



Asset Management Plan
Built Assets – Land, Buildings & Structures
Adopted 28 April 2016

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1. EXECUTIVE SUMMARY

Context

Ballina Shire Council is located in the Northern Rivers of the Far North Coast of New South Wales. It covers an area of 485 km² with a shire population of 41,335 (as of 30th June 2013).

Councils buildings & structures are varied in type, function & location and include,

- Operational buildings
- Community centres & halls
- Residential buildings
- Commercial buildings
- Public amenities
- Sporting Clubs
- Investment properties
- Land

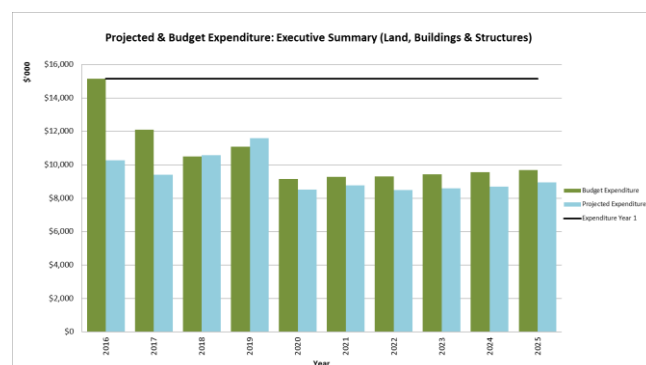
The major issues facing Councils building & structure infrastructure concerns the repairs of various rooves and the monitoring and removal of known asbestos locations.

These infrastructure assets have a replacement value of \$288,607,000

What does it Cost?

The projected outlays necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets over the 10-year planning period is \$93,778,000.

Estimated available funding for this period is \$105,182,000 which is 113% of the cost to provide the service. This is a funding shortfall of +\$1,140,000 on average per year. Projected expenditure required to provide services in the AM Plan compared with planned expenditure currently included in the Long Term Financial Plan are shown in the graph below.



Land, Buildings & Structures S2_V1	
Executive Summary - What does it cost?	(\$'000)
10 year total cost [O, M, R & U Expenditure]	\$93,778
10 year average cost	\$9,378
10 year total LTFP budget [O, M, R & U]	\$105,182
10 year average LTFP budget	\$10,518
10 year AM financial indicator	112%
10 year average funding shortfall	\$1,140

What we will do

We plan to provide Building & Structure services for the following:

- Operation, maintenance, renewal and upgrade of Councils Buildings & Structures to meet service levels set by Council in annual budgets.
- Construct the following major new projects
 - New Marine Rescue Tower
 - Ballina Surf Club Building B
 - Lennox Head Surf Club
- within the 10 year planning period

What we cannot do

We do **not** have enough funding to provide all services at the desired service levels or provide new services.

Works and services that cannot be provided under present funding levels are:

- Replace buildings

Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Leaking Rooves
- Asbestos locations

We will endeavour to manage these risks within available funding by:

- Inspections & defect recording
- Maintenance programming

Confidence Levels

This AM Plan is based on Medium level of confidence information.

The Next Steps

The actions resulting from this asset management plan are:

- Development of maintenance scheduling within the Authority Asset System, through the incorporation of the Authority maintenance work order module.
- Continuation of the condition assessment and defect recording as detailed in section 5 of this document.
- Advance the integration of the buildings & structures integration to the GIS platform

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve Ballina Shire Council's internal & external building & structures needs. These assets include all the operational, community, amenity, commercial & investment buildings, structures & properties owned and operated by Council with the exception of the Ballina Byron Gateway Airport buildings & structures, which are defined within its own Asset Management Plan.

What is an Asset Management Plan?

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

An Asset Management Plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

Why is there a funding shortfall?

Most of Council's building infrastructure was constructed by contractors and from government grants, often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

Many of these assets are approaching the later years of their life and require replacement, services from the assets are decreasing and maintenance costs are increasing.

Our present funding levels are sufficient to continue to provide existing services at current levels in the medium term.

What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs,

3. Identifying and managing risks associated with providing services from infrastructure,
4. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs,
6. Consulting with the community to ensure that the buildings & structures services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide services,
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

It is possible that we will have to reduce service levels in some areas, unless new sources of revenue are found. For building & structures related infrastructure, the service level reduction may include

- The sale of various non-critical properties
- A reduction in maintenance frequency on non-critical properties.

At our current situation, a reduction in service levels is not warranted.

What can we do?

We can develop options, costs and priorities for future building services, consult with the community to plan future services to match the community service needs with ability to pay for services and maximise community benefits against costs.

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 20 year planning period.

The asset management plan follows the format for AM Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual¹.

The asset management plan is to be read with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Community Strategic Plan
- Delivery Program & Operational Plan
- Resourcing Strategy
- BSC Long Term Financial Plan

Table 2.1.1: Assets covered by this Plan (BUILDINGS)

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
74 Tamar Street	-	74 Tamar Street	Item	1	\$111,091
78 Tamar Street	-	78 Tamar Street	Item	1	\$108,752
Abandoned Vehicle Compound	-	Site Related Components	Item	1	\$353
Administration Buildings	-	BSC Administration Centre (Ballina)	Item	1	\$17,805
	-	BSC Central Works Depot (Ballina)	Item	1	\$143,980
Alstonville Nursery Buildings	-	Amenities (demountable)	Item	1	\$144,325
	-	Green House	Item	1	\$45,576
	-	Potting Shed	Item	1	\$68,364
	-	Shelter	Item	1	\$24,958
	-	Storage Shed	Item	1	\$86,812
Alstonville Tennis Club	-	Tennis Clubhouse	Item	1	\$397,165
Angels Beach Foreshore	-	Viewing Platform 01	Item	1	\$8,319
	-	Viewing Platform 02	Item	1	\$8,319
	-	Viewing Platform 03	Item	1	\$8,319
	-	Viewing Platform 04	Item	1	\$8,319
Ballina Naval Museum	-	Ballina Naval Museum	Item	1	\$2,398,541
Ballina North Bike Track	-	Kiosk/Amenities	Item	1	\$91,153
Ballina North Sandpit	-	Amenities Block	Item	1	\$74,875
Ballina Sailing Clubhouse	-	Sailing Clubhouse	Item	1	\$781,308
Ballina SLSC Rescue Shed	-	SLSC Rescue Shed	Item	1	\$67,279
Bicentennial Gardens	-	Shelters	Item	1	\$55,343
	-	Toilet Block	Item	1	\$120,572
Bore: Ellis Road	-	Electrical & Telemetry Building	Item	1	\$11,937
BSC Administration Centre	-	BDCSA Building (former Library)	Item	1	\$842,182

¹ IPWEA, 2011, Sec 4.2.6, *Example of an Asset Management Plan Structure*, pp 4 | 24 – 27.

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
	-	BSC Commercial Services Building	Item	1	\$737,302
	-	Council Chambers/Offices	Item	1	\$12,387,617
BSC Central Works Depot	-	Amenities & Storage	Item	1	\$830,140
	-	Small Plant Building	Item	1	\$318,776
	-	Stores & Administration	Item	1	\$842,039
	-	Trades Building	Item	1	\$867,487
	-	W&S + Electrical Shed	Item	1	\$728,136
	-	Wash Bay	Item	1	\$143,240
	-	Workshop	Item	1	\$1,125,301
Buildings	-	Shed - Corks Lane	Item	1	\$59,683
Bulwinkle Park	-	Shelter Shed	Item	1	\$21,703
	-	Toilet Block	Item	1	\$28,334
Burnett Park	-	Toilet Block	Item	1	\$23,994
Captain Cook Park	-	Toilet Block	Item	1	\$123,828
Cawarra Park	-	Amenities Block	Item	1	\$197,497
	-	Toilet Block/Kiosk	Item	1	\$55,463
Chickiba Park	-	Amenities Block	Item	1	\$351,589
Commemoration Park	-	Shelter	Item	1	\$36,991
	-	Shelter (BBQ)	Item	1	\$20,889
	-	Shelter (Picnic) # 1	Item	1	\$20,889
	-	Shelter (Picnic) # 2	Item	1	\$20,889
	-	Toilet Block/Changerooms	Item	1	\$121,657
Community Buildings (various)	-	Animal Shelter (Ballina North)	Item	1	\$1,042,940
	-	Library/Richmond Room (Ballina	Item	1	\$4,983,931
	-	NRC Gallery -old Council Chambers	Item	1	\$1,410,696
	-	Tourist Information Centre (Ballina	Item	1	\$891,994
Community Centres (various)	-	Alstonville Entertainment Centre	Item	1	\$5,614,615
	-	Kentwell Community Centre	Item	1	\$3,282,495
	-	Lennox Head Community Centre	Item	1	\$10,724,176
Community Halls (various)	-	Alstonville Hall (Alstonville)	Item	1	\$413,442
	-	Ballina Lions Club, West End Hall	Item	1	\$173,624
	-	Newrybar Community Hall (Rural -	Item	1	\$563,193
	-	Pimlico Hall (Rural -Pimlico)	Item	1	\$447,082
	-	Wigmore Hall (Ballina Island)	Item	1	\$1,199,580
	-	Wollongbar Community Hall	Item	1	\$837,736
Compton Drive Toilet Block	-	Toilet Block	Item	1	\$76,081
Crawford House	-	Community Resources Centre	Item	1	\$217,030
	-	Crawford House	Item	1	\$408,729
Crawford Park / Apex Park	-	Clubhouse/Amenities Block	Item	1	\$581,641
Cumbalum Sports Centre	-	Sports Clubhouse	Item	1	\$924,500
Cummings Crescent Reserve	-	Shelter/Pergola	Item	1	\$22,788
Daley/Main Street Public	-	Toilet Block	Item	1	\$99,954
Education / Daycare (various)	-	Ballina Playgroup (Ballina Island)	Item	1	\$275,628
	-	Ballina Pre-School (Ballina Island)	Item	1	\$942,996
	-	Ballina/Byron Family Centre	Item	1	\$337,482
	-	Hall Court Pre-School	Item	1	\$617,451
	-	Lennox Head Pre-School (Lennox	Item	1	\$631,558

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
	-	Rainbow Children's Care Centre	Item	1	\$1,601,682
	-	River Street Childrens Centre	Item	1	\$1,130,727
Emergency Services	-	Bushfire Brigade Shed (Lennox	Item	1	\$81,386
	-	Bushfire Brigade Shed	Item	1	\$41,236
	-	Bushfire Brigade Shed (Newrybar)	Item	1	\$228,811
	-	Bushfire Brigade Shed (Wardell)	Item	1	\$157,347
	-	Bushfire Brigade Shed	Item	1	\$97,664
	-	Lighthouse Beach Coast Guard	Item	1	\$247,414
	-	Lighthouse Beach Coast Radio	Item	1	\$69,450
	-	SES Depot (Ballina Island)	Item	1	\$102,004
	-	SES Headquarters (Ballina Island)	Item	1	\$267,313
Faulks Reserve	-	Toilet Block	Item	1	\$96,699
Fawcett Park	-	Shelter	Item	1	\$17,362
	-	Shelter (BBQ)	Item	1	\$17,362
Ferngrove Park	-	Amenity Building	Item	1	\$74,996
	-	Shelter (Picnic)	Item	1	\$11,937
Ferry Infrastructure	-	Ferry Shed	Item	1	\$102,004
Fishery Creek Boat Ramp	-	Toilet Block	Item	1	\$72,826
Flat Rock Beach Carpark	-	Toilet Block	Item	1	\$99,954
Flat Rock Campground	-	Amenities Blocks (Gents)	Item	1	\$75,635
	-	Amenities Blocks (Ladies)	Item	1	\$238,733
	-	Residence/Office	Item	1	\$260,436
Flat Rock Foreshore	-	Viewing Platform 01	Item	1	\$8,319
	-	Viewing Platform 02	Item	1	\$8,319
Fripp Oval	-	AFL/Cricket Clubhouse	Item	1	\$980,976
	-	Dressing Shed (AFL + Cricket)	Item	1	\$28,523
	-	Toilet Block/Kiosk	Item	1	\$170,489
	-	Toilet Block/Shed (old)	Item	1	\$194,242
Gallans Equestrian Park	-	Kiosk	Item	1	\$34,725
	-	Storage Shed/Toilet	Item	1	\$87,897
Gap Road Oval	-	Toilet Block/Kiosk	Item	1	\$173,624
Geoff Watt Oval	-	Clubhouse/Amenities Block	Item	1	\$616,365
Hampton Park Public Reserve	-	Tennis Clubhouse	Item	1	\$428,634
	-	Toilet Block/Shelter	Item	1	\$69,570
	-	Toilets/Shelter (tennis club)	Item	1	\$47,747
Hill Park Oval	-	Toilet Block	Item	1	\$60,889
Kentwell Community Centre	-	(20:KCC:010)	Item	1	\$446,726
Kingsford Smith Park	-	Change Rooms/Kiosk	Item	1	\$381,973
	-	Hockey Club House	Item	1	\$425,379
	-	Open Kiosk (east side)	Item	1	\$11,937
Lake Ainsworth Public Reserve	-	SLSC Clubhouse	Item	1	\$1,588,660
	-	Toilet Block	Item	1	\$99,954
	-	Toilet Block (adj SLSC)	Item	1	\$106,465
LAND	-	Community Land	Item	1	\$106,215,037
	-	Depreciable Land Improvements	Item	1	\$246,129
	-	Land Under Road	Item	1	\$12,648,579
	-	Non Depreciable Land	Item	1	\$4,666,282

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
	-	Operational Land	Item	1	\$43,386,605
	-	Quarry Remediations	Item	1	\$834,741
	-	Waste & Recycling Remediations	Item	1	\$1,696,638
Leased Facilities	-	DOCS building (Ballina Island)	Item	1	\$8,170,000
	-	Pelican 181 Café/Toilets (Ballina	Item	1	\$690,000
	-	The Australian Steel Factory	Item	1	\$4,000,000
	-	Wigmore Arcade (Ballina Island)	Item	1	\$5,760,000
Lennox Community Centre	-	(30:LCC:010)	Item	1	\$29,432
Lennox Park	-	Shelter/Pavilion	Item	1	\$160,298
	-	Toilet Block	Item	1	\$96,699
Lighthouse Lookout Reserve	-	New Surf Club	Item	1	\$5,081,499
Lumley Park	-	Clubhouse/Amenities (tennis)	Item	1	\$236,563
	-	Old Croquet Clubhouse	Item	1	\$28,214
	-	Pump Station Building	Item	1	\$13,022
	-	Shelter (BBQ)	Item	1	\$21,703
	-	Shelter (Picnic)	Item	1	\$53,172
	-	Specialised Shelter (enclosed)	Item	1	\$54,258
Lyle Park	-	Rugby Clubhouse	Item	1	\$640,239
Madden Place Public Reserve	-	Shelter/Pergola	Item	1	\$22,788
Meals on Wheels	-	Meals on Wheels	Item	1	\$275,628
Megan Crescent Sports Ground	-	Toilet Block	Item	1	\$99,954
Meldrum Park	-	Shelter (BBQ)	Item	1	\$20,618
	-	Shelter (Picnic)	Item	1	\$20,618
	-	Toilet Block	Item	1	\$195,448
Missingham Park	-	Amphitheatre/Toilet	Item	1	\$507,850
	-	Shelters 01	Item	1	\$53,534
	-	Shelters 02	Item	1	\$53,534
	-	Shelters 03	Item	1	\$53,534
	-	Skate Park Shelter	Item	1	\$25,497
old Alstonville Council	-	old Alstonville Council Chambers	Item	1	\$681,474
Old Depot Site	-	Chlorine Shed	Item	1	\$15,192
	-	Shed (Lions Club)	Item	1	\$18,448
	-	Shed (old Dog Pound)	Item	1	\$39,065
	-	Shed/Store	Item	1	\$230,052
	-	Sundry Shed	item	1	\$5,426
Pat Morton Lookout	-	Pat Morton Unisex Toilet	item	1	\$118,719
Pioneer Memorial Park	-	Amenities/Shelter	item	1	\$249,585
Pop Denison Park	-	Shelter (BBQ) # 1	item	1	\$37,619
	-	Shelter (BBQ) # 2	item	1	\$21,268
	-	Shelter (Picnic) # 1	item	1	\$37,619
	-	Shelter (Picnic) # 2	item	1	\$37,619
	-	Toilet Block	item	1	\$72,826
Porter Park	-	Amenities Block	item	1	\$95,493
	-	Shelter (BBQ)	item	1	\$17,559
Quays Reserve	-	Amenities Block (dismountable)	item	1	\$36,483
	-	Rugby Union Clubhouse	item	1	\$1,016,786
	-	Toilet Block/Canteen	item	1	\$59,804

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
Reservoir: Basalt Court	-	Water Pump & Telemetry Building	item	1	\$10,852
Reservoir: Pine Avenue	-	Telemetry Building	item	1	\$7,596
Reservoir: Russelton	-	Telemetry Building	item	1	\$8,681
Reservoir: Whites Lane	-	Telemetry Building	item	1	\$27,129
Reservoir: Wollongbar	-	Water Pump & Telemetry Building	item	1	\$27,129
Residential Dwellings (various)	-	112 Pacific Highway (Ballina	item	1	\$397,165
	-	153 Kays Rd (Rural -Coolgardie)	item	1	\$570,789
	-	44 Fishery Creek Road (Ballina	item	1	\$375,462
	-	54 North Creek Road (Ballina	item	1	\$255,560
	-	70 Fishery Creek Road (Ballina	item	1	\$628,302
	-	70 Gallans Road (Rural -	item	1	\$343,993
	-	9 Commercial Road (Alstonville)	item	1	\$269,117
	-	Pacific Highway (Ballina North)	item	1	\$363,525
Richmond Park	-	Norman Sharpe Rotary Lookout	item	1	\$40,151
	-	Toilet Block	item	1	\$54,378
Richmond Street Tennis Courts	-	Tennis Clubhouse	item	1	\$46,661
	-	Toilet Block	item	1	\$32,675
Riverview Park	-	Shelter (Picnic)	item	1	\$35,810
	-	Toilet Block	item	1	\$98,869
Riverwalk Arcade	-	Riverwalk Sails	item	1	\$209,434
Ross Park	-	Picnic Shelter # 1	item	1	\$22,788
Saunders Oval	-	Ballina Sports Club	item	1	\$1,227,305
	-	Picnic Shelter # 1	item	1	\$28,214
	-	Picnic Shelter # 2	item	1	\$30,384
	-	Shed 01	item	1	\$13,022
	-	Toilet Block	item	1	\$198,703
STP (Alstonville)	-	Amenities Building	item	1	\$41,236
	-	Soda Ash Building	item	1	\$14,107
	-	Storage Shed	item	1	\$9,766
	-	Switch Room / Office	item	1	\$19,533
	-	UV Building	item	1	\$75,961
STP (Ballina West)	-	Chemical Tank Canopy	item	1	\$71,620
	-	NEW Biosolids Storage Sheltered	item	1	\$23,873
	-	NEW Operations Building	Item	1	\$36,895
	-	NEW UV Disinfection Facility	Item	1	\$28,214
	-	Plant Shed	Item	1	\$296,246
STP (Lennox Head)	-	Amenities Building	Item	1	\$54,258
	-	Electrical Switchroom 1	Item	1	\$54,258
	-	UV Building	Item	1	\$447,082
STP (Wardell)	-	Amenities Building	Item	1	\$116,111
	-	UV Building	Item	1	\$75,961
Skennars Head Playing Fields	-	Sports Club/Amenities	Item	1	\$1,073,214
SLSC Clubhouse -old	-	Junior SLSC Clubhouse	Item	1	\$917,794
SP 2001 -Swift Street	-	Electrical & Telemetry Building	Item	1	\$78,216
SP 2101 -Pacific Highway	-	Electrical & Telemetry Building	Item	1	\$21,788
SP 2217 -De-Havilland Crescent	-	Electrical & Telemetry Building	Item	1	\$62,768
SP 2301 -Angels Beach Drive	-	Electrical & Telemetry Building	Item	1	\$30,384

Asset Group	Length -m	Asset Sub-Group	UOM	Quantity	Replacement Value
SP 3110 -Pacific Pines	-	Electrical & Telemetry Building	Item	1	\$30,384
SWIMMING POOLS: Buildings -	-	Administration Building	Item	1	\$457,790
	-	Plant Building	Item	1	\$303,842
SWIMMING POOLS: Buildings -	-	Administration Building	Item	1	\$983,003
	-	Plant Building	Item	1	\$157,347
Treelands Reserve	-	Shelter (Picnic)	Item	1	\$27,129
Tuckombil Quarry	-	Amenities Block	Item	1	\$137,814
	-	Compressor Shed	Item	1	\$31,469
Waste & Recycling Facility	-	Chemical Storage & Organics Pad	Item	1	\$11,262
	-	Education Resource/Compacting	Item	1	\$2,415,545
	-	Gatehouse/Weighbridge Office	Item	1	\$55,343
	-	Leachate Pre-Treatment Plant	Item	1	\$6,511
	-	Recycling Shed	Item	1	\$86,812
	-	Recycling Shelter	Item	1	\$92,238
	-	Transfer Station	Item	1	\$1,043,915
WTW: Marom Creek	-	Fluoride Dosing Building	Item	1	\$99,775
	-	Switchroom / Office	Item	1	\$31,469
	-	Switchroom No 2	Item	1	\$9,766
Wigmore Park	-	Ballina Players Theatre	Item	1	\$1,275,497
	-	Toilet Block	Item	1	\$90,188
	-	Youth Centre	item	1	\$478,551
Williams Reserve	-	Sports Club/Amenities Block	item	1	\$584,235
TOTAL: BUILDINGS					\$288,606,839

Buildings & Structures Replacement Cost by Group

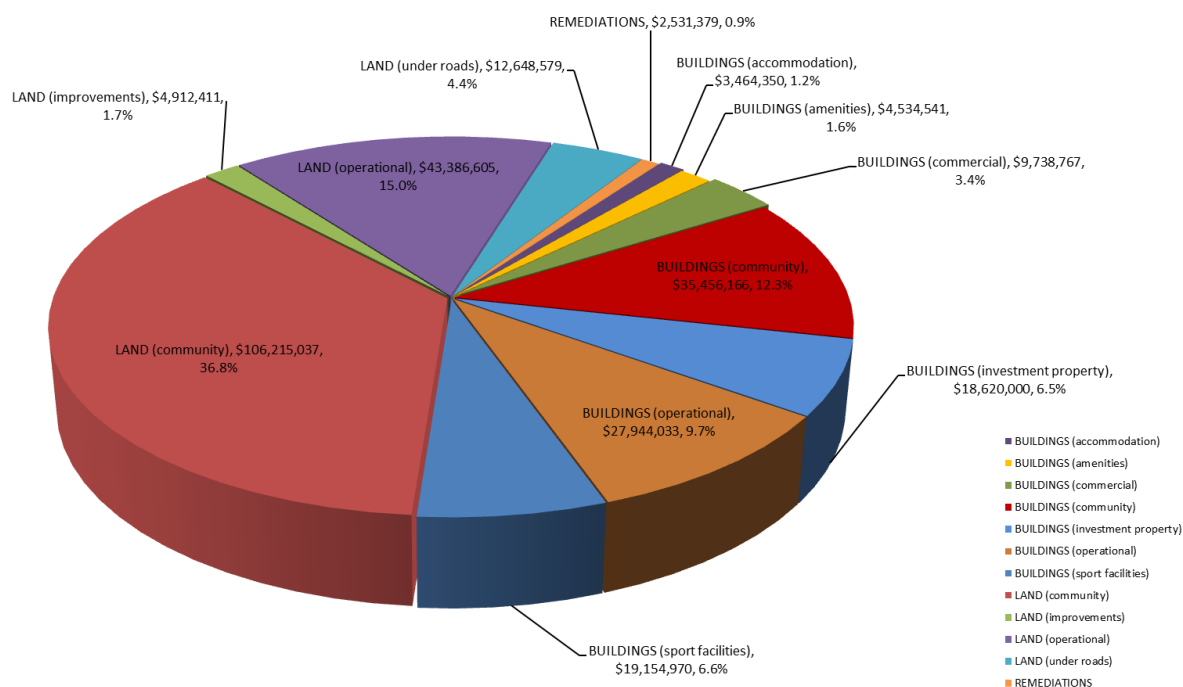
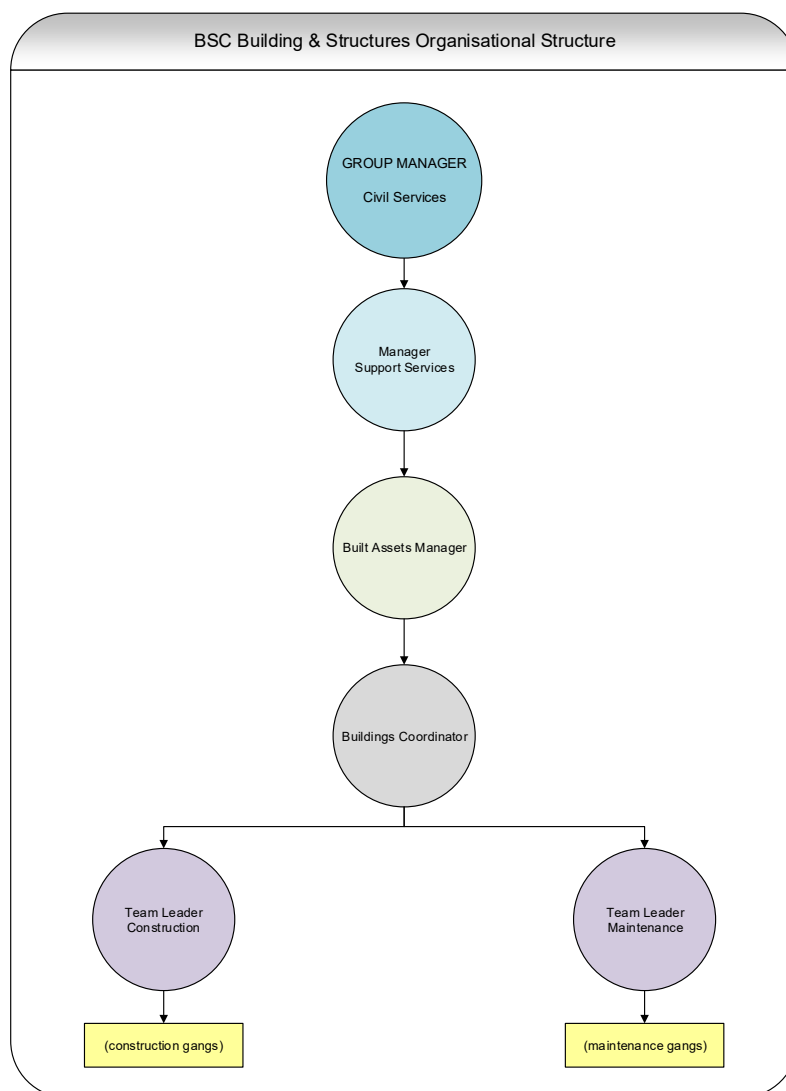


Table 2.1.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> Represent needs of community Allocate resources to meet Council's objectives in providing services while managing risks, Ensure Council is financial sustainable.
General Manager	Overall responsibility for delivering Council operations
Rate Payers	Will ultimately pay for any works undertaken
Locals & visitors who use facilities	Beneficiaries of Councils Built infrastructure
NSW DoC	Funding through grants

Our organisational structure for service delivery from infrastructure assets is detailed below.



2.2 Goals and Objectives of Asset Management

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.²

2.3 Plan Framework

Key elements of the plan are

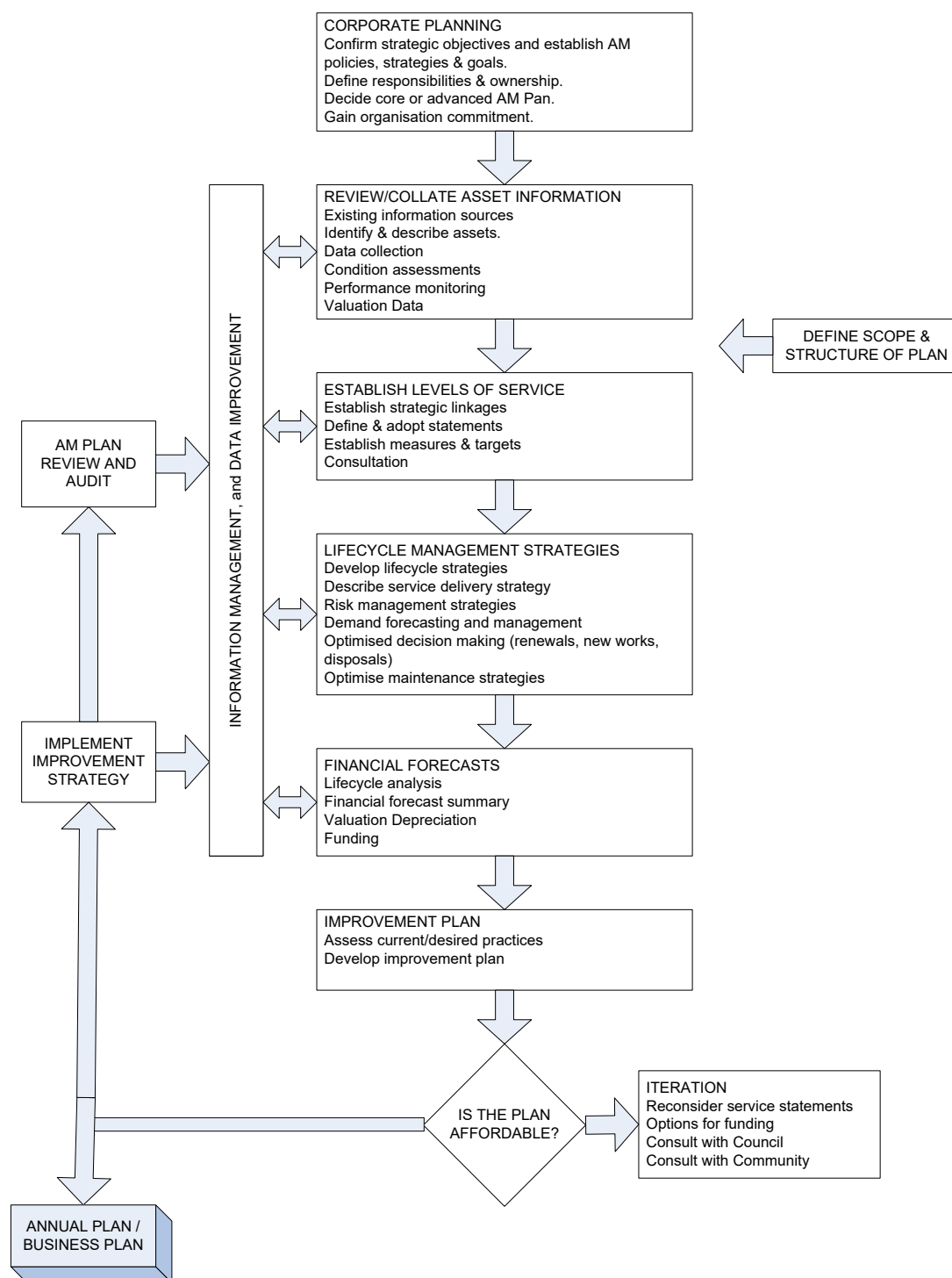
- Levels of service – specifies the services and levels of service to be provided by Council,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle management – how Council will manage its existing and future assets to provide defined levels of service,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

A road map for preparing an asset management plan is shown below.

² Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11.



This document exists as part of Council’s asset management framework as defined below in figure 2.3.1

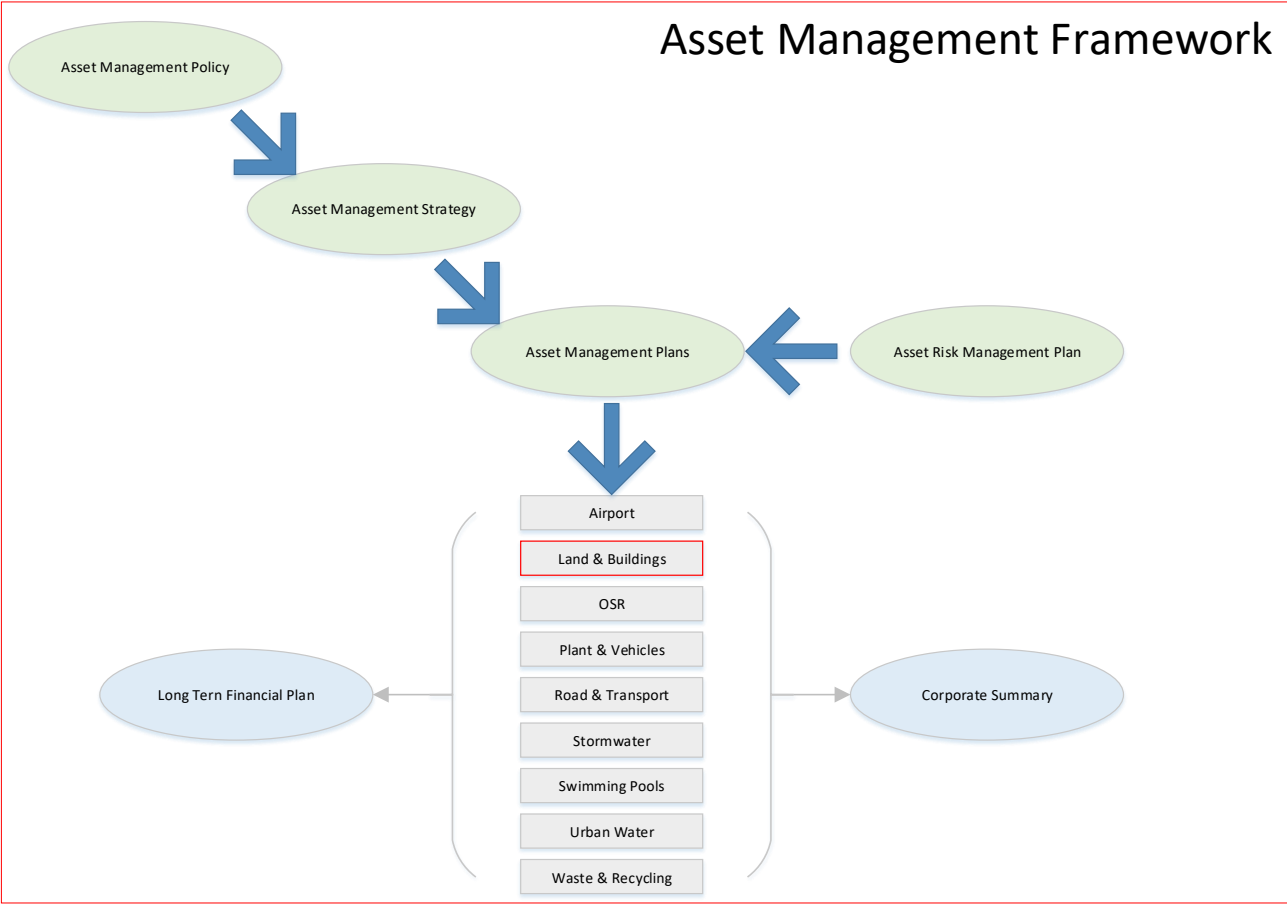


Figure 2.3.1: BSC Asset Management Framework

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 20 year planning period in accordance with the International Infrastructure Management Manual³. It is 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.

Future revisions of this asset management plan will 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 in a financially sustainable manner.

2.5 Community Consultation

This 'core' asset management plan is prepared to facilitate community consultation initially through feedback on public display of draft asset management plans prior to adoption by Council. Future revisions of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences with the community's ability and willingness to pay for the service.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

3.1.1 Micromex Community Priorities & Satisfaction Survey

Ballina Shire Council sought to examine community attitudes and perceptions towards current and future services and facilities provided by Council. Key objectives of the research included:

- To assess and establish the community's priorities and satisfaction in relation to Council activities, services and facilities
- To identify the community's overall level of satisfaction with Council's performance

To facilitate this, Micromex Research was contracted to develop a survey template that enabled Council to effectively analyse attitudes and trends within the community.

Micromex Research, together with Ballina Shire Council, developed the questionnaire. The survey was conducted during the period 26 September – 8 October 2014 from 4:30pm to 8:30pm, Monday to Friday and from 10am to 4pm Saturday.

The survey area covered the Ballina Shire Council Government Area and the sample consisted of a total of 500 residents. The selection of respondents was by means of a computer based random selection process using the electronic White Pages. A sample size of 500 residents provides a maximum sampling error of plus or minus 4.4% at 95% confidence.

The sample was weighted by age to reflect the 2011 ABS census data. Similar Micromex surveys were conducted in 2008 and 2012.

The data within this report was analysed using Q Professional. To identify the statistically significant differences between the groups of means, 'One-Way Anova tests' and 'Independent Samples T-tests' were used. 'Z Tests' were also used to determine statistically significant differences between column percentages.

³ IPWEA, 2011, IIMM.

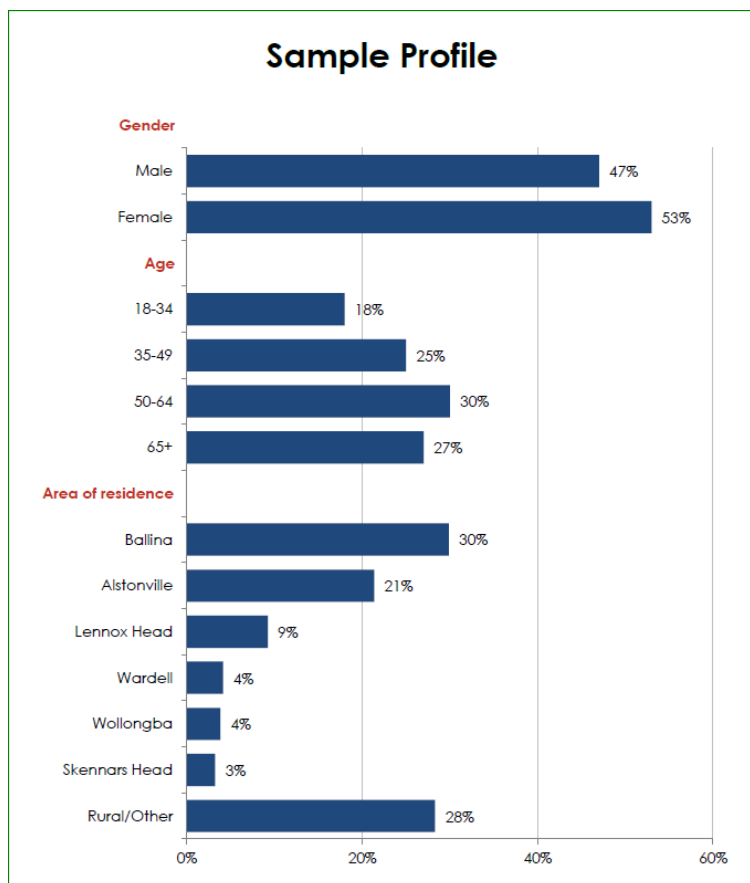
The rating questions utilised a unipolar Scale of 1 to 5, where 1 was the lowest importance or satisfaction and 5 the highest importance or satisfaction, was used in all rating questions. This scale allowed for a mid-range position for those who had a divided or neutral opinion.

The 'mean' Rating scale is defined as:

- 0.00 – 1.99 'Very low' level of importance/satisfaction
- 2.00 – 2.49 'Low' level of importance/satisfaction
- 2.50 – 2.99 'Moderately low' level of importance/satisfaction
- 3.00 – 3.59 'Moderate' level of importance/satisfaction
- 3.60 – 3.89 'Moderately high' level of importance/satisfaction
- 3.90 – 4.19 'High' level of importance/satisfaction
- 4.20 – 4.49 'Very high' level of importance/satisfaction
- 4.50 – 5.00 'Extremely high' level of importance/satisfaction

Note: Only respondents who rated services/facilities a 4 or 5 in importance were asked to rate their satisfaction with that service/facility. All percentages are calculated to the nearest whole number and therefore the total may not exactly equal 100%.

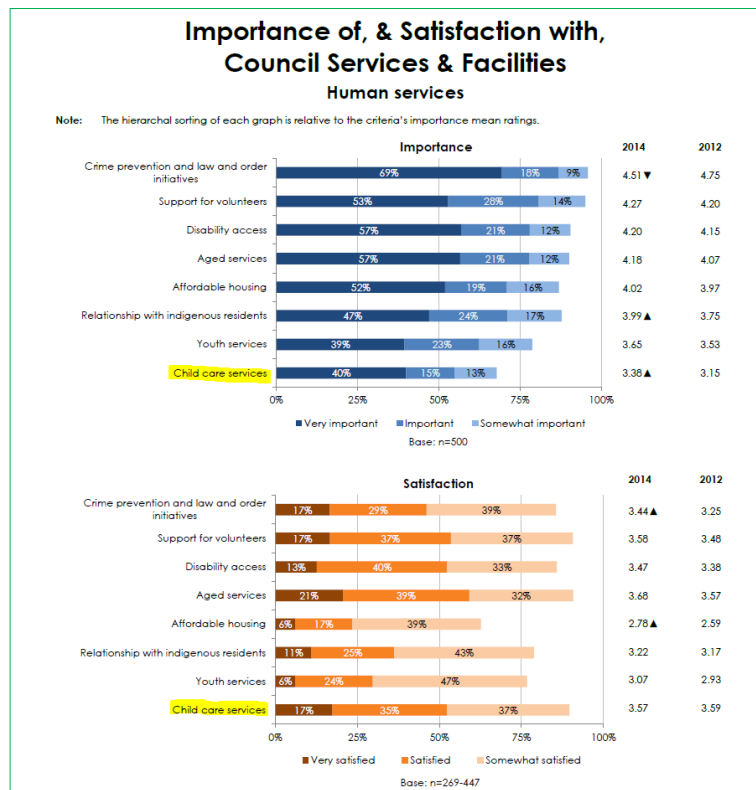
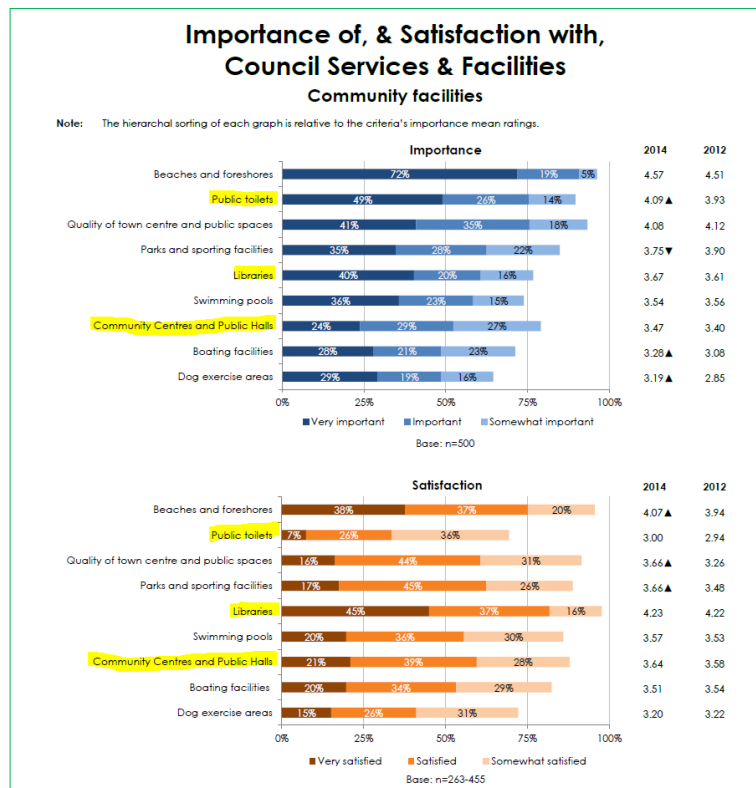
The sample size of 500 consisted of the following demographics.



Findings relating to Buildings & Structures Infrastructure

Importance & Satisfaction with Buildings & Structures Infrastructure

Survey results are shown below.



The performance gaps for community centres & halls, libraries and child care services have all met community expectations. Public toilets on the other hand have recorded poor results across all demographics.

(The table below show the breakup of importance and satisfaction by locality and by age & gender)

	CC & Halls 2014 Community Survey			Libraries 2014 Community Survey		
Sub-group	Importance	Satisfaction	Performance Gap	Importance	Satisfaction	Performance Gap
Alstonville	3.59	3.74	-0.15	3.65	4.26	-0.61
Ballina	3.42	3.41	+0.01	3.76	4.23	-0.47
Lennox Head	3.64	3.52	+0.12	3.82	4.32	-0.50
Skennars Head	2.92	4.22	-1.30	3.86	4.54	-0.68
Wardell	3.78	3.73	+0.05	4.07	4.12	-0.05
Wollongbar	3.26	3.54	-0.28	3.42	4.07	-0.65
Rural / Other	3.41	3.84	-0.43	3.48	4.19	-0.71
18-34	3.20	3.75	-0.55	3.52	4.02	-0.50
35-49	3.33	3.40	-0.07	3.52	4.07	-0.55
50-64	3.65	3.57	+0.08	3.64	4.29	-0.65
65+	3.56	3.88	-0.32	3.92	4.41	-0.49
Male	3.22	3.62	-0.40	3.40	4.20	-0.80
Female	3.68	3.65	+0.03	3.90	4.26	-0.36
Overall	3.47	3.64	-0.17 (2012= -0.18)	3.67	4.23	-0.56 (2012= -0.61)

	Public Toilets 2014 Community Survey			Child Care Services 2014 Community Survey		
Sub-group	Importance	Satisfaction	Performance Gap	Importance	Satisfaction	Performance Gap
Alstonville	4.15	3.17	+0.98	3.66	3.53	+0.13
Ballina	4.08	3.07	+1.01	3.60	3.68	-0.08
Lennox Head	4.06	2.83	+1.23	3.08	3.74	-0.66
Skennars Head	3.86	2.37	+1.49	3.03	3.46	-0.43
Wardell	4.38	3.23	+1.15	3.45	3.69	-0.24
Wollongbar	3.64	2.97	+0.67	2.70	3.20	-0.50
Rural / Other	4.12	2.90	+1.22	3.14	3.43	-0.29
18-34	3.99	3.09	+0.90	3.80	3.67	+0.13
35-49	4.20	2.69	+1.51	3.33	3.49	-0.16
50-64	4.10	2.93	+1.17	3.28	3.41	-0.13
65+	4.05	3.37	+0.68	3.25	3.74	-0.49
Male	3.89	3.00	+0.89	3.26	3.43	-0.17
Female	4.27	3.01	+1.26	3.47	3.69	-0.22
Overall	4.09	3.00	+1.09 (2012=+0.99)	3.38	3.57	-0.19 (2012= -0.44)

Council uses this information in developing its Strategic Plan and in allocation of resources in the budget.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of Council's vision and values.

Our Vision

Serving the community of today while preparing for the challenges of tomorrow

Our Values

Our values describe the behaviour we expect from all people within Council.



Council will exercise its duty of care to ensure public safety is accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 5.2

3.3 Legislative Requirements

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

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
BCA (Building Code of Australia)	Defines Building requirements
Protection of the Environment Act 1997	Regulating pollution activities and issue of licenses as well as the monitoring of and reporting on waste output.
Environmental Planning & Assessment Act 1997 Environmental Planning & Assessment Regulation 2000	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.
Public Works ACT	Role of DoC in planning and construction of new assets.
Occupational Health & Safety Act 2011	Council's responsibility to ensure health, safety and welfare of employees and others at places of work

Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan linked to this AM Plan. Management of risks is discussed in Section 5.2.

3.4 Community Levels of Service

Service levels are defined service levels in two terms, customer levels of service and technical levels of service.

Community Levels of Service measure how the community receives the service and whether Council is providing community value.

Community levels of service measures used in the asset management plan are:

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service over or under used?

Council's current and expected community service levels are detailed in Tables 3.4 and 3.5. Table 3.4 shows the agreed expected community levels of service based on resource levels in the current long-term financial plan and community consultation/engagement.

Table 3.4: Community Level of Service

Service Attribute	Service Objective	Performance Measure Process	Current Performance	Expected position in 10 years based on current LTFP
COMMUNITY OUTCOMES				
Provision of adequate safe, reliable & enjoyable open spaces for playground, sporting & leisure of residents and visitors of Ballina Shire				
COMMUNITY LEVELS OF SERVICE: Land, Buildings & Structures				
Quality	Buildings comply with regulations & guidelines as described in section 3.3	Random internal audits for compliance New Works audited for compliance, prior to construction.	100% conformance 100 % conformance	100% conformance 100% conformance Organisational Measure Confidence Level: HIGH
Function	Building / Structure for fills the intended purpose of the site	Number of Customer Complaints	< 5 per year	< 5 per year Organisational Measure Confidence Level: MEDIUM
Function	Provision of a safe structure in terms of structural condition & exposed asbestos	Number of Accidents reported -First Aid -Hospitalisation -Fatality	< 20 per year < 2 per year 0 per year	< 20 per year < 2 per year 0 per year Organisational Measure Confidence Level: HIGH
Capacity/ Utilisation	Availability of use of building facility during peak times	Number of complaints due to congestion	< 5 per year	< 5 per year Organisational Measure Confidence Level: HIGH
Capacity/ Utilisation	Availability of service / Notifications of planned service interruptions	Number of days' notice	1 day	1 day Organisational Measure Confidence Level: HIGH

3.5 Technical Levels of Service

Technical Levels of Service - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as cleansing, energy, inspections, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (eg building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of building component replacement),
- Upgrade – the activities to provide a higher level of service (eg widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new library).

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.⁴ Table 3.5 shows the technical level of service expected to be provided under this AM Plan. The agreed sustainable position in the table documents the position agreed by Council following community consultation and trade-off of service levels performance, costs and risk within resources available in the long-term financial plan.

⁴ IPWEA, 2011, IIMM, p 2.22

Table 3.5: Technical Levels of Service

Service Attribute	Service Objective	Activity Measure Process	Current Performance *		Desired for Optimum Lifecycle Cost **		Agreed Sustainable Position ***
TECHNICAL LEVELS OF SERVICE: Buildings & Structures Infrastructure							
Operations	Provision of clean & tidy buildings & facilities	Building Cleaning Programmes performed by contract staff	Administration Buildings	daily	Administration Buildings	daily	
		Carpet Cleaning	Administration Buildings	5 years	Administration Buildings	5 years	
		Exterior Cleaning	Administration Buildings	Annual	Administration Buildings	Annual	
	Asset Inspection Programs to record existing condition for the preparation of maintenance schedules and defects register	Inspection Type & Frequency			<u>Civil Infrastructure:</u> (1 to 5 condition rating) –Fences & gates –Footpaths –Car-parks –Lighting –Signage –Shade Structures <u>Buildings:</u> (1 to 5 condition rating) –Structure –External –Internal –Services –Fittings <u>Buildings:</u> (qualified technician report) –Electrical switchboards –Firefighting equipment –Mechanical services –Structural assessment <u>Defects Inspection</u> –Asbestos identification	annual annual annual annual annual annual annual annual annual annual 3 years 2 years 2 years 2 years 40 years annual	
		Operations Budget =	\$5,359,340 pa (approx.)		\$5,359,340 pa (approx.)		\$5,359,340 pa (approx.)
Maintenance	Provision of functional civil infrastructure	general maintenance	<u>Pavement</u> –Pot hole patching –Crack sealing	As required As required	<u>Pavement</u> –Pot hole patching –Crack sealing	As required As required	
			<u>Paths</u> –replace <10 sq.m –replace associated structure	As required As Required	<u>Paths</u> –replace <10 sq.m –replace associated structure	As required As Required	

Service Attribute	Service Objective	Activity Measure Process	Current Performance *		Desired for Optimum Lifecycle Cost **		Agreed Sustainable Position ***
TECHNICAL LEVELS OF SERVICE: Buildings & Structures Infrastructure							
	Provision of functional building facilities	Planned & unplanned maintenance programs	<u>Buildings</u> –Painting –Roof maintenance –Carpet / tiles flooring –Guttering maintenance –Door & window replacement –Replace <u>Structure</u> –Painting –Roof maintenance –Replace timbers –Replace fasteners	15 years 10 years 20 years 20 years 20 years 15 years 10 years 20 years 20 years	<u>Buildings</u> –Painting –Roof maintenance –Carpet / tiles flooring –Guttering maintenance –Door & window replacement –Replace <u>Structure</u> –Painting –Roof maintenance –Replace timbers –Replace fasteners	15 years 10 years 20 years 20 years 20 years 15 years 10 years 20 years 20 years	
		Maintenance Budget =	\$766,700 pa (approx.)		\$766,700 pa (approx.)		\$766,700 pa (approx.)
Renewal	To achieve the revised level of service as dictated by the community and available budgets	–Roof Cladding –Roof Structure –Structure –Fittings –Services –Whole Building	Replacement = 20 to 30 years + condition 5 Replacement = 60 to 80 years + condition 5 Replacement = 60 to 80 years + condition 5 Replacement = 15 to25 years + condition 5 Replacement = 20 to 30 years + condition 5 Replacement = 80 to 100 years + condition 5		Replacement = 20 to 30 years + condition 5 Replacement = 60 to 80 years + condition 5 Replacement = 60 to 80 years + condition 5 Replacement = 15 to25 years + condition 5 Replacement = 20 to 30 years + condition 5 Replacement = 80 to 100 years + condition 5		
		Renewal Budget =	varies pa		varies pa		varies pa
Upgrade/New	To achieve the revised level of service as dictated by the community and available budgets						
		Capital New Budget =	varies pa		varies pa		varies pa

Note: * Current activities and costs (currently funded).

** Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded).

*** Activities and costs communicated and agreed with the community as being sustainable (funded position following trade-offs, managing risks and delivering agreed service levels).

4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4.3.

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services
Population Growth	41,947 (approx.)	Uniform 1% increase per year to 2035 shire wide with several known local growth areas	Estimated <ul style="list-style-type: none">• Additional pressure on existing capacity
Unit Costs for Urban Water assets	Current unit rates	Possibility of sudden increase in Urban Water construction & maintenance costs	Impacts on long term works program with given budget constraints. Not being able to complete works program

4.4 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.

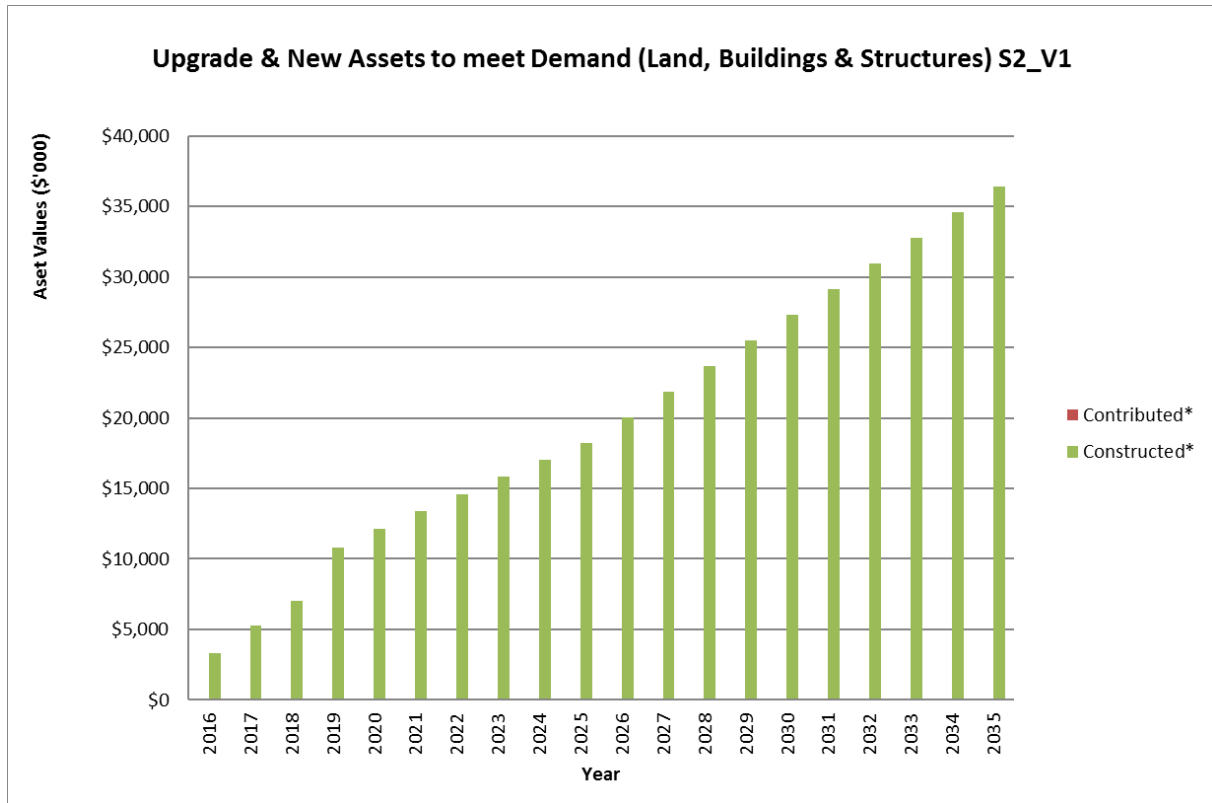
Non-asset solutions focus on providing the required service without the need for Council to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures⁵. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

⁵ IPWEA, 2011, IIMM, Table 3.4.1, p 3|58.

4.5 Asset Programs to meet Demand

The new assets required to meet growth will be acquired free of cost from land developments and constructed/acquired by Council. New assets constructed/acquired by Council are discussed in Section 5.5. The cumulative value of new contributed and constructed asset values are summarised in Figure 1.

Figure 1: Upgrade and New Assets to meet Demand



Acquiring these new assets will commit Council to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

5. LIFECYCLE MANAGEMENT PLAN

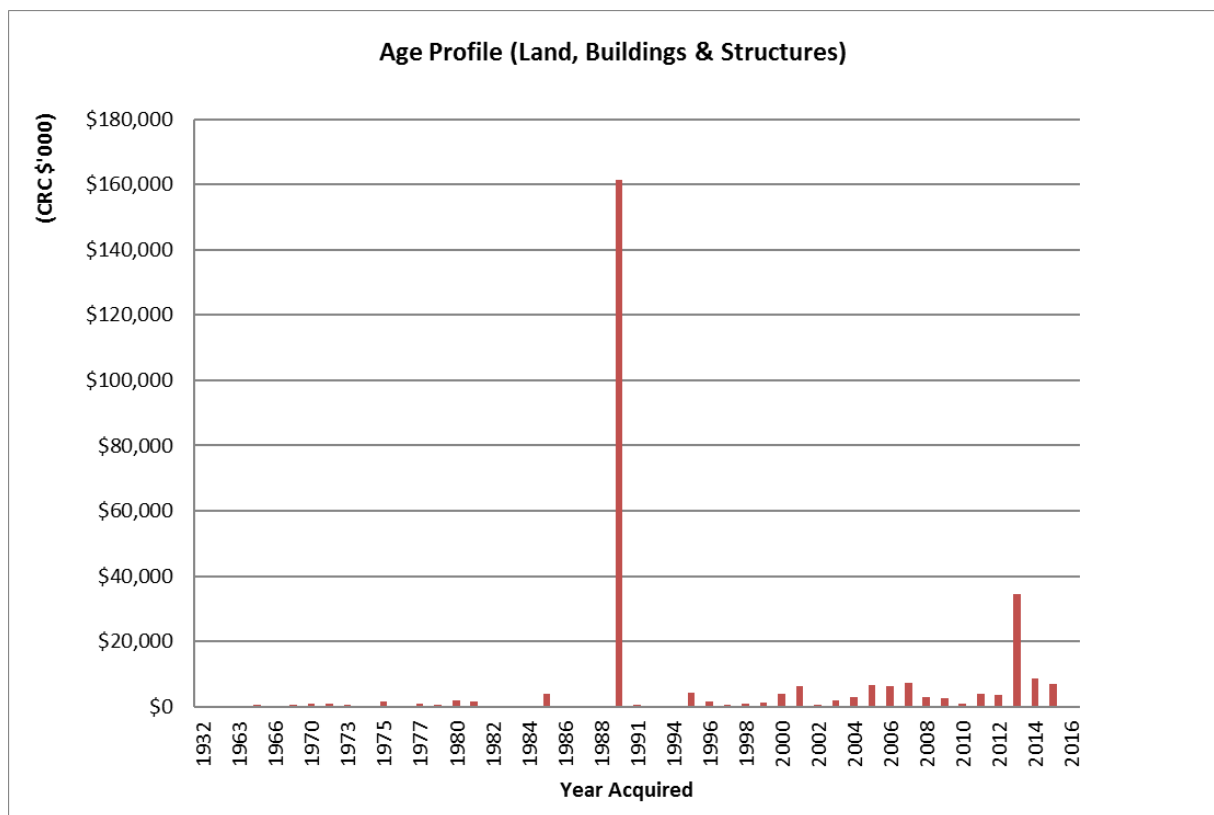
The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1. The age profile of the assets include in this AM Plan is shown in Figure 2.

Figure 2: Asset Age Profile



5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
(various sites)	Roof Leakages
(various sites)	Known asbestos materials
(various sites)	Ducted air conditioner failures

The above service deficiencies were identified from BSC Infrastructure Risk Management Plan

5.1.3 Asset condition

Condition data is to be collected from inspections on a visual 1 to 5 basis where 1= as new and 5 = immediate replacement required.

Mechanical & Electrical Systems

Criteria	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Corrosion	As new -no corrosion	Isolated discolouration. No effect on function	Minor rusting	Major rusting resulting in loss of function	Excessive corrosion identified effecting structure & function
Vibration	As new -normal vibration	Occasional unusual vibration but within normal limits	Occasional unusual vibration. Routine maintenance	Recurrent unusual vibrations + minor loss of function	Constant excessive vibration with major loss of function
Noise	As new -normal noise	Occasional unusual noise but within normal limits	Occasional unusual noise. Routine maintenance	Recurrent unusual noise + minor loss of function	Continual excessive unusual noise with major loss of function
% defect effected	0 to 1 %	1 to 10 %	10 to 30 %	30 to 50 %	> 50 %
% useful life remaining	80 to 100 %	50 to 80 %	25 to 50 %	10 to 25 %	0 to 10 %
Overall Condition	Very Good –as new	Good	Fair	Poor	Very Poor -replace
Risk of Failure	Very Low risk	Low risk	Median risk	High risk	Very high risk

Table 5.1.3.01

Civil Assets

Criteria	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Fences & gates	Excellent Condition	Sound condition, minor defects + do not affect function	Moderate deterioration present, maintenance repair	Isolated structural deterioration	Widespread structural failure imminent
Pavement	As new, no observable defects	Minor surface defects. Routine maintenance	Major surface defects, surface patch	Isolated structural failure, heavy patch	Widespread structural failure imminent
Minor concrete structures	None or very fine cracking	Some fine cracks in intervals	Cracking typically 3 to 5mm width	Cracking but still intact, > 5mm	Widespread cracking with breakup.
% defect effected	0 to 1 %	1 to 10 %	10 to 30 %	30 to 50 %	> 50 %
% useful life remaining	80 to 100 %	50 to 80 %	20 to 50 %	5 to 20 %	0 to 5 %
Overall Condition	Very Good –as new	Good	Fair	Poor	Very Poor -replace
Risk of Failure	Very Low risk	Low risk	Median risk	High risk	Very high risk

Table 5.1.3.02

Buildings & Structures

Criteria	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Structure	Sound Structure	Functionally sound structure	Adequate structure, some evidence of foundation movement, minor cracking	Structure functioning but with problems due to foundation movement. Some significant cracking	Structure has serious problems & concern is held for structure integrity
External	Fabric constructed with sound materials, true to line & level. No evidence of deterioration	Showing minor wear & tear and minor deterioration of services	Appearance affected by minor cracking, staining or minor leakage. Indications of minor breaches of water proofing. Minor damage to coatings	Fabric damage, weakened or displaced. Appearance affected by cracking, staining, overflows or breakages. Breaches of water proofing evident. Coatings in need of heavy maintenance or renewal.	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, overflows, leakage or wilful damage. Breaches of water proofing. Coatings badly damaged or non-existent.
Internal	Fabric constructed with sound materials, true to line & level. No evidence of deterioration	Showing minor wear & tear and minor deterioration of services	Appearance affected by minor cracking, staining or minor leakage. Some dampness or mildew. Minor damage to wall / ceiling finishes	Fabric damage, weakened or displaced. Appearance affected by cracking, staining, dampness, leakage or breakages. Breaches of water proofing evident. Finishes of poor quality & in need of replacement	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, leakage or wilful damage. Breaches of water proofing. Finishes badly damaged, marked & in need of replacement
Services	All components operable & well maintained	All components operable	Occasional outages, breakdowns or blockages. Increased maintenance required	Failure of plumbing, electrical & mechanical components common place	Plumbing, electrical & mechanical components are unsafe or inoperable.
Fittings	Well secured & operational, sound of function & appearance	Operational & functional. Minor wear & tear	Generally operational. Minor breakage	Fittings of poor quality & appearance, often inoperable & damaged	Most are inoperable or damaged
Maintenance	Well maintained & clean	Increased maintenance inspection required	Regular & programmed maintenance inspections essential	Frequent maintenance inspections essential. Short term element replacement rehabilitation	Minimum life expectancy, requiring urgent rehabilitation or replacement.
Customers	No customer concerns	Deterioration causes minimal influence on occupational uses. Occasional customer concerns	Some deterioration beginning to be reflected in minor restrictions on operational uses. Customer concerns	Regular customer complaints	Generally, not suitable for use by customers
% defect effected	0 to 1 %	1 to 10 %	10 to 30 %	30 to 50 %	> 50 %
% useful life remaining	55 to 100 %	35 to 55 %	25 to 35 %	10 to 25 %	0 to 10 %
Overall Condition	Very Good –as new	Good	Fair	Poor	Very Poor -replace
Risk of Failure	Very Low risk	Low risk	Median risk	High risk	Very high risk

Table 5.1.3.03

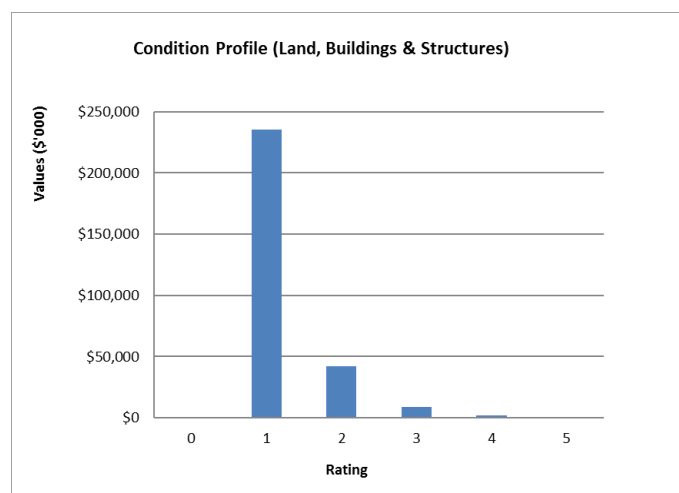
BBQ's

Criteria	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
BBQ	Sound BBQ constructed to current standards. Well maintained + no defects	Not constructed to current standards, showing slight wear, tear and deterioration of surfaces. No damage to cooking plates or coin mechanism. Only minor work required.	Functionally sound but appearance affected by minor defects. (concrete cracks < 2mm, chipping of stone, loss of mortar, staining of cooking surfaces) Deterioration beginning to affect the operation + appearance of the BBQ	Still functioning but with significant defects, (cracks 2 - 10mm, mortar loss, loss of stone, corrosion of metal surfaces)	BBQ has failed or is about to fail, resulting unacceptable deterioration in stability, operation, safety & appearance.
% defect effected	0 to 1 %	1 to 10 %	10 to 30 %	30 to 50 %	> 50 %
% useful life remaining	80 to 100 %	50 to 80 %	20 to 50 %	5 to 20 %	0 to 5 %
Overall Condition	Very Good –as new	Good	Fair	Poor	Very Poor -replace
Risk of Failure	Very Low risk	Low risk	Median risk	High risk	Very high risk

Table 5.1.3.04

The condition profile of our assets is shown in Figure 3.

Figure 3: Asset Condition Profile



Condition is measured using a 1 – 5 grading system⁶ as detailed in Table 5.1.3.

Table 5.1.3: Simple Condition Grading Model

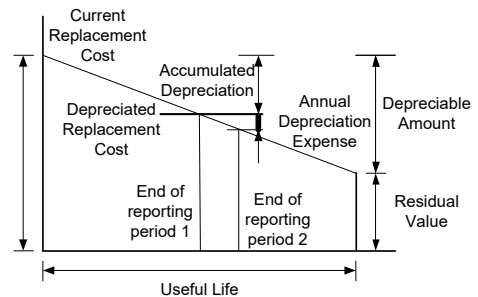
Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

⁶ IPWEA, 2011, IIMM, Sec 2.5.4, p 2 | 79.

5.1.4 Asset valuations

The value of assets recorded in the asset register as at 2012, covered by this asset management plan is shown below. Assets were last revalued at 30 June 2012. Assets are valued using Fair Value methodology

Current Replacement Cost	\$288,606,838
Depreciable Amount	\$121,657,308
Depreciated Replacement Cost ⁷	\$244,378,304
Annual Depreciation Expense	\$2,556,676



Useful lives were reviewed in 2014 by Councils external building valuer

Key assumptions made in preparing the valuations were:

- Land values are taken from the LVG estimates
- Design Lives remain valid

There were no major changes from the previous year's valuations other than the inclusion of new assets

Various ratios of asset consumption and expenditure have been prepared to help guide and gauge asset management performance and trends over time.

Rate of Annual Asset Consumption (Depreciation/Depreciable Amount)	0.9%
Rate of Annual Asset Renewal (Capital renewal exp/Depreciable amount)	4.4%

In 2015/16 Council plans to renew assets at 207.1% of the rate they are being consumed and will be increasing its asset stock by 1.2% in the year.

⁷ Also reported as Written Down Current Replacement Cost (WDCRC).

5.1.5 Historical Data

Figure 5.15.1 below summarises the previous 4 years of budgeted operations, maintenance & capital expenditure over a number of Building & Structures sub-groups.

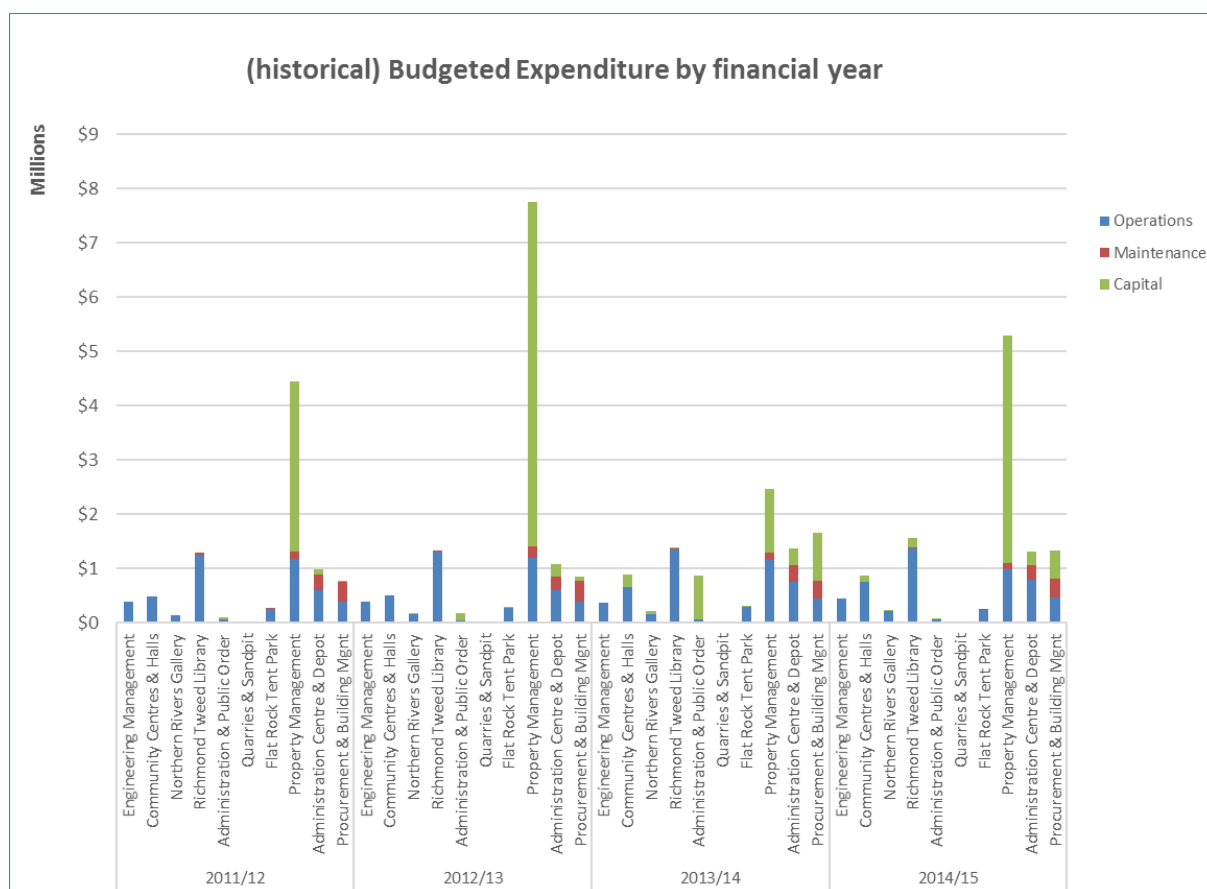


Figure 5.15.1: historical Building & Structures costings by sub-group & type

5.2 Infrastructure Risk Management Plan

An assessment of risks⁸ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’ to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

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, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2. These risks are reported to management and Council.

⁸ refer to BSC Infrastructure Risk Management Plan 2016

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs (\$'000)
BSC Council Chambers/Offices: Roof	Continuing Roof Leaks	VH	Replace Roof	Medium	\$400
BSC Council Chambers/Offices	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$25
BSC Council Chambers/Offices: air conditioner	Air Conditioner Failure	H	Replace Air Conditioning Units & Ducting	Medium	\$500
BSC Central Works Depot: Stores & Admin: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$50
Wardell District War Memorial Hall (Wardell)	Water Damage & general deterioration	H	Major Building Repairs	Medium	\$121
Alstonville Entertainment Centre (Alstonville): Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$300
Wigmore Arcade (Ballina Island): Roof	Continuing Roof Leaks	VH	Replace Roof	Medium	\$250
Alstonville Entertainment Centre (Alstonville): Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$300
Tourist Information Centre (Ballina Island): air conditioner	Air Conditioner Failure	H	Replace Air Conditioning	Medium	\$25
Public Amenities: Toilets - 25	deterioration of public amenities	H	Amenities Refurbishments	Medium	\$500
Ferry Shed (Ballina West)	partial building collapse / Subsidence	H	Re-Stump Ferry Building	Medium	\$15
Ballina Naval Museum (Ballina Island)	Failure of guttering on building	H	Replace Box Gutters	Medium	\$12
BSC Central Works Depot Site Pavement: Carpark	deterioration of carpark pavement	H	Rehabilitate Carpark	Medium	\$150
BSC Central Works Depot Amenities & Storage: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$22
BSC Central Works Depot Stores & Admin: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$30
BSC Central Works Depot Trades Building: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$22
BSC Central Works Depot W&S + Electrical Shed: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$22
BSC Central Works Depot Workshop: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$30
BSC Central Works Depot Site Fences: Security Fence	Fence Collapse	H	Replace Fence	Medium	\$100
BSC Central Works Depot (general): Purlin	structural failure of building purlins	H	Purlin Replacement	Medium	\$50
BSC Commercial Services Building: Guttering	Failure of guttering on building	H	Replace Guttering	Medium	\$4
BSC Commercial Services Building: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$10
BSC Commercial Services Building: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$35
BSC Commercial Services Building: Garage roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$10
70 Fishery Creek Road (Ballina West): Electrical Board	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos	Medium	\$5

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs (\$'000)
RCDs/Asbestos			Removal		
70 Gallans Road (Rural - Cumberlum): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$5
BSC Central Works Depot (Ballina North) Wash Bay: Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$400
9 Commercial Road (Alstonville): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$5
44 Fishery Creek Road (Ballina West): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$5
70 Gallans Road (Rural - Cumberlum): Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$25
54 North Creek Road (Ballina North): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$5
54 North Creek Road (Ballina North): Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$27
Flat Rock Campground (Ballina East): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$8
153 Kays Rd (Rural -Coolgardie): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$5
Alstonville Entertainment Centre (Alstonville): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$10
SWIMMING POOLS: Buildings (Alstonville) Site Security: Fence	Fence Collapse	H	Replace Fence	Medium	\$70
Alstonville Entertainment Centre (Alstonville): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$10
Public Amenities: Shelters - 40	deterioration of public amenities	H	Amenities Upgrades	Medium	\$200
Wollongbar Bushfire Brigade Shed: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$3
Alstonville Tennis Clubhouse: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Hockey Club House: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$3
Ferry Shed (Ballina West): Roof	Continuing Roof Leaks	H	Replace Roof	Medium	\$5
Ballina Players Theatre: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Quays Reserve Rugby Union Clubhouse: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$3
Kingsford Smith Park Change Rooms/Kiosk: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$3
Cawarra Park Amenities Block: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos	Medium	\$1

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs (\$'000)
			Removal		
Chickiba Park Amenities Block: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$1
Crawford Park Clubhouse/Amenities Block: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Ballina Fire Station -60 Crane Street: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$3
River Street Childrens Centre (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$4
Ballina Playgroup (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$4
Rainbow Children's Care Centre (Ballina East): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$4
Bushfire Brigade Shed (Lennox Head): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Bushfire Brigade Shed (Meerschaum Vale): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Bushfire Brigade Shed (Newrybar): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Meals on Wheels (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Ballina/Byron Family Centre (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
NRC Gallery -old Council Chambers (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Gap Road Oval Toilet Block/Kiosk: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Geoff Watt Oval Clubhouse/Amenities Block: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Hampton Park Toilet Block/Shelter: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$1
Ballina Sports Club: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Bushfire Brigade Shed (Wardell): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$1
Wardell Football Clubhouse: Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
Wardell Tennis Clubhouse:	Asbestos related illness	H	Upgrade RCD Electrical	Medium	\$2

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs (\$'000)
Electrical Board RCDs/Asbestos			Board + Asbestos Removal		
BDCSA Building -former Library (Ballina Island): Electrical Board RCDs/Asbestos	Asbestos related illness	H	Upgrade RCD Electrical Board + Asbestos Removal	Medium	\$2
SWIMMING POOLS: Buildings (Ballina): Site Security -Fence	Fence Collapse	H	Replace Fence	Medium	\$150
Community Centres: Lennox Community Centre (Lennox Head) -Floor: Meeting rooms	Continuing Floor Damage	H	Repair Floor	Medium	\$15
Community Centres: Lennox Community Centre (Lennox Head) -Roof	Leaking Roof	H	Repair Roof	Medium	\$25
Ballina Sewer Treatment Plant: Site Security -fence	Fence Collapse	M	Repair Fence	Medium	\$15
Community Buildings: NRC Gallery -old Council Chambers (Ballina Island) -Roof	Leaking Roof	H	Repair Roof	Medium	\$6
Investment Properties: Pelican 181 Café/Toilets (Ballina Island) -Roof	Leaking Roof	H	Repair Roof	Medium	\$6

Note * The residual risk is the risk remaining after the selected risk treatment plan is operational.

5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, eg cleansing, street sweeping, grass mowing and street lighting.

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.

5.3.1 Operations and Maintenance Plan

Operations activities affect service levels including quality and function through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific 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, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation. Actual past maintenance expenditure is shown in Table 5.3.1.1

Table 5.3.1.1: Operations & Maintenance Expenditure Trends

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
2011/12	Operations	Management (group total)	N / A	item	\$391,640	\$391,640	-	-	\$391,640
		Buildings: Community Centres & Halls							
		Employee Costs & Overheads	N / A	item	\$171,500	\$171,500	-	-	\$171,500
		Kentwell Community Centre	N / A	item	\$46,000	\$46,000	-	-	\$46,000
		Alstonville Leisure & Entertainment Centre	N / A	item	\$119,600	\$119,600	-	-	\$119,600
		Lennox Head Cultural & Community Centre	N / A	item	\$101,500	\$101,500	-	-	\$101,500
		Richmond Room	N / A	item	\$21,400	\$21,400	-	-	\$21,400
		Ballina Surf Club	N / A	item	\$0	\$0	-	-	\$0
		Public Halls	N / A	item	\$15,400	\$15,400	-	-	\$15,400
		Naval Museum	N / A	item	\$5,400	\$5,400	-	-	\$5,400
		Interest on Loans	N / A	item	\$15,300	\$15,300	-	-	\$15,300
		Buildings: Community Gallery							
		Administration	N / A	item	\$88,700	\$88,700	-	-	\$88,700
		Operations	N / A	item	\$55,100	\$55,100	-	-	\$55,100
		Buildings: Library							
		Administration	N / A	item	\$97,900	\$97,900	-	-	\$97,900
		Contributions	N / A	item	\$1,167,400	\$1,167,400	-	-	\$1,167,400
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0
		Buildings: Dog Pound							
		Enforcement Expenses	N / A	item	\$53,900	\$53,900	-	-	\$53,900
		Abandoned Vehicles Compound	N / A	item	\$0	\$0	-	-	\$0
		Interest on Loans	N / A	item	\$3,700	\$3,700	-	-	\$3,700
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$3,600	\$3,600	-	-	\$3,600
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$260,100	\$260,100	-	-	\$260,100
		Interest on Loans	N / A	item	\$3,900	\$3,900	-	-	\$3,900
		Buildings: Commercial Management							
		Property Management	N / A	item	\$429,400	\$429,400	-	-	\$429,400
		Industrial Estates	N / A	item	\$363,100	\$363,100	-	-	\$363,100

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Council Properties - Investment	N / A	item	\$122,900	\$122,900	-	-	\$122,900
		Council Properties - Commercial	N / A	item	\$224,600	\$224,600	-	-	\$224,600
		Council Properties - Residential	N / A	item	\$21,900	\$21,900	-	-	\$21,900
		Crown L& Properties	N / A	item	\$19,900	\$19,900	-	-	\$19,900
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$218,700	\$218,700	-	-	\$218,700
		Depot & Store	N / A	item	\$428,700	\$428,700	-	-	\$428,700
		Depot Two - Stockpiles	N / A	item	-\$43,000	-\$43,000	-	-	-\$43,000
		Buildings: Procurement & Building Management							
		Open Spaces & Reserves	N / A	item	\$91,600	\$91,600	-	-	\$91,600
		Sports Fields	N / A	item	\$64,100	\$64,100	-	-	\$64,100
		Public Toilets	N / A	item	\$232,900	\$232,900	-	-	\$232,900
		Other Open Spaces Amenities	N / A	item	\$10,300	\$10,300	-	-	\$10,300
	Maintenance	Buildings: Library							
		Buildings & Furniture Maintenance	N / A	item	\$31,800	\$31,800	-	-	\$31,800
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$2,100	\$2,100	-	-	\$2,100
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$6,700	\$6,700	-	-	\$6,700
		Buildings: Commercial Management							
		Council Properties - Investment	N / A	item	\$57,200	\$57,200	-	-	\$57,200
		Council Properties - Commercial	N / A	item	\$46,800	\$46,800	-	-	\$46,800
		Council Properties - Residential	N / A	item	\$18,400	\$18,400	-	-	\$18,400
		Crown Land Properties	N / A	item	\$14,400	\$14,400	-	-	\$14,400
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$111,700	\$111,700	-	-	\$111,700
		Depot & Store	N / A	item	\$170,900	\$170,900	-	-	\$170,900
		Depot Two - Stockpiles	N / A	item	\$14,600	\$14,600	-	-	\$14,600
		Buildings: Procurement & Building Management							
		Community Buildings	N / A	item	\$191,100	\$191,100	-	-	\$191,100
		Open Spaces & Reserves	N / A	item	\$41,200	\$41,200	-	-	\$41,200
		Sports Fields	N / A	item	\$11,100	\$11,100	-	-	\$11,100
		Public Toilets	N / A	item	\$47,700	\$47,700	-	-	\$47,700
		Other Open Spaces Amenities	N / A	item	\$73,700	\$73,700	-	-	\$73,700

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
2012/13	Operations	Management (group total)	N / A	item	\$400,480	\$400,480	-	-	\$400,480
		Buildings: Community Centres & Halls							
		Employee Costs & Overheads	N / A	item	\$126,200	\$126,200	-	-	\$126,200
		Kentwell Community Centre	N / A	item	\$48,200	\$48,200	-	-	\$48,200
		Alstonville Leisure & Entertainment Centre	N / A	item	\$136,900	\$136,900	-	-	\$136,900
		Lennox Head Cultural & Community Centre	N / A	item	\$137,600	\$137,600	-	-	\$137,600
		Richmond Room	N / A	item	\$23,700	\$23,700	-	-	\$23,700
		Ballina Surf Club	N / A	item	\$0	\$0	-	-	\$0
		Public Halls	N / A	item	\$21,600	\$21,600	-	-	\$21,600
		Naval Museum	N / A	item	\$5,200	\$5,200	-	-	\$5,200
		Interest on Loans	N / A	item	\$14,400	\$14,400	-	-	\$14,400
		Buildings: Community Gallery							
		Administration	N / A	item	\$92,800	\$92,800	-	-	\$92,800
		Operations	N / A	item	\$61,800	\$61,800	-	-	\$61,800
		Buildings: Library							
		Administration	N / A	item	\$98,100	\$98,100	-	-	\$98,100
		Contributions	N / A	item	\$1,208,700	\$1,208,700	-	-	\$1,208,700
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0
		Buildings: Dog Pound							
		Enforcement Expenses	N / A	item	\$41,000	\$41,000	-	-	\$41,000
		Abandoned Vehicles Compound	N / A	item	\$0	\$0	-	-	\$0
		Interest on Loans	N / A	item	\$3,300	\$3,300	-	-	\$3,300
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$9,700	\$9,700	-	-	\$9,700
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$268,800	\$268,800	-	-	\$268,800
		Interest on Loans	N / A	item	\$2,000	\$2,000	-	-	\$2,000
		Buildings: Commercial Management							
		Property Management	N / A	item	\$417,300	\$417,300	-	-	\$417,300
		Industrial Estates	N / A	item	\$325,600	\$325,600	-	-	\$325,600
		Council Properties - Investment	N / A	item	\$158,400	\$158,400	-	-	\$158,400
		Council Properties - Commercial	N / A	item	\$250,400	\$250,400	-	-	\$250,400
		Council Properties - Residential	N / A	item	\$23,900	\$23,900	-	-	\$23,900
		Crown L& Properties	N / A	item	\$18,400	\$18,400	-	-	\$18,400

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$238,000	\$238,000	-	-	\$238,000
		Depot & Store	N / A	item	\$404,200	\$404,200	-	-	\$404,200
		Depot Two - Stockpiles	N / A	item	-\$29,600	-\$29,600	-	-	-\$29,600
		Buildings: Procurement & Building Management							
		Open Spaces & Reserves	N / A	item	\$85,400	\$85,400	-	-	\$85,400
		Sports Fields	N / A	item	\$65,900	\$65,900	-	-	\$65,900
		Public Toilets	N / A	item	\$225,600	\$225,600	-	-	\$225,600
		Other Open Spaces Amenities	N / A	item	\$8,400	\$8,400	-	-	\$8,400
	Maintenance	Buildings: Library							
		Buildings & Furniture Maintenance	N / A	item	\$34,000	\$34,000	-	-	\$34,000
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$2,500	\$2,500	-	-	\$2,500
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$13,400	\$13,400	-	-	\$13,400
		Buildings: Commercial Management							
		Council Properties - Investment	N / A	item	\$96,300	\$96,300	-	-	\$96,300
		Council Properties - Commercial	N / A	item	\$54,300	\$54,300	-	-	\$54,300
		Council Properties - Residential	N / A	item	\$24,500	\$24,500	-	-	\$24,500
		Crown Land Properties	N / A	item	\$43,300	\$43,300	-	-	\$43,300
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$84,100	\$84,100	-	-	\$84,100
		Depot & Store	N / A	item	\$150,000	\$150,000	-	-	\$150,000
		Depot Two - Stockpiles	N / A	item	\$3,400	\$3,400	-	-	\$3,400
		Buildings: Procurement & Building Management							
		Community Buildings	N / A	item	\$265,700	\$265,700	-	-	\$265,700
		Open Spaces & Reserves	N / A	item	\$27,100	\$27,100	-	-	\$27,100
		Sports Fields	N / A	item	\$14,000	\$14,000	-	-	\$14,000
		Public Toilets	N / A	item	\$31,000	\$31,000	-	-	\$31,000
		Other Open Spaces Amenities	N / A	item	\$55,100	\$55,100	-	-	\$55,100
2013/14	Operations	Management (group total)	N / A	item	\$368,940	\$368,940	-	-	\$368,940
		Buildings: Community Centres & Halls							
		Employee Costs & Overheads	N / A	item	\$123,500	\$123,500	-	-	\$123,500
		Kentwell Community Centre	N / A	item	\$52,100	\$52,100	-	-	\$52,100

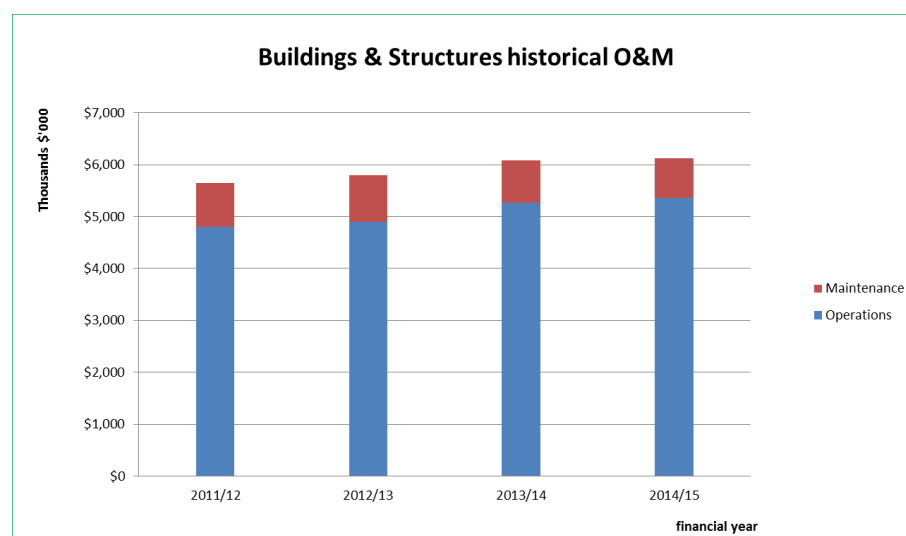
Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Alstonville Leisure & Entertainment Centre	N / A	item	\$165,200	\$165,200	-	-	\$165,200
		Lennox Head Cultural & Community Centre	N / A	item	\$172,400	\$172,400	-	-	\$172,400
		Richmond Room	N / A	item	\$24,200	\$24,200	-	-	\$24,200
		Ballina Surf Club	N / A	item	\$71,500	\$71,500	-	-	\$71,500
		Public Halls	N / A	item	\$33,600	\$33,600	-	-	\$33,600
		Naval Museum	N / A	item	\$5,700	\$5,700	-	-	\$5,700
		Interest on Loans	N / A	item	\$13,300	\$13,300	-	-	\$13,300
		Buildings: Community Gallery							
		Administration	N / A	item	\$91,000	\$91,000	-	-	\$91,000
		Operations	N / A	item	\$74,200	\$74,200	-	-	\$74,200
		Buildings: Library							
		Administration	N / A	item	\$98,300	\$98,300	-	-	\$98,300
		Contributions	N / A	item	\$1,253,300	\$1,253,300	-	-	\$1,253,300
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0
		Buildings: Dog Pound							
		Enforcement Expenses	N / A	item	\$65,500	\$65,500	-	-	\$65,500
		Abandoned Vehicles Compound	N / A	item	\$0	\$0	-	-	\$0
		Interest on Loans	N / A	item	\$3,000	\$3,000	-	-	\$3,000
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$1,300	\$1,300	-	-	\$1,300
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$288,000	\$288,000	-	-	\$288,000
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0
		Buildings: Commercial Management							
		Property Management	N / A	item	\$365,300	\$365,300	-	-	\$365,300
		Industrial Estates	N / A	item	\$288,000	\$288,000	-	-	\$288,000
		Council Properties - Investment	N / A	item	\$144,700	\$144,700	-	-	\$144,700
		Council Properties - Commercial	N / A	item	\$284,800	\$284,800	-	-	\$284,800
		Council Properties - Residential	N / A	item	\$24,300	\$24,300	-	-	\$24,300
		Crown L& Properties	N / A	item	\$48,000	\$48,000	-	-	\$48,000
		Buildings: Administration Centre & Depot							

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Administration Building	N / A	item	\$229,000	\$229,000	-	-	\$229,000
		Depot & Store	N / A	item	\$522,100	\$522,100	-	-	\$522,100
		Depot Two - Stockpiles	N / A	item	\$9,000	\$9,000	-	-	\$9,000
		Buildings: Procurement & Building Management							
		Open Spaces & Reserves	N / A	item	\$110,900	\$110,900	-	-	\$110,900
		Sports Fields	N / A	item	\$76,200	\$76,200	-	-	\$76,200
		Public Toilets	N / A	item	\$256,800	\$256,800	-	-	\$256,800
		Other Open Spaces Amenities	N / A	item	\$4,700	\$4,700	-	-	\$4,700
	Maintenance	Buildings: Library							
		Buildings & Furniture Maintenance	N / A	item	\$15,600	\$15,600	-	-	\$15,600
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$1,500	\$1,500	-	-	\$1,500
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$13,000	\$13,000	-	-	\$13,000
		Buildings: Commercial Management							
		Council Properties - Investment	N / A	item	\$69,300	\$69,300	-	-	\$69,300
		Council Properties - Commercial	N / A	item	\$24,400	\$24,400	-	-	\$24,400
		Council Properties - Residential	N / A	item	\$34,700	\$34,700	-	-	\$34,700
		Crown Land Properties	N / A	item	\$19,600	\$19,600	-	-	\$19,600
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$90,900	\$90,900	-	-	\$90,900
		Depot & Store	N / A	item	\$211,500	\$211,500	-	-	\$211,500
		Depot Two - Stockpiles	N / A	item	\$8,900	\$8,900	-	-	\$8,900
		Buildings: Procurement & Building Management							
		Community Buildings	N / A	item	\$177,800	\$177,800	-	-	\$177,800
		Open Spaces & Reserves	N / A	item	\$28,400	\$28,400	-	-	\$28,400
		Sports Fields	N / A	item	\$10,000	\$10,000	-	-	\$10,000
		Public Toilets	N / A	item	\$47,500	\$47,500	-	-	\$47,500
		Other Open Spaces Amenities	N / A	item	\$63,400	\$63,400	-	-	\$63,400
2014/15	Operations	Management (group total)	N / A	item	\$441,940	\$441,940	-	-	\$441,940
		Buildings: Community Centres & Halls							
		Employee Costs & Overheads	N / A	item	\$169,500	\$169,500	-	-	\$169,500

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Kentwell Community Centre	N / A	item	\$51,100	\$51,100	-	-	\$51,100
		Alstonville Leisure & Entertainment Centre	N / A	item	\$173,400	\$173,400	-	-	\$173,400
		Lennox Head Cultural & Community Centre	N / A	item	\$169,000	\$169,000	-	-	\$169,000
		Richmond Room	N / A	item	\$25,700	\$25,700	-	-	\$25,700
		Ballina Surf Club	N / A	item	\$111,400	\$111,400	-	-	\$111,400
		Public Halls	N / A	item	\$30,600	\$30,600	-	-	\$30,600
		Naval Museum	N / A	item	\$5,000	\$5,000	-	-	\$5,000
		Interest on Loans	N / A	item	\$12,100	\$12,100	-	-	\$12,100
		Buildings: Community Gallery							
		Administration	N / A	item	\$121,100	\$121,100	-	-	\$121,100
		Operations	N / A	item	\$97,800	\$97,800	-	-	\$97,800
		Buildings: Library							
		Administration	N / A	item	\$89,600	\$89,600	-	-	\$89,600
		Contributions	N / A	item	\$1,274,700	\$1,274,700	-	-	\$1,274,700
		Interest on Loans	N / A	item	\$0	\$0			\$0
		Buildings: Dog Pound							
		Enforcement Expenses	N / A	item	\$67,300	\$67,300	-	-	\$67,300
		Abandoned Vehicles Compound	N / A	item	\$0	\$0	-	-	\$0
		Interest on Loans	N / A	item	\$2,500	\$2,500	-	-	\$2,500
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$1,700	\$1,700	-	-	\$1,700
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$247,700	\$247,700	-	-	\$247,700
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0
		Buildings: Commercial Management							
		Property Management	N / A	item	\$381,100	\$381,100	-	-	\$381,100
		Industrial Estates	N / A	item	\$251,300	\$251,300	-	-	\$251,300
		Council Properties - Investment	N / A	item	\$140,900	\$140,900	-	-	\$140,900
		Council Properties - Commercial	N / A	item	\$155,000	\$155,000	-	-	\$155,000
		Council Properties - Residential	N / A	item	\$17,900	\$17,900	-	-	\$17,900
		Crown L& Properties	N / A	item	\$50,300	\$50,300	-	-	\$50,300
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$223,700	\$223,700	-	-	\$223,700
		Depot & Store	N / A	item	\$578,000	\$578,000	-	-	\$578,000

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure
		Depot Two - Stockpiles	N / A	item	\$700	\$700	-	-	\$700
		Buildings: Procurement & Building Management							
		Open Spaces & Reserves	N / A	item	\$115,300	\$115,300	-	-	\$115,300
		Sports Fields	N / A	item	\$79,400	\$79,400	-	-	\$79,400
		Public Toilets	N / A	item	\$267,500	\$267,500	-	-	\$267,500
		Other Open Spaces Amenities	N / A	item	\$6,100	\$6,100	-	-	\$6,100
	Maintenance	Buildings: Library							
		Buildings & Furniture Maintenance	N / A	item	\$37,100	\$37,100	-	-	\$37,100
		Buildings: Quarries							
		Tuckombil Quarry	N / A	item	\$4,300	\$4,300	-	-	\$4,300
		Buildings: Flat Rock							
		Flat Rock Operating	N / A	item	\$11,800	\$11,800	-	-	\$11,800
		Buildings: Commercial Management							
		Council Properties - Investment	N / A	item	\$58,500	\$58,500	-	-	\$58,500
		Council Properties - Commercial	N / A	item	\$18,800	\$18,800	-	-	\$18,800
		Council Properties - Residential	N / A	item	\$11,300	\$11,300	-	-	\$11,300
		Crown Land Properties	N / A	item	\$16,600	\$16,600	-	-	\$16,600
		Buildings: Administration Centre & Depot							
		Administration Building	N / A	item	\$93,600	\$93,600	-	-	\$93,600
		Depot & Store	N / A	item	\$149,400	\$149,400	-	-	\$149,400
		Depot Two - Stockpiles	N / A	item	\$15,900	\$15,900	-	-	\$15,900
		Buildings: Procurement & Building Management							
		Community Buildings	N / A	item	\$186,800	\$186,800	-	-	\$186,800
		Open Spaces & Reserves	N / A	item	\$11,000	\$11,000	-	-	\$11,000
		Sports Fields	N / A	item	\$7,900	\$7,900	-	-	\$7,900
		Public Toilets	N / A	item	\$67,100	\$67,100	-	-	\$67,100
		Other Open Spaces Amenities	N / A	item	\$76,600	\$76,600	-	-	\$76,600

Figure 5.3.1.1 – Historical O&M costs



Planned maintenance work is currently 100% of total maintenance expenditure.

Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

5.3.2 Operations and Maintenance Strategies

Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

Table 5.3.2.1: Operations & Maintenance Costing Models

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL	Future Growth Model (excluding CPI)
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure	
2014/15	Operations	Management (group total)	N / A	item	\$441,940	\$441,940	-	-	\$441,940	Static
		Buildings: Community Centres & Halls								
		Employee Costs & Overheads	N / A	item	\$169,500	\$169,500	-	-	\$169,500	Static
		Kentwell Community Centre	N / A	item	\$51,100	\$51,100	-	-	\$51,100	Static
		Alstonville Leisure & Entertainment Centre	N / A	item	\$173,400	\$173,400	-	-	\$173,400	Static
		Lennox Head Cultural & Community Centre	N / A	item	\$169,000	\$169,000	-	-	\$169,000	Static
		Richmond Room	N / A	item	\$25,700	\$25,700	-	-	\$25,700	Static
		Ballina Surf Club	N / A	item	\$111,400	\$111,400	-	-	\$111,400	Static
		Public Halls	N / A	item	\$30,600	\$30,600	-	-	\$30,600	Linear with additions / item
		Naval Museum	N / A	item	\$5,000	\$5,000	-	-	\$5,000	Static
		Interest on Loans	N / A	item	\$12,100	\$12,100	-	-	\$12,100	-as per principal & interest rate
		Buildings: Community Gallery								
		Administration	N / A	item	\$121,100	\$121,100	-	-	\$121,100	Static
		Operations	N / A	item	\$97,800	\$97,800	-	-	\$97,800	Static
		Buildings: Library								
		Administration	N / A	item	\$89,600	\$89,600	-	-	\$89,600	Static
		Contributions	N / A	item	\$1,274,700	\$1,274,700	-	-	\$1,274,700	Static
		Interest on Loans	N / A	item	\$0	\$0			\$0	-as per principal & interest rate
		Buildings: Dog Pound								
		Enforcement Expenses	N / A	item	\$67,300	\$67,300	-	-	\$67,300	Static
		Abandoned Vehicles Compound	N / A	item	\$0	\$0	-	-	\$0	Static
		Interest on Loans	N / A	item	\$2,500	\$2,500	-	-	\$2,500	-as per principal & interest rate
		Buildings: Quarries								
		Tuckombil Quarry	N / A	item	\$1,700	\$1,700	-	-	\$1,700	Static
		Buildings: Flat Rock								
		Flat Rock Operating	N / A	item	\$247,700	\$247,700	-	-	\$247,700	Static
		Interest on Loans	N / A	item	\$0	\$0	-	-	\$0	-as per principal & interest rate
		Buildings: Commercial Management								
		Property Management	N / A	item	\$381,100	\$381,100	-	-	\$381,100	Static
		Industrial Estates	N / A	item	\$251,300	\$251,300	-	-	\$251,300	Linear with additions / item
		Council Properties - Investment	N / A	item	\$140,900	\$140,900	-	-	\$140,900	Linear with additions / item
		Council Properties - Commercial	N / A	item	\$155,000	\$155,000	-	-	\$155,000	Linear with additions / item

Year	Group	Task	Measured Against	Unit of Measure	Planned		Unplanned		TOTAL	Future Growth Model (excluding CPI)
					Expenditure	\$ / UOM	Expenditure	\$ / UOM	Expenditure	
		Council Properties - Residential	N / A	item	\$17,900	\$17,900	-	-	\$17,900	Linear with additions / item
		Crown L& Properties	N / A	item	\$50,300	\$50,300	-	-	\$50,300	Linear with additions / item
		Buildings: Administration Centre & Depot								
		Administration Building	N / A	item	\$223,700	\$223,700	-	-	\$223,700	Static
		Depot & Store	N / A	item	\$578,000	\$578,000	-	-	\$578,000	Static
		Depot Two - Stockpiles	N / A	item	\$700	\$700	-	-	\$700	Static
		Buildings: Procurement & Building Management								
		Open Spaces & Reserves	N / A	item	\$115,300	\$115,300	-	-	\$115,300	Linear with additions / item
		Sports Fields	N / A	item	\$79,400	\$79,400	-	-	\$79,400	Linear with additions / item
		Public Toilets	N / A	item	\$267,500	\$267,500	-	-	\$267,500	Linear with additions / item
		Other Open Spaces Amenities	N / A	item	\$6,100	\$6,100	-	-	\$6,100	Linear with additions / item
	Maintenance	Buildings: Library								
		Buildings & Furniture Maintenance	N / A	item	\$37,100	\$37,100	-	-	\$37,100	Linear with additions / item
		Buildings: Quarries								
		Tuckombil Quarry	N / A	item	\$4,300	\$4,300	-	-	\$4,300	Static
		Buildings: Flat Rock								
		Flat Rock Operating	N / A	item	\$11,800	\$11,800	-	-	\$11,800	Static
		Buildings: Commercial Management								
		Council Properties - Investment	N / A	item	\$58,500	\$58,500	-	-	\$58,500	Linear with additions / item
		Council Properties - Commercial	N / A	item	\$18,800	\$18,800	-	-	\$18,800	Linear with additions / item
		Council Properties - Residential	N / A	item	\$11,300	\$11,300	-	-	\$11,300	Linear with additions / item
		Crown Land Properties	N / A	item	\$16,600	\$16,600	-	-	\$16,600	Linear with additions / item
		Buildings: Administration Centre & Depot								
		Administration Building	N / A	item	\$93,600	\$93,600	-	-	\$93,600	Static
		Depot & Store	N / A	item	\$149,400	\$149,400	-	-	\$149,400	Static
		Depot Two - Stockpiles	N / A	item	\$15,900	\$15,900	-	-	\$15,900	Static
		Buildings: Procurement & Building Management								
		Community Buildings	N / A	item	\$186,800	\$186,800	-	-	\$186,800	Linear with additions / item
		Open Spaces & Reserves	N / A	item	\$11,000	\$11,000	-	-	\$11,000	Linear with additions / item
		Sports Fields	N / A	item	\$7,900	\$7,900	-	-	\$7,900	Linear with additions / item
		Public Toilets	N / A	item	\$67,100	\$67,100	-	-	\$67,100	Linear with additions / item
		Other Open Spaces Amenities	N / A	item	\$76,600	\$76,600	-	-	\$76,600	Linear with additions / item

Table 5.3.2.2: Asset Service Hierarchy

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7	LEVEL 8
Land & Building Assets Class	Community Facilities	Facility Name	Building Name & Address	Building Roof Structure Item	-	-	-
				Building Foundations Item	-	-	-
				Building Structure Item	-	-	-
				Building Floor Item	-	-	-
				Building Service Item	-	-	-
				Building Security System Item	-	-	-
				Building Mechanical Service Item	-	-	-
				Building Fire Service Item	-	-	-
				Building Fitting Item	-	-	-
				Building Air Con System Item	-	-	-
			Site Related Components	Site Land Header	Site Land Item	-	-
				Site Fences Header	Site Fence Item	-	-
					Site Gate Item	-	-
					Site Bollards Item	-	-
				Site Paths Header	Site Path Item	-	-
					Site Path Structure Item	-	-
				Site Gardens Header	Site Garden Name	-	-
				Site Signs Header	Site Signs Item	-	-
				Carparks Header	Carpark Name	Road Wearing Course Section Item	-
						Road Pavement Section Item	-
						Road Formation Item	-
						Road K&G Item	-
						Road Furniture Item	-
						Major Road Sign Item	-
						Minor Road Sign Item	-
						Road Land Item	-
				Site Security & Lighting Header	Site Lighting Item	-	-
					Site Security System Item	-	-
				Site Irrigation Network Header	Site Irrigation Network Item	-	-
					Site Irrigation Control System Item	-	-
				Site Open Space Header	Open Space Area Item	-	-
				Site Sculptures & Monuments Header	Site Sculpture & Monument Item	-	-
				Site Furniture Header	Site Seat Item	-	-
					Site BBQ Item	-	-
					Site Litter Bin Item	-	-
					Site Table Item	-	-
					Site Water Item	-	-
				Site Internal Road Name	Road Wearing Course Header	Road Wearing Course Section Item	-
					Road Pavement Header	Road Pavement Item	-
					Road Formation Header	Road Formation Item	-
					Road Kerb & Gutter Header	Road K&G Item	-
				Site Playgrounds Header	Site Playground Name	Site Playground Item	-
				Site Active Playing Area Header	Site Active Play Area Item	-	-
					Site Sport Equipment Item	-	-
				Site Shade Structure Header	Site Shade Structure Item	-	-
	Open Spaces & Reserves Facilities	Building Facility Name	Building Name & Address	Building Roof Structure Item	-	-	-
				Building Foundations Item	-	-	-
				Building Structure Item	-	-	-
				Building Floor Item	-	-	-
				Building Service Item	-	-	-
				Building Security System Item	-	-	-
				Building Mechanical Service Item	-	-	-
				Building Fire Service Item	-	-	-

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7	LEVEL 8
	Operational Facilities	Waste Water Facilities	Building Facility Name	Building Fitting Item	-	-	-
				Building Air Con System Item	-	-	-
				Building Name & Address	Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
		Waste Facilities	Building Facility Name	Building Name & Address	Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
		Drinking Water Facilities	Building Facility Name	Building Name & Address	Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
		Administration Facilities	Facility Name	Building Name & Address	Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
			Site Related Components		Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
					Site Land Header	Site Land Item	-
					Site Fences Header	Site Fence Item	-
						Site Gate Item	-
						Site Bollards Item	-
					Site Paths Header	Site Path Item	-
						Site Path Structure Item	-
					Site Gardens Header	Site Gardens	-
					Site Signs Header	Site Signs Item	-
					Carparks Header	Carpark Name	-
						Road Wearing Course Section Item	-
						Road Pavement Section Item	-
						Road Formation Item	-
						Road K&G Item	-
						Road Furniture Item	-

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7	LEVEL 8
						Major Road Sign Item	-
						Minor Road Sign Item	-
						Road Land Item	-
					Site Security & Lighting Header	Site Lighting Item	-
						Site Security System Item	-
					Site Irrigation Network Header	Site Irrigation Network Item	-
						Irrigation Control System Item	-
					Site Open Space Header	Open Space Area Item	-
					Site Sculptures & Monuments Header	Site Sculpture & Monument Item	-
					Site Furniture Header	Site Seat Item	-
						Site BBQ Item	-
						Site Litter Bin Item	-
						Site Table Item	-
						Site Water Item	-
					Site Internal Road Name	Road Wearing Course Header	Road Wearing Course Section Item
						Road Pavement Header	Road Pavement Item
						Road Formation Header	Road Formation Item
						Road Kerb & Gutter Header	Road K&G Item
					Site Playgrounds Header	Site Playground Name	Site Playground Item
					Site Active Playing Area Header	Site Active Play Area Item	
						Site Sport Equipment Item	
					Site Shade Structure Header	Site Shade Structure Item	
	Commercial Facilities	Leased Facilities	Facility Name	Building Name & Address	Building Roof Structure Item	-	-
					Building Foundations Item	-	-
					Building Structure Item	-	-
					Building Floor Item	-	-
					Building Service Item	-	-
					Building Security System Item	-	-
					Building Mechanical Service Item	-	-
					Building Fire Service Item	-	-
					Building Fitting Item	-	-
					Building Air Con System Item	-	-
				Site Related Components	Site Land Header	Site Land Item	-
					Site Fences Header	Site Fence Item	-
						Site Gate Item	-
						Site Bollards Item	-
					Site Paths Header	Site Path Item	-
						Site Path Structure Item	-
					Site Gardens Header	Site Gardens	-
					Site Signs Header	Site Signs Item	-
					Carparks Header	Carpark Name	Road Wearing Course Section Item
						-	Road Pavement Section Item
						-	Road Formation Item
						-	Road K&G Item
						-	Road Furniture Item
						-	Major Road Sign Item
						-	Minor Road Sign Item
						-	Road Land Item
					Site Security & Lighting Header	Site Lighting Item	-
						Site Security System Item	-
					Site Irrigation Network Header	Site Irrigation Network Item	-
						Irrigation Control System Item	-
					Site Open Space Header	Open Space Area Item	-
					Site Sculptures & Monuments Header	Site Sculpture & Monument Item	-
					Site Furniture Header	Site Seat Item	-
						Site BBQ Item	-

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7	LEVEL 8
						Site Litter Bin Item	-
						Site Table Item	-
						Site Water Item	-
					Site Internal Road Name	Road Wearing Course Header	Road Wearing Course Section Item
						Road Pavement Header	Road Pavement Item
						Road Formation Header	Road Formation Item
						Road Kerb & Gutter Header	Road K&G Item
					Site Playgrounds Header	Site Playground Name	Site Playground Item
					Site Active Playing Area Header	Site Active Play Area Item	-
						Site Sport Equipment Item	-
					Site Shade Structure Header	Site Shade Structure Item	-

This can be seen graphically in section 7.1.6

Asset hierarchy

An asset hierarchy (table 5.3.2.2) provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenance activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure modes and required operations and maintenance activities are detailed in Table 5.3.2.3.

Table 5.3.2.3: Critical Assets and Service Level Objectives

Critical Assets	Critical Failure Mode	O&M Service Activities
Commercial Buildings -Leased	Structural	Inspections, defect identification & maintenance program
Community Centre	Structural	Inspections, defect identification & maintenance program
Council Administration Buildings	Structural	Inspections, defect identification & maintenance program
Council Depot Buildings	Structural	Inspections, defect identification & maintenance program
Council Operational Buildings (large)	Structural	Inspections, defect identification & maintenance program
Emergency Services Buildings	Structural	Inspections, defect identification & maintenance program
Halls	Structural	Inspections, defect identification & maintenance program
Library / Community Buildings	Structural	Inspections, defect identification & maintenance program
Playgroup / Pre-school Buildings	Structural	Inspections, defect identification & maintenance program
Pool Administration Buildings	Structural	Inspections, defect identification & maintenance program
Sporting Clubhouse	Structural	Inspections, defect identification & maintenance program
Theatre Buildings	Structural	Inspections, defect identification & maintenance program
Toilet Block / Amenities	Structural	Inspections, defect identification & maintenance program

Standards and specifications

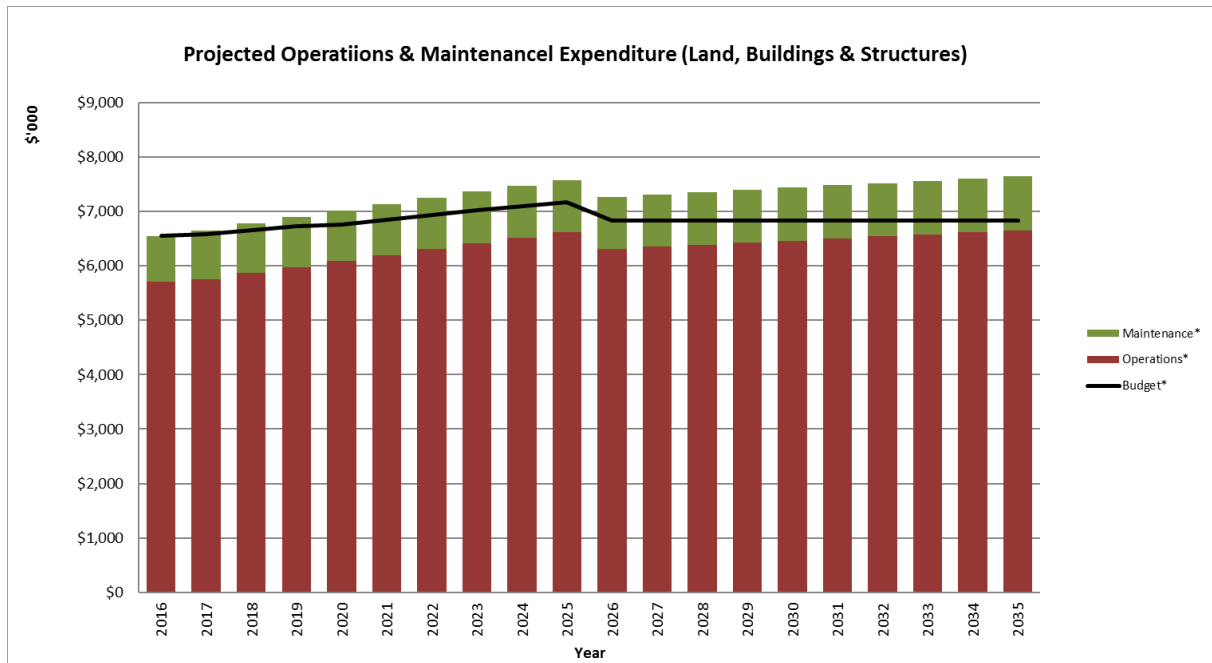
Maintenance work is carried out in accordance with the following Standards and Specifications.

- Northern Rivers Design Guide
- Building Code of Australia

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in current 2015/16 dollar values (ie real values).

Figure 4: Projected Operations and Maintenance Expenditure



Deferred maintenance, ie works that are identified for maintenance and unable to be funded are to be included in the risk assessment and analysis in the infrastructure risk management plan.

Maintenance is funded from the operating budget where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal and replacement 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 or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 3 was used for this asset management plan.

The useful lives of assets used to develop projected asset renewal expenditures are shown in Table 5.4.1. Asset useful lives were last reviewed during 2014.⁹

Table 5.4.1: Useful Lives of Assets

Asset Group	Asset Category	Asset (Sub) Category	Item	Useful life –years
Land & Building	Building & Address	-	Building Roof Structure	80
			Building Foundations	80
			Building Structure	80
			Building Floor	80
			Building Service	40
			Building Security System	30
			Building Mechanical Service	30
			Building Fire Service	20
			Building Fitting	20
			Building Air Con System	25
	Site Related Components	Site Fences	Site Fence	20
			Site Gate	20
			Site Bollards	50
		Site Paths	Site Path	60
			Site Path Structure	60
		Site Gardens	Site Garden	100
		Site Signs	Site Signs	30
		Carparks	Road Wearing Course	20
			Road Pavement	60
			Road Formation	200+
			Road K&G	80
			Road Furniture	20
			Major Road Sign	20
			Minor Road Sign	20
		Site Security & Lighting	Site Lighting	20
			Site Security System	20
		Site Irrigation Network	Site Irrigation Network	30
			Site Irrigation Control System	20
		Site Sculptures & Monuments	Site Sculpture & Monument	30
		Site Furniture	Site Seat	20
			Site BBQ	20
			Site Litter Bin	20
			Site Table	20
			Site Water	20
		Site Internal Road	Road Wearing Course	20
			Road Pavement	60
			Road Formation	200+
			Road K&G	80

⁹ Scott Fullerton Building & Structures Revaluation Summary 2014

5.4.2 Renewal and Replacement Strategies

Council will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner,
- Undertaking project scoping for all capital renewal and replacement projects to identify:
 - the service delivery 'deficiency', present risk and optimum time for renewal/replacement,
 - the project objectives to rectify the deficiency,
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital renewal programs,
- Using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (eg replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (eg roughness of a road).¹⁰

It is possible to get some indication of capital renewal and replacement priorities by identifying assets that:

- Have a high consequence of failure,
- Have a high utilisation and subsequent impact on users would be greatest,
- The total value represents the greatest net value to Council,
- Have the highest average age relative to their expected lives,
- Are identified in the AM Plan as key cost factors,
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.¹¹

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.4.2.

Table 5.4.2: Renewal and Replacement Priority Ranking Criteria

Criteria	Weighting
Condition	50%
Criticality Score	30%
% of Design Life consumed	20%
Total	100%

¹⁰ IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.

¹¹ Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

Renewal and replacement standards

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

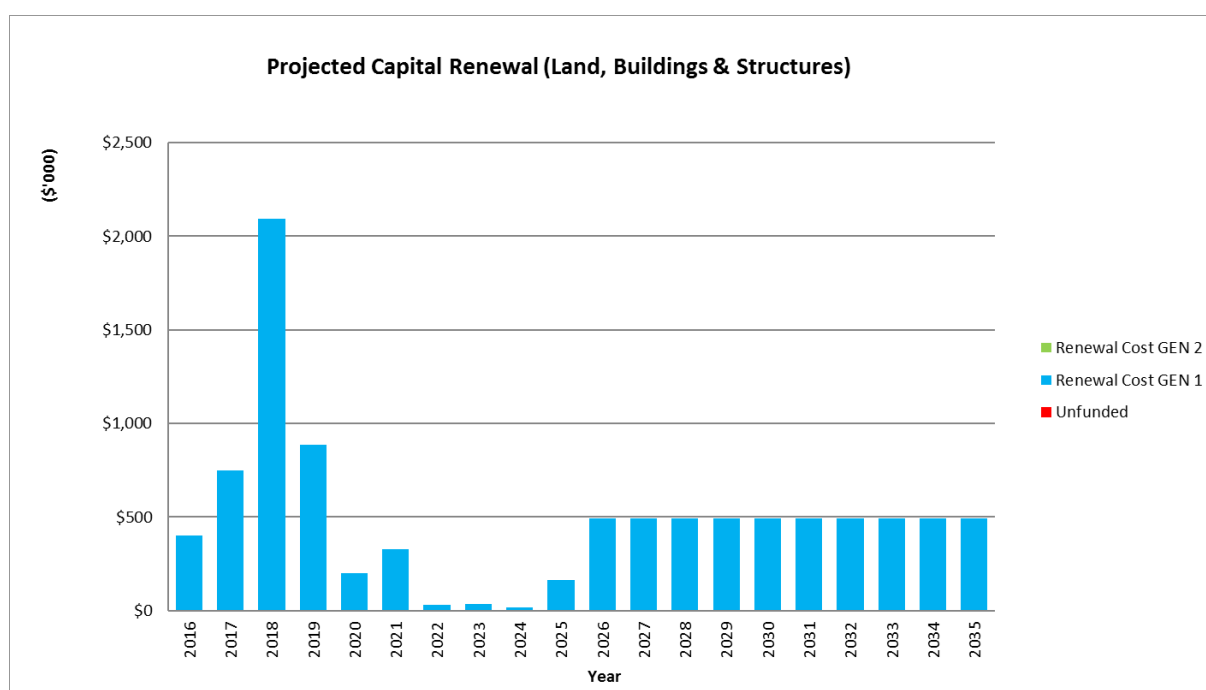
- Northern Rivers Design Guide
- Building Code of Australia

5.4.3 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The expenditure is summarised in Fig 5. Note that all amounts are shown in real values.

The projected capital renewal and replacement program is shown in Appendix B.

Figure 5: Projected Capital Renewal and Replacement Expenditure



Deferred renewal and replacement, ie those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan.

Renewals and replacement expenditure in Council's capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade Plan

New works are those works that 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 Council from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor/director or community requests, 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 and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.5.1: New Assets Priority Ranking Criteria

Criteria	Weighting
Criticality Score	50%
Strategic justification	50%
Total	100%

5.5.2 Capital Investment Strategies

Council will plan capital upgrade and new projects to meet level of service objectives by:

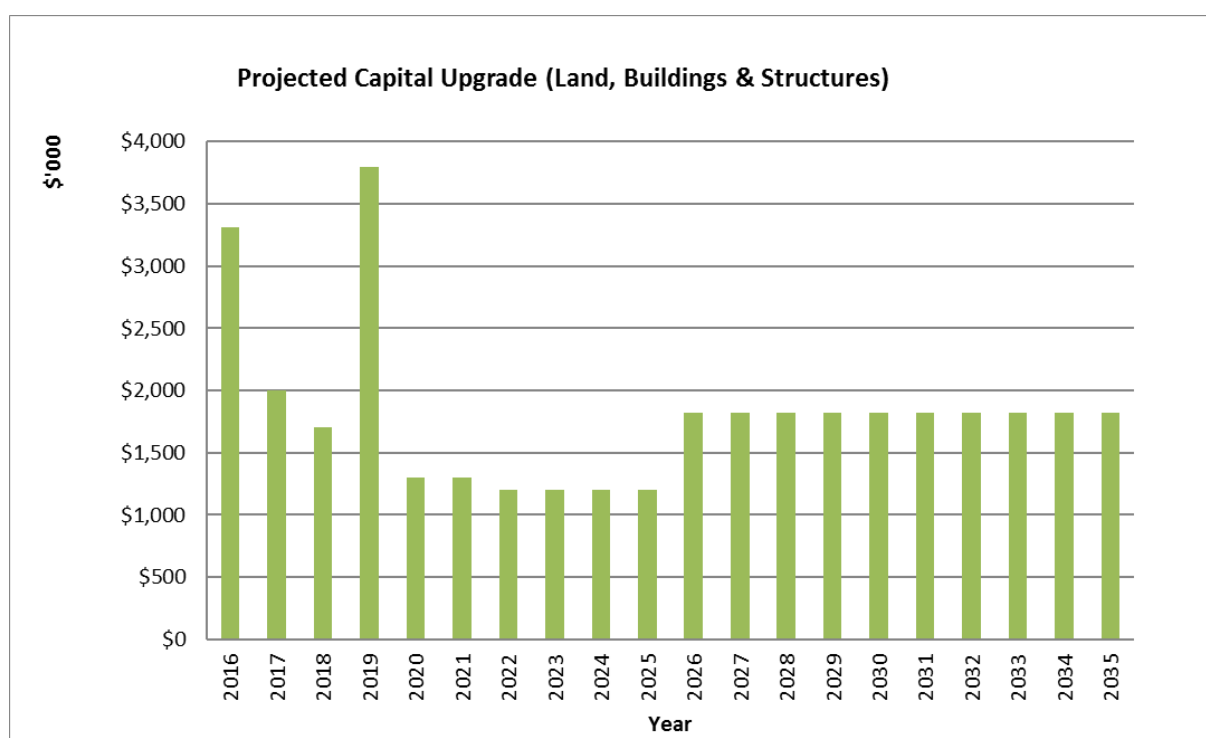
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
 - the project objectives to rectify the deficiency including value management for major projects,
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - management of risks associated with alternative options,
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Figure 6. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

Figure 6: Projected Capital Upgrade/New Asset Expenditure



Expenditure on new assets and services in Council's capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in Council's LTFP.

Table 5.6: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
N / A	N / A	N / A	N / A	N / A

5.7 Service Consequences and Risks

Council has prioritised decisions made in adopting this AM Plan to obtain the optimum benefits from its available resources. Decisions were made based on the development of 3 scenarios of AM Plans.

Scenario 1 - What we would like to do based on asset register data

Scenario 2 – What we should do with existing budgets and identifying level of service and risk consequences (ie what are the operations and maintenance and capital projects we are unable to do, what is the service and risk consequences associated with this position). This may require several versions of the AM Plan.

Scenario 3 – What we can do and be financially sustainable with AM Plans matching long-term financial plans.

The development of scenario 1 and scenario 2 AM Plans provides the tools for discussion with Council and community on trade-offs between what we would like to do (scenario 1) and what we should be doing with existing budgets (scenario 2) by balancing changes in services and service levels with affordability and acceptance of the service and risk consequences of the trade-off position (scenario 3).

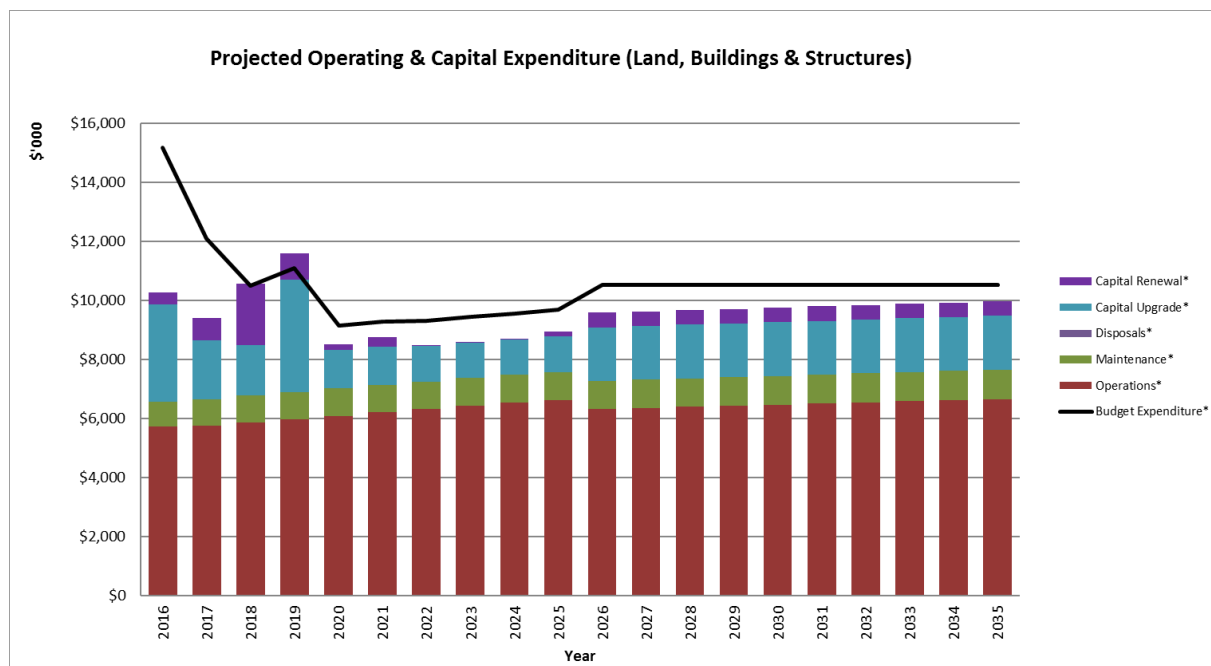
6. FINANCIAL SUMMARY

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

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

Figure 7: Projected Operating and Capital Expenditure



6.1.1 Sustainability of service delivery

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹² 374%

¹² AIFMG, 2012, Version 1.3, Financial Sustainability Indicator 4, Sec 2.6, p 2.16

The Asset Renewal Funding Ratio is the most important indicator and reveals that over the next 10 years, Council is forecasting that it will have 374% of the funds required for the optimal renewal and replacement of its assets.

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 asset life cycle. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$9,625,000 per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is \$8,697,000 per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. The life cycle gap for services covered by this asset management plan is -\$928,000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 90% of life cycle costs.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Medium term – 10 year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$7,557,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$8,697,000 on average per year giving a 10 year funding shortfall of +\$1,140,000 per year. This indicates that Council expects to have 115% of the projected expenditures needed to provide the services documented in the asset management plan.

Medium Term – 5 year financial planning period

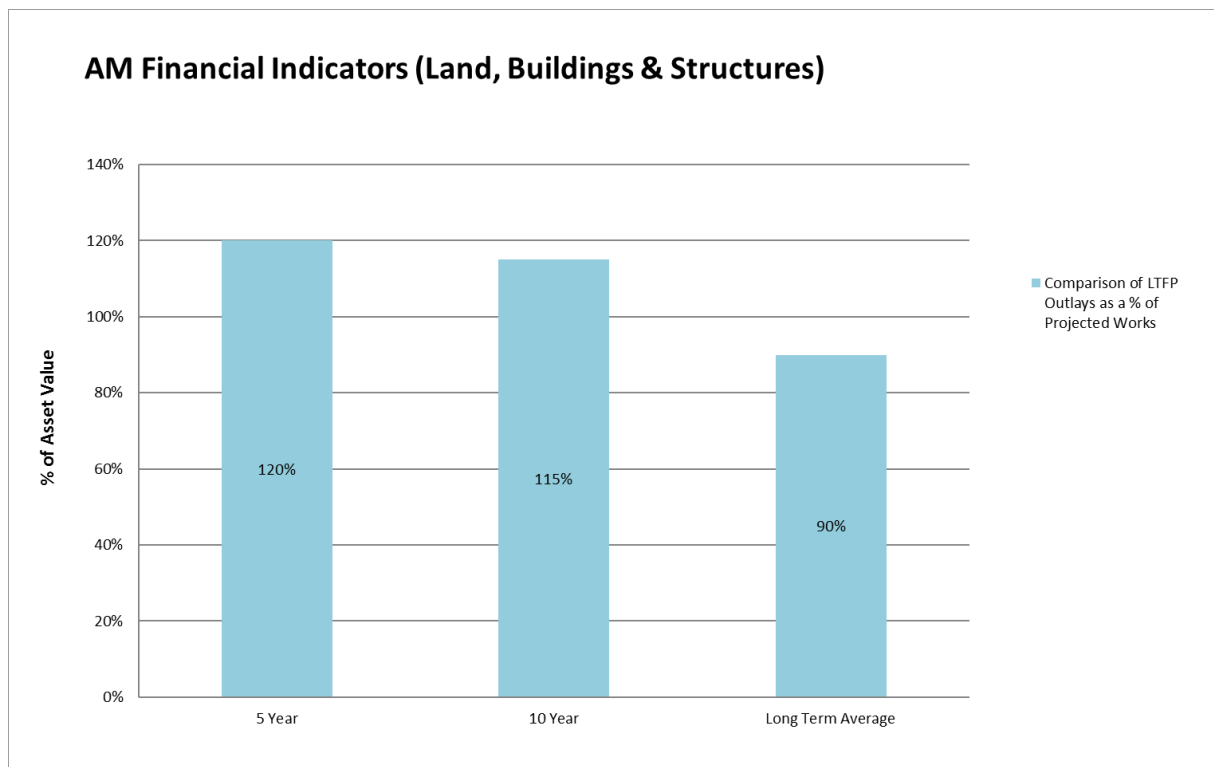
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$7,644,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$9,170,000 on average per year giving a 5 year funding shortfall of +\$1,526,000. This indicates that Council expects to have 120% of projected expenditures required to provide the services shown in this asset management plan.

Asset management financial indicators

Figure 7A shows the asset management financial indicators over the 10 year planning period and for the long term life cycle.

Figure 7A: Asset Management Financial Indicators



Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10 year life of the Long Term Financial Plan.

Figure 8 shows the projected asset renewal and replacement expenditure over the 20 years of the AM Plan. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, which is accommodated in the long term financial plan

Figure 8: Projected and LTFP Budgeted Renewal Expenditure

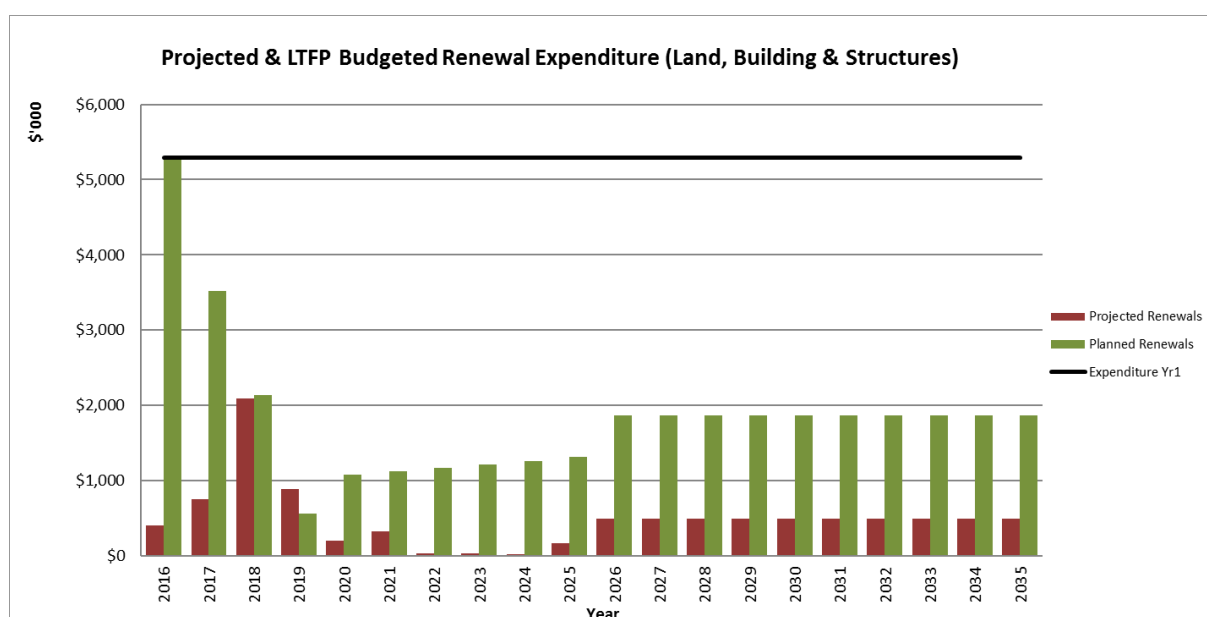


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall

Year	Projected Renewals (\$'000)	LTFP Renewal Budget (\$'000)	Renewal Financing Shortfall (\$'000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$'000) (-ve Gap, +ve Surplus)
2016	\$400	\$5,294	\$4,894	\$4,894
2017	\$750	\$3,517	\$2,767	\$7,661
2018	\$2,093	\$2,137	\$44	\$7,705
2019	\$887	\$558	-\$329	\$7,376
2020	\$199	\$1,080	\$881	\$8,257
2021	\$329	\$1,122	\$793	\$9,050
2022	\$31	\$1,167	\$1,136	\$10,186
2023	\$36	\$1,214	\$1,178	\$11,364
2024	\$17	\$1,262	\$1,245	\$12,609
2025	\$165	\$1,312	\$1,147	\$13,756
2026	\$491	\$1,866	\$1,375	\$15,131
2027	\$491	\$1,866	\$1,375	\$16,506
2028	\$491	\$1,866	\$1,375	\$17,881
2029	\$491	\$1,866	\$1,375	\$19,256
2030	\$491	\$1,866	\$1,375	\$20,631
2031	\$491	\$1,866	\$1,375	\$22,006
2032	\$491	\$1,866	\$1,375	\$23,381
2033	\$491	\$1,866	\$1,375	\$24,756
2034	\$491	\$1,866	\$1,375	\$26,131
2035	\$491	\$1,866	\$1,375	\$27,506

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with **the corresponding** capital works program accommodated in the long term financial plan.

6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2015/16 real values.

Table 6.1.2: Projected Expenditures for Long Term Financial Plan (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2016	\$5,711	\$840	\$400	\$3,308	\$0
2017	\$5,746	\$907	\$750	\$2,000	\$0
2018	\$5,863	\$913	\$2,093	\$1,700	\$0
2019	\$5,976	\$919	\$887	\$3,800	\$0
2020	\$6,086	\$930	\$199	\$1,300	\$0
2021	\$6,195	\$934	\$329	\$1,300	\$0
2022	\$6,307	\$939	\$31	\$1,200	\$0
2023	\$6,419	\$942	\$36	\$1,200	\$0
2024	\$6,519	\$946	\$17	\$1,200	\$0
2025	\$6,622	\$950	\$165	\$1,200	\$0

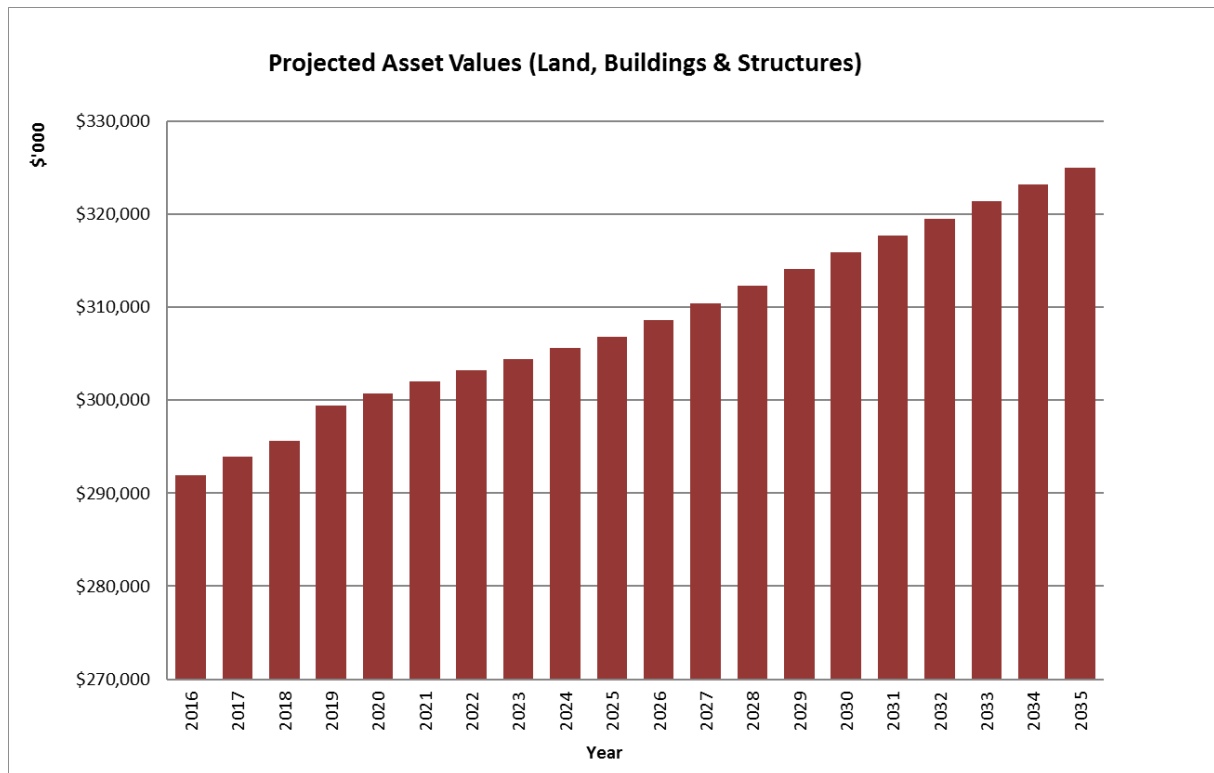
6.2 Funding Strategy

After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in Council's 10 year long term financial plan.

6.3 Valuation Forecasts

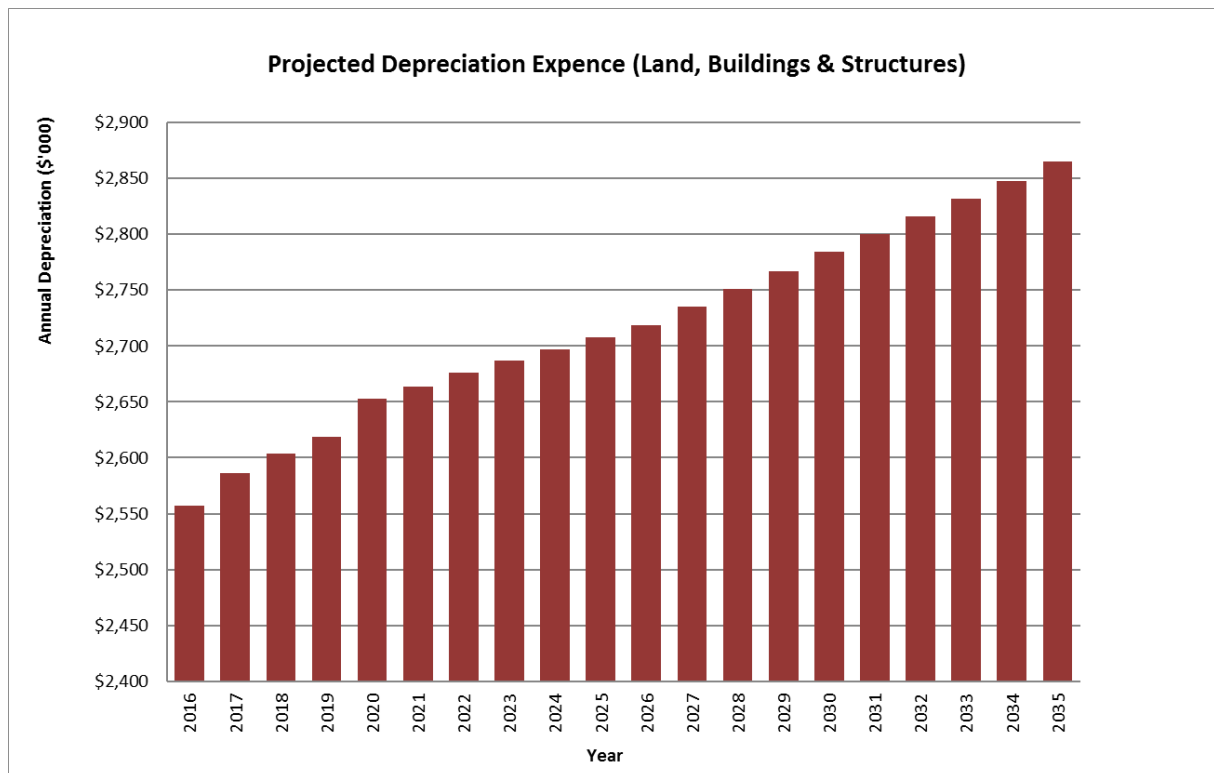
Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Figure 9 shows the projected replacement cost asset values over the planning period in real values.

Figure 9: Projected Asset Values



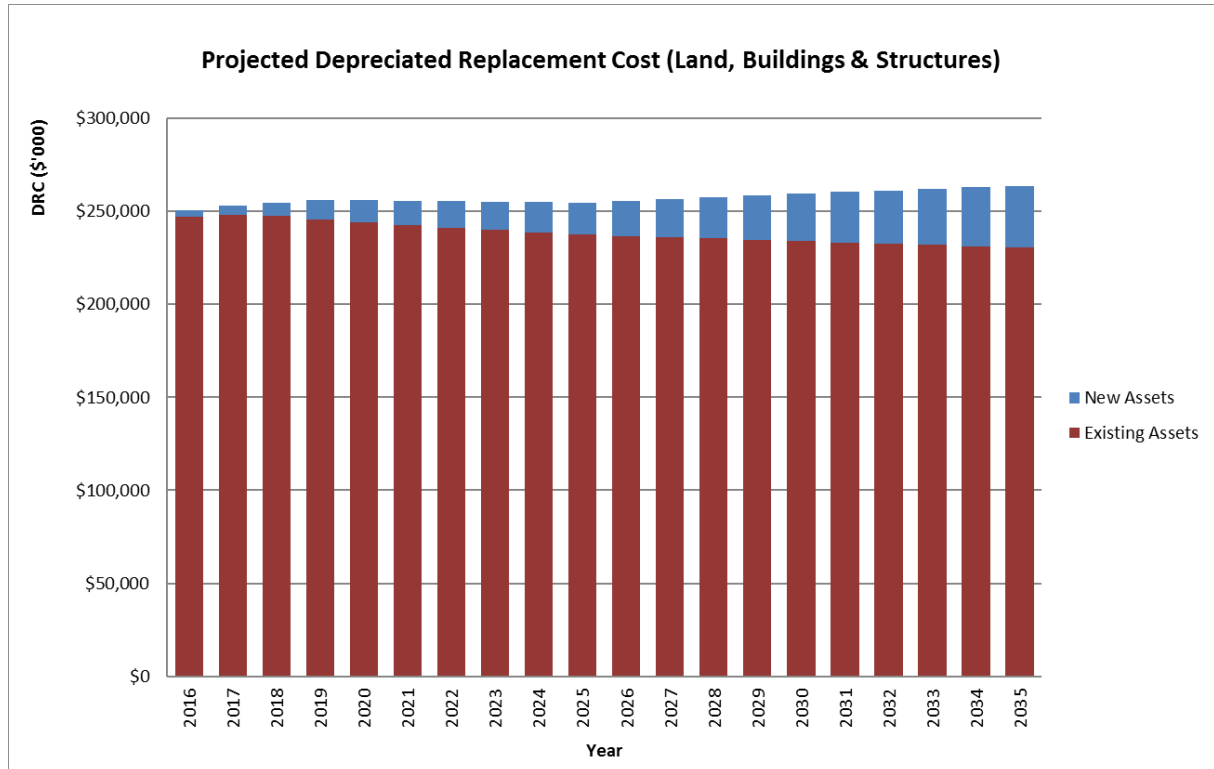
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

Figure 10: Projected Depreciation Expense



The depreciated replacement cost 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. Forecast of the assets' depreciated replacement cost is shown in Figure 11. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.

Figure 11: Projected Depreciated Replacement Cost



6.4 Key Assumptions made in Financial Forecasts

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

Key assumptions made in this asset management plan and risks that these may change are shown in Table 6.4.

Table 6.4: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Operational & maintenance expenditure is based on historical expenditure and assumes there will no significant change in this level of service	Low
The operational & maintenance costs associated with new assets created over the 20-year term of this document has been based on existing O&M expenditure per unit asset of existing	Low
That there will be no major technological change that creates dramatic changes in terms of unit cost and treatment process.	Low
All works are undertaken to relevant standards	Medium to High
The useful lives & unit costs remain valid over the 5 year period to the next revaluation (with annual CPI)	Medium

6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale¹³ in accordance with Table 6.5.

Table 6.5: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 6.5.1.

Table 6.5.1: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	C Uncertain	Growth rates vary from year to year
Growth projections	B Reliable	
Operations expenditures	B Reliable	Based on current expenditure
Maintenance expenditures	C Uncertain	Based on current expenditure, models to be refined
Projected Renewal exps.		
- Asset values	B Reliable	Valuation performed by external qualified valuer
- Asset residual values	A Highly reliable	There are no residual values
- Asset useful lives	B Reliable	Revaluation performed in 2015
- Condition modelling	C Uncertain	Will be refined as more data is collected
- Network renewals	B Reliable	Models refined as more project data is collated
- Defect repairs	B Reliable	Defects identified & programmed in Reflect database
Upgrade/New expenditures	C Uncertain	New buildings created from demand & available funds
Disposal expenditures	E Unknown	Disposals are very rare

Over all data sources the data confidence is assessed as Medium confidence level for data used in the preparation of this AM Plan.

¹³ IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

7. PLAN IMPROVEMENT AND MONITORING

7.1 Status of Asset Management Practices

7.1.1 Accounting and financial systems

The accounting & financial system used by Ballina Council is Authority v6.9. The financial applications are designed to interact seamlessly with the broader Authority Enterprise Application Suite that incorporates Asset & Infrastructure Management, Customer Request Management, integration with TRIM (electronic documents & records management system), Land Information, Human Resources, Payroll, and Executive Management software applications.

The Authority application is designed specifically for Local Government and the inherent single database design eliminates duplication of data throughout the enterprise application.

- General Ledger
- Accounts Payable
- Purchasing and online requisitioning
- Payroll
- Plant & Fleet Management

7.1.2 Accountabilities for accounting & financial systems

Module	Task	Officer
Budget	Draft	Finance Manager + Line Managers
	Review	Finance Manager + Line Managers
	Finalise	Finance Manager + Line Managers
	Approval + adopt	Council
General Ledger	Establish	Finance Manager
	Finalise	Finance Manager
End of Quarter Process	Capitalise	Accountant + Asset Engineer
	Depreciation	Accountant + Asset Engineer
	Review control accounts	Accountant
End of Year Process	Indexation	Accountant + Asset Engineer
	Roll Over	Accountant + Asset Engineer
	Revaluations	Accountant + Asset Engineer

7.1.3 Accounting standards and regulations

- AAS27 - Australian Accounting Standard
- AASB101 - Presentation of Financial Statements
- AASB116 - Property Plant & Equipment
- AASB13 - Fair Value Measurement

7.1.4 Capital/maintenance threshold

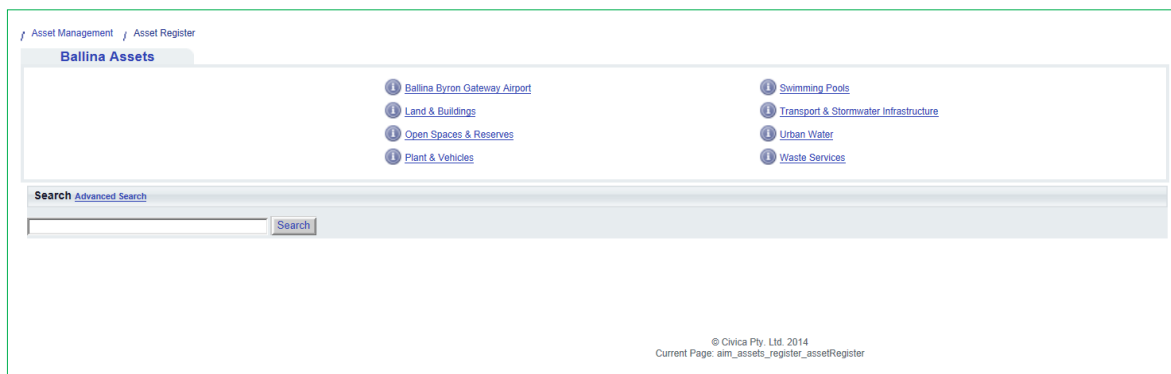
The Capital / maintenance threshold for plant & equipment assets is \$5,000 and for \$10,000 for built structures, water and stormwater reticulation assets.

7.1.5 Asset Management System

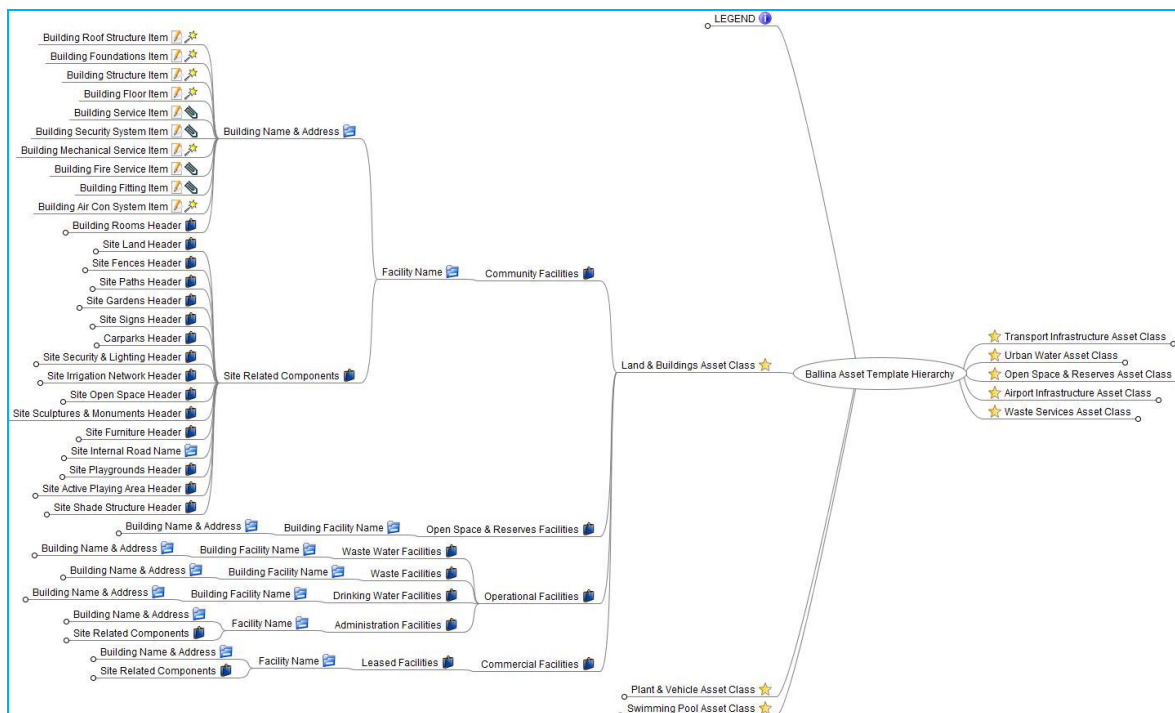
Ballina Council has adopted the Authority Asset Management (AM) System. It allows real time integration to Authority Financials, Customer Request Management, TRIM & GIS.

7.1.6 Asset Registers

The asset register exists within Authority and is accessible by all staff with at a minimum of an 'enquiry' user role assigned to their Authority account. There are currently 8 asset main groups, which includes 'Transport & Storm water infrastructure', and data is organized is a user friendly 'parent, child, sibling' format. Users may drill down through the levels by clicking on the blue hyperlink text or click on the ⓘ icon to view attribute information.

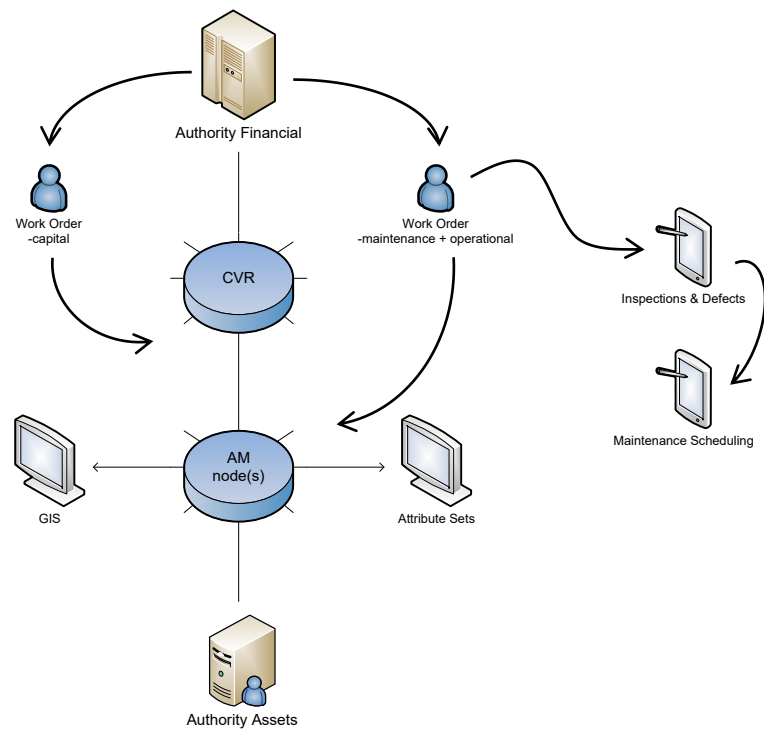


The Building & Structures asset hierarchy is summarised below.



7.1.7 Linkage from Asset Management to Financial System

The Asset Management and the Financial System are linked through the CVR (capital value record)



Asset Details

Asset Number: 71431

Kerb & Gutter (41:054:010) IL

Valuation Code: Accounting Valuation - General Fund

Asset Year: 2015

Commission Date: 30/06/2014

Acquisition Date: 30/06/2014

Depreciation Details

Depreciation Method: Straight Line

Useful Life: 70.00

Residual Life: 69.00

Depreciation Rate: 1.4286

Depreciation Yrly Chg: 144.00

Depreciation Period: Monthly

Residual Value: 0.00

Valuation

Valuation Basis: [Dropdown]

Valuer Name No: [Text]

Valuation Frequency: 0

Value at: ☒ Cost ☐ Valuation

	Date	LTD Value	Qty	YTD Value	Qty
Depreciation		0.00		0.00	
Revaluation		0.00		0.00	
Revaluation Depreciation W/B				0.00	
Last Addition		10080.00	112.00	0.00	0.00
Sales		0.00	0.00	0.00	0.00
Sales Depreciation W/B				0.00	
Disposals		0.00	0.00	0.00	0.00
Profit/Loss		0.00		0.00	
Impairments		0.00	0.00	0.00	0.00

At Cost: 10080.00

Original Purchase: 10080.00

Begin Yr Writ. Down: 10080.00

Current Writ. Down: 10080.00

Created: 2014-08-14 08:52:34 Modified: 2014-10-16 16:43:39 Operator: 229737 Linda Coulter

The CVR contains financial information for a single asset (cloned CVR) or for a group of similar assets (linked CVR). This information includes

- CVR id number
- Funding source (General, Water or Sewer)
- Commission date
- Depreciation method
- Useful Life (years)
- Residual life (years)
- Depreciation rate (%)
- Residual Value
- Replacement cost
- Written down value
- Revaluation information
- Function / Activity / Sub-activity / Type / Sub-type allocations & related control accounts.

The historical information is retained each year when the end of financial year rollover is performed for all assets. This historical data can be displayed within the CVR record. Historical CVR information is locked from any form of updating. Each CVR id number is unique and is never reused, even after asset disposal.

The key to the linkages between Authority Assets & Authority Finance, GIS & the Plant System is the development of linkage rules assigned to the Asset Templates. These rules define where an asset fits within the asset hierarchy, which CVR clone template it should copy along with itself to create a new Asset-CVR pair and which attribute information sets are made available to the new asset.

7.1.8 Accountabilities for Asset Management System and Data Maintenance

Module	Task	Officer
Asset hierarchy	Add / refine rules	Asset Engineer
Asset Creation	Define + load	Asset Engineer
Attribute Sets	Definition	Asset Engineer + advice from relevant line manager
	Setup + loading	Asset Engineer
	Updating	Section asset officer -noting guidelines set by Asset Engineer
Document & Files	Linking from TRIM	Section asset officer -noting guidelines set by Asset Engineer
Work Orders	Task definition	Asset Engineer + advice from Finance Manager
	Setup	Asset Engineer
	Open	Asset Engineer + Finance Officer
	Close	Asset Engineer + Finance Officer
	Capitalise	Asset Engineer + Accountant
Data review / refine	Useful Life	Asset Engineer –audited
	Unit Rates	Asset Engineer –audited
	Treatment Costs	Asset Engineer –audited

7.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 7.2.

Table 7.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Collection of attribute information as per attribute sets	Assets	5 days	Dec 2016
2	Links to GIS	Assets + GIS	20 days	Dec 2016
3	Development of Maintenance & Operational Work Orders	Assets	20 days	June 2017
4	Development of Maintenance Scheduling	Assets	20 days	June 2017
5	Development of Inspect & Defect Programming	Assets	40 days	June 2017
6	Creation of a more detailed hierarchy for selected sites	Assets	40 days	June 2017
7				
8				
9				
10				

7.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into Councils long term financial plan.

The AM Plan has a life of 4 years and is due for complete revision and updating on February 2019.

7.4 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into Council's long term financial plan,
- 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 asset management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

8. REFERENCES

Ballina Council, Community Strategic Plan 2013-2023

Ballina Council, Resourcing Strategy

Ballina Council, Delivery Program & Operational Plan 2014/15 – 2017/18

Ballina Council, Long Term Financial Plan 2014/15 – 2023/24

IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.

IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMG.

IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM

9. APPENDICES

Appendix A	Maintenance Response Levels of Service
Appendix B	Projected 10 year Capital Renewal and Replacement Works Program
Appendix C	Projected 10 year Capital Upgrade/New Works Program
Appendix D	LTFP Budgeted Expenditures Accommodated in AM Plan
Appendix E	Abbreviations
Appendix F	Glossary

Appendix A Projected Upgrade/Exp/New 10 year Capital Works Program

NAMS.PLUS3 Asset Management Form 2C Upgrade/New Plan				
© Copyright. All rights reserved. The Institute of Public Works Engineering Australasia				
Ballina SC		IPWEA INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA		
Buildings & Structures_S1_V1		JRA		
		Projected Capital Upgrade/New Plan 2016		
Year	Item No.	Capital Upgrade and New Projects	Estimate (\$000)	Running total (\$000)
2016	1	Marine Rescue Tower	\$2,176	\$2,176
2016	2	Ballina Surf Club (building B)	\$1,133	\$3,308
2016	3			
2016	4			
2016	5			
2016	6			
2016	7			
2016	8			
2016	9			
2016	10			
2016	Total Projected Capital Upgrade/New Plan		\$3,308	
Buildings & Structures_S1_V1		Projected Capital Upgrade/New Plan 2017		
2017	1	Property Development Reserve	\$2,000	\$2,000
2017	2			
2017	3			
2017	4			
2017	5			
2017	6			
2017	7			
2017	8			
2017	9			
2017	10			
2017	Total Projected Capital Upgrade/New Plan		\$2,000	
Ballina SC		Projected Capital Upgrade/New Plan 2018		
Buildings & Structures_S1_V1				
Year	Item No.	Capital Upgrade and New Projects	Estimate (\$000)	Running total (\$000)
2018	1	Property Development Reserve	\$1,700	\$1,700
2018	2			
2018	3			
2018	4			
2018	5			
2018	6			
2018	7			
2018	8			
2018	9			
2018	10			
2018	Total Projected Capital Upgrade/New Plan		\$1,700	

Buildings & Structures_S1_V1**Projected Capital Upgrade/New Plan 2019**

2019	1	Property Development Reserve	\$3,300	\$3,300
2019	2	Commercial Infrastructure Reserve	\$500	\$3,800
2019	3			
2019	4			
2019	5			
2019	6			
2019	7			
2019	8			
2019	9			
2019	10			
2019	Total Projected Capital Upgrade/New Plan		\$3,800	

Ballina SC**Buildings & Structures_S1_V1****Projected Capital Upgrade/New Plan 2020**

Year	Item No.	Capital Upgrade and New Projects	Estimate (\$000)	Running total (\$000)
2020	1	Property Development Reserve	\$300	\$300
2020	2	Commercial Infrastructure Reserve	\$1,000	\$1,300
2020	3			
2020	4			
2020	5			
2020	6			
2020	7			
2020	8			
2020	9			
2020	10			
2020	Total Projected Capital Upgrade/New Plan		\$1,300	

Buildings & Structures_S1_V1**Projected Capital Upgrade/New Plan 2021**

2021	1	Property Development Reserve	\$300	\$300
2021	2	Commercial Infrastructure Reserve	\$1,000	\$1,300
2021	3			
2021	4			
2021	5			
2021	6			
2021	7			
2021	8			
2021	9			
2021	10			
2021	Total Projected Capital Upgrade/New Plan		\$1,300	

Ballina SC**Buildings & Structures_S1_V1****Projected Capital Upgrade/New Plan 2022**

Year	Item No.	Capital Upgrade and New Projects	Estimate (\$000)	Running total (\$000)
2022	1	Property Development Reserve	\$200	\$200
2022	2	Commercial Infrastructure Reserve	\$1,000	\$1,200
2022	3			
2022	4			
2022	5			
2022	6			
2022	7			
2022	8			
2022	9			
2022	10			
2022	Total Projected Capital Upgrade/New Plan		\$1,200	

Buildings & Structures_S1_V1**Projected Capital Upgrade/New Plan 2023**

2023	1	Property Development Reserve	\$200	\$200
2023	2	Commercial Infrastructure Reserve	\$1,000	\$1,200
2023	3			
2023	4			
2023	5			
2023	6			
2023	7			
2023	8			
2023	9			
2023	10			
2023	Total Projected Capital Upgrade/New Plan		\$1,200	

Ballina SC**Buildings & Structures_S1_V1****Projected Capital Upgrade/New Plan 2024**

Year	Item No.	Capital Upgrade and New Projects	Estimate (\$000)	Running total (\$000)
2024	1	Property Development Reserve	\$200	\$200
2024	2	Commercial Infrastructure Reserve	\$1,000	\$1,200
2024	3			
2024	4			
2024	5			
2024	6			
2024	7			
2024	8			
2024	9			
2024	10			
2024	Total Projected Capital Upgrade/New Plan		\$1,200	

Buildings & Structures_S1_V1**Projected Capital Upgrade/New Plan 2025**

2025	1	Property Development Reserve	\$200	\$200
2025	2	Commercial Infrastructure Reserve	\$1,000	\$1,200
2025	3			
2025	4			
2025	5			
2025	6			
2025	7			
2025	8			
2025	9			
2025	10			
2025	Total Projected Capital Upgrade/New Plan		\$1,200	



Total 10 year program

\$18,208

Average/yr

\$1,821

Appendix B Budgeted Expenditures Accommodated in LTFP

NAMS.PLUS3 Asset Management Ballina SC										
© Copyright. All rights reserved. The Institute of Public Works Engineering Australasia										
<div> <div>Buildings & Structures_S1_V1</div> <div>Asset Management Plan</div> <div>   </div> </div>										
First year of expenditure projections 2016 (financial yr ending)										
Buildings & Structures										
<div> <div> Asset values at start of planning period Current replacement cost \$288,607 (000) Depreciable amount \$121,657 (000) Depreciated replacement cost \$244,378 (000) Annual depreciation expense \$2,557 (000) </div> <div> Calc CRC from Asset Register \$288,607 (000) This is a check for you. </div> </div>										
<div> <div> Operations and Maintenance Costs for New Assets Additional operations costs 2.06% Additional maintenance 0.31% Additional depreciation 2.10% Planned renewal budget (information only) </div> <div> You may use these values calculated from your data or overwrite the links. </div> </div>										
Planned Expenditures from LTFP										
20 Year Expenditure Projections Note: Enter all values in current 2016 values										
Financial year ending	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)										
Operations										
Operations budget	\$5,012	\$4,963	\$5,021	\$5,081	\$5,095	\$5,159	\$5,225	\$5,292	\$5,347	\$5,404
Management budget	\$699	\$715	\$732	\$750	\$768	\$787	\$807	\$827	\$847	\$868
AM systems budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total operations	\$5,711	\$5,678	\$5,754	\$5,831	\$5,863	\$5,946	\$6,031	\$6,119	\$6,194	\$6,272
Maintenance										
Reactive maintenance budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planned maintenance budget	\$840	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$840	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897
Capital										
Planned renewal budget	\$5,294	\$3,517	\$2,137	\$558	\$1,080	\$1,122	\$1,167	\$1,214	\$1,262	\$1,312
Planned upgrade/new budget	\$3,308	\$2,000	\$1,700	\$3,800	\$1,300	\$1,300	\$1,200	\$1,200	\$1,200	\$1,200
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Disposals										
Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)										
Additional Expenditure Outlays required and not included above	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Renewal	to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)									
Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)										
Forecast Capital Renewal from Forms 2A & 2B	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$3,308	\$2,000	\$1,700	\$3,800	\$1,300	\$1,300	\$1,200	\$1,200	\$1,200	\$1,200

Appendix C Abbreviations

AAAC	Average annual asset consumption
AM	Asset management
AM Plan	Asset management plan
ARI	Average recurrence interval
ASC	Annual service cost
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DRC	Depreciated replacement cost
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
LTFP	Long term financial plan
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SoA	State of the Assets
SS	Suspended solids
vph	Vehicles per hour
WDCRC	Written down current replacement cost

Appendix D Glossary

Annual service cost (ASC)

- 1) Reporting actual cost
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting
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 operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset category

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

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 hierarchy

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

Asset management (AM)

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.

Asset renewal funding ratio

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

Average annual asset consumption (AAAC)*

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

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 expenditure - expansion

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

Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability 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 generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. 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.

Capital expenditure - upgrade

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 operations and maintenance expenditure in the future because of the increase in Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

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

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

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 class definition

Component

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

Core asset management

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

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, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Critical assets

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.

Current replacement cost (CRC)

The cost the entity 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.

Deferred maintenance

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

Depreciable amount

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

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 outlays.

Expenses

Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or increases in liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Fair value

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

Financing gap

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

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 entity holding it.

Impairment Loss

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

Infrastructure assets

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. 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 individually 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 are often have no separate 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.

Key performance indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of service

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

Life Cycle Cost *

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- **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, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

- **Reactive maintenance**

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

- **Specific maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

- **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

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

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)

The value to Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

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 Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations

Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

Operating expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Operating expenses

Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

Operations, maintenance and renewal financing ratio

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

Operations, maintenance and renewal gap

Difference between budgeted expenditures in a long term financial plan (or estimated future budgets in absence of a long term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Pavement management system (PMS)

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption *

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal *

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced

at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *

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

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 operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

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

Renewal

See capital renewal expenditure definition above.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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, eg 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 total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, 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.

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

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 an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is 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 Council.

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. 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 net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Additional and modified glossary items shown *