	Medium Risk	Low Risk

Walls and cuttings retaining State Roads and High Risk roads or Greater than 3m in height (approximate)	Walls and cuttings retaining local traffic or Medium or low risk roads or 1.5 to 3m in height (approximate)	Landscaping walls or Less than 1.5m in height (approximate)
WATER ASSETS		
Pits and Pipes		
High Risk	Medium Risk	Low Risk
Located in private properties or Located in Flood Prone Area (5 year ARI) or Housing a Service Level 1 SQID or Located next to SES, School, Hospital, Aged Care, Child Care or Pipe Diameter greater than 600mm or Open Channel or Contained in list of sites experiencing recurrent flooding.	Not a high risk asset and located in high traffic areas or CBDs or Not a high risk asset and housing a Service Level 2 SQID or Not a high risk asset and pipe diameter between 350mm and 600mm	Not a high or medium risk asset and located in a park or reserve or Not a high or medium risk asset and housing a Service Level 3 SQID or Not a high or medium risk asset and pipe diameter less than 350mm
Stormwater Quality Improvement Devices (SQID)		
High Risk	Medium Risk	Low Risk
SQID located in high profile areas or SQID protecting swimming areas or environmentally sensitive areas or SQID identified as Critical Control Points by Water Quality Management Strategy	SQID located in parks or SQID protecting the bays of the Georges River	SQID located in the road reserve
Seawalls		
High Risk	Medium Risk	Low Risk
Vertical seawalls retaining roads or car parks with a height greater than 1.5m	Vertical seawalls retaining roads or car parks with a height less than 1.5m or Non-vertical seawalls retaining roads or car parks or Seawalls retaining footpaths with a height greater than 1.5m	Non-vertical seawalls not included in medium risk assets or Seawalls retaining footpaths with a height less than 1.5m or Seawalls retaining open space
PARKS & RECREATION ASSETS		
Parks and Reserves		
High Risk	Medium Risk	Low Risk
Market Catchment predominantly described as Regional	Market Catchment predominantly described as District	Market Catchment predominantly described as Local
Park Fixtures and Fittings		
High Risk	Medium/Low Risk	
Market Catchment predominantly described as Regional	Market Catchment predominantly described as District or Local	

Public Trees		
High Risk	Medium/Low Risk	
Market Catchment predominantly described as Regional	Market Catchment predominantly described as District or Local	
BUILDINGS ASSETS		
High Risk	Medium Risk	Low Risk
Buildings housing or utilised by vulnerable users (e.g. children, elderly) or High profile or reputation or Historical significance or Emergency evacuation centres	Council's operational buildings or High profile usage or Multi-group or function usage	Minor or low usage buildings

APPENDIX 7 -

CURRENT SERVICE LEVELS

CURRENT SERVICE LEVELS

The following tables summarise the current service levels for each of the asset categories.

THREE LEVEL CATEGORY RATING

COMMUNITY	FUNCTIONAL	FAILURE	RISK
Category 1	High Value	Essential	Very High
Category 2	Important	Important	High
Category 3	Lower Value	Less Critical	Medium

ROAD RESERVE ASSET CATEGORY

ROAD PAVEMENT		
Category 1	Category 2	Category 3
Regional	Collector	Local
High Traffic Volumes	Medium/High Traffic Volumes	Low/Medium Traffic Volumes
RTA Controlled	Kogarah City Council Controlled	Kogarah City Council Controlled
Kogarah City Council Maintained	Kogarah City Council Maintained	Kogarah City Council Maintained
Safety Repairs completed within 24 hours	Safety Repairs completed within 24 hours	Safety Repairs completed within 48 hours
Other repairs completed within 3 months	Other repairs completed within 4 months	Other repairs completed within 6 months
Expected Life 18 Years	Expected Life 24 Years	Expected Life 32 Years

OBJECTIVES IN MANAGING THE ROAD PAVEMENT

- To provide vehicle drivers in the LGA with a safe driving surface.
- To develop a priority for repairs. To develop a system for road re-sheeting priorities.
- To minimise ongoing maintenance problems by coordinating with organisations and individuals who create road openings so that timely and sound restorations are completed.

FOOTPATH

Category 1	Category 2	Category 3
Rail Line / Railway Parade & Zone 2(b) or Rail Line / Railway Parade & Zone 3(a) or Rail Line / Railway Parade & Zone 5(a) or	Zone 2(b) or Zone 3(a) or Zone 5(a)	Adjacent to zones other than described in Categories 1 and 2

Zone 3(b)		
High Pedestrian Volumes	Medium/High Pedestrian Volumes	Low/Medium Pedestrian Volumes
Safety Trip Repairs assessed within 24 hours	Safety Trip Repairs assessed within 24 hours	Safety Trip Repairs assessed within 24 hours
Temporary Repairs completed within 3 days	Temporary Repairs completed within 3 days	Temporary Repairs completed within 5 days
Final Repairs completed within 60 days or subject to school timetables	Final Repairs completed within 75 days or subject to school timetables	Final Repairs completed within 90 days

* Zone 2(b) – Residential (Medium Density)

* Zone 3(a) – Business (Local Centre)

* Zone 3(b) – Business (Town Centre)

* Zone 5(a) – Special Uses (General). Includes schools and hospitals.

OBJECTIVES IN MANAGING FOOTPATHS

- To provide safe access for users of Council's footpaths.
- To develop a priority for repairs.
- To develop a system for recording and reporting on the condition of Council's footpaths and reported injuries.
- To minimise ongoing maintenance problems by considering footpath repair and replacement programs in conjunction with the Street Tree Master Plan for tree planting and replacements in the road reserve.
- To develop a decision support tool for construction in areas without footpaths.

KERB & GUTTER

Category 1	Category 2	Category 3
Category 1 Roads (Regional)	Category 2 Roads (Collector)	Category 3 Roads (Local)
High Traffic Volumes	Medium/High Traffic Volumes	Low/Medium Traffic Volumes
Heritage Kerb (Brick, Stone)		
Safety Repairs completed within 24 hours	Safety Repairs completed within 24 hours	Safety Repairs completed within 24 hours

OBJECTIVES IN MANAGING KERB AND GUTTER

- To maintain kerb and gutter to minimise the incidence of potential trip accidents.
- To maintain efficient stormwater flow via the kerb & gutter to stormwater pits.

- To retain and maintain the existing kerb & gutters that are valued as heritage items in accordance with the Heritage Kerb and Gutter Policy.
- To provide an effective shoulder for the road pavement and basis for level control when re-sheeting roads.

STREET FURNITURE

Category 1	Category 2	Category 3
Zone 3(a) or Zone 3(b)	Zone 2(b) or Zone 5(a)	Adjacent to zones other than described in Category 1 and Category 2
High Pedestrian Volumes, commercial, shopping, food outlets	Medium/High Pedestrian Volumes	Low/Medium Pedestrian Volumes
Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours
Final Repair/Replacement within 30 days	Final Repair/Replacement within 60 days	Final Repair/Replacement within 90 days

*Zone 2(b) - Residential (Medium Density)

*Zone 3(a) - Business (Local Centre)

*Zone 3(b) - Business (Town Centre)

*Zone 5(a) - Special Uses (General)

OBJECTIVES IN MANAGING STREET FURNITURE

- To provide street furniture that is accessible, safe and comfortable.
- Ensure street furniture meets the needs of the community and is of an appropriate style for the location.
- Reduce the incidence and impact of vandalism and graffiti through appropriate choice of durable, low maintenance furniture.

TRAFFIC FACILITIES

Category 1	Category 2	Category 3
All Regulatory Signs	Parking or Restricted Parking Signs, Warning Signs	Information Signs
Traffic Structures in Regional Roads	Traffic Structures in Collector Roads or roads with Category 1 or 2 Footpath	Traffic Structures not covered in Category 1 and Category 2
Line Marking associated with Regulatory Signs	Line Marking on Regional and Collector Roads	Line Marking not covered in Category 1 and Category 2

Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours
Final Repairs completed within 60 days	Final Repairs completed within 75 days	Final Repairs completed within 90 days

Replacement of signs and line marking relies on external contractors and custom made items. Response times are dependent upon contractor availability

OBJECTIVES IN MANAGING TRAFFIC FACILITIES

- Meet Australian Standards in terms of size, placement and condition.
- Provide safe paths for vehicles, cyclists and pedestrians.
- To maintain traffic flow with minimal disruptions.

RETAINING WALLS AND CUTTINGS

Category 1	Category 2	Category 3
Walls & cuttings retaining State Roads and Category 1 Roads or Walls & cuttings greater than approximately 3m in height	Walls & cuttings retaining local traffic and Category 2-3 Roads or Walls & cuttings approximately 1.5 to 3m in height	Landscaping walls or Walls & cuttings less than approximately 1.5m in height
Walls & cuttings retaining heavy load vehicles and buildings	Walls & cuttings retaining general vehicles and or pedestrians	Walls & cuttings retaining natural areas and landscaping
Emergency response 24 hours	Emergency response 48 hours	Emergency response 48 hours
Action: Close and secure area, safety assessment by geotechnical engineer	Action: Close and secure area, safety assessment by Council staff or geotechnical engineer	Action: Close and secure area, safety assessment by Council staff or geotechnical engineer

OBJECTIVES IN MANAGING RETAINING WALLS AND CUTTINGS

- Ensure retaining walls meet the structural requirements to protect retained land against erosion and down slope movement.
- Undertake adequate inspection, maintenance and hazard response to ensure public safety.
- To determine the most effective maintenance and replacement methods for walls requiring repair.

WATER ASSET CATEGORY

PITS AND PIPES

Category 1	Category 2	Category 3
Located in private properties or	Not a Category 1 and located in high traffic areas or CBDs or	Not a Category 1 or 2 and located in a park or reserve or
Located in Flood Prone Area (5 year ARI) or	Not a Category 1 and housing a Category 2 SQID or	Not a Category 1 or 2 and housing a Category 3 SQID or
Housing a Category 1 SQID or	Not a Category 1 and pipe diameter from 350mm to 600mm	Not a Category 1 or 2 and pipe diameter less than 350mm
Located next to SES, School, Hospital, Aged Care, Child Care or Pipe diameter > 600mm or open channel		
Safety Repairs completed within 24 hours	Safety Repairs attended to within 48 hours	Safety Repairs attended to within 48 hours
Other Repairs completed within 3 months	Other Repairs completed within 6 months	Other Repairs completed within 12 months

OBJECTIVES IN MANAGING STORMWATER PITS AND PIPES

- To ensure the stormwater drainage delivers its primary function
- To ensure safety of the community by decreasing the risk of flooding
- To reduce the impact on the water quality of receiving waters

STORMWATER QUALITY IMPROVEMENT DEVICES (SQIDs)

Category 1	Category 2	Category 3
SQIDs located in high profile areas	SQIDs located in parks	SQIDs located in road reserve
SQIDs protecting swimming areas and Moore Reserve wetlands	SQIDs protecting bays of the Georges River	
SQIDs identified as Critical Control Points by Water Quality Management Strategy		
Action on Customer Request within 12 hours	Action on Customer Request within 48 hours	Action on Customer Request within 7 days

OBJECTIVES IN MANAGING STORMWATER QUALITY IMPROVEMENT DEVICES

- Reduce pollutant loads exported to the waterways via the stormwater system

- To contribute towards achieving the water quality objectives of the receiving waters as stated in the interim water quality objectives for the Georges River catchment.
- Maintaining or improving the ecological condition of water bodies and their riparian zones over the long term.
- Improve aesthetic qualities of waters.
- Maintaining or improving water quality for activities such as boating and wading, where there is a low probability of water being swallowed.
- Maintaining or improving water quality for activities such as swimming, in which there is a high probability of water being swallowed.

OBJECTIVES IN MANAGING SEAWALLS

- To prevent foreshore degradation.
- To protect assets associated with seawalls (such as jetties and pathways).
- To ensure the safety of the community.
- To protect existing foreshore and marine habitats for flora and fauna.

FORESHORE/MARINE INFRASTRUCTURE

Category 1	Category 2	Category 3
Adequate parking and good access from water and pontoons associated with jetties	Adequate parking and reasonable access from water and pontoons associated with jetties	Inadequate parking or hardly accessible from water
Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours
Maintenance Repairs completed within 3 months	Maintenance Repairs completed within 3-6 months	Maintenance Repairs completed within 12 months

OBJECTIVES IN MANAGING FORESHORE STRUCTURES

- To provide safe access to the waterways.
- To provide diversity in recreational opportunities in Kogarah.

SEAWALLS

Category 1	Category 2	Category 3
Vertical seawalls retaining roads or car parks, wall height > 1.5m	Vertical seawalls retaining roads or car parks, wall height < 1.5m or Non-vertical seawalls retaining roads or car parks or Seawalls retaining footpaths, wall height > 1.5m	Seawalls retaining footpaths, wall height < 1.5m or Seawalls retaining open space
Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours
Maintenance Repairs completed within 3 months	Maintenance Repairs completed within 3-6 months	Maintenance Repairs completed within 12 months

PARKS & RECREATION ASSET CATEGORY

PARKS AND RESERVES		
Category 1	Category 2	Category 3
Market catchment predominantly described as Regional or District	Market catchment predominantly described as Local or District	Market catchment predominantly described as Local
The lands physical and environmental condition offers a high diversity of recreational opportunities	The lands physical and environmental condition offers the potential to offer a diversity of recreational opportunities	The lands physical and environmental condition limits the potential to offer a diversity of recreational opportunities
Generally has access to nearby public transport and provisions for off street visitor parking	Generally has access to nearby public transport and limited or no off street visitor parking	Generally low access to public transport and limited or no off street visitor parking
Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 7 days – 3 months Moderate/Low risk 6 months – 12 months	Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 7 days – 3 months Moderate/Low risk 6 months – 12 months	Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 7 days – 3 months Moderate/Low risk 6 months – 12 months

OBJECTIVES IN MANAGING PARKS & RESERVES

- To implement Council's Vision and Mission Statement for the health and safety of its citizens through best practice management of its landscaped, sports and recreational assets.
- To provide a diversity of safe sports and recreational environments.
- To meet the community's expectations in the management of parks & recreation assets.

BUSHLAND AREAS

Category 1	Category 2	Category 3
Market catchment predominantly described as Regional or District	Market catchment predominantly described as District or Local	Market catchment predominantly described as Local
Large risk to assets via bushfire. Indicated by the presence of an Asset Protection Zone within the reserve	Limited risk to assets via bushfire hazard. No Asset Protection Zone present	Minimal risk to assets via bushfire hazard
Species/population or ecological community present within the Reserve that is protected under	Suspected presence or records of past presence of species, population or ecological	No record of any species, population or ecological community protected under the

the TSC Act 1995	community that are currently protected under the TSC Act 1995	TSC Act 1995
Physical and environmental conditions offer a high diversity of flora and fauna species in relation to restricted species found within Kogarah and the region	Physical and environmental conditions offer a moderate level of diversity of flora and fauna species	Physical and environmental conditions offer a low level of diversity of flora and fauna species
Falls within the Kogarah Greenweb	Falls within one kilometre of the Kogarah Greenweb	Does not fall within one kilometre of the Kogarah Greenweb

OBJECTIVES IN MANAGING BUSHLAND AREAS

- To implement Council's Vision and Mission Statement for the management and conservation of the Kogarah LGA's biodiversity and urban amenity.
- To ensure the health and safety of our natural bushland reserves.
- To engage the community in understanding and care of our natural reserves while effectively managing our natural reserves.

PLAYGROUNDS

Category 1	Category 2	Category 3
Market catchment predominantly described as Regional or District	Market catchment predominantly described as District or Local	Market catchment predominantly described as Local
High usage	Medium usage	Low usage
Generally has access to nearby public transport and provisions for off street visitor parking	Generally has access to nearby public transport and limited or no off street visitor parking	Generally low access to public transport and limited or no off street visitor parking
Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 7 days Moderate/Low risk 3 months	Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 7 days – 3 months Moderate/Low risk 6 months	Response: Extreme/High risk 24 – 48 hours Substantial/Medium risk 3 months Moderate/Low risk 12 months

OBJECTIVES IN MANAGING PLAYGROUNDS

- Ensure playgrounds are maintained in a safe condition
- Provide a diverse range of activities and accessible play experiences.
- Provide for the physical and social development of children.
- Meet the recreational needs of both local and visiting families.
- Enhance the recreational amenity of parkland and other facilities such as sportsgrounds.

- Reduce the incidence and impact of undesirable activities associated with playgrounds.

PUBLIC TREES		
Category 1	Category 2	Category 3
Extreme/High Risk	Substantial/Medium Risk	Moderate/Low Risk
High potential for litigation and public health issues	Medium potential for litigation and public health issues	Low potential for litigation and public health issues
Response 24 – 48 hours	Response 7 days – 3 months	Response 6 – 12 months
Action: Close area and secure or remove hazard	Action: Secure or remove hazard and schedule action	Action: Schedule action

OBJECTIVES IN MANAGING PUBLIC TREES

- To implement Council’s Vision and Mission Statement for the management and conservation of the Kogarah Municipality’s biodiversity and urban amenity.
- To ensure the health and safety of public trees.
- To meet the community’s expectations in the management of trees on public land

BUILDINGS ASSET CATEGORY

The following descriptors are used for the categorisation of building “Category”:

SIGNIFICANCE

This relates to the community profile of the building, its occupancy type and usage, and the impact on the community if the building was non-functional.

GENERIC CONDITION DESCRIPTION

This aims to compare buildings across Category type and function.

Condition	Generic Condition Descriptions
1	Good, New, Near new, Exceeds standards.
2	Acceptable, Usable, Slightly worn, Meets standards.
3	Deteriorating, Usable with slight difficulty, Worn, Requires attention to arrest degradation, Conforms to out-dated standards.
4	Poor, Usable with considerable difficulty, Severely worn, Requires urgent attention to prevent failure, Non-compliant but correctable.
5	Very Poor Unusable, Faulty, Failed.

ANNUAL MAINTENANCE EXPENDITURE

The industry standard for annual maintenance expenditure is at least 2-3% of the value of the building.

CUSTOMER SERVICE RATING (CSR)

The Customer Service Rating links fit for use and fit for purpose parameters for the building i.e. Does the building have the necessary physical components and are they in a suitable condition to be able to provide the community service the building is intended for. It is a qualitative measure that is based on customer/resident feedback. This qualitative rating can also be extended to the community service personnel that operate in the relevant buildings (e.g. library staff, or child-care staff).

REPAIRS

Repairs that are needed for safety matters require a faster turn-around time than standard repairs to avoid injury and litigation.

BUILDINGS (EXCLUDING CAR PARKS)

Category 1	Category 2	Category 3
Major Civic Significance (e.g. Kogarah Library)	Significant (e.g. Oatley Senior Citizens)	Minor (e.g. Carss Park Toilet)
Condition 1 to 2	Condition 2 to 4	Condition 4 to 5
Annual Maintenance Expenditure: 2% of value	Annual Maintenance Expenditure: 1% of value	Maintenance as needed
Customer Service Rating (CSR): up to 90% good	Customer Service Rating (CSR): up to 70% good	Customer Service Rating (CSR): up to 50% good
Safety Repairs completed within 24 hours	Safety Repairs completed within 24 hours	Safety Repairs completed within 48 hours
Other Repairs completed within 3 weeks	Other Repairs completed within 2 months	Other Repairs completed within 6 months

OBJECTIVES IN MANAGING BUILDINGS

- To supply the physical space required through which community services can be provided.
- To ensure that these physical spaces are fit for purpose and fit for use through the CSR performance indicator and meeting the repair timeframes in the table above.
- To minimise long-term maintenance problems and financial pressures by ensuring that industry standard maintenance expenditure by Category is followed.
- To increase the value of Council's building asset stock.
- To generate market rate returns on buildings that are rented or leased out by Council.
- To generate market rate usage fees where Council buildings are hired out on a short-term basis.

CAR PARKS

Category 1	Category 2	Category 3
Located in Zones 3(a) or 3(b) with > 50 car parking spaces	Located in Zones 2(a), 2(b), 3(a) or 3(b) with < 50 car parking spaces, or Located in Zone 6(a) with < 75 car parking spaces, or	Located in Zone 6(a) with > 75 car parking spaces Located in Zone 5(b)
Purpose of use: commuter, shopping	Purpose of use: shopping, library, recreational	Purpose of use: recreational, park/community, shopping
Night time lighting	Night time lighting	
Line marking	Line marking	
Sealed surface	Sealed surface	Sealed surface not required
Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours	Safety Repairs assessed within 24 hours
Maintenance Repairs completed within 60 days	Maintenance Repairs completed within 75 days	Maintenance Repairs completed within 90 days

OBJECTIVES IN MANAGING CAR PARKS

- To provide vehicle drivers in the LGA with accessible, safe car parking spaces.
- To lessen the impact of street parking.
- To provide parking access to community and operational areas of activity such as parks and town centres.

APPENDIX 8 -

LEGISLATIVE REQUIREMENTS

Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Legislation	Requirement
Acts	
Local Government Act 1993	Set out to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales and, to regulate the relationships between the people and bodies comprising the system, and, to encourage and assist the effective participation of local communities in the affairs of local government.
Civil Liability Act 2002	Set out to make provision in relation to the recovery of damages for death or personal injury caused by the fault or negligent of a person or organisations. Liability of road authorities. Section 42, May 2004 inclusion into the Act to provide a replacement for the non-feasance defence consequence to the May 2001 High Court judgement.
Coastal Protection Act 1979	Sets out the responsibilities and powers of Council in protecting the quality of the coastal environment.
Roads Act 1993	Set out the rights of members of the public to pass along public roads, the rights of persons who own land adjoining a public road to have access to the public road, and to establish the procedures for the opening and closing of a public road, to provide for the classification of roads, to provide for the declaration public authorities as roads authorities for both classified and unclassified roads, to confer certain functions (in particular, the function of carrying out road work), and to regulate the carrying out of various activities on public roads.
Protection of the Environment Operations Act 1997	Sets out to protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development, pollution prevention, the elimination of harmful wastes, the reduction in the use of materials and the re-use, recovery or recycling of materials.

Legislation	Requirement
Acts	
Environmental Planning & Assessment Act 1979	Sets out to encourage the proper management, development and conservation of natural and artificial resources for the purpose of promoting the social and economic welfare of the community and a better environment and the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats.
Natural Resources Management Act 2004	Sets out the role, purpose, responsibilities and powers of local government in controlling the use of natural resources.
Crown Lands Act 1989	Sets out the objectives and principals for Crown Land management.
Dividing Fences Act 1991	Exempts all Councils from payment of a contribution towards the installation or replacement of a fence on private land that adjoins public property in Council's ownership, care, control and management.
National Parks and Wildlife Act 1974	Sets out objectives and principles for conserving the State's natural and cultural heritage, fostering public appreciation, understanding and enjoyment of the State's natural and cultural heritage, and managing any lands reserved for the purposes of conserving and fostering public appreciation and enjoyment of the State's natural and/or cultural heritage.
Noxious Weeds Act 1993	Sets out to reduce the negative impacts of weeds on the economy, community and environment.
Threatened Species Act 1995	Sets out to conserve biodiversity and promote ecologically sustainable development.
State Environmental Planning Policy No.19 Bushland in Urban Areas	Sets out the objectives to protect and preserve bushland within the LGA.
Occupational Health and Safety Act 2000	Sets out the responsibilities of Council to secure and promote the health, safety and welfare of people at work.
Other relevant State and Federal Acts and Regulations	As appropriate.

Legislation	Requirement
Standards	
Australian Accounting Standards board	Accounting rules setting out Council requirements for the financial reporting of assets.
AASB 116	Property, Plant & Equipment
AASB 136	Impairment of Assets
AASB 138	Intangible Assets
AASB 140	Investment Properties
AASB 1031	Materiality
AASB 1051	Land under Roads
Building Code of Australia 2009	Contains technical provisions for the design and construction of buildings and other structures, covering such matters as structure, fire resistance, access and egress, services and equipment, and health and amenity.
Australian Standards	The minimum requirements for Council for operational and design standards.

APPENDIX 9 -

SECTION 94A WORKS SCHEDULE FOR COMMUNITY INFRASTRUCTURE

The following table details the works schedule for new community infrastructure for which Section 94A levies will be sought, including their relation to the key strategic directions and goals as defined in *Bright Future, Better Lifestyle: Kogarah 2030*.

WORKS	COST	STAGING
1. A CLEAN, GREEN AND SUSTAINABLE CITY CATCHMENT & WATERWAYS		
Bladface Point bank stabilisation - Blakehurst	\$20,000	Short
Carss Park Bay Walk – foreshore restoration and bay walk with disabled access	\$1,500,000	Ongoing
Carss Park Foreshore Lighting	\$200,000	Short
Foreshore Stabilisation – Dover Park West – Blake Ave – Sans Souci	\$100,000	Long
Kerb and Gutter Replacement Program	\$500,000	Ongoing
Kogarah Bay Creek rehabilitation (Harold Fraser Reserve)	\$550,000	Medium
Sans Souci foreshore upgrade	\$200,000	Long
Street Tree Removal and Replacement as per Street Tree Management Plan	\$500,000	Ongoing
Subtotal	\$3,570,000	
2. A LIVEABLE AND CONNECTED CITY		
Footpath renewal and access	\$1,700,000	Ongoing
Hurstville – Kogarah Cycleway	\$1,510,000	Long
Street Name Sign Replacement	\$170,500	Ongoing
Streetscape works for shopping villages (Allawah, Blakehurst & Carlton)	\$180,000	Long
Park Furniture Renewal	\$300,000	Ongoing
Subtotal	\$3,860,550	
3. A THRIVING AND PROSPEROUS CITY		
Kogarah CBD Streetscape Upgrade	\$1,000,000	Long
Kogarah CBD underground of cable infrastructure	\$2,000,000	Long
Kogarah CBD Traffic and Pedestrian Study	\$722,000	Long
Oatley Village Centre Improvement Plan	\$2,000,000	Ongoing
The Strand Penshurst Railway Station	\$40,000	Long
Subtotal	\$3,762,000	
4. A VIBRANT, SAFE AND INCLUSIVE CITY		
Disability Discrimination Act Capital Works based on Access Audit	\$100,000	Ongoing
5. AN ACTIVE AND HEALTHY CITY		

Community Facilities		
Carss Park – Shade structure, Life Savers Hall upgrade, expand community gardens	\$190,000	Short
Carss Park – Todd Park Community Recreation Facility	\$1,800,000	Medium
Harold Fraser Oval amenities block replacement – Carlton	\$300,000	Medium
Harold Fraser Oval cricket practice wickets - Carlton	\$75,000	Long
Hogben Park skatepark - Kogarah	\$250,000	Medium
Oatley early childhood centre upgrade	\$10,000	Short
Sans Souci pool upgrade and filtration replacement	\$970,000	Medium
School of Arts internal upgrade - Kogarah	\$75,000	Short
State Emergency Services main building upgrade - Carlton	\$50,000	Short
The Green – amenities block replacement – Kyle Bay	\$250,000	Medium
Children’s Playground – Shade Structures	\$200,000	Short
Subtotal	\$4,170,000	

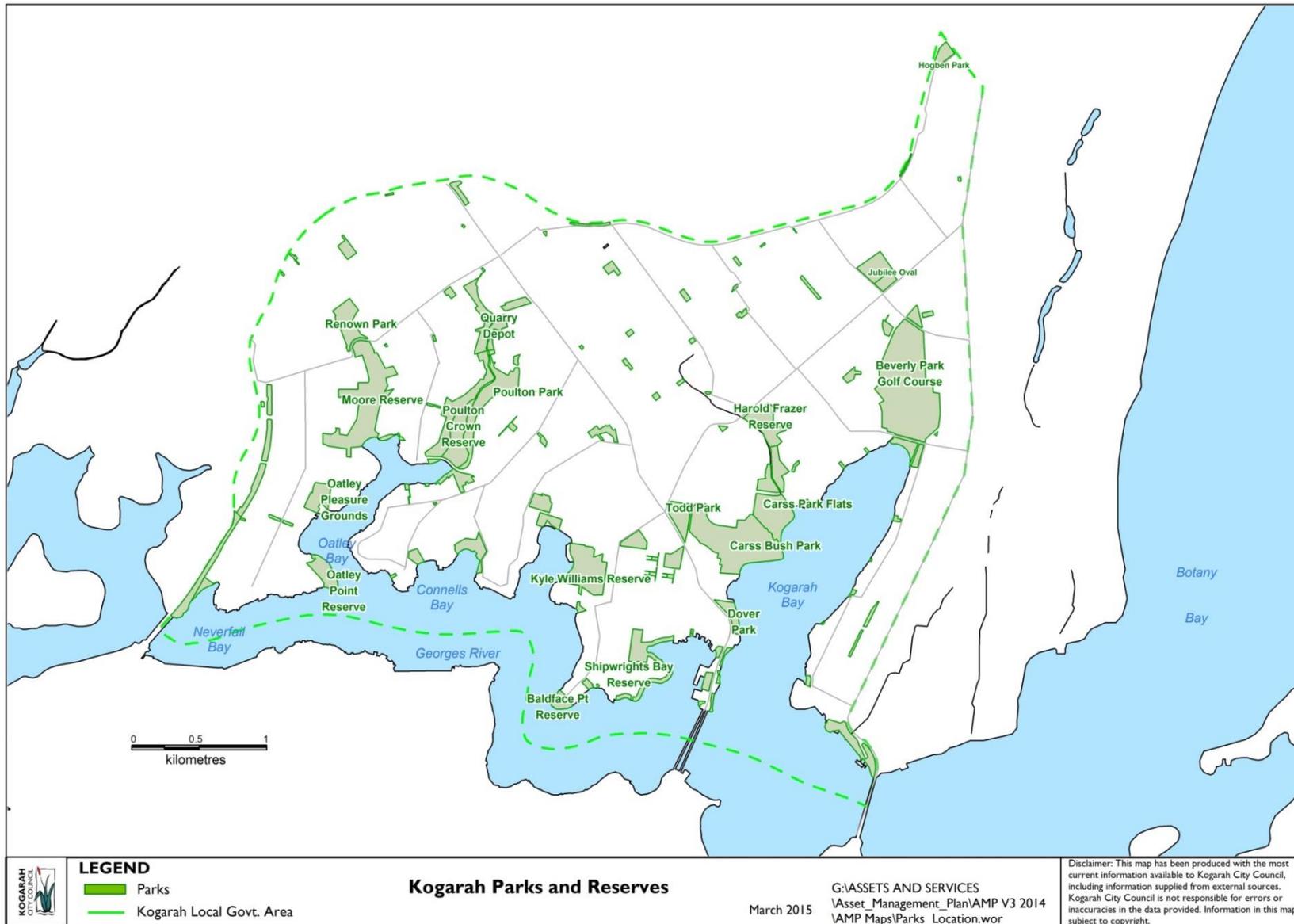
APPENDIX 10 -

ADDITIONAL MAPS

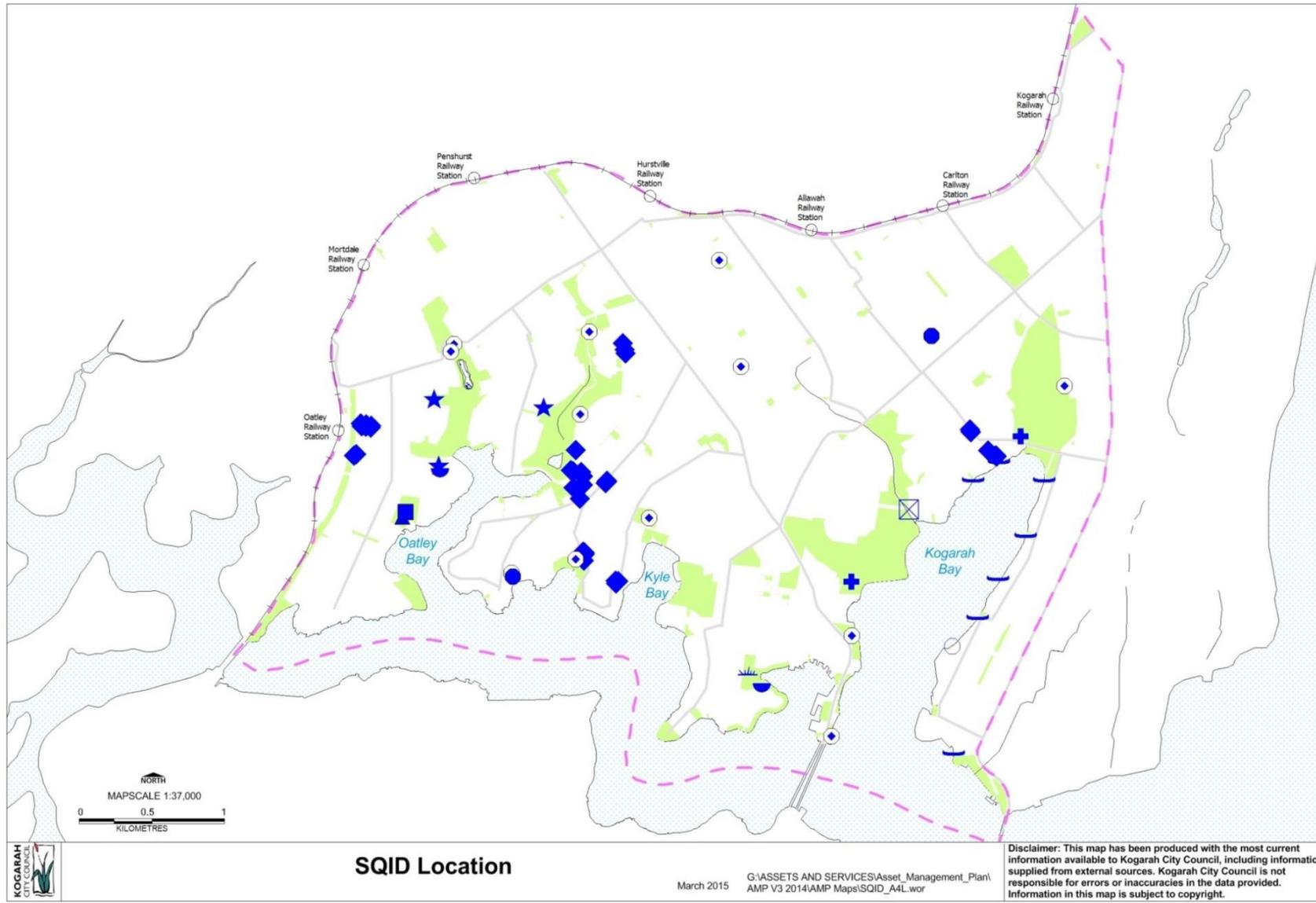
Parks and Reserves Locations

Stormwater Quality Improvement Devices Locations

PARKS AND RESERVES LOCATION MAP



STORMWATER QUALITY IMPROVEMENT DEVICE (SQID) LOCATION MAP



5. LONG TERM FINANCIAL PLAN

- 5.1. Introduction
- 5.2. Policy Framework
- 5.3. Current Financial Position of Council
- 5.4 Significant Forecasting Assumptions, Uncertainties & Risks
- 5.5 Planned Scenario
- 5.6 Conservative Scenario
- 5.7 Optimistic Scenario
- 5.8. Annual Review

5.1 Introduction

The purpose of this Draft 10 Year Long Term Financial Plan for Kogarah City Council is to provide a framework to assist future decision making that will secure the economic sustainability of the organisation and ensure adequate funds are generated into the future to achieve desirable outcomes for the community.

Kogarah City Council's 10 year Long Term Financial Plan was originally adopted in November 2001. The plan has been updated annually to assist in the preparation of yearly budget forecasts. This plan is a key document in forecasting the financial resources available for Council to achieve the strategic Direction and Goals specified in Councils' Community Strategic Plan Bright Future, Better Lifestyle: Kogarah 2030.

The Policy Statements contained in this plan have been given force by resolution of Council. These policies provide the framework to guide decision making, future budgets and establish a mechanism to fund future investment decisions.

A new planning and reporting framework for NSW local government has been introduced. These reforms replace the former Management Plan and Social Plan with an integrated framework. It also includes a new requirement to prepare a long-term Community Strategic Plan and Resourcing Strategy.



Local Government Planning & Reporting framework

In accordance with this new framework Council's 10 year Long Term Financial Plan has been developed to include financial forecasting and to form part of Councils' Resourcing Strategy. The Resourcing Strategy will comprise the Long Term Financial Plan, the Workforce Management Plan and the Asset Management Plan. The 10 year Long Term Financial Plan also provides a link to Council's Delivery and Operational Plans.

The Draft 10 Year Long Term Financial Plan establishes a framework, mechanism and financial targets of the Council. It is the basis or benchmark to guide Council in the decision making process across multiple years. It contains guiding philosophies to promote a consistent financial direction spanning financial years and council terms.

The financial model predicts Kogarah's future funding requirements in order to maintain a strong financial position and deliver the facilities and services expected by our community. Setting the strategic direction of a financial plan promotes the sustainability of the organisation and ensures the availability of funds in future years to achieve all of Councils' goals and objectives.

5.2 Policy Framework

Previous Council resolutions have provided a policy framework to help guide the development of Council budgeting and long term financial planning. Future resource use and decision making by the Council can be guided by the structure provided in the policy framework. Council's 10 Year Long Term Financial Plan has been drafted to comply with the following policies:

5.2.1 Unrestricted Working Funds Balance

This is a measure of liquidity or net financial position. Council, as a prudent financial manager should set a minimum level at which its Working Capital should be maintained. A minimum level of Working Capital ensures Council retains an appropriate level of liquidity on an ongoing basis.

The unrestricted cash reserve of Council provides an appropriate buffer for unforeseen circumstances. As Council's budget grows, budget discipline is required to ensure that this reserve will grow in line with the budget and continue to provide an appropriate reserve level.

Council's target is to adopt an original budget each year maintaining a minimum unrestricted working funds balance equivalent to 5% of the unrestricted revenues in the same financial year.

5.2.2 Employee Leave Entitlements

At any point in time there will be outstanding leave entitlements owed to the employees of Kogarah City Council. These future entitlements to employee leave create a liability for Council that needs to be met at some point of time in the future.

Council does not maintain cash reserves to fully extinguish the leave liabilities because, as a going concern, Council does not expect to pay these liabilities in full at any one point in time. However, given the size of the liability and the potential for large payments on termination or resignation of employees it is prudent to have an appropriate level of cash reserves to meet future employee leave liabilities.

Council's target is to maintain a cash reserve equivalent to 20% of Council's liability for employee leave entitlements. Each year Council includes in its budget a transfer to the employee leave entitlement reserve to maintain Council's minimum 20% target. Whilst the target is a minimum of 20%, Council's long term aim is to fully fund all leave liability entitlements. As at 30 June 2014 Council's cash reserve was equivalent to 60.6% of the total employee leave liability.

5.2.3 Investment Fund

In order for Council to improve its annual financial position it makes strategic investments that will contribute to this purpose. Establishment of an Investment Fund provides a reserve of cash

to fund projects that result in additional recurrent income or reduced recurrent costs. Expenditure should be limited to projects with identifiable benefits.

Council established an Investment Fund in 2001 for the purpose of improving Council's financial position. Council directs all unrestricted revenues from non-recurrent sources into the Investment Fund. For example, the proceeds from a one off sale of an under-utilised Council asset would be directed into the Investment Fund.

An annual dividend is paid from the Investment Fund to unrestricted funds equivalent to 50% of the benefits realised by investments from the fund. The dividend from income generated by the Investment Fund provides an additional revenue stream for the Council to relieve the burden placed on Council by the impact of rate-pegging.

The remaining income generated by the Investment Fund remains in the Investment Fund. This reinvestment in the Investment Fund provides capital for future investments. This enables the fund to grow over time and provide a growing revenue stream.

Investments from the Fund are prioritised in order to realise the best possible improvement in Council's financial position over time. Important considerations when establishing investment priorities include; expected rate of return, size of investment, potential risk and time taken to generate returns. Priority will be given to projects with the best rate of return for minimal outlay, minimal risk and short payback period. Consideration will also be given to the political effect of investment decisions and whether or not a specific investment is consistent with the values of the organisation.

5.2.4 Unrestricted Budget Funds

Council adopts all budgets wherein all future expenditure of unrestricted funds comes from recurrent sources. Non-recurrent sources of income should not be used for unrestricted expenditure but instead directed to internal or external reserves as directed by Council's financial policy framework.

5.2.5 External Borrowings

Council currently has no external debt. Council would like to remain debt free whilst allowing for internal borrowing from restricted funds if appropriate. Council has no forecast external borrowing requirements detailed in this Long Term Financial Plan.

Whilst Council has no plans to borrow funds externally for the period of the 10 Year Long Term Financial Plan, the external borrowing capacity Council currently has is very important should any unforeseen large infrastructure costs arise in the future. Council has the ability to fund future infrastructure replacements from external loans should funding not be available from other sources.

Council's preference is to fund new or upgraded infrastructure or facilities from within its current budgeted income or from internal borrowings where it can be demonstrated that future income within the existing budget will allow the repayment of those internal loans.

5.2.6 Infrastructure Reserve

Council established an Infrastructure Reserve in 2001 to provide additional resources for asset management. Council's first Long Term Financial Plan in 2001 detailed a renewal funding shortfall for Council's very large infrastructure stock. The original Infrastructure Reserve restricted funds above financial policy requirements specifically for asset management. Given the focus on asset management for the Council the creation of the Infrastructure Reserve dictates that Council direct any favourable budget results into the reserve for future expenditure on asset management.

In 2008, Council placed further restrictions on the operation of the Infrastructure Reserve. The capital in the reserve is now preserved and a dividend of 50% of the interest income generated by the investment of reserve capital is available each year for asset management expenditure. The remaining interest income is retained in the reserve so that the reserve and income generated will grow over time.

Preference is given to expenditure from the Infrastructure Reserve for maintenance and renewal of existing Council assets over the upgrade of Infrastructure. New Council infrastructure and facilities is not funded from this reserve and should be funded from other funding sources.

Council prepares future budgets that clearly demonstrate the funding of all asset management activities from the Infrastructure Reserve.

5.3 Current Financial Position of Council

Council's net operating result for 2013/14 was a surplus of \$2.6m (\$1.6m surplus in 2012/13). Excluding non-cash transactions and movements in restrictions (e.g. section 94 or grants) Council achieved an Unrestricted Working Funds surplus of \$291,799 (\$199,827 in 2012/13).

Council ended last financial year with an Unrestricted Working Funds Balance of \$2.385m (\$2.095m in 2012/13). This was achieved without asset sales and at the same time increasing service levels.

Council's favourable result last financial year enabled funds to be set aside for asset management through increasing the infrastructure reserve. Council maintained adequate cash reserves to meet future obligations and unforeseen circumstances. Council's internal cash reserves totalled \$17.6m (\$15.1m in 2012/13).

Last financial year's results were achieved despite difficult economic conditions and reflects the responsible approach taken by Council throughout the year in managing its finances and left the City of Kogarah in a sound financial position as at 30th June 2014.

This financial discipline has continued into the current financial year. Council's 2014/15 budget was adopted within the confines of the financial policy framework discussed previously and maintains Council's adequate financial reserves and focus on asset management.

Rate-pegging provides a constant challenge for Council to fund the services expected by our community. Council continues to endeavour to generate alternate sources of revenue and Council has an ongoing program to drive down costs and find efficiencies. Council must maintain its financial discipline and ensure costs are maintained as budgeted in order to maintain and renew its large stock of community infrastructure assets. It is incumbent on Council to maintain its excellent asset management practices and level of funding for asset maintenance and renewal expenditure to avoid a decrease in the condition of its infrastructure assets that will leave future generations with a much higher cost burden to rectify.

This 10 Year Long Term Financial Plan addresses Council's challenge of maintaining and renewing its assets and providing the services to a level expected by the community. These expectations have been determined through the development over the years of Council's asset management systems and the extensive consultation process conducted in conjunction with the development of the Community Strategic Plan.

5.4 Significant Forecasting Assumptions, Uncertainties and Risks

The following assumptions, risks and uncertainties have been prepared in accordance with the Council's legislative requirements, and in reference to the Council's Community Strategic Plan. Uncertainty increases as the number of years of prospective financial information increases. These forecast financial statements must be read with caution utilising the details of financial assumptions contained in this statement. Financial years 2019/20 to 2024/25 must be read with considerable caution even though in broad terms the business of the Council should continue as has been forecast in the Community Strategic Plan.

Uncontrollable external events can significantly affect the forecast. The most significant risks that may impact on the forecast financial statements include unexpected changes to legislation and/or regulations. It has been assumed that the organisational structure of Kogarah City Council will remain relatively unchanged.

Although climate change and its existence and causes are still being debated, many international agencies and businesses, such as insurance companies, are factoring climate change into their planning. Climate Change impacts could affect the engineering standards applied to the Council infrastructure and therefore associated costs to Council. It has been assumed that environmental conditions will not significantly change over the next 10 years.

5.4.1 Service Priorities

It is assumed that the community will continue to endorse the current range of services that the Council provides to the community. Extensive consultation has been conducted as part of the Community Strategic Planning Process to determine the range of services expected by the community.

5.4.2 Population Growth Projections

Council has projected growth in accordance with census data trends over recent years together with State Government planning requirements. Local area population projections, supplied by the NSW Department of Planning, indicate that the population of the Kogarah local government area is projected to increase from the 55,201 recorded in the 2011 Census to 59,900 in 2021 an increase of 8.51% over that ten year period. Significant population growth above budgeted levels is not expected over the life of this plan.

5.4.3 Asset Ownership and Management

There are no major asset sales or change in management of significant assets that is forecast in this plan. Any sale funds will be dealt with in accordance with the financial policy framework previously described in this plan.

Kogarah City Council will continue to manage its large infrastructure stock in accordance with the Asset Management Plan detailed as part of the Resourcing Strategy. Technology and further asset information may impact on the Council's Asset Management Strategy. However, significant changes to Council's strategy are not anticipated over the life of this plan.

5.4.4 Natural Disasters

The funding provisions in this plan assume that there will be no major natural disaster of a type that causes widespread and significant damage to Kogarah City Council's infrastructure.

5.4.5 External Factors

There will be no unexpected changes to legislation, national standards, or other external factors which alter the nature or extent of services provided by Council.

5.4.6 Interest Rates

Council has no external borrowing and so has not estimated an interest rate for borrowed funds. Interest on money invested is estimated at 4.0% pa.

5.4.7 Depreciation and Useful Lives

Estimates are based on Council's accounting policies and useful lives as stated in Council's Asset Management Plan.

Future revaluations will have an impact on infrastructure remaining lives as well as future depreciation charges. This plan does not anticipate significant valuation movements that would significantly change depreciation charges on infrastructure.

5.4.8 Outsourcing

Where Council outsources physical works and professional services, it is assumed this practice will continue over the life of the plan.

5.4.9 Asset Renewal

The forecast expenditure for infrastructural asset renewal is sufficient to maintain the current level of service provided by those assets.

There is a risk of deferred maintenance resulting in additional funding requirements and/or reduced service levels not stated or provided in the Community Strategic Plan. The Council is continually working to improve the level of confidence in the asset renewal forecasts.

The Base case scenario detailed in this plan utilises Council's previously successful application for a special rate variation effective from 2010/11. Without the additional funding provided by this variation Council would not have been able to close the infrastructure renewal gap previously identified.

5.4.10 Sources of Funds

It is assumed that the level of funds available to the Council over the period of this plan will be sufficient to meet the planned service levels.

5.4.11 Changes to Planned Service Levels

The Council assumes that the service issues not provided for, or not fully provided for in the Community Strategic Plan will be considered by the Council in the future, and in a manner that is consistent with the requirements of the Local Government Act. In doing so it is assumed that the capacity of the Council to fund these services will be assessed against the key financial management ratios and financial policy framework stated in this plan.

5.5 Planned Scenario

The planned scenario model is a financial forecast aimed at delivering the strategic goals and outcomes set out in Council's Community Strategic Plan. It is based on thorough estimates of future income and expenditure under normal operating conditions. Readers should note the forecast assumptions, uncertainties and risks to the performance of this budget plan set out in this document.

The planned scenario includes the approved special rate variation of 4.8% in the 2014/15 financial year.

The planned scenario includes the approved special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for year two (2) of the 10 year plan. The special rate variation will provide the resources required to fund the draft 4-year delivery program. This will ensure that service levels provided to the community continue to meet their on-going expectations and growing needs. It will also allow Council to maintain the condition of infrastructure to a satisfactory level and not unduly burden future generations.

Increases from year three (3) to ten (10) revert to an estimate of allowable increases to be approved by IPART of 2.5%.

The Delivery Program (2013 - 2017) has been developed and outlines the principal activities to be undertaken by the Council to implement the strategies established by the Community Strategic Plan. The Delivery Program addresses the full range of Council operations, financial estimates and allocated levels of responsibility for each action.

Resourcing projections from the Delivery Program had estimated a shortfall in revenue over the four year Delivery Program of \$1.2m if a special rate variation application was not made. This would require a reduction in the operational service levels of Council and place pressure on Council's ability to maintain its infrastructure to the level expected by the community.

The NSW Treasury Corporation (TCorp) has recently conducted an independent financial assessment of Kogarah City Council in terms of its financial capacity, long term sustainability and financial performance. In terms of sustainability, TCorp believes Council to be moderately financially sustainable. TCorp considered the assumptions in this Long Term Financial Plan to be reasonable and the forecasts achievable.

TCorp has identified some challenges to Council remaining financially sustainable including spending sufficient funds on renewing and maintaining its infrastructure and ensuring costs are contained within the levels forecast. The special rate variation shown in the planned scenario will allow Council to deliver service levels as forecast and maintain the increased infrastructure expenditure seen over recent years.

In developing the rating option in this planned scenario, Council considered a range of data available to it surrounding our Communities capacity to pay rates above estimated rate pegging limits.

The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. A high score on the index means a low level of disadvantage. Kogarah City scores 1,036.2 on the SEIFA index of disadvantage, indicating it is less disadvantaged than the national score of 1,000.0.

32% of households currently have a mortgage and 26% of households are renting.

The medium weekly income for households in the Kogarah City Council LGA is \$1,463, and 24% of households earn \$2,500 or more per week. Analysis of household income levels in Kogarah City in 2011 compared to Greater Sydney shows that there was a similar proportion of high income households (those earning \$2,500 per week or more) and a lower proportion of low income households (those earning less than \$600 per week).

Council has also used comparative data published by the Division of Local Government to review the current and proposed average business and residential rates against the current business and residential rates of like Councils (classified as group 2 Councils) as well as Kogarah's three neighbouring councils.

Council has a Hardship Policy in place to provide a framework for the assessment of ratepayers who are experiencing difficulties in meeting their commitments in rates. Ratepayers suffering financial hardship can apply for relief through the hardship policy. Ratepayers can also enter into a payment arrangement with Council to pay any outstanding rates balances.

Council has also put in place measures to protect the vulnerability of eligible pensioners to pay their rates. Under Council's Debt Recovery Policy any rating debts owed to Council by eligible pensioners will not be pursued through legal action. Also, any debts owed to Council by eligible pensioners will have any interest charges written off if their debt is paid in full by the end of the financial year in which the debt was raised.

The impact of the rate variation will be distributed evenly across all rate payers. All categories in Councils rating structure will be increased by the same percentage.

A key part of Council's long-term financial planning, management strategies and strategic planning is to identify and implement productivity improvements and expenditure reductions. Council is committed to continue its program of using limited resources in the most efficient manner possible to deliver goods and services to the community.

Council has been able to maintain services levels in all areas of its operations and in some areas substantially increase them. To ensure productivity and cost containment is at the forefront of management Council budgets for an efficiency/productivity dividend each financial year. This target is reportable and Management is then responsible for delivering cost savings, increased income or other productivity measures to match the financial target for the year.

The planned scenario contains an efficiency dividend of \$200,000 per annum for the life of the plan. The efficiency dividend will deliver \$800,000 in savings over the life of the Delivery Program.

5.5.1 Financial Modelling Planned Scenario

The following is a list of the inflation assumptions used in forecasting the planned scenario:

Planned Scenario – Operating Income	
Rates	The planned scenario utilises Council's approved special rate variation of 4.8% p.a. for years 1-2 of the plan. Increases from years 3-10 revert to an estimate of allowable increases to be approved by IPART of 2.5%. Rates income growth is based on the expected additional dwellings forecast over the life of the plan times by the minimum rate.
Environmental Levy	The environmental levy ceased prior to the commencement of this plan. Council's rating base was reduced by 3% in 2013/14 due to the removal of the environmental levy. The special rate variations for years 1-2 of the plan will allow the Council to continue some of the important environmental works previously funded by the environmental levy.
Domestic Waste Charge	The current domestic waste charge of \$446.68 will not be increased in the first year of the plan. Years 2-10 of this scenario have been increased by 3.5% p.a. These increases are necessary to keep pace with the significant increase in disposal costs for waste through to the 2016/17 financial year.
User Charges and Fees	User charges and fees for next financial year are detailed in Council's Draft 2015/16 Fees and Charges Schedule included as part of Council's operational plan. Future year's user charges and fees have been increased by an estimated annual CPI of 2.4%. This represents the middle of the Reserve Bank's long term target for CPI of 2-3% p.a.
Interest on Investments	Under the planned scenario an interest rate of 4.0% p.a. is assumed for interest earned on investments. Interest rates can fluctuate quickly, however a target 4-5% p.a. return on investment over the life of the plan is considered achievable.
Other Revenue	Other revenue is expected to grow by 2.4% p.a. over the life of the plan.
Operational Grants & Contributions	Operational Grant and contributions are expected to increase in line with long term target for CPI. The planned scenario has grants and contributions increasing by 2.4% p.a. over the life of the plan.
Planned Scenario – Operating Expenditure	

Employee Costs	<p>Employee costs in the planned scenario are expected to grow at a rate of 3.2% p.a. This takes account of forecast Award increases, skills and performance progression and market forces for certain occupations.</p> <p>The planned scenario is based on a stable organisational structure with no net increase in employee numbers.</p>
Borrowing Costs	<p>Council has no external borrowings. The only borrowing costs anticipated in the planned scenario is interest charged on Council's overdraft facility. This cost is minimised by Council's stringent cash flow procedures. There is no increase in borrowing costs forecast over the life of the plan.</p>
Materials & Contracts	<p>The planned scenario has broadly budgeted for increases of 2.4% p.a. for materials and contracts in line with CPI targets. We have seen, in recent years, large price swings for certain material such as petrol and steel that can flow through into contract costs as well.</p>
Other Operating Expenses	<p>Other operating expenses have been budgeted to rise by 2.5% p.a. under this plan except the following items:</p> <ul style="list-style-type: none"> Electricity – 5% p.a. Insurances – 3% p.a. Water charges – 3% p.a. Emergency Services Levy – 3% p.a. Postage – 3% p.a. Street lighting charges – 5% p.a. Waste Disposal between 2.4% and 3.2% p.a.
Planned Scenario – Capital Income	
Developer Contributions	<p>Developer contributions are levied as per Section 94 and 94A of the Environmental Planning & Assessment Act.</p> <p>No annual increase in section 94 and 94A developer contributions has been forecast over the life of the plan.</p> <p>The amount budgeted each year is based on a long term average of projected income over the remaining life of the contribution plans.</p> <p>Developer contributions are linked to the timing and scale of development activity. Contributions can vary substantially as a</p>

	result.
Property, Plant & Equipment Sales	<p>There is no planned property sales included in the planned scenario. Council currently has no surplus property identified for sale. Any surplus property to Council requirements will be considered separately by Council before disposal.</p> <p>Plant and equipment will be sold in accordance with Council's replacement strategy. Plant and motor vehicles are funded through Council's Investment Fund. Any sales proceeds are therefore directed back into that fund.</p>
Loans	Council has no existing external loans. The planned scenario does not forecast any new external loans over the life of the plan.
Planned Scenario – Capital Expenditure	
Capital Works	The capital works program for 2015-2019 is detailed in the Delivery Program. Future years' on-going capital works have been increased by 2.4% p.a
Loans	Council has no existing external loans. The planned scenario does not forecast any new external loans over the life of the plan. There are no capital loan repayment requirements for the life of the plan.

Kogarah City Council Income Statements 2015 - 2025 (Planned)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Income From Continuing Operations										
Revenue:										
Rates and annual charges	36,023	37,773	38,869	39,995	41,155	42,347	43,573	44,834	46,131	47,466
User charges and fees	5,429	5,508	5,637	5,764	5,895	6,031	6,171	6,315	6,463	6,615
Interest and investment revenue	1,656	1,678	1,700	1,722	1,746	1,769	1,793	1,818	1,843	1,869
Other revenues	3,436	3,497	3,503	3,566	3,629	3,694	3,761	3,829	3,899	3,971
Grants and contributions provided for operating purposes	3,001	3,018	3,074	3,131	3,191	3,252	3,315	3,379	3,445	3,513
Grants and contributions provided for capital purposes	2,641	2,653	2,666	2,679	2,192	2,206	2,220	2,234	2,248	2,263
Other income:										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures and associates using the equity me	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	52,186	54,127	55,449	56,857	57,808	59,299	60,833	62,409	64,029	65,697
Expenses From Continuing Operations										
Employee benefits and on-costs	21,087	21,762	22,458	23,177	23,919	24,684	25,474	26,289	27,130	27,998
Borrowing costs	2	2	2	2	2	2	2	2	2	2
Materials and contracts	9,900	10,116	10,297	10,437	10,579	10,723	10,868	11,013	11,160	11,308
Depreciation and amortisation	7,482	7,662	7,846	8,034	8,227	8,424	8,626	8,833	9,045	9,262
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	10,612	10,923	11,223	11,530	11,850	12,177	12,514	12,861	13,217	13,583
Total expenses from continuing operations	49,083	50,465	51,826	53,180	54,577	56,010	57,484	58,998	60,554	62,153
Operating result from continuing operations	3,103	3,662	3,623	3,677	3,231	3,289	3,349	3,411	3,475	3,544
Operating result from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net operating result for the year	3,103	3,662	3,623	3,677	3,231	3,289	3,349	3,411	3,475	3,544
Attributable to:										
- Council	3,103	3,662	3,623	3,677	3,231	3,289	3,349	3,411	3,475	3,544
- Minority interests	-	-	-	-	-	-	-	-	-	-
Net operating result for the year before grants and contributions provided for capital purposes	462	1,009	957	998	1,039	1,083	1,129	1,177	1,227	1,281

Kogarah City Council Balance Sheet 2015 - 2025 (Planned)

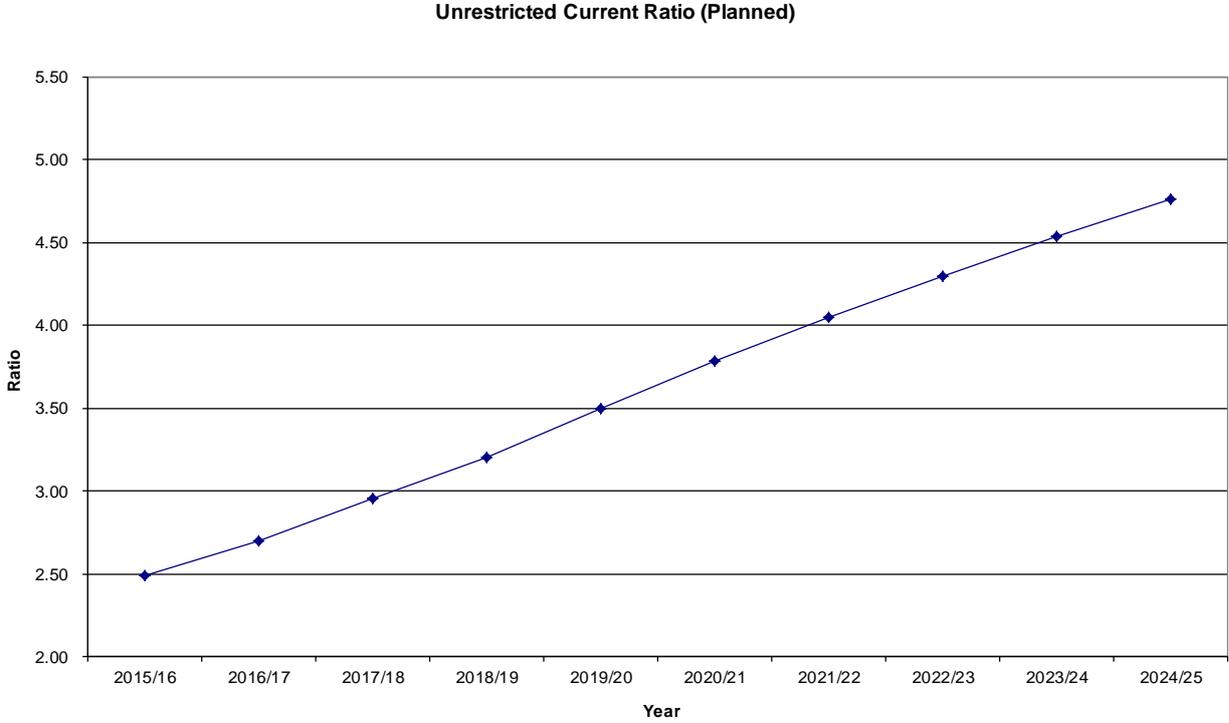
	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Current Assets										
Cash and cash equivalents	13,804	16,221	18,367	19,989	20,767	21,112	21,056	20,600	19,746	18,502
Investments	26,455	27,265	28,480	30,100	32,125	34,555	37,390	40,630	44,275	48,325
Receivables	3,430	3,501	3,550	3,604	3,634	3,691	3,749	3,809	3,870	3,934
Inventories	326	331	336	341	346	351	356	362	367	373
Other	123	123	123	123	123	123	123	123	123	123
Total Current Assets	44,138	47,440	50,856	54,157	56,995	59,832	62,674	65,524	68,382	71,256
Non-Current Assets										
Investments	7,142	7,332	7,617	7,997	8,472	9,042	9,707	10,467	11,322	12,272
Infrastructure, property, plant and equipment	434,774	435,696	436,388	437,170	437,883	438,569	439,226	439,854	440,452	441,019
Investment property	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	441,916	443,028	444,005	445,167	446,355	447,611	448,933	450,321	451,774	453,291
Total Assets	486,054	490,468	494,861	499,324	503,350	507,443	511,607	515,845	520,156	524,547
Current Liabilities										
Payables	5,564	5,643	5,715	5,782	5,851	5,922	5,994	6,068	6,144	6,221
Interest bearing liabilities	450	450	450	450	450	450	450	450	450	450
Provisions	6,718	7,045	7,382	7,729	8,088	8,458	8,840	9,235	9,642	10,062
Total Current Liabilities	12,732	13,138	13,547	13,961	14,389	14,830	15,285	15,753	16,235	16,732
Non-Current Liabilities										
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-									
Total Liabilities	12,732	13,138	13,547	13,961	14,389	14,830	15,285	15,753	16,235	16,732
Net Assets	473,322	477,331	481,314	485,362	488,961	492,612	496,323	500,092	503,920	507,815
Equity										
Retained earnings	337,356	341,365	345,348	349,396	352,995	356,646	360,357	364,126	367,954	371,849
Revaluation Reserves	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966
Council equity interest	473,322	477,331	481,314	485,362	488,961	492,612	496,323	500,092	503,920	507,815
Minority equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	473,322	477,331	481,314	485,362	488,961	492,612	496,323	500,092	503,920	507,815

Kogarah City Council Cash Flow Statement 2015 - 2025 (Planned)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Cash Flows From Operating Activities										
<u>Receipts</u>										
Rates and annual charges	35,906	37,712	38,831	39,956	41,114	42,305	43,530	44,790	46,086	47,419
User charges and fees	5,425	5,504	5,631	5,758	5,888	6,024	6,164	6,308	6,456	6,607
Investment revenue and interest	1,666	1,677	1,699	1,721	1,745	1,768	1,792	1,817	1,842	1,868
Grants and contributions	5,698	5,670	5,737	5,807	5,404	5,454	5,531	5,609	5,689	5,772
Other	3,438	3,494	3,503	3,563	3,626	3,691	3,758	3,826	3,896	3,967
<u>Payments</u>										
Employee benefits and on-costs	(20,771)	(21,436)	(22,121)	(22,829)	(23,560)	(24,314)	(25,092)	(25,895)	(26,723)	(27,578)
Materials and contracts	(10,012)	(10,148)	(10,324)	(10,458)	(10,600)	(10,745)	(10,890)	(11,035)	(11,182)	(11,330)
Borrowing costs	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other	(10,760)	(10,970)	(11,268)	(11,577)	(11,898)	(12,227)	(12,565)	(12,913)	(13,271)	(13,638)
Net cash provided by (or used) in operating activities	10,588	11,501	11,684	11,938	11,718	11,955	12,227	12,505	12,789	13,085
Cash Flows From Investing Activities										
<u>Receipts</u>										
Sale of investments	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Sale of investment property	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	500	500	500	500	500	500	500	500	500	500
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Purchase of investments	(26,500)	(27,000)	(27,500)	(28,000)	(28,500)	(29,000)	(29,500)	(30,000)	(30,500)	(31,000)
Purchase of investment property	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(7,919)	(8,584)	(8,538)	(8,816)	(8,940)	(9,110)	(9,283)	(9,461)	(9,643)	(9,829)
Purchase of real estate	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in investing activities	(7,919)	(9,084)	(9,538)	(10,316)	(10,940)	(11,610)	(12,283)	(12,961)	(13,643)	(14,329)
Cash Flows From Financing Activities										
<u>Receipts</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in financing activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in cash and cash equivalents	2,669	2,417	2,146	1,622	778	345	(56)	(456)	(854)	(1,244)
Cash and cash equivalents at beginning of reporting period	11,135	13,804	16,221	18,367	19,989	20,767	21,112	21,056	20,600	19,746
Cash and cash equivalents at end of reporting period	13,804	16,221	18,367	19,989	20,767	21,112	21,056	20,600	19,746	18,502

5.5.2 Unrestricted Current Ratio

The following graph shows the predicted unrestricted current ratio under the planned scenario.



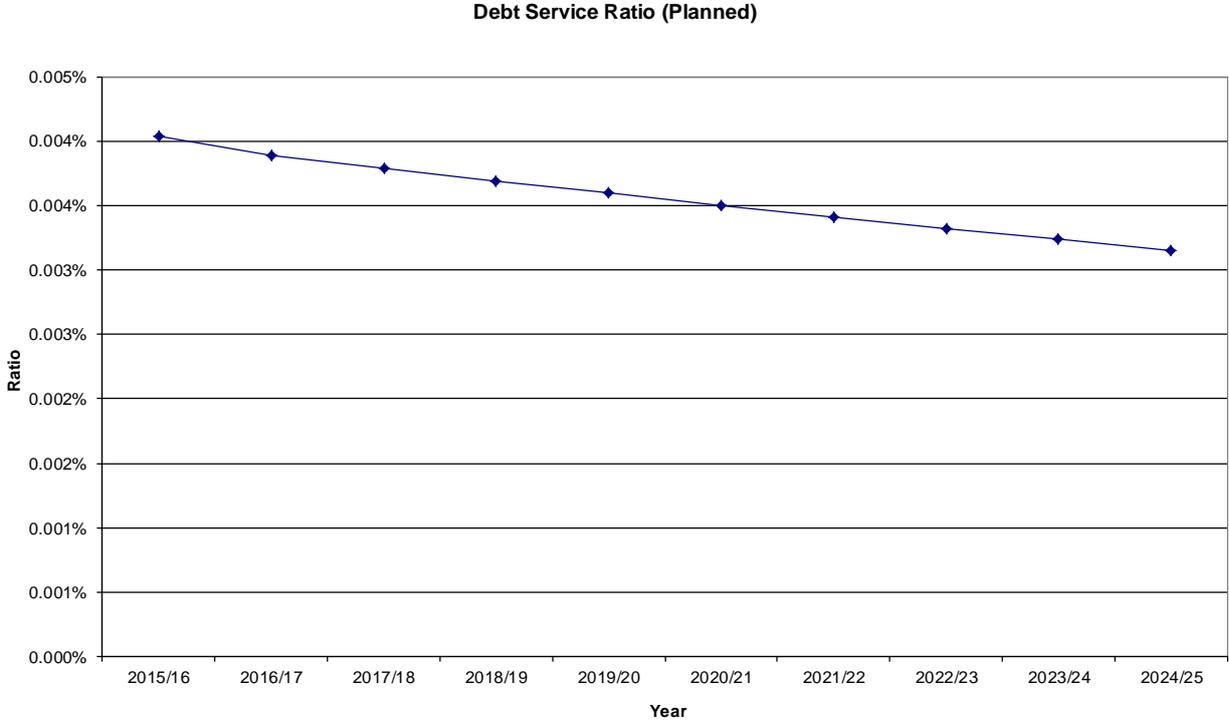
The unrestricted current ratio is a business liquidity measure that provides an indication on whether the Council can meet its short term commitments.

It is a more rigorous ratio than the current ratio as it excludes assets and liabilities that are externally restricted and only includes assets that can be easily liquidated and are available for Council use.

Industry better practice guidelines require a ratio that is greater than 2.1:1 and less than 10:1. The planned forecast scenario provides a forecast unrestricted current ratio that meets industry guidelines. In accordance with Council’s financial policy framework Council maintains appropriate cash reserves for unforeseen circumstances.

5.5.3 Debt Service Ratio

The following graph shows the predicted debt services ratio under the planned scenario.

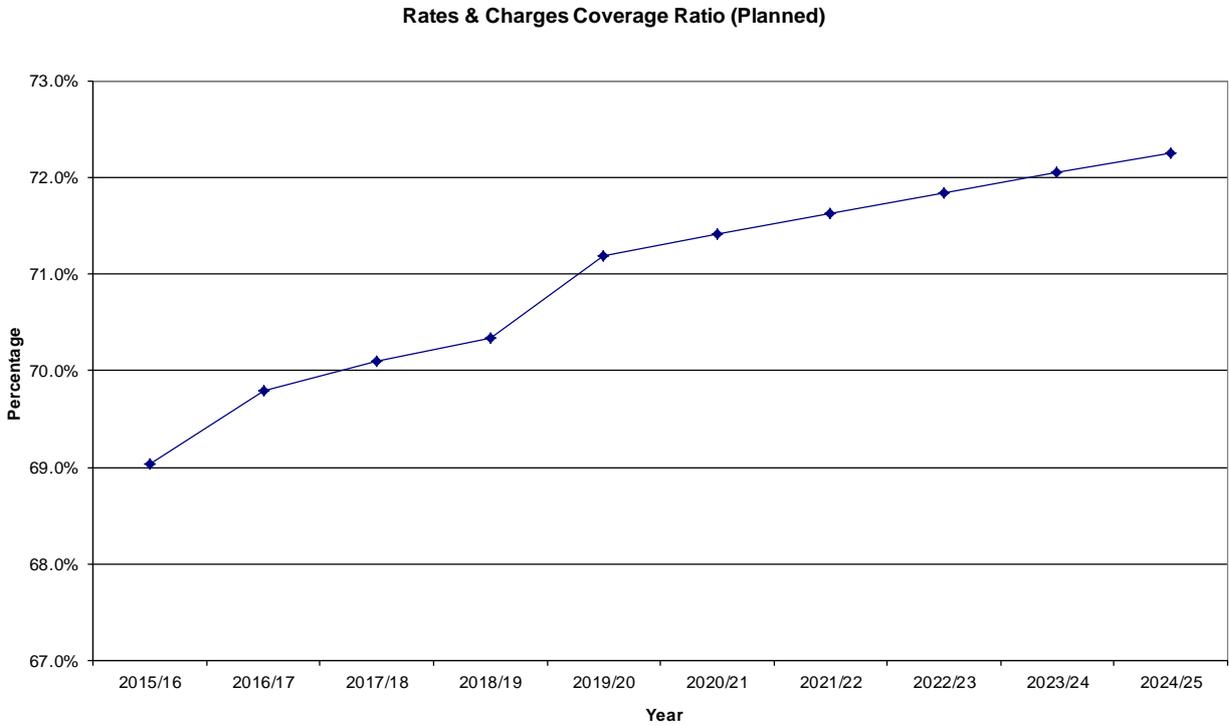


The debt service ratio is designed to assess the impact of loan principal and interest repayments on the discretionary revenue of Council. The debt service ratio is calculated by dividing debt service costs by revenue from continuing operations excluding capital items and specific grants and contributions.

Industry better practice guidelines require a ratio that is less than 10%. The planned forecast scenario provides a forecast debt service ratio that is well within industry guidelines. Council currently has no external borrowings and has committed in this long term financial plan to continue this policy. This policy effectively increases the funds available for ordinary activities and also provides Council with a future option to utilise debt for significant infrastructure renewals should the need arise.

5.5.4 Rates & Annual Charges Coverage Ratio

The following graph shows the predicted rates and annual charges coverage ratio under the planned scenario.



The rates and annual charges coverage ratio is designed to assess the degree of Council’s dependence on revenue from rates and annual charges as well as to assess the security of Council’s income. The rates and annual charges ratio is calculated by dividing the rates and annual charges income by revenue from continuing operations.

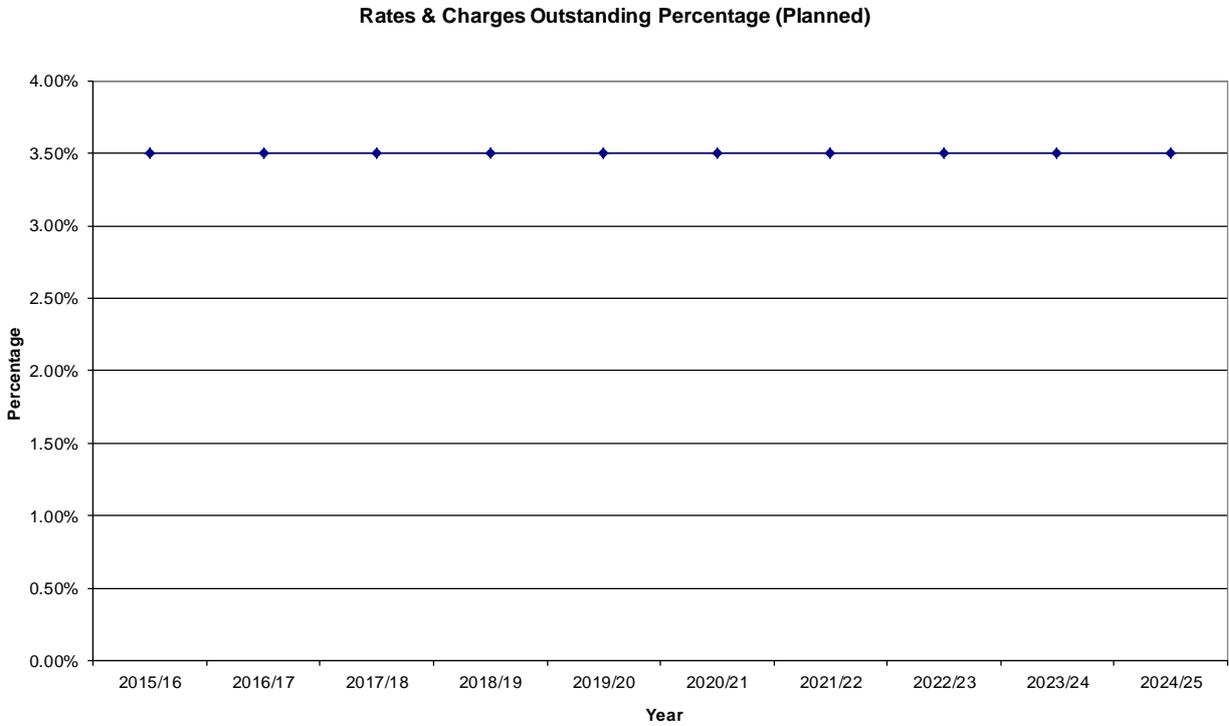
Council has a high reliance on rates and annual charges income. As such the demographics and capacity and willingness for the community to pay rates will determine the security of this income source. Despite the high reliance on rates and annual charges the percentage is very stable over the life of the plan.

The planned scenario includes an approved special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for years one (1) and two (2) of the 10 year plan.

This is reflected in increasing ratio for this income stream. However, alternate sources of income continue to be developed in order to maintain current service levels in future years, provide and maintain the infrastructure needs of our Community and reduce the reliance on rates and annual charges as a revenue source.

5.5.5 Rates & Annual Charges Outstanding Ratio

The following graph shows the predicted rates and annual charges outstanding ratio under the planned scenario.



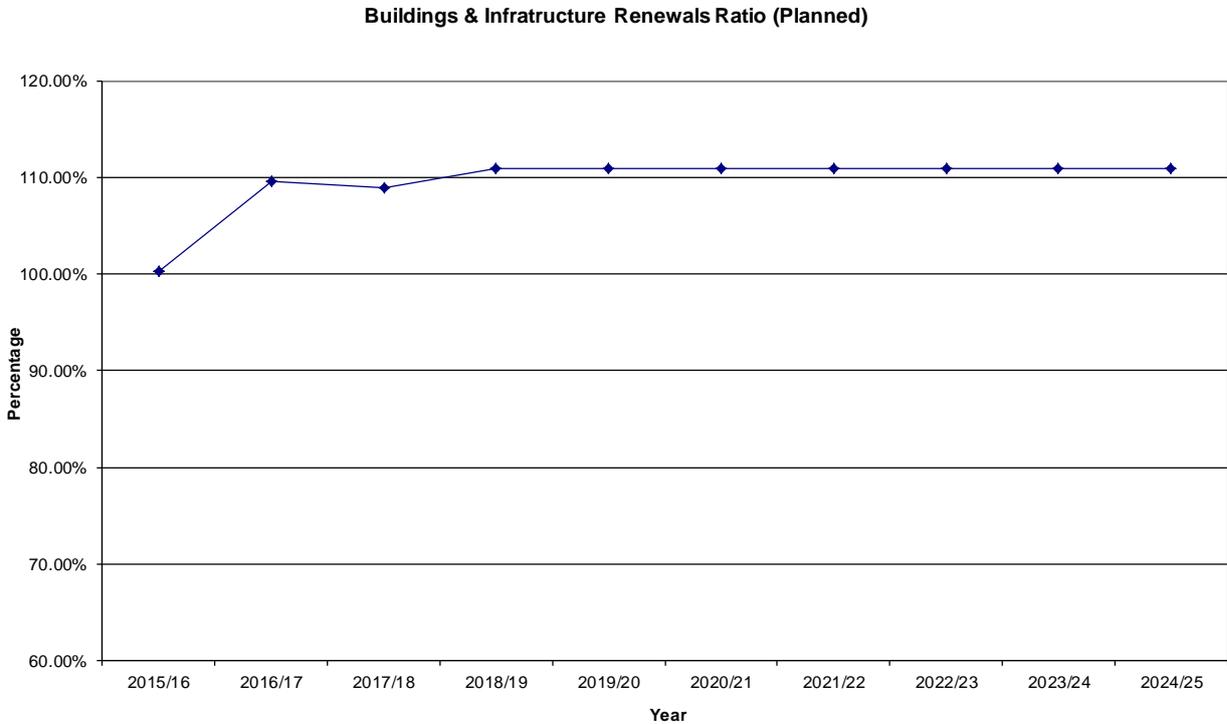
The rates and annual charges outstanding ratio is designed to assess the impact of uncollected rates and annual charges on Council’s liquidity and the adequacy of recovery efforts. The rates and annual charges ratio is calculated by dividing the rates, annual and extra charges outstanding by rates, annual and extra charges collectible.

Industry better practice guidelines require a ratio that is less than 5%. The planned forecast scenario provides a forecast unrestricted current ratio that is well within industry benchmarks.

Council has maintained a low outstanding percentage over the last few years. Debt recovery action is conducted in accordance with Council’s debt recovery policy. Under the planned scenario a consistent outstanding percentage target has been forecast. Economic factors can impact sharply on the time taken to collect outstanding rates and charges. Council has been able to maintain a ratio below that forecast above despite the soft economic climate during and after the global financial crisis.

5.5.6 Building & Infrastructure Renewals Ratio

The following graph shows the predicted building and infrastructure renewals ratio under the planned scenario.



The building and infrastructure renewals ratio is designed to assess the adequacy of renewal of building and infrastructure assets compared to rate at which those assets are depreciated. The building and infrastructure renewals ratio is calculated by dividing the amount expended on building and infrastructure renewals by the amount expended in depreciation for building and infrastructure assets.

Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or refurbishment of old assets) that increase capacity/performance. Industry better practice guidelines require a ratio that is 100% or better.

Council has previously identified that it was not spending enough of its resources on asset renewals. Strategies have been developed to provide additional resources for asset renewal. Council has developed additional income sources to provide additional funding for asset renewal. However, given the size of the shortfall identified the need for a special rate variation to generate the additional resources required for asset renewal. The planned budget encompasses years 2 and 3 of the approved special rate variation and provides Council an adequate level of funding to maintain and renew its assets.

Without intervention Council's building and infrastructure assets condition would deteriorate and lead to a backlog of works required to bring those assets up to a satisfactory condition. Council's asset management systems have identified that further deterioration could lead to future renewals and ongoing maintenance being more costly than currently planned.

5.5.7 Opportunities & Threats

As part of the risk assessment of the planned scenario the Council has identified some strengths and threats to consider issues that may arise and how Council will deal with them.

Rates Income

Councils are currently limited by rate-pegging legislation when determining rates income. Increases outside this limit require approval through a special rate variation process by IPART (Independent Pricing and Review Tribunal NSW) and the Minister for Local Government. If rate-pegging was abolished as in other States it would have a huge impact on the financial sustainability of Local Government and provide Council with greater flexibility in determining their future in partnership with the community.

The new integrated planning and reporting regime implemented by the State Government could potentially circumvent the rate pegging system as it requires a rigorous consultation process with the community to determine the outcomes they would like to achieve. This then provides the basis for determining rate increases that are linked to these outcomes rather than not being linked via an arbitrary rate-pegging increase.

A new Delivery Program will be developed after local government elections every four years. The Delivery Program will set out what Council wants to deliver over the 4 year councillor term. This has been linked to Council's resourcing strategy. Council can seek approval to lock-in future rates increases over the life of the delivery in consultation with the community and provide some certainty to ratepayers for future increases and the Council on its income streams.

Cost shifting

Cost shifting describes the situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function are "shifted" from a higher level of government on to a lower level of government without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity.

Cost shifting has been a major concern for local governments for many years. The overall cost to local governments due to cost shifting is significant. Council has in most cases not been provided the funds or opportunity to generate funding to cover this significant cost.

Some examples of cost shifting include the contribution for the emergency services levy, pensioner rate rebates, library funding shortfalls, companion animal act, environmental regulation, management and control of noxious weeds, citizenship ceremonies, food safety regulation, road safety programs and the waste levy.

Energy and Material Costs

As shown by the recent increases proposed by IPART for electricity and significant steel price, the cost energy and materials could rise significantly in the future. The impacts of environmental measures will be seen in higher energy costs going forward. Without technological changes the price impact on finite energy resources may be felt through all material input costs.

Workers Compensation

Premium costs for workers compensation can rise significantly with any open claims. Council has invested significant resources for training, equipment and other WHS programs with a view to reduce the potential for claims. As at 30 June 2014 Council increased its reserve from savings made from reduced claims history over the previous three financial years. The reserve will provide a buffer against premium increases above budgeted amounts.

Local Government Superannuation Retirement Scheme

Due to the recent global financial crisis, superannuation funds suffered significant falls in value. A portion of Council's employees belong to a closed Scheme where member entitlements are defined as a multiple of their salary. Councils are responsible for ensuring there are sufficient funds available to pay out this benefit when these employees cease employment. Due to the erosion of funds in the scheme Council has been notified that the contribution rates on behalf of members of this scheme have doubled with the increased contributions remaining in place for a period up to ten years. For 2015/16 it is estimated that the additional cost to Council will be \$237,623. The funds actuary reviews this situation every year to determine whether increased contributions will continue to be required. Only investment returns greater than budgeted for the fund will enable this contribution burden to finish earlier than forecast.

5.6 Conservative Scenario

The conservative scenario provides a financial model operating in less than normal economic conditions. As such the model takes a more conservative approach to budget forecast than the planned model.

The goals, objectives and outcomes detailed in Council's Community Strategic Plan may not be able to be achieved within this scenario. Problems identified by Council in relation to infrastructure maintenance and renewal cannot be fully addressed under this scenario as the necessary resources are not available without cutting existing service levels. This will provide an intergeneration equity issue as future costs for infrastructure maintenance and renewal may be much higher than would have otherwise been the case if these issues are addressed now.

The conservative scenario includes the approved special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for years one (1) and two (2) of the 10 year plan.

An estimated rate-pegging limit of 2.0% has been used for years three (3) through to year ten (10) of the plan. Under this scenario Council will have a shortfall of financial resources during the latter years of plan. The shortfall would require the reduction of services across all Council areas to fund the savings required to meet Council's financial framework objectives.

The shortfall would require Council to revise its Delivery Program (2013 - 2017) based on the revenue projections contained in this scenario. This would not align with the current expectations of the community.

5.6.1 Financial Modelling Conservative Scenario

Financial modelling and inflation assumptions for the conservative scenario are the same as the planned scenario except for the following:

Conservative Scenario – Operating Income	
Rates	The conservative scenario utilises Council’s approved special rate variation of 4.8% p.a. for the first two years of the plan. Increases from years 3-10 revert to a conservative estimate of allowable increases to be approved by IPART of 2.0%. The rate-pegging limit has averaged approximately 3.0%p.a. over the last 8 years but has been significantly lower the last two financial years due to low cost inflation. Rates income growth is based on the expected additional dwellings forecast over the life of the plan times by the minimum rate.
User Charges and Fees	The conservative scenario uses an estimated CPI inflator of 2% p.a. for future year increases in user charges and fees. This represents the Bottom of the Reserve Bank’s long term target for CPI of 2-3% p.a.
Interest on Investments	Under the conservative scenario an interest rate of 3% p.a. is assumed for interest earned on investments.
Other Revenue	Other revenue is expected to grow by 2% p.a. over the life of the plan.
Conservative Scenario – Operating Expenditure	
Materials & Contracts	The conservative scenario has provided for increases of 4% p.a. for materials and contracts which is higher than the forecast under the planned scenario and takes account of the potential for these costs to increase more than anticipated CPI.
Other Operating Expenses	The conservative scenario has provided for increases of 4% p.a. for other operating expenses. This is a more conservative budget approach than the planned scenario. The following exceptions still apply under this plan: Electricity – 5% p.a. Insurances – 3% p.a. Water charges – 3% p.a. Emergency Services Levy – 3% p.a. Postage – 3% p.a. Street lighting charges – 5% p.a. Waste Disposal - 5% p.a.
Conservative Scenario – Capital Expenditure	
Capital Works	Due to the increased costs and lower income there would be less available funds for capital works. Therefore, the capital works program would be lower than in the planned scenario.

Kogarah City Council Income Statements 2015 - 2025 (Conservative)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Income From Continuing Operations										
Revenue:										
Rates and annual charges	36,023	37,825	38,840	39,884	40,958	42,063	43,200	44,369	45,573	46,811
User charges and fees	5,384	5,467	5,601	5,734	5,870	6,012	6,159	6,309	6,465	6,623
Interest and investment revenue	1,356	1,373	1,390	1,407	1,425	1,443	1,462	1,481	1,500	1,520
Other revenues	3,337	3,359	3,366	3,438	3,513	3,590	3,669	3,750	3,834	3,920
Grants and contributions provided for operating purposes	3,006	3,027	3,097	3,169	3,243	3,319	3,398	3,479	3,563	3,649
Grants and contributions provided for capital purposes	2,141	2,154	2,168	2,182	1,696	1,710	1,725	1,740	1,755	1,771
Other income:										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures and associates using the equity me	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	51,247	53,205	54,462	55,814	56,705	58,137	59,613	61,128	62,690	64,294
Expenses From Continuing Operations										
Employee benefits and on-costs	21,087	21,762	22,458	23,177	23,919	24,684	25,474	26,289	27,130	27,998
Borrowing costs	2	2	2	2	2	2	2	2	2	2
Materials and contracts	9,911	10,173	10,402	10,594	10,791	10,992	11,197	11,407	11,621	11,841
Depreciation and amortisation	7,536	7,762	7,995	8,235	8,482	8,737	8,999	9,269	9,547	9,833
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	10,741	11,138	11,456	11,786	12,127	12,477	12,839	13,211	13,593	13,987
Total expenses from continuing operations	49,277	50,837	52,313	53,794	55,321	56,892	58,511	60,178	61,893	63,661
Operating result from continuing operations	1,970	2,368	2,149	2,020	1,384	1,245	1,102	950	797	633
Operating result from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net operating result for the year	1,970	2,368	2,149	2,020	1,384	1,245	1,102	950	797	633
Attributable to:										
- Council	1,970	2,368	2,149	2,020	1,384	1,245	1,102	950	797	633
- Minority interests	-	-	-	-	-	-	-	-	-	-
Net operating result for the year before grants and contributions provided for capital purposes	(171)	214	(19)	(162)	(312)	(465)	(623)	(790)	(958)	(1,138)

Kogarah City Council Balance Sheet 2015 - 2025 (Conservative)

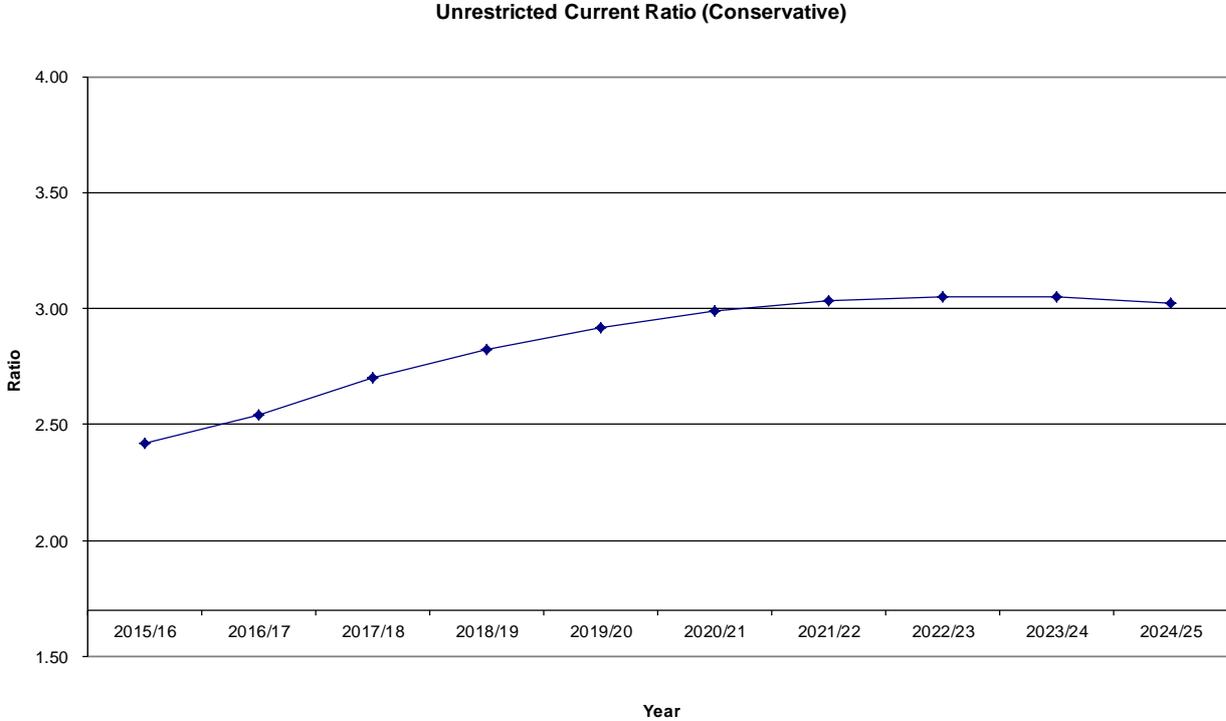
	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Current Assets										
Cash and cash equivalents	12,730	13,936	14,765	14,946	14,152	12,790	10,882	8,421	5,407	1,831
Investments	26,455	27,225	28,359	29,857	31,720	33,948	36,540	39,496	42,817	46,503
Receivables	3,383	3,454	3,501	3,553	3,582	3,637	3,693	3,752	3,812	3,873
Inventories	326	331	336	341	346	351	356	362	367	373
Other	123	123	123	123	123	123	123	123	123	123
Total Current Assets	43,017	45,068	47,084	48,820	49,923	50,848	51,594	52,153	52,526	52,703
Non-Current Assets										
Investments	7,142	7,323	7,589	7,940	8,377	8,900	9,508	10,201	10,980	11,845
Infrastructure, property, plant and equipment	434,741	435,610	436,237	436,943	437,571	438,160	438,710	439,220	439,688	440,113
Investment property	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	441,883	442,933	443,826	444,883	445,948	447,060	448,218	449,421	450,668	451,958
Total Assets	484,900	488,001	490,909	493,703	495,871	497,908	499,812	501,574	503,194	504,660
Current Liabilities										
Payables	5,585	5,684	5,766	5,844	5,925	6,007	6,092	6,180	6,269	6,361
Interest bearing liabilities	450	450	450	450	450	450	450	450	450	450
Provisions	6,718	7,045	7,382	7,729	8,088	8,458	8,840	9,235	9,642	10,062
Total Current Liabilities	12,753	13,178	13,597	14,023	14,463	14,916	15,383	15,864	16,361	16,873
Non-Current Liabilities										
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-									
Total Liabilities	12,753	13,178	13,597	14,023	14,463	14,916	15,383	15,864	16,361	16,873
Net Assets	472,147	474,822	477,312	479,680	481,408	482,992	484,429	485,710	486,833	487,787
Equity										
Retained earnings	336,181	338,856	341,346	343,714	345,442	347,026	348,463	349,744	350,867	351,821
Revaluation Reserves	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966
Council equity interest	472,147	474,822	477,312	479,680	481,408	482,992	484,429	485,710	486,833	487,787
Minority equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	472,147	474,822	477,312	479,680	481,408	482,992	484,429	485,710	486,833	487,787

Kogarah City Council Cash Flow Statement 2015 - 2025 (Conservative)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Cash Flows From Operating Activities										
<u>Receipts</u>										
Rates and annual charges	35,906	37,762	38,804	39,847	40,920	42,024	43,160	44,328	45,531	46,768
User charges and fees	5,382	5,463	5,594	5,727	5,863	6,005	6,152	6,302	6,457	6,615
Investment revenue and interest	1,381	1,372	1,389	1,406	1,424	1,442	1,461	1,480	1,499	1,519
Grants and contributions	5,227	5,179	5,261	5,347	4,960	5,025	5,118	5,214	5,313	5,415
Other	3,344	3,358	3,366	3,434	3,509	3,586	3,665	3,746	3,830	3,916
<u>Payments</u>										
Employee benefits and on-costs	(20,771)	(21,436)	(22,121)	(22,829)	(23,560)	(24,314)	(25,092)	(25,895)	(26,723)	(27,578)
Materials and contracts	(10,025)	(10,212)	(10,436)	(10,623)	(10,821)	(11,022)	(11,228)	(11,439)	(11,653)	(11,874)
Borrowing costs	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other	(10,908)	(11,198)	(11,504)	(11,836)	(12,178)	(12,530)	(12,893)	(13,267)	(13,651)	(14,046)
Net cash provided by (or used) in operating activities	9,535	10,287	10,351	10,472	10,116	10,214	10,341	10,468	10,601	10,732
Cash Flows From Investing Activities										
<u>Receipts</u>										
Sale of investments	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Sale of investment property	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	500	500	500	500	500	500	500	500	500	500
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Purchase of investments	(26,500)	(26,950)	(27,400)	(27,850)	(28,300)	(28,750)	(29,200)	(29,650)	(30,100)	(30,550)
Purchase of investment property	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(7,940)	(8,631)	(8,622)	(8,941)	(9,110)	(9,326)	(9,549)	(9,779)	(10,015)	(10,258)
Purchase of real estate	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in investing activities	(7,940)	(9,081)	(9,522)	(10,291)	(10,910)	(11,576)	(12,249)	(12,929)	(13,615)	(14,308)
Cash Flows From Financing Activities										
<u>Receipts</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in financing activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in cash and cash equivalents	1,595	1,206	829	181	(794)	(1,362)	(1,908)	(2,461)	(3,014)	(3,576)
Cash and cash equivalents at beginning of reporting period	11,135	12,730	13,936	14,765	14,946	14,152	12,790	10,882	8,421	5,407
Cash and cash equivalents at end of reporting period	12,730	13,936	14,765	14,946	14,152	12,790	10,882	8,421	5,407	1,831

5.6.2 Unrestricted Current Ratio

The following graph shows the predicted unrestricted current ratio under the conservative scenario.

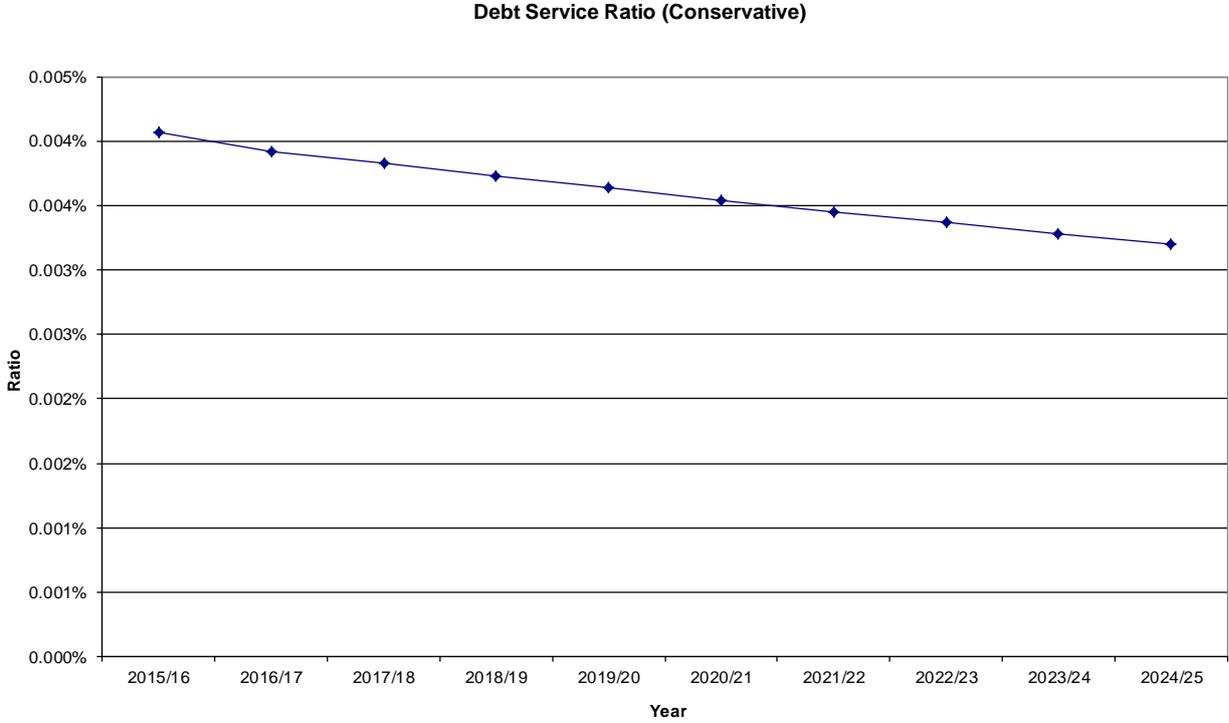


Under the conservative scenario Council’s unrestricted current ratio would not be as healthy as the planned scenario and could deteriorate towards the end of the plan. In this scenario income generation is not able to keep pace with expenditure over the timeframe and as such Council’s reserves will begin to be depleted.

Industry better practice guidelines require a ratio that is greater than 2.1:1 and less than 10:1. The performance of the ratio is not as robust under the conservative scenario as with the planned scenario. However, the conservative forecast scenario provides a forecast unrestricted current ratio that still meets industry guidelines. In accordance with Council’s financial policy framework Council maintains appropriate cash reserves for unforeseen circumstances.

5.6.3 Debt Service Ratio

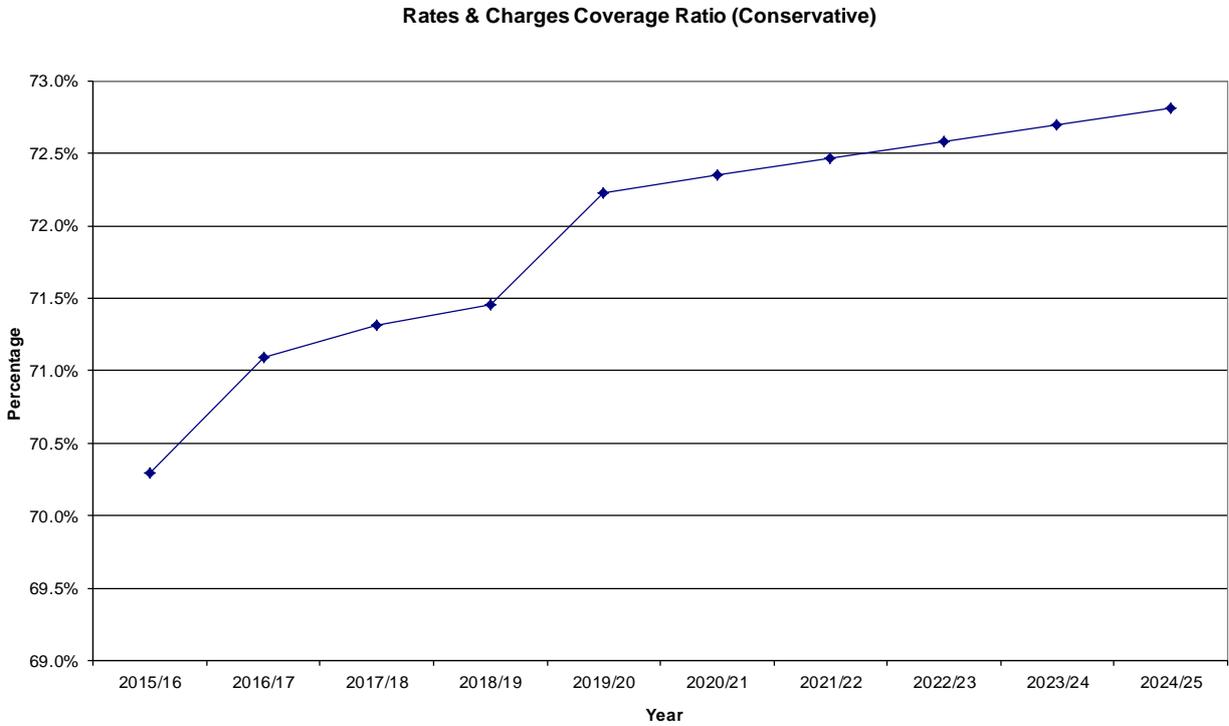
The following graph shows the predicted debt services ratio under the conservative scenario.



Under the conservative scenario Council would continue to have no external borrowings being guided by Council’s financial policy framework. However, as indicated under this scenario Council would need to review its stance on external borrowings as part of developing strategies to ensure financial sustainability and maintaining and renewing its infrastructure to the level expected by the community.

5.6.4 Rates & Annual Charges Coverage Ratio

The following graph shows the predicted rates and annual charges coverage ratio under the conservative scenario.

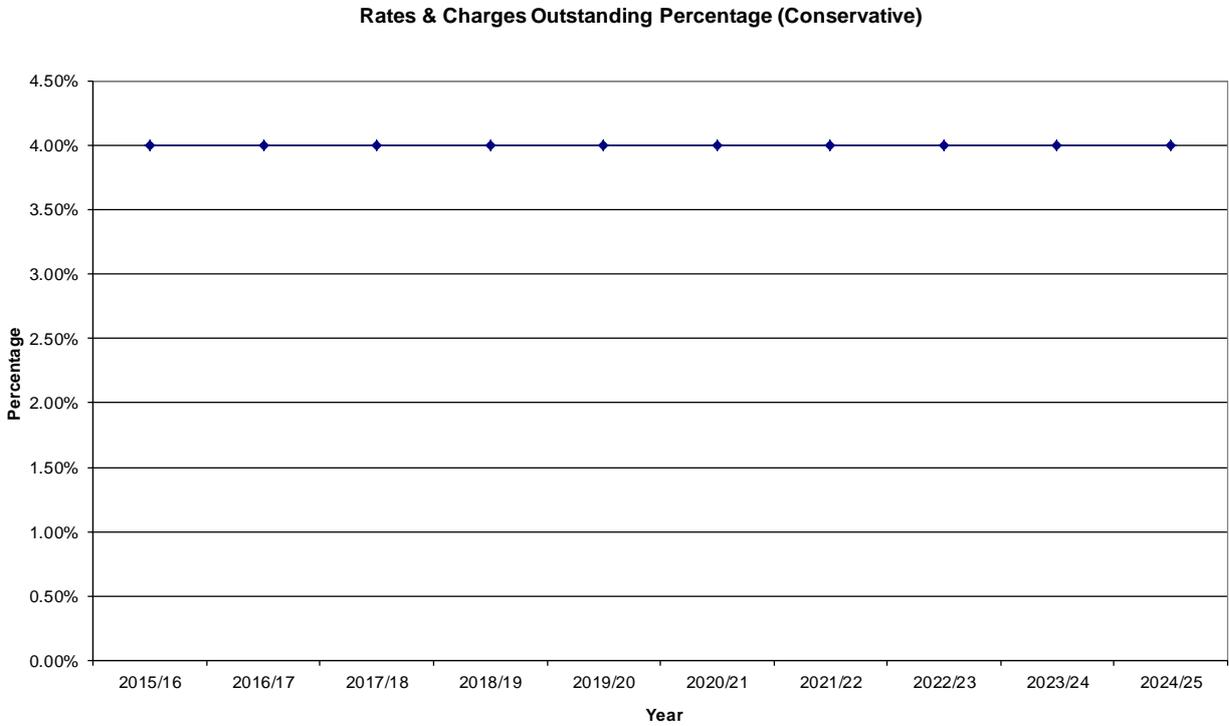


Council continues to have a high reliance on rates and annual charges income in the conservative scenario. The ratio is fairly similar to the planned scenario as both rates and other income have dropped.

As this scenario does not include a rate variation above anticipated rate pegging limits for years three (3) to ten (10), when viewed in conjunction with the other ratios it provides the basis for understanding the implications from having such a large reliance on rating revenue. Council continues to try and maximise other revenue streams such as interest returns, user charges/fees and grants/contributions. In the conservative scenario it has been assumed that Council’s ability to increase these other revenue sources is limited.

5.6.5 Rates & Annual Charges Outstanding Ratio

The following graph shows the predicted rates and annual charges outstanding ratio under the conservative scenario.

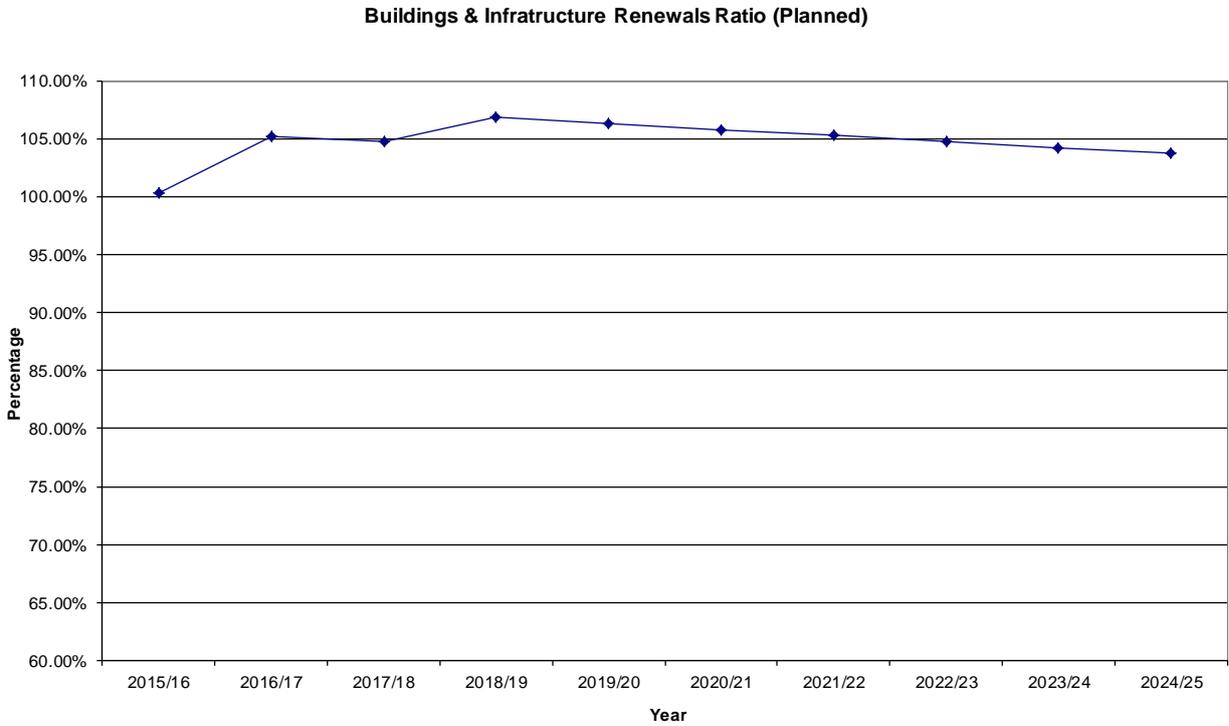


Under the conservative scenario this ratio would be maintained towards the upper limit of Industry better practice guidelines of less than 5%. This is an increase on the planned scenario and would equate to more than \$1m extra in rates and annual charges outstanding each year.

Given Council’s low trend in this ratio over many years this forecast should be achievable even under the conservative scenario. The outstanding level of rates and annual charges is greatly influenced by the amount of debt recovery work undertaken by the Council. Interest is accrued on rating accounts that are in arrears.

5.6.6 Building & Infrastructure Renewals Ratio

The following graph shows the predicted building and infrastructure renewals ratio under the conservative scenario.



The conservative scenario forecast shows the same infrastructure renewals ratio as the planned scenario. Council’s current special rate variation provides additional financial resources for the renewal and maintenance of infrastructure assets.

Council has previously identified the underfunding for infrastructure maintenance and renewal and has developed strategies to maximise other revenue sources, increase organisational efficiencies and reduce costs to provide additional funding. Despite meeting the benchmark in the first four (4) years of the plan the reduced growth in renewal expenditure over the life of the plan will see at deterioration of the ratio from year four (4) onwards. Additional resources may be required to ensure that infrastructure does not deteriorate over the life of the plan and cause a backlog burden for future generations.

Given the long life cycles of some infrastructure assets, the impact of under-funding asset maintenance and renewal may not be immediate. However, the condition of the infrastructure will deteriorate and more and more assets will not be of the satisfactory standard required by the community.

With the infrastructure work done to date Council would be reluctant to reduce the funding of infrastructure renewal and maintenance. This would mean that other operational service levels may be

cut to cover the shortfall seen in the conservative scenario. Council has been successful in developing new strategies to fund infrastructure. This has enabled the Council to improve this ratio over the last few years.

Council could look to raise rates above the rate-pegging limit in future years, reduce service levels or borrow funds for renewal works.

The extensive consultation program conducted in conjunction with the development of the community strategic plan has identified that the community would like to maintain or improve existing service levels.

Whilst Council's current financial policy framework does not allow for external borrowings, under the conservative scenario Council may not have the ability to fund the borrowings. The same funding constraints limiting Council's funding for infrastructure would also limit Council's ability to fund the debt. Therefore, additional income, reduced costs, greater productivity and efficiencies or reduced service levels would be needed to service any debt. Raising additional rates revenue would provide Council the future flexibility to choose what course of action is best to close the renewal and maintenance gap.

5.7 Optimistic Scenario

The optimistic scenario provides a financial model operating in ideal economic conditions. As such the model takes a more optimistic approach to the budget forecast than the planned model.

Under this scenario the resources would be available for Council to achieve the goals, objectives and outcomes set down in Council's Community Strategic Plan. Council would also have the resources available to address the problems previously identified by Council in relation to infrastructure maintenance and renewal.

Council would have resources available to not only maintain existing service levels but to provide additional services in some areas.

The optimistic scenario includes the approved special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for years one (1) and two (2) of the 10 year plan.

The special rate variation will provide the resources required to fund the draft 4-year delivery program. This will ensure that service levels provided to the community continue to meet their on-going expectations and growing needs. It will also allow Council to maintain the condition of infrastructure to a satisfactory level and not unduly burden future generations. Increases from years three (3) to ten (10) revert to an estimate of allowable increases to be approved by IPART of 2.8%.

5.7.1 Financial Modelling Optimistic Scenario

Financial modelling and inflation assumptions for the optimistic scenario are the same as the planned scenario except for the following:

Optimistic Scenario – Operating Income	
User Charges and Fees	User charges and fees for next financial year are detailed in Council’s Draft 2015/16 Fees and Charges Schedule included as part of Council’s operational plan. Future year’s user charges and fees have been increased by 3.5% p.a.
Interest on Investments	Under the optimistic scenario an interest rate of 5% p.a. is assumed for interest earned on investments.
Other Revenue	Other revenue is expected to grow by 3% p.a. over the life of the plan.
Operational Grants & Contributions	Operational Grant and contributions are expected to increase in line with long term target for CPI. The planned scenario has grants and contributions increasing by 3% p.a. over the life of the plan. The optimistic scenario allows for a greater success rate for grant applications than the planned scenario.
Optimistic Scenario – Capital Expenditure	
Capital Works	The optimistic scenario would have additional funding available for capital works. The capital works program budgeted under this scenario would be greater than the program detailed in the Delivery Program. Council would be able to close the infrastructure renewal gap and could tackle the backlog of works from previous years under-funding to bring all infrastructure to a satisfactory condition able to provide services at level expected by the community.

Kogarah City Council Income Statements 2015 - 2025 (Optimistic)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Income From Continuing Operations										
Revenue:										
Rates and annual charges	36,023	37,773	38,951	40,164	41,414	42,702	44,029	45,397	46,806	48,257
User charges and fees	5,447	5,540	5,684	5,827	5,975	6,129	6,287	6,450	6,618	6,790
Interest and investment revenue	1,715	1,753	1,791	1,830	1,870	1,911	1,953	1,995	2,039	2,083
Other revenues	3,445	3,506	3,513	3,576	3,640	3,705	3,773	3,841	3,912	3,984
Grants and contributions provided for operating purposes	3,002	3,020	3,086	3,145	3,206	3,268	3,333	3,398	3,466	3,535
Grants and contributions provided for capital purposes	2,665	2,726	2,788	2,852	2,418	2,473	2,529	2,587	2,646	2,706
Other income:										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures and associates using the equity me	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	52,297	54,318	55,813	57,394	58,523	60,188	61,904	63,668	65,487	67,355
Expenses From Continuing Operations										
Employee benefits and on-costs	21,087	21,762	22,458	23,177	23,919	24,684	25,474	26,289	27,130	27,998
Borrowing costs	2	2	2	2	2	2	2	2	2	2
Materials and contracts	9,900	10,116	10,297	10,437	10,579	10,723	10,868	11,013	11,160	11,308
Depreciation and amortisation	7,482	7,662	7,846	8,034	8,227	8,424	8,626	8,833	9,045	9,262
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	10,618	10,929	11,229	11,537	11,857	12,184	12,522	12,869	13,226	13,593
Total expenses from continuing operations	49,089	50,471	51,832	53,187	54,584	56,017	57,492	59,006	60,563	62,163
Operating result from continuing operations	3,208	3,847	3,981	4,207	3,939	4,171	4,412	4,662	4,924	5,192
Operating result from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net operating result for the year	3,208	3,847	3,981	4,207	3,939	4,171	4,412	4,662	4,924	5,192
Attributable to:										
- Council	3,208	3,847	3,981	4,207	3,939	4,171	4,412	4,662	4,924	5,192
- Minority interests	-	-	-	-	-	-	-	-	-	-
Net operating result for the year before grants and contributions provided for capital purposes	543	1,121	1,193	1,355	1,521	1,698	1,883	2,075	2,278	2,486

Kogarah City Council Balance Sheet 2015 - 2025 (Optimistic)

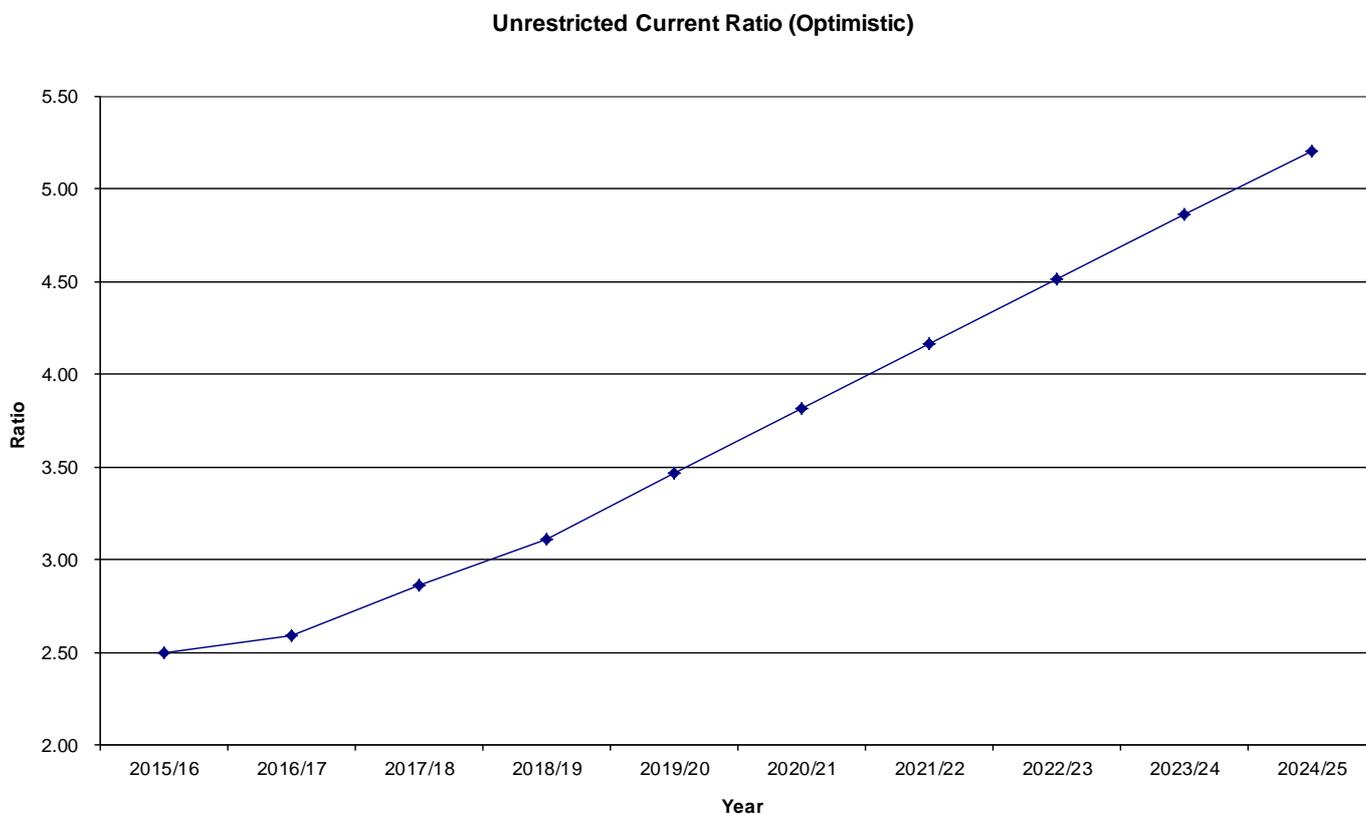
	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Current Assets										
Cash and cash equivalents	13,891	16,465	18,923	21,016	22,427	23,566	24,467	25,139	25,593	25,837
Investments	26,455	27,265	28,480	30,100	32,125	34,555	37,390	40,630	44,275	48,325
Receivables	3,435	3,510	3,567	3,628	3,666	3,730	3,796	3,863	3,933	4,005
Inventories	326	331	336	341	346	351	356	362	367	373
Other	123	123	123	123	123	123	123	123	123	123
Total Current Assets	44,230	47,694	51,429	55,207	58,686	62,324	66,132	70,117	74,291	78,662
Non-Current Assets										
Investments	7,142	7,332	7,617	7,997	8,472	9,042	9,707	10,467	11,322	12,272
Infrastructure, property, plant and equipment	434,786	435,732	436,462	437,295	438,075	438,842	439,597	440,340	441,071	441,790
Investment property	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	441,928	443,064	444,079	445,292	446,547	447,884	449,304	450,807	452,393	454,062
Total Assets	486,158	490,758	495,508	500,499	505,233	510,208	515,436	520,924	526,684	532,724
Current Liabilities										
Payables	5,565	5,644	5,716	5,783	5,852	5,923	5,996	6,069	6,145	6,222
Interest bearing liabilities	450	450	450	450	450	450	450	450	450	450
Provisions	6,718	7,045	7,382	7,729	8,088	8,458	8,840	9,235	9,642	10,062
Total Current Liabilities	12,733	13,138	13,548	13,962	14,390	14,831	15,286	15,754	16,237	16,734
Non-Current Liabilities										
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-									
Total Liabilities	12,733	13,138	13,548	13,962	14,390	14,831	15,286	15,754	16,237	16,734
Net Assets	473,425	477,619	481,960	486,537	490,843	495,377	500,150	505,170	510,447	515,990
Equity										
Retained earnings	337,459	341,653	345,994	350,571	354,877	359,411	364,184	369,204	374,481	380,024
Revaluation Reserves	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966	135,966
Council equity interest	473,425	477,619	481,960	486,537	490,843	495,377	500,150	505,170	510,447	515,990
Minority equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	473,425	477,619	481,960	486,537	490,843	495,377	500,150	505,170	510,447	515,990

Kogarah City Council Cash Flow Statement 2015 - 2025 (Optimistic)

	Proposed Budget 2015/16 \$'000	Proposed Budget 2016/17 \$'000	Proposed Budget 2017/18 \$'000	Proposed Budget 2018/19 \$'000	Proposed Budget 2019/20 \$'000	Proposed Budget 2020/21 \$'000	Proposed Budget 2021/22 \$'000	Proposed Budget 2022/23 \$'000	Proposed Budget 2023/24 \$'000	Proposed Budget 2024/25 \$'000
Cash Flows From Operating Activities										
<u>Receipts</u>										
Rates and annual charges	35,906	37,712	38,910	40,122	41,370	42,657	43,983	45,349	46,757	48,206
User charges and fees	5,442	5,535	5,677	5,820	5,968	6,121	6,279	6,442	6,610	6,781
Investment revenue and interest	1,722	1,751	1,789	1,828	1,868	1,909	1,951	1,993	2,037	2,081
Grants and contributions	5,721	5,742	5,868	5,991	5,643	5,735	5,856	5,979	6,106	6,235
Other	3,446	3,503	3,513	3,573	3,637	3,702	3,770	3,838	3,908	3,980
<u>Payments</u>										
Employee benefits and on-costs	(20,771)	(21,436)	(22,121)	(22,829)	(23,560)	(24,314)	(25,092)	(25,895)	(26,723)	(27,578)
Materials and contracts	(10,012)	(10,148)	(10,324)	(10,458)	(10,600)	(10,745)	(10,890)	(11,035)	(11,182)	(11,330)
Borrowing costs	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other	(10,767)	(10,976)	(11,274)	(11,584)	(11,905)	(12,234)	(12,573)	(12,921)	(13,280)	(13,648)
Net cash provided by (or used) in operating activities	10,686	11,682	12,034	12,460	12,418	12,830	13,282	13,748	14,230	14,725
Cash Flows From Investing Activities										
<u>Receipts</u>										
Sale of investments	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Sale of investment property	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	500	500	500	500	500	500	500	500	500	500
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Purchase of investments	(26,500)	(27,000)	(27,500)	(28,000)	(28,500)	(29,000)	(29,500)	(30,000)	(30,500)	(31,000)
Purchase of investment property	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(7,931)	(8,608)	(8,576)	(8,867)	(9,007)	(9,191)	(9,381)	(9,576)	(9,776)	(9,981)
Purchase of real estate	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in investing activities	(7,931)	(9,108)	(9,576)	(10,367)	(11,007)	(11,691)	(12,381)	(13,076)	(13,776)	(14,481)
Cash Flows From Financing Activities										
<u>Receipts</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<u>Payments</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided by (or used) in financing activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in cash and cash equivalents	2,755	2,574	2,458	2,093	1,411	1,139	901	672	454	244
Cash and cash equivalents at beginning of reporting period	11,135	13,891	16,465	18,923	21,016	22,427	23,566	24,467	25,139	25,593
Cash and cash equivalents at end of reporting period	13,891	16,465	18,923	21,016	22,427	23,566	24,467	25,139	25,593	25,837

5.7.2 Unrestricted Current Ratio

The following graph shows the predicted unrestricted current ratio under the optimistic scenario.

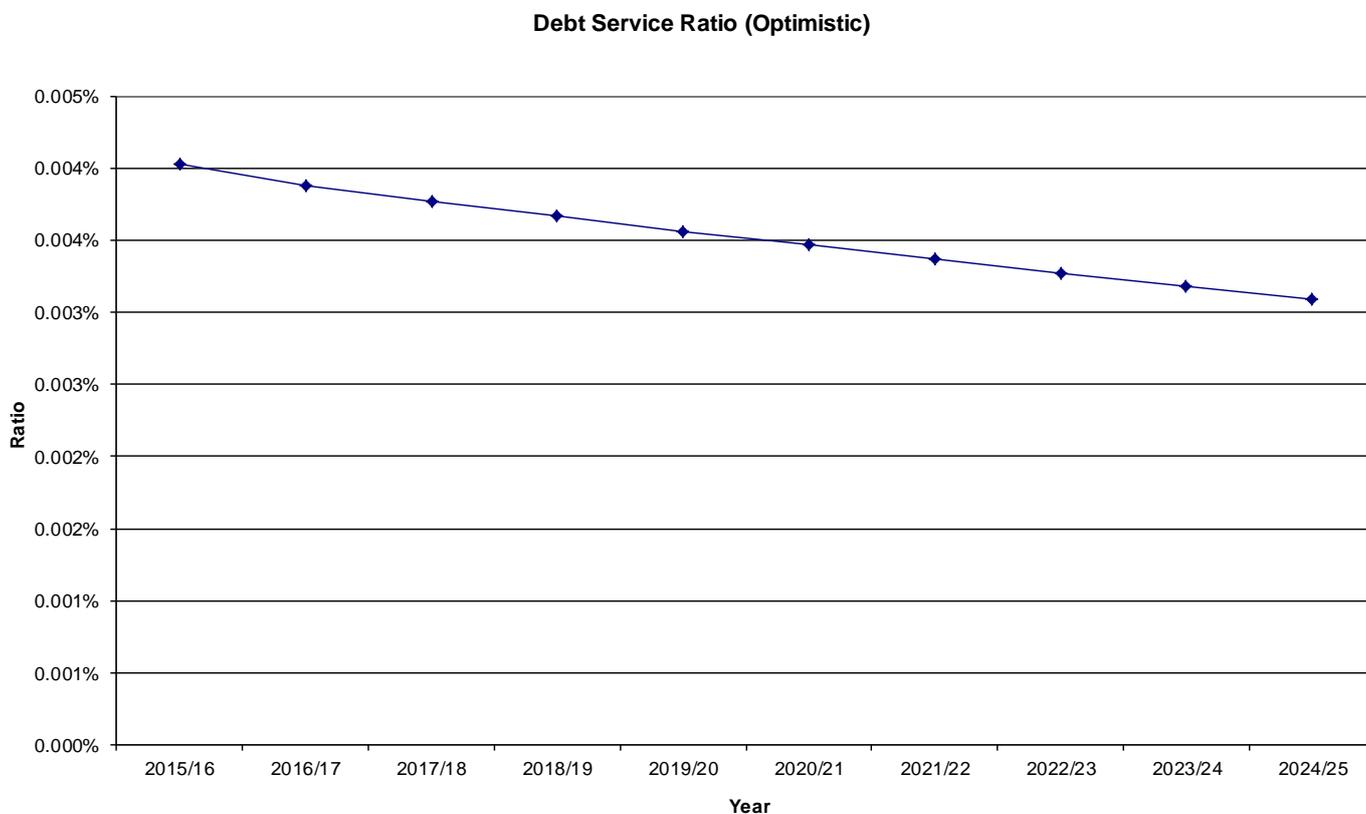


Under the optimistic scenario Council's unrestricted current ratio would remain at a healthy level over life of the plan. In this scenario Council's unrestricted current ratio would improve and be well within industry best practice of greater than 2.1 and less than 10.

The optimistic scenario includes the special rate variation that would raise Council's rating income to a sustainable level to fund maintenance and renewal of existing infrastructure, maintain current service levels and provide new services and infrastructure expected by the community. With this scenario Council would have greater flexibility with its expenditure whilst maintaining adequate reserves.

5.7.3 Debt Service Ratio

The following graph shows the predicted debt services ratio under the optimistic scenario.



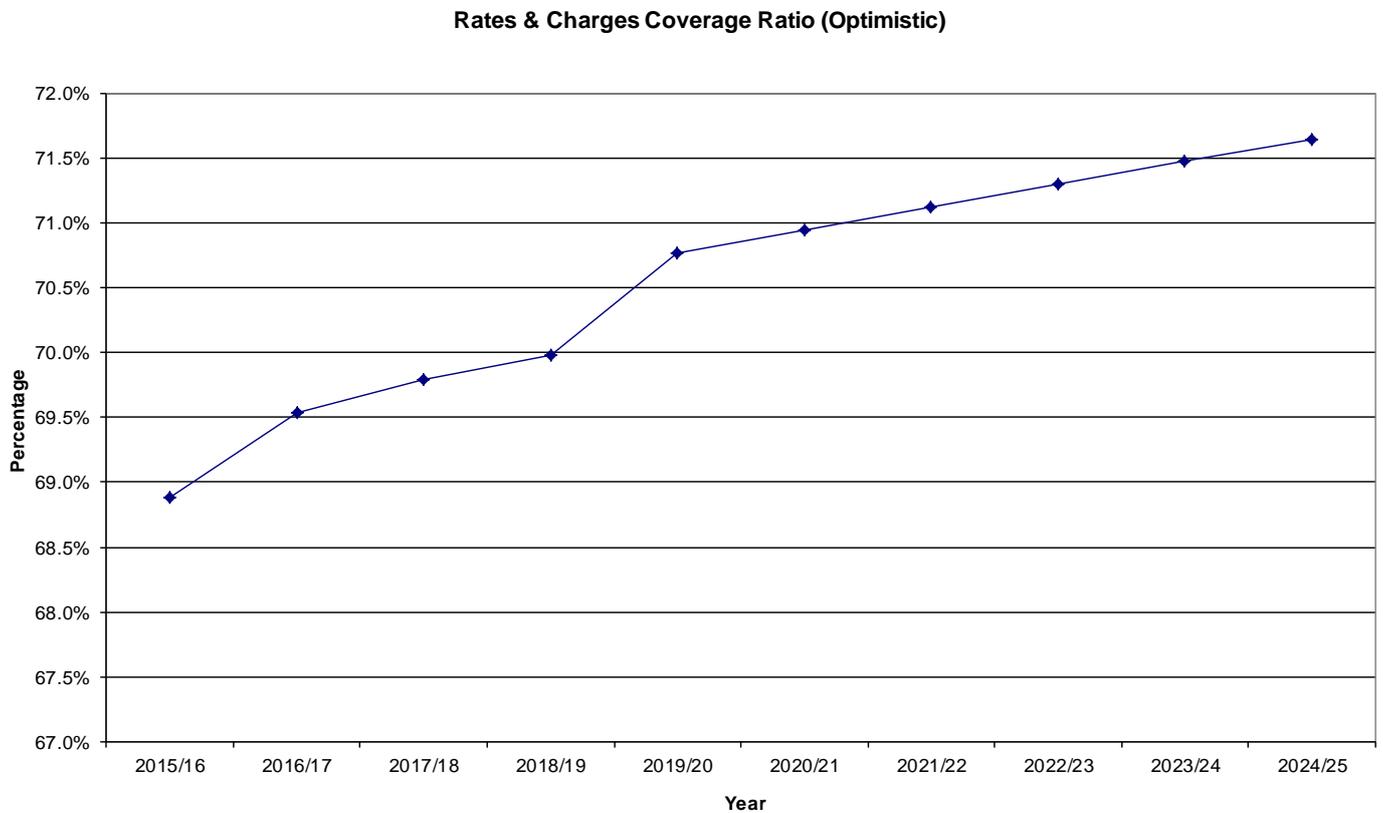
As with the previous two scenarios, the optimistic scenario has no external borrowings as internally directed by Council’s financial policy framework.

The debt service ratio in the optimistic scenario is well within industry better practice guidelines that require a ratio of less than 10%.

As Council currently has no external borrowings and is committed in this long term financial plan to continue this policy it provides large scope for future borrowings should the need arise.

5.7.4 Rates & Annual Charges Coverage Ratio

The following graph shows the predicted rates and annual charges coverage ratio under the optimistic scenario.



Council continues to have a high reliance on rates and annual charges income in the optimistic scenario. The ratio is fairly similar to previous two scenarios as both rates income and other revenues sources have increased.

Council has a high reliance on rates and annual charges income. As such the demographics and capacity and willingness for the community to pay rates will determine the security of this income source. Despite the high reliance on rates and annual charges the percentage is very stable over the life of the plan.

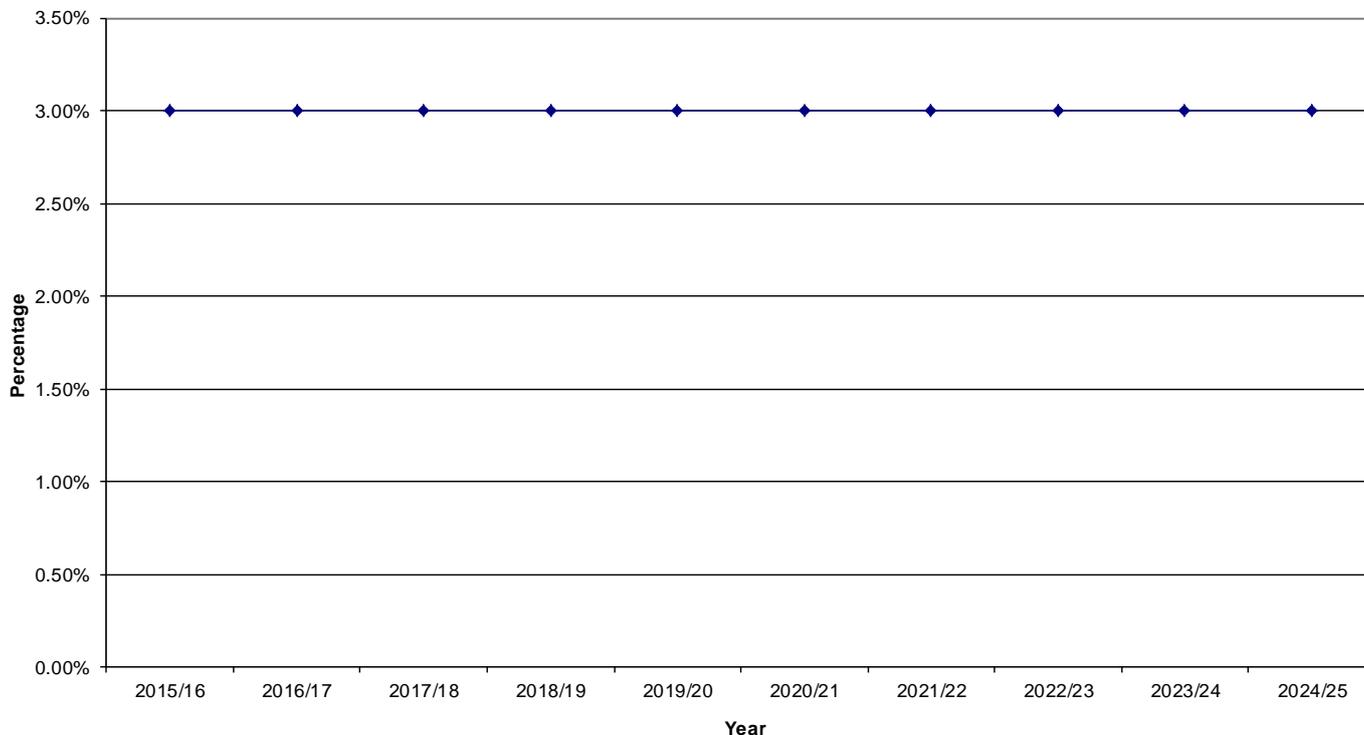
The optimistic scenario includes the approved special rate variation of 4.8% per annum (inclusive of the rate-pegging limit) for years one (1) and two (2) of the 10 year plan.

This is reflected in increasing ratio for this income stream. However, alternate sources of income continue to be developed in order to maintain current service levels in future years, provide and maintain the infrastructure needs of our Community and reduce the reliance on rates and annual charges as a revenue source.

5.7.5 Rates & Annual Charges Outstanding Ratio

The following graph shows the predicted rates and annual charges outstanding ratio under the optimistic scenario.

Rates & Charges Outstanding Percentage (Optimistic)

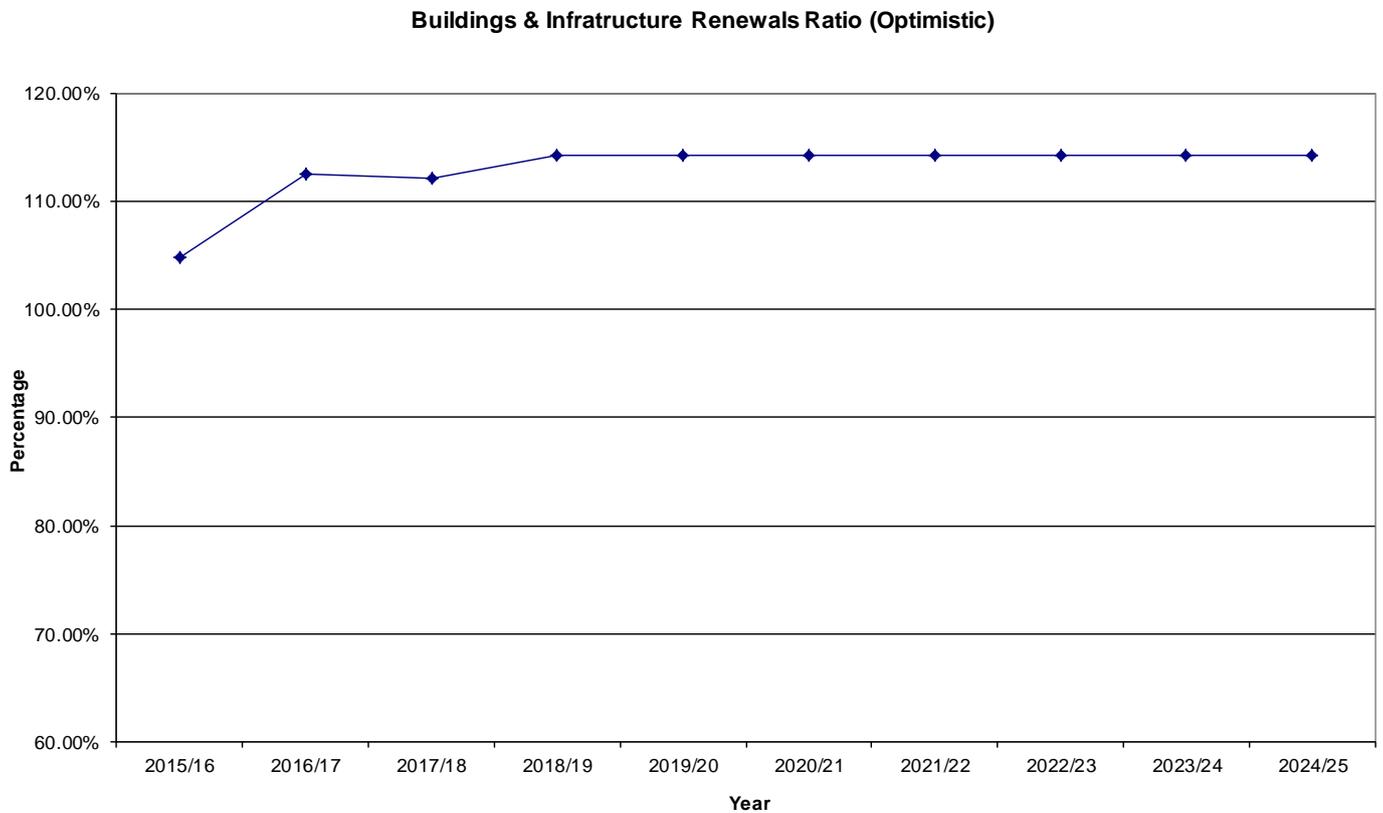


Under the optimistic scenario the rates and annual charges outstanding ratio would be well within the limit of Industry better practice guidelines of less than 5%. This could be achievable in an optimistic scenario with benign economic conditions and given the capacity of our community to pay rates.

Council has been able to generate this level of ratio in the past. The outstanding level of rates and annual charges is greatly influenced by the amount of debt recovery work undertaken by the Council. Whilst reducing the level of outstanding rates and charges improve Council’s cash flow it must be noted that given interest is accrued on rating accounts that are in arrears and that the debt is secured against the property there is an opportunity cost in collected this debt. The current rate of interest charged for outstanding rates and annual charges is 8.5%.

5.7.6 Building & Infrastructure Renewals Ratio

The following graph shows the predicted building and infrastructure renewals ratio under the optimistic scenario.



This best case scenario includes the special rate variation, increased user charges and fees, increased other revenue, higher interest revenue from investments and reduced costs through greater efficiency gains. The additional funding forecast in this scenario has been used to maintain and renew infrastructure to the level expected by our community as well as maintain and improve service levels.

The outcome of the additional funding is highlighted by the above graph. Council would be able to address its infrastructure renewal gap. Council could use the additional resources provided in this scenario to fix any backlog created from renewal gaps of the past.

5.8. Annual Review

In order to keep this plan current for use as a decision support tool Council will need to review plan annually to assess the assumptions underlying the plan as well as the performance against the forecast.

The Long Term Financial Plan will be required to be updated annually to enable the development of the annual operation plan for Council.

Future budgets should be prepared so that they remain consistent with the targets set by this Plan. Each year budgets will need to be reassessed in light any need to adjust service levels or to maximise funding from sources such as grants. Critical examination also needs to be given to alternative means of service delivery that may result in savings without compromising service.