# SHIRE OF YALGOO

## ASSET MANAGEMENT PLAN - 2013

## Reliance

*The professional advice and opinion in this report has been prepared for the exclusive use of the Shire of Yalgoo and for the purposes specified in our letter of engagement. This report is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Yalgoo. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Shire of Yalgoo.*

## Disclaimer

*The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.*

*UHY Haines Norton, Perth, a Perth based partnership of trusts ("the Firm"), carries on business separately and independently from other UHY Haines Norton member firms around Australia and New Zealand and UHY member firms worldwide.*

*UHY Haines Norton is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for service provided by other members.*


*If you seek further information or have any questions relating to this Plan please contact:*

*The Shire of Yalgoo*
*37 Gibbons Street*
*Po Box 40*
*Yalgoo WA 6635*
*P: 08 9962 8042*
*F: 08 9962 8020*
*E: pa@yalgoo.wa.gov.au*
*W: www.yalgoo.wa.gov.au*

Document Management

Version: FINAL
Approved by: P Breman
Status: ADOPTED
Date of adoption: 20 February 2014

# Contents

# 1.0 EXECUTIVE SUMMARY

## 1.1 Background and Scope

This Plan demonstrates the planned management of Shire assets and their associated services. It also demonstrates compliance with the relevant regulations and communicates the funding needed to provide the desired levels of service.

The Plan should be read in conjunction with the Shire of Yalgoo:

- *Asset Management Policy;*
- *Asset Management Strategy;*
- *Strategic Community Plan 2013 to 2023; and*
- *Long Term Financial Plan 2013-2028.*

Data supporting the Plan has been extracted from information provided by the Shire of Yalgoo. No assurance is implied or provided as to the existence, condition, value or associated costs of any of the Shire's assets.

This Plan is generated in accordance with the Shire of Yalgoo Asset Management Policy and forms a component of an overall Asset Management Strategy which addresses the Shire's current asset management processes. The Plan also sets out the requirements to permit continuous improvement in the management of Shire controlled assets.

Each major asset class has been included based on available asset information and, to the extent permitted, the Plan is prepared in line with the relevant framework and guidelines issued by the Department of Local Government and Communities.


**Figure 1 – Yalgoo Entry sign**

## 1.0 EXECUTIVE SUMMARY

For the purposes of this Plan, Shire assets have been grouped into three categories being transport, property and general assets. The sub-categories included within each primary category are detailed in the table below.

| Transport Assets | Property Assets | General Assets |
|---|---|---|
| Roads<br>• Road Seals.<br>• Road Pavements.<br>• Road Formation.<br>• Wearing Course.<br>• Kerbing. | Accommodation Buildings<br>• Staff Housing.<br>• Accommodation Units.<br>• Office/Accomodation. | Other Infrastructure<br>• Parks and Community Facilities.<br>• Water Play Park.<br>• Fencing.<br>• Airports.<br>• Entry Statements.<br>• Tennis Courts. |
| Footpaths<br>• Concrete Footpaths. | Ablution Buildings<br>• Public Toilets.<br>• Laundry/Ablutions.<br>• Toilet Block. | Plant and Equipment<br>• Light Vehicles.<br>• Heavy Plant. |
| Floodways<br>• Sealed Floodways.<br>• Gravel Floodways | Community/Civic Buildings<br>• Museum Buildings.<br>• Sheds/Storage.<br>• Function Centre.<br>• Administration/Civic Buildings.<br>• Public Halls.<br>• Emergency Service Buildings.<br>• Other Buildings. | Furniture and Equipment<br>• Household Furniture.<br>• IT Equipment/Software.<br>• Office – Other Electronic Furniture.<br>• Office Furniture.<br>• Light Machinery.<br>• Sundry Plant and Equipment.<br>• Playground Equipment.<br>• Public Buildings Furniture.<br>• Tools. |
| Culverts | Recreation/Sporting Buildings<br>• Sheds.<br>• Clubrooms.<br>• Horse yards/Stalls. | |
| Road Signage. | Outbuildings Sheds. | |
| Livestock Grids. | Waste Oil Storage. | |

# 1.0 EXECUTIVE SUMMARY

## 1.2 Strategic Asset Management Issues

The Shire of Yalgoo commits significant resources to ensure assets are available to deliver services to the community. Historically, assets have been managed based on available funding allocations as part of developing the Annual Budget with limited formal asset planning or reference to whole of life costs.

With the potential for future external grant funding to come under increasing pressure, enhanced asset management and planning becomes increasing important to ensure infrastructure assets and the services they support are able to be sustained into the future.

The absence of accurate age data relating to the last major renewal/construction work for roads makes forecasting renewal timelines extremely difficult. Predicting future renewals requires documented condition information. Establishing and maintaining this data into the future is critical if improved asset management outcomes are to be achieved.

Recent valuations and condition assessments of buildings and general assets has improved data availability and provided an initial guide for potential future renewal requirements. To further improve asset management; in particular the forecasting of asset renewals and maintenance expenditure, a review of property and general assets is required. The review should aim to rationalise property assets by aligning established levels of service to future demand.

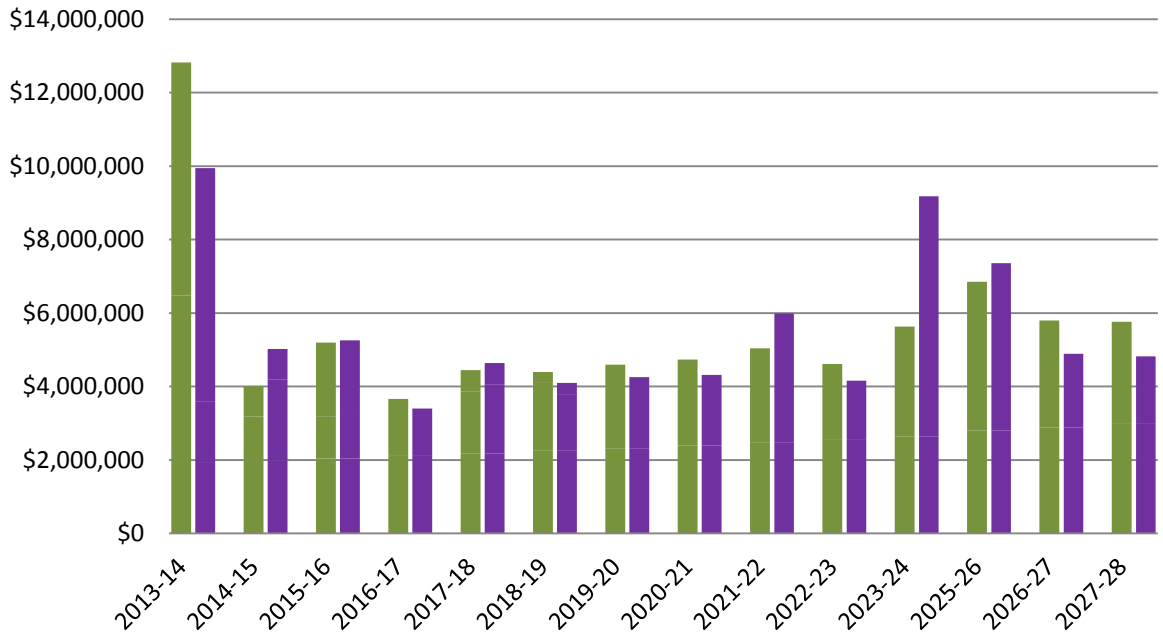
# 1.0 EXECUTIVE SUMMARY

## 1.3 Projected Annual Asset Expenditure and Funding

Based on the level of funding, the Shire is planning to maintain and renew its assets into the future while investing in a number of new assets to provide an improved level of service to the community.

The purple columns in the graph below shows forecast asset costs for a 15 year period based on analysis of the available information. This is compared to the green column which reflects asset expenditure included in the Long Term Financial Plan. No borrowings are currently planned to fund future asset expenditure.

### Chart 1.3 (a) Forecast Total Asset Expenditure and Funding




## 1.4 Financial Capacity and Timing

Provided the planned level of external funding is received, over the life of the Plan adequate funding is expected to be available within the Long Term Financial Plan to cover the forecast asset renewal shown in 2023/24. In the absence of this external funding, actual asset renewals are likely to be postponed with an associated increase in maintenance costs and increased risk of unexpected asset failure.

The Shire of Yalgoo is very reliant on future external grants and contributions for the maintenance and renewal of transport assets and also the construction of new property assets. Unfortunately, forecasting the precise level of future external grants and contributions is impossible as these allocations are outside the control of the Shire of Yalgoo.

## 1.5 Managing the Risks

The review and rationalisation of the asset maintenance program and the planned renewal of assets will assist in managing the risks of sudden asset failure and any resultant impact on service delivery.

# 1.0 EXECUTIVE SUMMARY

## 1.6 The Next Steps

An improved knowledge and understanding of Shire assets and their future maintenance and renewal costs is essential to improved asset management.

Maintaining and updating asset related data to the level necessary to support and influence practical ongoing decision making is likely to be a significant challenge for the Shire of Yalgoo going forward as this task will require dedicated resources which could potentially have a major financial cost.

**Figure 2 Yalgoo Water Park**

## 2.0 ABOUT THE SHIRE OF YALGOO

The Shire of Yalgoo is located in the Midwest of Western Australia, approximately 500 kilometres North of Perth. It is approximately 220 kilometres from the regional centre Geraldton, and covers a total area of 28,216 square kilometres, making it one of the larger Shires in the region.

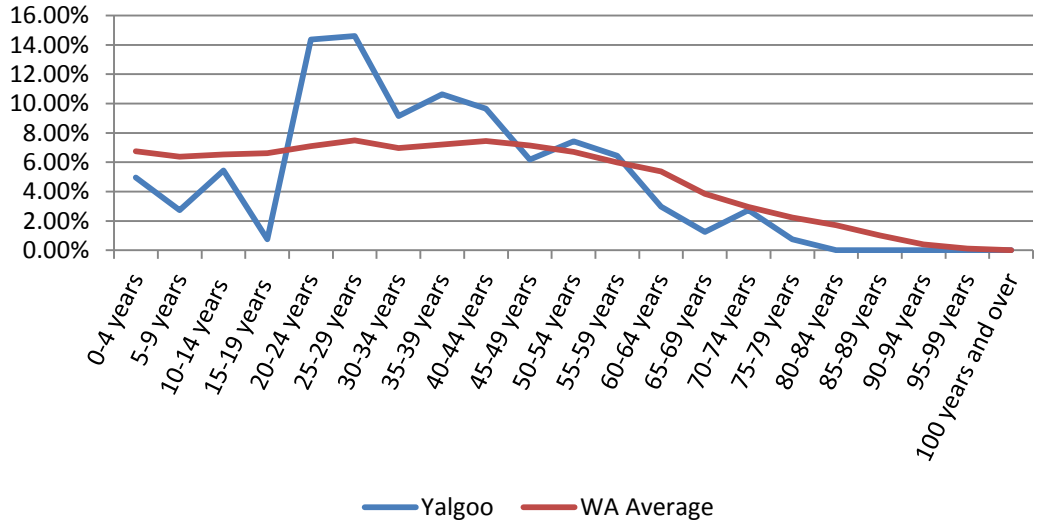
The Shire of Yalgoo is bordered to the North by the Shires of Murchison and Cue, South by Perenjori and Dalwallinu, West by the Shires of Mullewa - Greater Geraldton and Morawa and East by the Shires of Mount Magnet and Sandstone.

The area was first settled in the early 1890s when prospectors travelled through the region on their way to the Murchison gold rush towns of Cue and Mount Magnet. Yalgoo was declared a separate goldfield in 1895 and by the following year it had become a thriving town with seven hotels serving a vast tent city.

The town continued to grow and in 1898 the railway line from Mullewa to Yalgoo was opened. It closed in 1978 but the station (on the south side of town) is still used regularly for functions, events and civic activities. The town continued to prosper until about 1903 when the gold started to dwindle. In 1908 the Emerald Reward mine was closed down. Since then there has been steadily decline so that now it is a small settlement based around a Shire office which administers nearly 3.5 million hectares of country.

The population of the Shire of Yalgoo at the 2011 census was 406[1], with 23% of the population identifying themselves as Aboriginal. The Aboriginal people are predominantly from the Yamatji and Badimia people. Work aged persons between 15 and 65 represented 89% of the estimated resident population in 2011. Of the employed residents of the Shire 62% identified Metal Ore Mining as their industry of employment. The high percentage of the demographic aged between 20 and 44 is clearly evident in the chart below comparing the age profile of Shire residents to the whole of Western Australia.

Chart 2.1 (a) Population Ages as a percentage of total population




[1] Australian Bureau of Statistics, 2011 Census of Population and Housing, "Basic Community Profile" Yalgoo (LGA59350).

# 3.0 BACKGROUND - ASSET MANAGEMENT

This section briefly describes the standard asset management concepts and terminology utilised within this Asset Management Plan.

## 3.1 Goals and Objectives of Asset Management

To achieve its strategic objectives the Shire aims to manage these assets over their lifecycle within an asset management framework that takes into consideration the community's service expectations.

The key elements of asset management are for:

- Providing a defined level of service and monitor performance;
- Managing the impact of growth or decline through demand management and infrastructure investment;
- Taking a 'whole of life' approach to developing cost-effective management strategies for the long term that meet defined levels of service;
- Identifying, assessing and appropriately controlling risks; and
- Maintaining a long term financial plan which identifies required expenditure and how it will be funded.[2]

## 3.2 Plan Framework

The Plan's content is based on the Department of Local Government Asset Management Framework and Guidelines.

Key elements of the planning framework are:

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

[2] IPWEA, 2011, *IIMM* Sec 1.2.1, p 1.7.

# 3.0 BACKGROUND - ASSET MANAGEMENT

## 3.3 Core and Advanced Asset Management

This Plan is prepared as an initial 'core' asset management plan in accordance with the International Infrastructure Management Manual 2011 and the Department of Local Government and Communities Asset Management Framework and Guidelines.

The Plan has been prepared to meet minimum legislative and organisational requirements for sustainable service delivery, and long term financial planning and reporting. Core asset management relies on the use of an asset register, maintenance management systems, top-down condition assessment, simple risk assessment and basic defined level of service, in order to establish a long-term cash flow projection. Users of this Plan should recognise the level of asset management maturity at which the Shire is currently situated and the progressive nature of its journey toward higher levels of asset management.

The Shire may decide, by future revisions to move towards advanced asset management which employs predictive modelling, risk management and optimised decision-making techniques to establish asset lifecycle treatment options and related long term cash flow predictions.

## 3.4 Legislative Framework

As part of the provision of assets the Shire must meet many legislative requirements included in State and Federal legislation. An understanding of the legislation relating to the provision of the asset is essential to the long term management of assets.

## 3.5 Desired Levels of Service

A description of 'levels of service' seeks to document the outputs or objectives the Shire intends to deliver to its community and customers. There are two measures of level of service as follows:

- **Community Levels of Service** – relate to the service outcomes the community seeks in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance. These are generally contained in public documents and should be aimed at communicating to a layperson.[3] Community Levels of Service measures may be tangible or intangible.
- **Technical Levels of Service** – technical levels of service are operational or technical measures of performance. These support customer measures and tend to be used internally to measure performance against service levels. [4]
  At present, indications of desired levels of service are obtained from various sources including the residents' feedback to Councillors and staff, service requests and correspondence.

[3] IPWEA, 2011. *IIMM* Sec 2.2.1, p 2.18.

[4] IPWEA, 2011. *IIMM* Sec 2.2.1, p 2.18.

# 3.0 BACKGROUND - ASSET MANAGEMENT

## 3.6 Risk Management Planning

Risk management planning seeks to assess the risks associated with infrastructure assets to identify critical risks that may result in the loss or reduction in services or a result in 'financial shock' to the organisation when seeking to maintain current service levels.

The risk assessment process identifies credible risks, a risk rating, the likelihood and consequences of any occurrence and then evaluates the risk and develops a risk treatment plan.

Identified risks have been rated within the Infrastructure Risk Management Plan using the following ratings:

- Extreme/Exceptional (requiring immediate corrective action);
- High (requiring prioritised corrective action);
- Medium (requiring planned action); or
- Low (managed by routine procedures).

The consequences of the risk event and plan for treating the risk are detailed within the plan along with the rating for each identified risk.

## 3.7 Demand Forecasting

The factors affecting demand for property services include changes in population and demographics, seasonal factors, consumer preferences and expectations, economic factors, and environmental awareness. Demand factor trends and impacts on service delivery are documented within the plan.

## 3.8 Demand Management Planning

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

## 3.9 Lifecycle Management Planning

Lifecycle management planning details how the Shire plans to manage and operate the assets at the agreed levels of service while seeking to optimise 'whole of life' costs of providing assets.

# 3.0 BACKGROUND - ASSET MANAGEMENT

## 3.10 Asset Renewal/Replacement Planning

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

Estimated renewal dates for assets (or asset components) may be based on the age of an asset however, documented physical condition based inspections are generally regarded as a more accurate basis for estimating the remaining life of assets.

## 3.11 Creation/Acquisition/Upgrade Planning

'New work' is work which creates a new asset (not previously existing) or upgrades or improves an existing asset beyond its previous service capacity. Assets acquired at no cost to the local government from land developers or government agencies are also considered new work.

The need for new assets or the upgrade/expansion of existing assets is identified from various sources such as Councillor or community requests, the Strategic Community Plan or determined in consultation with other organisations.

'Whole of life' costs should be determined when making decisions relating to the procurement of major new assets to ensure long term operating and renewal costs are considered.

## 3.12 Maintenance Planning

Maintenance incorporates reactive and planned maintenance which are either routine or specific in nature.

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.

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

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, gutter clearing, property sweeping, minor crack repairs etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

# 3.0 BACKGROUND - ASSET MANAGEMENT

## 3.13 Financial Sustainability in Service Delivery

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

- The degree to which the required cashflows identified in the Plan are incorporated into the organisation's long term financial plan and community/strategic planning processes; and
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends outlined in the asset management plan.

The Department of Local Government's Asset Management Framework and Guidelines provides three Key Performance Indicators (KPI's) for asset management performance which have been used to assess the Shire's service delivery sustainability.

These ratios are not calculated within this Asset Management Plan. They are provided within the Long Term Financial Plan as the information required to calculate the ratios is contained within that Plan.

### 3.13.1 Asset Consumption Ratio

The Asset Consumption Ratio (ACR) is calculated by dividing the projected Depreciated Replacement Cost (DRC) of Assets by the Current Replacement Cost (CRC).

This KPI shows the proportion of 'as new' condition remaining for the assets. A ratio of less than 50% indicates a potential rapid deterioration of the local government's asset base requiring relevant investment in order to ensure service levels are maintained.

### 3.13.2 Asset Sustainability Ratio

The rationale for the Asset Sustainability Ratio (ASR) is to highlight if the renewal or replacement of assets is occurring at variance to the level of depreciation. The ASR is calculated by dividing the budgeted renewal or replacement of assets by the annual depreciation of the assets for the same period.

Where the ratio is greater than 110% it indicates renewal expenditure is higher than the level of deterioration.

### 3.13.3 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio indicates the long term funding availability for the renewal or replacement of assets. The ratio is calculated by dividing the net present value of planned capital expenditure for the next 10 years by the net present value of the required capital expenditure over the same period.

A target range of 95% to 105% indicates the required asset renewals are fully funded.

# 3.0 BACKGROUND - ASSET MANAGEMENT

## 3.14 Information Flow Requirements and Processes

The key information flows into this asset management plan are:

- Council strategic and operational plans;
- Service requests from the community;
- Asset information;
- The unit rates for categories of work/materials;
- Current levels of service, expenditures, service deficiencies and service risks;
- Projections of various factors affecting future demand for services and new assets acquired by Council;
- Future capital works programs; and
- Financial asset values.

The key information flows from this asset management plan are:

- The resulting initial long term expenditure projections, for consideration in the Long Term Financial Plan; and
- Initial financial sustainability indicators for property infrastructure.

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

## 4.0 STRATEGIC COMMUNITY PLAN

This Plan has been prepared to progress the Shire's vision, objectives and strategies as set out in the adopted Strategic Community Plan 2013-23, the vision being:

**"Inclusive and peaceful, prosperous and strong"[5].**

The Strategic Community Plan was developed following engagement and consultation with the community. Asset management planning is viewed as an essential part of accomplishing Council's vision and aspirations. Reference to relevant objectives and actions and how these are addressed in this Plan are shown for each class of asset in the tables below.

Table 4.1 (a) Strategic Community Plan – Strategies addressed in the AMP

| Objective | Desired Outcome | Strategies Addressed In AMP | Asset Class |
|---|---|---|---|
| **Social:** | | | |
| 1. An educated, respectful and inclusive community – a place where people feel they belong. | Outcome 1.1: Maintenance of existing and development of new community infrastructure and resources. | Strategy 1.1.1 Complete covered sports facility. | General |
| | | Strategy 1.1.2: Build sports oval. | General |
| | | Strategy 1.1.3: Built multi-purpose community Hub. | Property |
| | | Strategy 1.1.4: Maintain Yalgoo and Paynes Find community Halls. | Property |
| | | Strategy 1.1.5: Improve and beautify Shire cemeteries. | General Property |
| | | Strategy 1.1.6: Maintain a community bus to support community activities. | General |
| **Environment:** | | | |
| 2. An environment that is managed well and appreciated by all. | Outcome 2.1: Well maintained and improved built environments. | Strategy 2.1.1 Improve community infrastructure. | All |
| | | Strategy 2.1.2 Undertake townscape revitalisation projects in Yalgoo and Paynes Find. | General |
| | | Strategy 2.1.5 Develop schedule and seek funding for heritage building restoration. | Property |

[5] Shire of Yalgoo, 10 Year Strategic Community Plan, 2013 to 2023, "The Outback Starts Here".

# 4.0 STRATEGIC COMMUNITY PLAN

## Table 4.1 (a) Strategic Community Plan – Strategies addressed in the AMP

| Objective | Desired Outcome | Strategies Addressed In AMP | Asset Class |
|---|---|---|---|
| **Economic:** | | | |
| A modern and sustainable economy that provides for our growing community. | Outcome 3.2: Increased housing stock | Strategy 3.2.4 Build new housing for shire staff as necessary. | Property |
| | Outcome 3.3: Increase in number of tourists visiting the Shire. | Strategy 3.3.3 Continue town beautification / revitalisation projects. | Property<br>General |
| | | Strategy 3.3.4 Ensure amenities for tourists are well maintained. | Property<br>General |
| | | Strategy 3.3.6 Investigate strategies to increase visitor accommodation options. | Property |
| | Outcome 3.4: Maintained and improved services and amenities. | Strategy 3.4.1 Maintain a continuous improvement program and/or lobby for improvements for transport infrastructure. | General<br>Transport |
| | | Strategy 3.4.2 Maintain a continuous improvement program and/or lobby for improvements to power, water and sewerage utilities. | General |
| **Civic Leadership** | | | |
| To be a Shire that serves our community with integrity and leadership | Outcome 4.3: High quality integrated planning and compliance. | Strategy 4.3.1Develop, implement and monitor and review the Long Term Financial Plan, Workforce Development Plan, Asset Management Plan, Corporate Business Plan and Disability Access and Inclusion Plan. | All |
| | | Strategy 4.3.1Ensure compliance with all relevant legislation relating to local government and its activities. | All |

## 5.0 LEGISLATIVE REQUIREMENTS

Legislative requirements relevant to asset management are presented below. Asset classes covered by the legislation are identified in the right hand column of the table.

### Table 5.1 (a) Legislative Requirements

| Legislation | Requirement | Asset Class |
|---|---|---|
| *Local Government Act 1995 (as amended) and associated regulations.* | Sets out the role, purpose, responsibilities and powers of local governments including the preparation of Strategic Community Plans and Corporate Business Plans informed by Long Term Financial Plans and Asset Management Plans. | All |
| *Building Code of Australia 2005.* | Sets out the law relating to property traffic. | Property |
| *Disabilities Discrimination Act 1992.* | Provides protection against discrimination based on disability, in this case in connection with access to and within buildings. | All |
| *Environmental Protection Act 1986.* | An Act to provide for an Environmental Protection Authority, for the prevention, control and abatement of pollution and environmental harm, for the conservation, preservation, protection, enhancement and management of the environment and for matters incidental to or connected with the foregoing. | All |
| *Health Act 1911.* | Regulations of activities and the provision of services relating to public health. | Property |
| *Heritage Act 2004.* | Provides for and encourages the conservation of heritage places. | Property |
| *Main Roads Act 1930 (as amended) and associated Regulations.* | Sets out the law relating to and making provision for the construction, maintenance, and supervision of highways, main and secondary roads, and other roads, the control of access to roads and for other relative purposes. | Transport |
| *Occupational Safety and Health Act 1984.* | An Act to promote and improve standards for occupational safety and health, to establish the Commission for Occupational Safety and Health, to provide for a tribunal for the determination of certain matters and claims, to facilitate the coordination of the administration of the laws relating to occupational safety and health and for incidental and other purposes. | All |
| *Planning and Development Act 2005.* | Provide for an efficient and effective land use planning system in the State and promote the sustainable use and development of land. | Property, Transport |
| *Road Traffic Act 1974 (as amended) and associated Regulations.* | Sets out the law relating to road traffic. | Transport |

# 5.0 LEGISLATIVE REQUIREMENTS

## Table 5.1 (a) Legislative Requirements

| Legislation | Requirement | Asset Class |
|---|---|---|
| *Waste Avoidance and Resource Recovery Act 2007.* | The primary objects of this Act are to contribute to sustainability, and the protection of human health and the environment, in Western Australia and the move towards a waste-free society by —<br>(a) promoting the most efficient use of resources, including resource recovery and waste avoidance; and<br>(b) reducing environmental harm, including pollution through waste; and<br>(c) the consideration of resource management options against the following hierarchy —<br>(i) avoidance of unnecessary resource consumption;<br>(ii) resource recovery (including reuse, reprocessing, recycling and energy recovery); and<br>(iii) disposal. | All |

# 6.0 LEVELS OF SERVICE

Community and technical levels of service are documented below.

## 6.1 Community Feedback on Levels of Service

During 2013, a community engagement program was undertaken to develop the Shire's Strategic Community Plan. The program invited the local community to share their visions for the future of the Shire of Yalgoo. The engagement program did not include any specific determination of service levels.

Future engagement programs will consider the inclusion of a survey which permits analysis of the mean level of importance and mean level of satisfaction to generate a performance gap. This gap would seek to quantify the desire of the community for service improvement relevant to all other services.

Community service levels are detailed below in Table 6.1 (a).

### Table 6.1 (a) Current Community Service Levels

| Level Of Service Measure | Performance Measurement Process | Target Performance Measure | Current Performance Measure | Asset Class |
|---|---|---|---|---|
| **Quality** | | | | |
| Well maintained buildings. | Community survey results received by Shire relating to maintenance of buildings. | Mean satisfaction rating maintained. | Unknown where 1=Low Satisfaction 3=High satisfaction | Property |
| Quality of roads & footpaths. | Community survey results received by Shire relating to quality of roads and footpaths. | Mean satisfaction rating maintained. | Unknown where 1=Low Satisfaction 3=High satisfaction | Transport |
| Well maintained Community facilities. | Community survey results received by Shire relating to quality of facility. | Mean satisfaction rating maintained. | Unknown where 1=Low Satisfaction 3=High satisfaction | General |
| Community Satisfaction with assets. | Community survey results. | Mean satisfaction rating maintained. | Unknown where 1=Low Satisfaction 3=High satisfaction | All |
| **Function** | | | | |
| User requirements for intended usage are met. | Community survey results received by Shire relating to suitability of assets. | Mean satisfaction rating maintained. | Unknown where 1=Low Satisfaction 3=High satisfaction | General |
| User requirements for travel time are met. | Community survey results received by Shire relating to average safe travel time. | Average travel times do not increase. | Currently unmeasured. | Transport |
| Community Importance with assets. | Community survey results. | Current mean importance rating is maintained. | Unknown where 1=Low importance 3=High importance | All |

# 6.0 LEVELS OF SERVICE

## Table 6.1 (a) Current Community Service Levels

| Level Of Service Measure | Performance Measurement Process | Target Performance Measure | Current Performance Measure | Asset Class |
|---|---|---|---|---|
| **Safety** | | | | |
| Safe buildings are provided throughout district. | Number of accidents per year attributable to property condition or layout. | No injuries or accidents | Currently unmeasured. | Property |
| Safe roads are provided throughout district. | Number of loss of control vehicle accidents per year attributable to road condition or layout. | No injuries or accidents. | Currently unmeasured. | Transport |
| Safe footpaths are provided. | Number of trip accidents per year attributable to footpath condition or layout. | No injuries or accidents | Currently unmeasured. | Transport |
| Safe design and management of asset. | No. of injuries/accidents due to design or management of assets. | No injuries or accidents. | Currently unmeasured. | General |
| **General** | | | | |
| Asset consumption ratio (ACR). | Depreciated replacement cost divided by current replacement cost. | Ratio can be identified and is 50% or greater. | Refer to Long Term Financial Plan for latest measure. | All |
| Asset sustainability ratio (ASR). | Capital expenditure on replacement or renewal of assets divided by the depreciation expense. | Ratio can be calculated and ratio is 90% or greater. | Refer to Long Term Financial Plan for latest measure. | |
| Asset renewal funding ratio. | Net Present Value of planned capital expenditure over 10 years divided by the net present value of the required expenditure renewal over the same period. | Ratio can be identified and is between 75% and 95%. | Refer to Long Term Financial Plan for latest measure. | All |

# 6.0 LEVELS OF SERVICE

## 6.2 Current Technical Levels of Service

Technical service levels are detailed below along with the asset class they relate to.

### Table 6.2 (a) Current Technical Service Levels

| Level Of Service Measure | Performance Measurement | Target Performance Measure | Current Performance Measure | Asset Class |
|---|---|---|---|---|
| **Condition** | | | | |
| Defects found which are outside of service standard. | Average timeframe from identification of defect (works request) to rectification of defect. | Repair timeframes to be reasonable | Currently unmeasured (no baseline) | All |
| Assessed property condition. | Condition Assessment. | Property condition <4.0 | Average Condition 2.94. Standard Deviation 1.07.<br>Where<br>1=As New Condition<br>5=Unserviceable | Property |
| Assessed road condition. | Condition Assessment. | Current average road condition to be maintained. | Currently unmeasured (no baseline) | Transport |
| **Function** | | | | |
| Average usage rates. | Number of days building is not utilised. | Increase in number of usages per year. | Currently unmeasured (no baseline) | Property |
| Buildings able to service community requirements. | Community satisfaction. | Mean satisfaction rating maintained. | Unknown where<br>1=Low Satisfaction<br>3=High satisfaction | Property |
| Public Open Space able to service community requirements. | Community satisfaction. | Mean satisfaction rating maintained. | Unknown where<br>1=Low Satisfaction<br>3=High satisfaction | Property |
| **Safety** | | | | |
| Safe buildings are provided throughout district. | Number of accidents per year attributable to property condition or layout. | No injuries or accidents | Currently unmeasured. | Property |
| Safe roads are provided throughout district. | Number of loss of control vehicle accidents per year attributable to road condition or layout. | No injuries or accidents. | Currently unmeasured. | Transport |
| Safe footpaths are provided. | Number of trip accidents per year attributable to footpath condition or layout. | No injuries or accidents. | Currently unmeasured. | Transport |
| Safe design and management of asset. | No. of injuries/accidents due to design or management of assets. | No injuries or accidents. | Currently unmeasured. | General |

# 6.0 LEVELS OF SERVICE

## Table 6.2 (a) Current Technical Service Levels

| Level Of Service Measure | Performance Measurement | Target Performance Measure | Current Performance Measure | Asset Class |
|---|---|---|---|---|
| Asset Consumption Ratio. (ACR) | Depreciated replacement cost dividend by current replacement cost. | Ratio can be identified and is 50% or greater. | Refer to Long Term Financial Plan for latest measure. | Transport |
| Asset sustainability ratio. (ASR) | Capital expenditure on replacement or renewal of assets divided by the depreciation expense. | Ratio can be calculated and ratio is 90% or greater. | Refer to Long Term Financial Plan for latest measure. | All |
| Asset renewal funding ratio. | Net Present Value of planned capital expenditure over 10 years divided by the net present value of the required expenditure renewal over the same period. | Ratio can be identified and is between 75% and 95%. | Refer to Long Term Financial Plan for latest measure. | All |

## 7.0 RISK MANAGEMENT

The most significant risks relating to property assets identified within the Shire's risk register are detailed below along with the risk treatment plan for each risk.

### Table 7.1 (a) Critical Risks and Treatment Plans

| Risk | Consequence | Risk Rating | Risk Treatment Plan |
|---|---|---|---|
| Asset Condition decreases due to flood damage. | Desired level of service not maintained. | Medium | Ensure adequate drainage inroad design and maintenance to mitigate risk of flood damage. |
| Climate Change. | Likelihood of severe storm damage increases. | Medium | Consider climate change impacts when designing and managing assets. |
| Significant unforeseen increases in maintenance or renewal costs. | Desired level of service not maintained. | Medium | Monitor costs and adjust long term plans accordingly. |
| Asset condition decreases due to inadequate renewal program. | Desired level of service not maintained. | Medium | Determine maintenance priorities based risk and on lifecycle cost. |
| Asset condition decreases due to inadequate maintenance program. | Desired level of service not maintained. | Low | Determine maintenance priorities based risk assessment and lifecycle cost. |
| Sudden significant increase or decrease in population. | Sudden increase or decrease in level of service requirements. | Low | Monitor population trends and industry developments in the region. |
| Traffic incident attributable to sub-standard road conditions or road layout. | Liability Risk. | Low | Ensure road/footpath network is maintained in compliance with defined standards. |
| Safety incident attributable to sub-standard asset condition design. | Liability Risk. | Low | Ensure assets are maintained in compliance with applicable standards. Close assets which do not meet requirements. |
| Health and safety incident whilst working on assets causing fatality or serious injury. | Prosecution risk. | Low | Ensure Council has a compliant H & S policy. Ensure staff and contractors are trained in policy and all procedures are complied with. |

## 8.0 EMAND FACTORS AND IMPACT ON SERVICES

Demand factors, the present position, projection and potential impact on services are presented in the table below.

### Table 8.1 (a) Demand Factors and Impact on Services

| Demand Factor | Consideration | Present Position | Projection | Impact On Services |
|---|---|---|---|---|
| Population | Impact of projected population numbers on services or assets provided by the Shire. | The estimated resident population of the Shire of Yalgoo is 406 in 2011. 279 Males and 127 Females.[6] | Nominal increase of 0.5% per year to a level of 435 expected by 2025. [6] | Services considered steady state. |
| Demographics | Impact of projected population numbers on services or assets provided by the Shire. | Work aged persons between 15 and 64 represented 81% of the estimated resident population in 2011. Persons over the age of 64 represented 5% of the population. [7] | No significant changes in demographics are currently expected. | Services considered steady state. |
| Legislative | Forecast changes to local, state or federal government laws, regulations or standard impacting on the type of assets or need for assets. | Legislation stable and relatively unchanged for a number of years. | None known. | None known. |
| Governance | Impact of any proposed changes to the organisation, policies or practice affecting the need for or use of assets.<br>Government directives or policies that impact on assets. | Currently Implementing Integrated Planning and reporting Framework. | Implementation of planned Asset Management. | Potential for improved level of service. |
| Community Expectations | Projected impact on assets or services provided by the Shire due to changes in community expectations. | Community expectations regarding the level of service provided by the Shire have increased over recent years. | An increase in expectations is likely to continue. | The impact on services may be varied dependent on which services the expectations relate. |
| Technology | Are there any changes to technology that will impact on the type of assets or services provided by the Shire? | Present internet system is relatively basic. | National Broadband Network connection -may have a positive impact. | Major improvements expected in data processing and communications. |
| Industries | Are there any new industries that impact on the Shire? | Increase in mining possible, will impact on Shire assets. | Increased use of roads for transport of mineral products. | Increased level of service to meet demand. |
| Tourism | Tourism trends projected to impact on assets or services provided by the Shire. | Tourism is actively promoted by the Shire. | Increase in the number of visitors and visitor vehicles to the Shire. | Increase in demand on waste services. |
| Climate Change | Will Climate Change impact the Shire assets? | Property assets likely to be impacted by severe storms. | Increase in the frequency and ferocity of storms. | Design specifications for assets may increase. Risk of major loss of assets increasing. |

[6] Department of Planning, Western Australia Tomorrow Population Report No. 7, 2006 to 2026, 2012

[7] Australian Bureau of Statistics, 2011 Census of Population and Housing, "Basic Community Profile" Yalgoo (LGA59350), 2011.

# 8.0 EMAND FACTORS AND IMPACT ON SERVICES

## Table 8.1 (a) Demand Factors and Impact on Services

| Demand Factor | Consideration | Present Position | Projection | Impact On Services |
|---|---|---|---|---|
| Safety | Are there changes to safety standards projected to impact on assets or services provided by the Shire? | Safety is a risk continuously being addressed by the Shire. | Safety standards likely to increase across all asset classes. | Increase in level of service related to safety. |
| Buildings | Factors that will impact on buildings include:<br>• Restoration of historical buildings.<br>• Removal of asbestos from existing buildings. | Ageing buildings containing asbestos are in current use. | Program to replace components containing asbestos to be developed. Renewal of major components such as electrical and fire protection systems required. | Renewal of components presenting a safety hazard and removal of asbestos. |
| Road Assets | Projected significant changes to:<br>• Sealed town roads<br>• Sealed rural roads<br>• Unsealed Roads | Increasing usage of roads by mining operators and increased load capacity of livestock trucks. | Increased use of roads for transport of mineral products. | Increased level of service to meet demand. |
| Footpaths | Developments or areas where potential requirement for new or improved dual use pathways exists. | Limited footpaths available. | Increase demand for footpaths in major localities. | Increased level of service to meet demand. |
| Furniture and Equipment | Introduction of National Broad Band Network. | Current Internet connections are limited. | Increased internet access and speeds may require changes to IT Equipment. | Increase in services able to be provided using IT Environment. |
| Plant and Equipment | Are there any changes likely to impact the services provided. | Replacement and development of existing and new playground equipment. | Increase demand for playgrounds in major localities. | Demand for increased level of service for playground equipment. |
| Infrastructure | Impact of projected population and tourist numbers on infrastructure assets. | Public open space and related community amenities limited. | Increase in tourist numbers requires increase in public open space requirements. | Demand for increased level of services on community amenities in public open spaces. |

# 9.0 DEMAND MANAGEMENT PLANS

Projected asset demand will be managed in one of four ways:

- Renewal of existing assets to minimise their whole of life cost;
- Upgrade or purchase of new assets to meet increases in demand;
- Disposal of existing assets in line with decreases in demand; or
- Maintenance and operation of existing assets.

Each of these demand management responses is examined separately later in the Plan. Demand factors which result in a projected impact on services, and requiring specific treatment, will be addressed through a Demand Management Plan.

## 9.1 Demand Management Plans

Demand factors to be addressed through a Demand Management Plan are reflected in the table below.

### Table 9.1 (a) Demand Management Plans

| Demand Factor | Demand Management Plan |
|---|---|
| Safety | Renewal of components presenting a safety hazard and removal of asbestos. |
| Disabled Access | New buildings to include disabled access in line with Disability Access Inclusion Plan |

The actions outlined above require further development before implementation, with their timing being dependent on the availability of funds.

# 10.0 ASSET INFORMATION

## 10.1 Physical Parameters

Shire assets are located throughout the district on Shire owned or controlled land.

The physical parameters of all Shire assets are considered separately for each asset group.

### 10.1.1 Transport Assets – Physical Parameters

The following table describes the Transport assets of the Shire (Source ROMAN II):

Table 10.1 (a) Transport Asset Summary

| Transport Assets | Length m | Area $m^2$ |
|---|---|---|
| Roads | | |
| • Seals | 171,560 | 970,688 |
| • Sealed Pavement | 171,560 | 1,506,705 |
| • Unsealed | 148,270 | 1,139,380 |
| • Formed Roads | 1,090,380 | 10,025,704 |
| • Unformed Roads | 52,700 | 340,610 |
| | | |
| Kerbing/Culverts | | |
| • Kerb Barrier | 2,570 | |
| • Box Culvert | 1,540 | |
| | | |
| Footpaths | | |
| • Cement Concrete | 50 | 120 |
| | | |
| Signs | | |
| • Default Advisory Sign | 344 (Number) | |
| • Default Advisory Sign | 8 (Number) | |
| | | |
| Floodways | | |
| • Concrete Floodway (No Scour) | 40 | 320 |
| • Gravel Floodway | 720 | 6,900 |
| • Gravel Floodway (1 Side Scour) | 20 | 160 |
| • Gravel Floodway (2 Side Scour) | 40 | 360 |
| • Sealed Floodway (No Scour) | 3,950 | 34,060 |
| | | |
| Stock Grids | 136 | |

The ROMAN II data was considered up to date by management as at 30 June 2013.

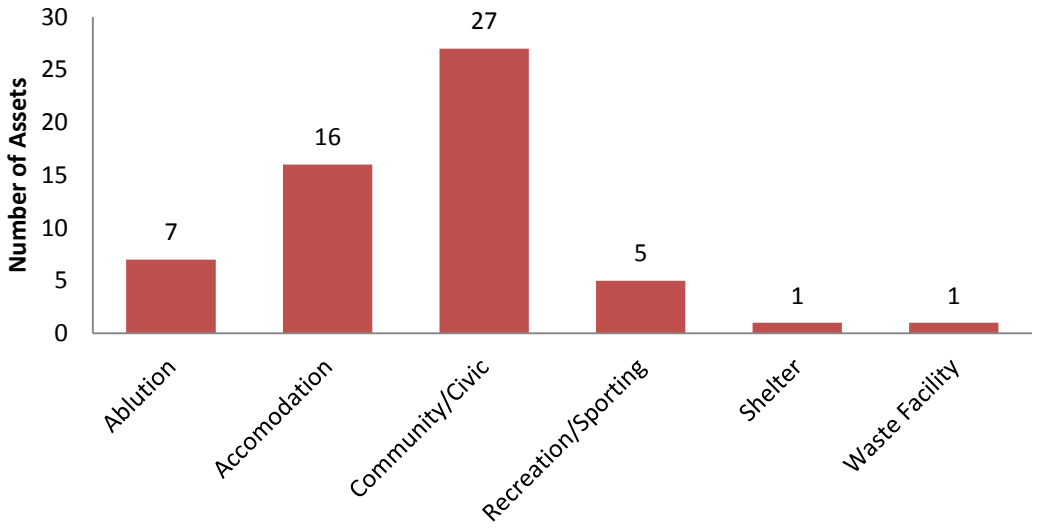
A detailed schedule of Transport assets is provided at Appendix A.

## 10.0 ASSET INFORMATION

### 10.1.2 Property Assets – Physical Parameters

Sourced from an independent valuation, the Shire has 57 property assets of varying types as summarised below:

Chart 10.1 (a) Number of Property Assets by Type

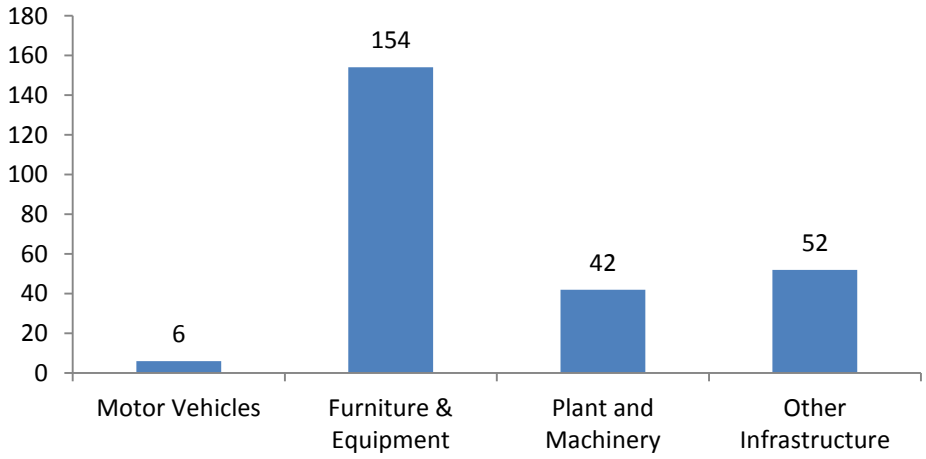



A detailed schedule of property assets is provided at Appendix B however, accurate dimensions and components, the year of construction and the timing of the last renewal have not been consistently maintained for all property assets.

### 10.1.3 General Assets – Physical Parameters

The Shire has 254 general assets separated into four types. The number of assets identified within each type is presented in the chart below.

Chart 10.1 (b) Number of General Assets




A detailed schedule of the general assets category is provided at Appendix C.

# 10.0 ASSET INFORMATION

## 10.2 Asset Ages

Complete and accurate information on the construction dates and the most recent renewal date of assets is not consistently available. The acquisition date of a number of purchased assets is held in the Financial Accounting System however the dates of last renewal works are not available.

## 10.3 Asset Design Standards

New transport assets are constructed in accordance with design standards from Main Roads WA where applicable. New building assets are constructed in accordance with applicable building regulations and standards. Based on advice from Shire staff, (other than as mentioned above) no formal or specific design standards are used for the construction, maintenance or renewal of assets.

## 10.4 Asset Capacity and Performance

Asset capacity is not formally documented and there are no known general deficiencies in service performance for assets.

## 10.5 Asset Condition Information

Asset condition information provides an indication of an asset's remaining useful life. Available asset condition information is considered separately for each group of assets.

### 10.5.1 Transport Assets – Asset Condition

Transport assets have not yet been assessed against a formal documented condition framework capable of providing an indication of the remaining useful life of each asset or its sub components.

A documented condition assessment framework has been established and will be utilised in the future when the fair value of the Shire's road network is determined.


**Figure 3 – Shire tipper.**

# 10.0 ASSET INFORMATION

## 10.5.2 Property Assets – Asset Condition

As part of the property valuation external valuers inspected each building and property asset and estimated a remaining useful life based on the condition of the asset at the time of inspection.

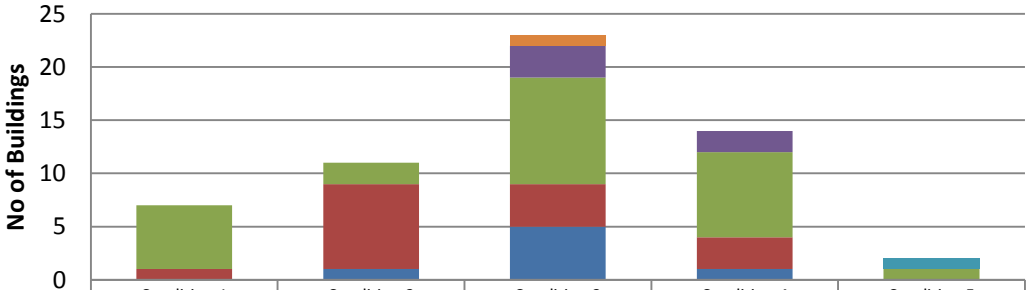
The condition rating framework applied to the buildings is set out below:

### Table 10.5 (a) Building Condition Rating Framework.

| Condition Rating | Basis of Condition Rating |
|---|---|
| 1 | Very Good: Building is new or has been extensively re-modelled and modernised. 91%-100% remaining of Estimated Economic Working Life. |
| 2 | Good: Building has been well maintained and has possibly been refurbished. 71%-90% remaining of Estimated Economic Working Life. |
| 3 | Moderate: Building has been regularly maintained throughout. 21%-70% remaining of Estimated Economic Working Life. |
| 4 | Poor: Building in need of overall maintenance – no obvious structural defects. 6%-20% remaining of Estimated Economic Working Life. |
| 5 | Very Poor: Building in disrepair or uninhabitable with possible structural problems 0%-5% remaining of Estimated Economic Working Life. |

The number of building assets assessed within each condition rating is provided below:

### Chart 10.5 (a) Number of Buildings in each Condition Rating.




| | Condition 1 | Condition 2 | Condition 3 | Condition 4 | Condition 5 |
|---|---|---|---|---|---|
| Waste Facility | | | 1 | | |
| Shelter | | | | | 1 |
| Recreation/Sporting | | | 3 | 2 | |
| Community/Civic | 6 | 2 | 10 | 8 | 1 |
| Accomodation | 1 | 8 | 4 | 3 | |
| Ablution | | 1 | 5 | 1 | |

The Anglican Church building and Paynes Find sport shelter are the only buildings currently rated as condition 5 and assessed as in disrepair or uninhabitable, and with possible structural problems. Continued use of these buildings in their present condition should be the subject of careful consideration.

The majority of buildings (72%) are rated as condition 1 to 3 indicating generally the majority of buildings are considered as good to moderate in condition with a reasonable maintenance program being undertaken.

The detailed schedule of estimated remaining useful lives of buildings is provided at Appendix B.

## 10.0 ASSET INFORMATION

### 10.5.3 General Assets – Asset Condition

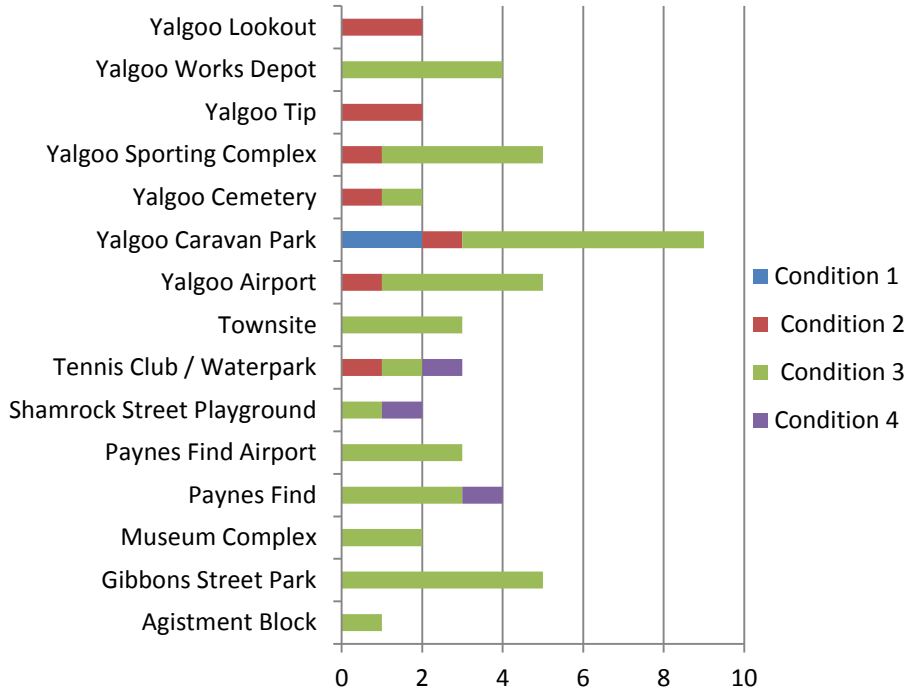
During the external valuation an inspection of general assets was undertaken for each of the following general asset types:

- Furniture and Equipment (No condition or remaining life data);
- Mobile Plant and Machinery (No condition or remaining life data); and
- Other Infrastructure.

Light vehicles were omitted from the external valuation report. Management determined the 'fair value' of these vehicles at 30 June 2013 and these values have been utilised within this Plan.

Condition assessments and remaining useful life information is only available for Other Infrastructure. The chart below reflects the condition and number of Other Infrastructure assets at each location.

Chart 10.5 (c) Number of other infrastructure assets by location.




A detailed schedule of conditions and estimated remaining useful lives of general assets is provided at Appendix C.

# 10.0 ASSET INFORMATION

## 10.6 Asset valuation

A schedule of valuation of assets is set out separately for each category of asset below.

### 10.6.1 Transport Assets - Valuation

The Shire maintains transport asset information within the ROMAN II asset inventory system. Utilising the dimension data held in ROMAN II, and unit rates provided by management, a current replacement cost has been estimated.

The table below provides a summary of the estimated current replacement cost of transport assets.

Table 10.6 (a) Estimated Current Replacement Costs

| Transport Assets | Length | Area ($m^2$) | Estimated Current Replacement Cost at June 2013 |
|---|---|---|---|
| Roads | | | |
| • Seals | 171,560 | 970,688 | $4,368,096 |
| • Sealed Pavement | 171,560 | 1,506,705 | $15,067,050 |
| • Unsealed Pavement | 148,270 | 1,139,380 | $4,557,520 |
| • Formation | 1,090,380 | 10,025,704 | $25,064,260 |
| • Unformed Roads | 52,700 | 340,610 | $170,305 |
| | | | |
| Kerbing/Culverts | | | |
| • Kerb Barrier | 2,570 | | $77,100 |
| • Culverts | 1,540 | | $28,371 |
| | | | |
| Footpaths | | | |
| • Cement Concrete | 50 | 120 | $6,000 |
| | | | |
| Signs | | | |
| • Default Advisory Sign | 344 (Number) | | $68,800 |
| • Default Advisory Sign | 8 (Number) | | $1,600 |
| | | | |
| Floodways | | | |
| • Concrete Floodway (No Scour) | 40 | 320 | $64,000 |
| • Gravel Floodway | 720 | 6,900 | $103,500 |
| • Gravel Floodway (1 Side Scour) | 20 | 160 | $4,000 |
| • Gravel Floodway (2 Sides Scour) | 40 | 360 | $12,600 |
| • Sealed Floodway (No Scour) | 3,950 | 34,060 | $851,500 |
| | | | |
| Stock Grids | 136 | | $255,000 |

**Comment**: A more comprehensive breakdown of the values is provided at Appendix A. These values are a summary of the asset dimension data stored within ROMAN II and the rates used for construction of transport assets have not been verified or independently assessed.

## 10.0 ASSET INFORMATION

### 10.6.2 Property Assets - Valuation

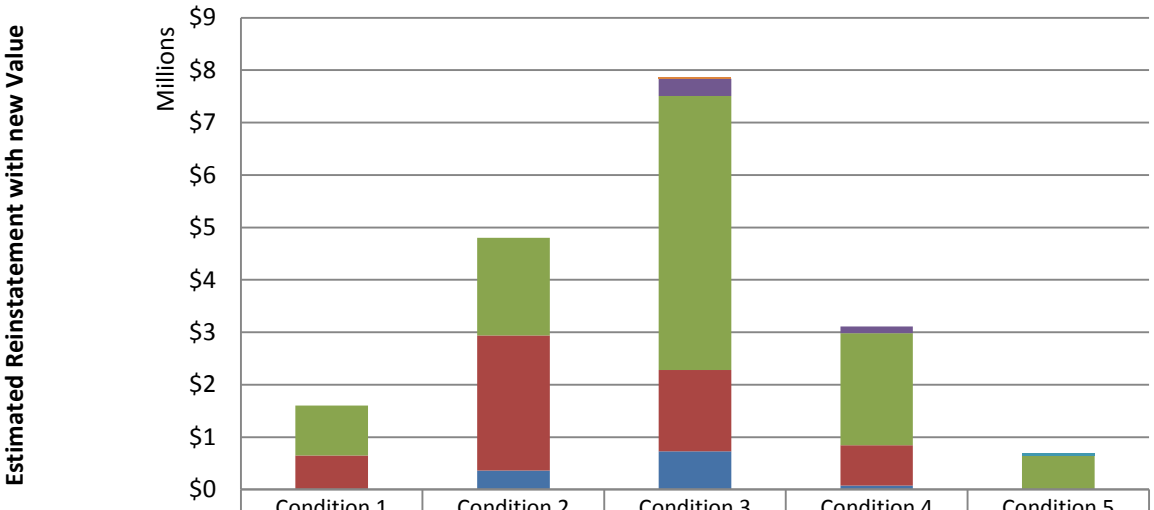
Land and buildings were valued by independent professional valuers on 25 February 2013, based on an inspection of assets undertaken in February 2013. The valuation report contained values on reinstatement with new value (see definition below), the estimated remaining useful life, residual value %, fair value (buildings only) and fair value (land only) for each property.

'Reinstatement with new value has been determined as at the date of the valuation to allow for replacement by similar property, in a condition equal to but not better, nor more extensive, than its condition when new.'[8]

Fair value is defined as 'The amount for which an asset could be exchanged between knowledgeable, willing parties in an arms-length transaction.'[9]

A representation of the reinstatement with new values for property assets in the valuation report is provided in the table below for each condition rating.

Chart 10.6 (a) Reinstatement With New Values as at Feb 2013




| | Condition 1 | Condition 2 | Condition 3 | Condition 4 | Condition 5 |
|---|---|---|---|---|---|
| Waste Facility | | | $35,000 | | |
| Shelter | | | | | $41,000 |
| Recreation/Sporting | | | $334,000 | $128,000 | |
| Community/Civic | $950,000 | $1,865,000 | $5,228,000 | $2,135,000 | $650,000 |
| Accomodation | $650,000 | $2,580,000 | $1,550,000 | $770,000 | |
| Ablution | | $360,000 | $727,000 | $75,000 | |

**Comment**: A detailed breakdown of the values is provided at Appendix B. The values reproduced in this asset management plan should not be relied on, rather, reliance should only be placed on the values contained within the independent valuer's report after considering the full report.

[8] AVP Valuers, Revised Valuation Report Land Building & Improvement Assets
[9] Australian Accounting Standards Board, AASB 116 Property, Plant and Equipment.

## 10.0 ASSET INFORMATION

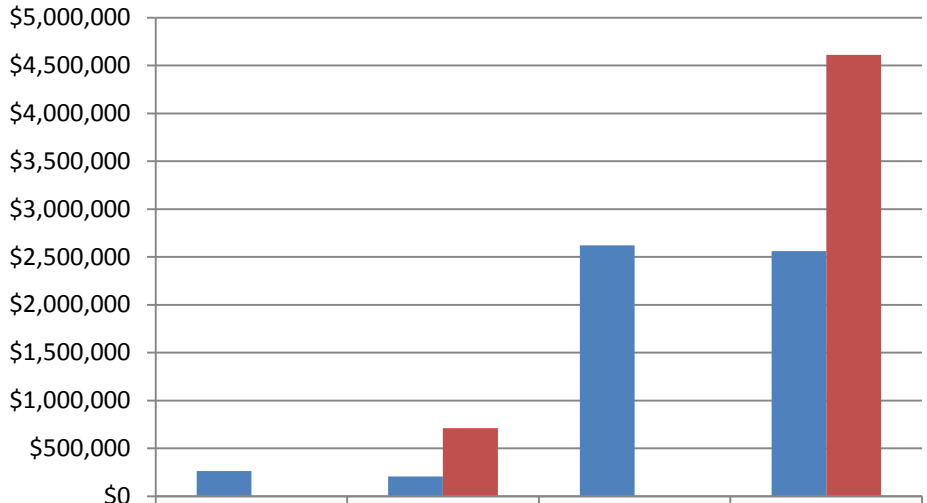
### 10.6.3 General Assets - Valuation

Plant & Machinery, Furniture & Equipment and Other Infrastructure assets were valued by an independent professional on 25 February 2013, based on an inspection in February 2013. The valuation report provided information on the fair value for each asset. A replacement with new value (see definition below) was provided for Furniture & Equipment and Other Infrastructure only.

'Replacement with new value has been determined as at the date of the valuation to allow for replacement by similar property, in a condition equal to but not better, nor more extensive, than its condition when new.'[10]

A summary of the fair values and replacement with new value (where available) for each general asset type is provided in the table below:

Chart 10.6 (b) Values as at February 2013




| | Motor Vehicles | Furniture & Equipment | Plant and Machinery | Other Infrastructure |
|---|---|---|---|---|
| Fair Value | $264,371 | $206,830 | $2,622,100 | $2,562,000 |
| Replacement with New Value | | $709,850 | | $4,609,000 |

**Comment**: A detailed breakdown of the values is provided at Appendix C. The values reproduced in this asset management plan should not be relied on, rather, reliance should only be placed on the values contained within the independent valuers' report after considering the full report. Note vehicles were valued by management and are not valued by an independent professional.

[10] AVP Valuers, P&M_Insurance_Valuation_Report_&_Asset_Schedule

## 11.0 ASSET RENEWAL/REPLACEMENT

Where existing levels of service are projected to be maintained to meet future demand, an asset renewal management plan has been identified. The renewal or replacement of assets is required to maintain existing levels of service at the lowest 'whole of life' cost.

In the absence of the necessary funding to renew assets in accordance with their optimum renewal timing, renewals are likely to be postponed. This action has the potential to increase expenditure on assets maintenance and/or increase the risk of the future asset failure and impact on service delivery.

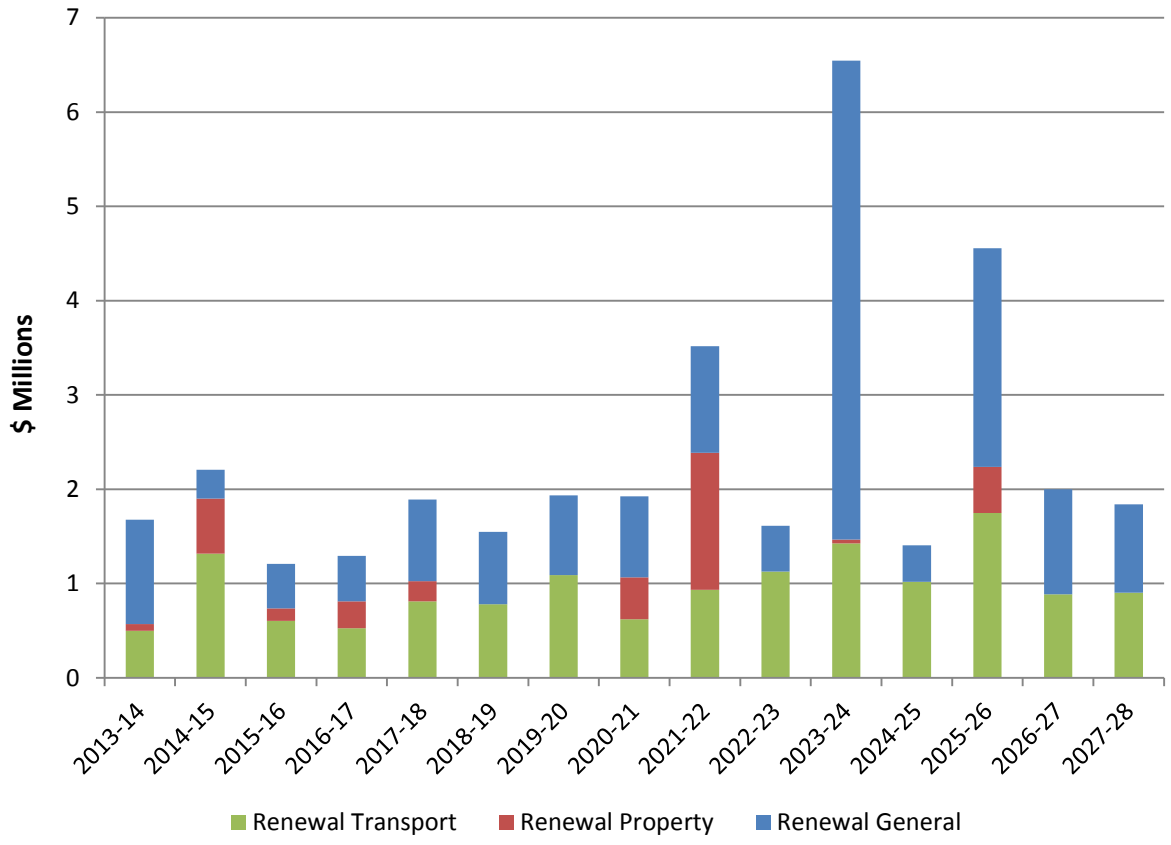
### 11.1 Renewal Standards and Specifications

Main Roads WA has standards and specifications for sealed roads which are followed when undertaking road renewals.

### 11.2 Projected Renewal Expenditure

Based on the information available, optimum renewal timings have been projected and renewal costs forecast as follows:

Chart 11.2 (a) Projected Renewal Expenditure by asset class




The forecast optimum renewal expenditure is examined for each group of assets on the following pages.

# 11.0 ASSET RENEWAL/REPLACEMENT

## 11.2.2 Transport Assets – Renewal/Replacement

Forecast renewal timing and expenditure is required to optimise the 'whole of life' cost of transport assets. Reliable condition information for asset components is considered the best indicator of component renewal timing. Where asset condition information is unavailable asset ages provide approximate component renewal timing.

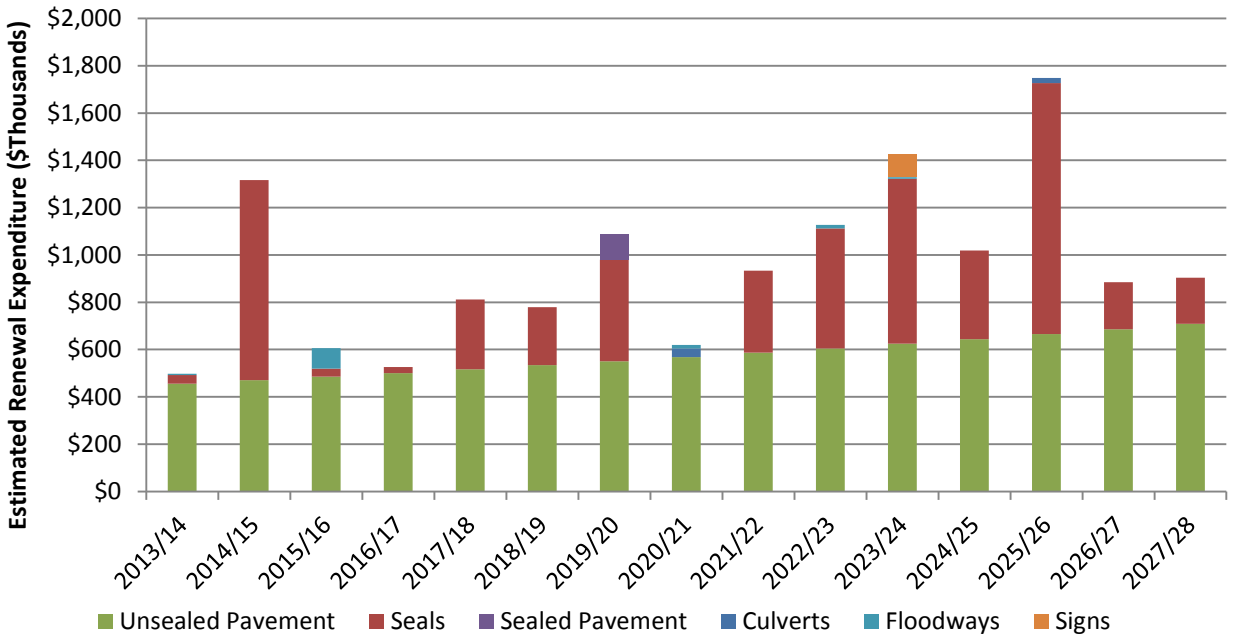
In the absence of reliable condition or age information, average renewal requirements are used to provide an indicative asset renewal value for planning purposes. The renewal cost is calculated using asset life to establish an annualised average asset renewal cost.

The basis of forecasting asset renewal timing for each transport asset component is detailed in the table below.

| Transport Assets | Basis of Forecast |
|---|---|
| Roads | |
| • Seals | Age/Condition |
| • Sealed Pavement | Age/Condition |
| • Unsealed Pavement | Average Renewal |
| • Formation | No Renewal Forecast |
| • Unformed Roads | No Renewal Forecast |
| Kerbing | Age/Condition |
| Culverts | Age/Condition |
| Footpaths | Age Information |
| Signs | Age Information |
| Floodways | Age/Condition |
| Stock Grids | Age/Condition |

Forecast optimum renewal expenditure and timing is represented in the chart below: (Detail is provided in Appendix D)

Chart 11.2 (b) Average Forecast Road Renewal expenditure



# 11.0 ASSET RENEWAL/REPLACEMENT

## 11.2.2 Transport Assets – Renewal/Replacement (Continued)

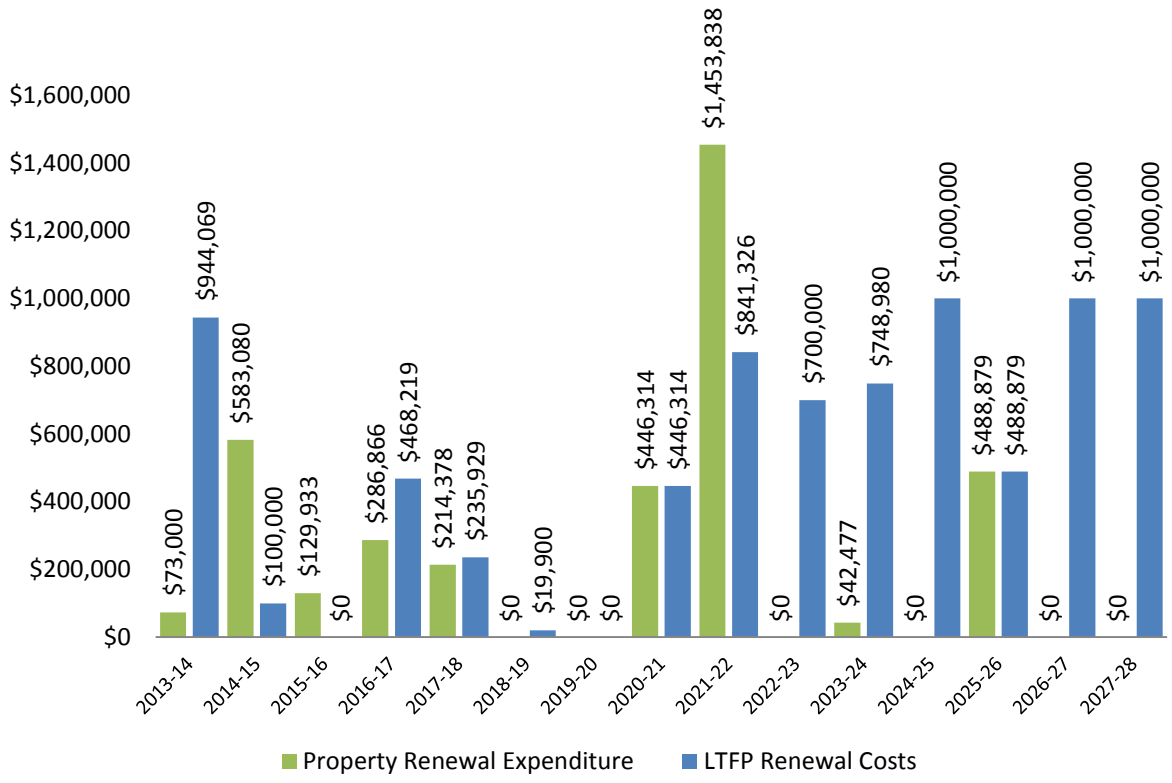
Actual asset renewals are dependent on a number of variables such as maintenance and usage levels, climatic conditions and construction design and materials. Regardless of the method used to forecast asset renewal timing, there is no guarantee the forecast asset renewals will be required in the forecast year.

Renewal costs, standard useful lives and residual values used to estimate renewal expenditure are set out under the assumption in Section 19.0.

## 11.2.3 Property Assets - Renewal/Replacement

Using the estimated remaining useful life and the 'reinstatement with new' values as provided in the independent valuation report, the timing and extent of future property renewals has been forecast (adjusted for inflation). The estimated renewal expenditure for the next 15 years is summarised below.

### Chart 11.2 (c) Forecast Property Renewal expenditure




Property renewal expenditure in the Long Term Financial Plan is highly dependent on receipt of capital grants. Failure to receive these grants will result in a number of property assets being used beyond their optimum renewal timing.

Use of property assets beyond optimum renewal timings may result in increased whole of life costs and increased risk of sudden unexpected asset failure, leading to a significant loss of service and an increase in unplanned expenditure.

Should the expected funding not be available, a review of estimated renewal timings and a rationalisation of property assets within the Asset Management Plan will be required to ensure these renewals are funded in the future.

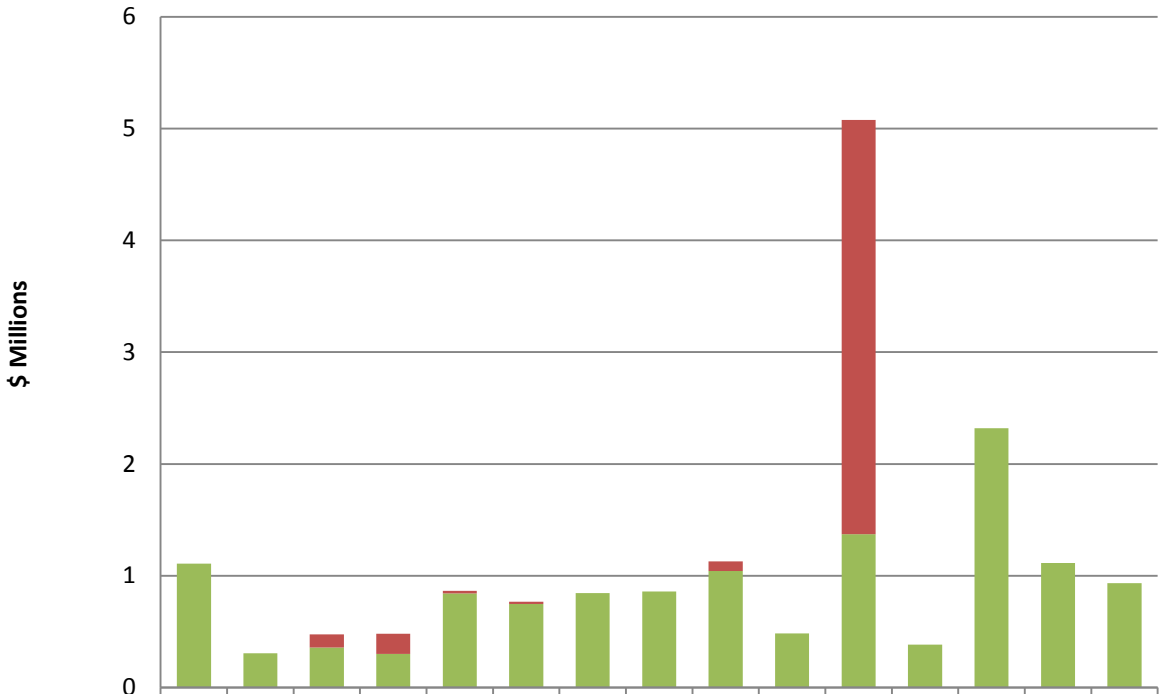
# 11.0 ASSET RENEWAL/REPLACEMENT

## 11.2.4 General Assets - Renewal/Replacement

Estimated remaining useful life and 'reinstatement with new' values provided within the independent valuation for Other Infrastructure have been used to determine the timing and extent of asset renewals. Optimum vehicle and plant renewals were determined by management as part of the development of the Shire's plant replacement program. Estimated remaining useful lives have not been determined for Furniture and Equipment, and no provision has been included within the Long Term Financial Plan. Renewal of Furniture and Equipment is currently planned to be funded from operational expenditure to occur when needed.

Forecast optimum renewal expenditure is represented in the chart below with the values contained in a table at Appendix D.

### Chart 11.2 (d) General Asset Renewals




| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Infrastructure Other | 0 | 0 | 117,153 | 181,352 | 21,551 | 19,900 | 0 | 0 | 87,488 | 0 | 3,706,502 | 0 | 0 | 0 | 0 |
| Furniture & Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vehicles, Plant & Machinery | 1,107,501 | 307,792 | 357,210 | 299,448 | 842,812 | 747,771 | 845,256 | 858,151 | 1,042,286 | 485,066 | 1,371,668 | 385,265 | 2,319,300 | 1,114,383 | 935,115 |

The peak in 2023-24 results from a large number of Other Infrastructure assets allocated a 10 year remaining useful life in the Valuation report. Maintenance levels can significantly affect remaining useful life of Other Infrastructure and the peak in 2023/24 is likely to change as the renewal date approaches and the forecast remaining life becomes clearer.

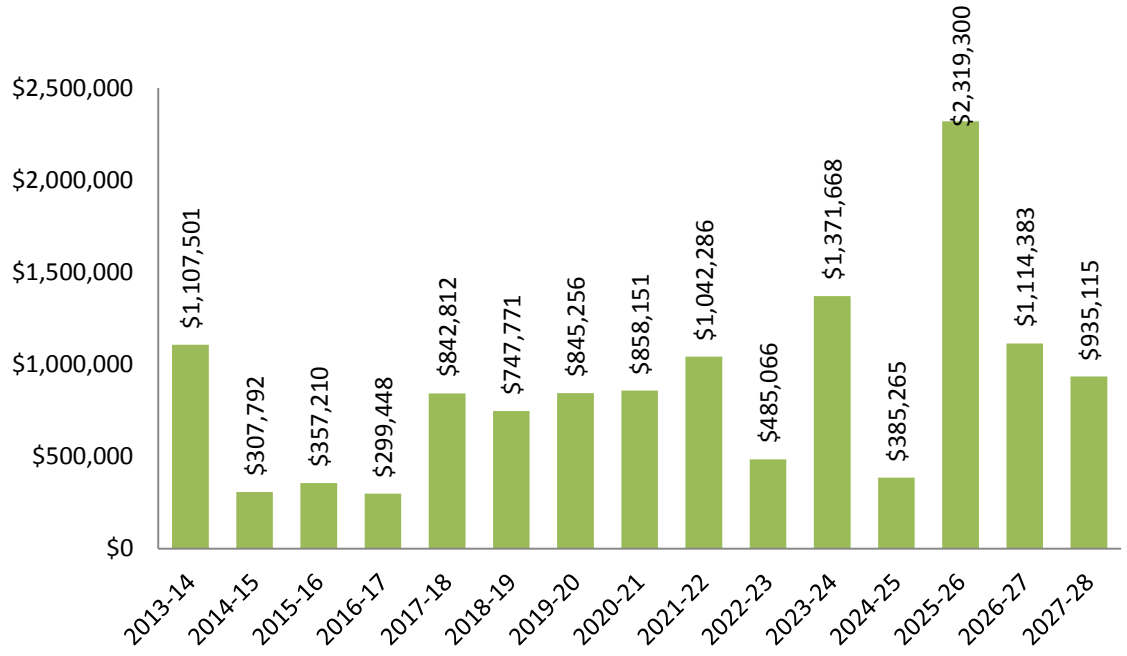
## 11.0 ASSET RENEWAL/REPLACEMENT

### 11.2.5 Plant Replacement Program

The Shire has developed a plant replacement program for the regular renewal of its Plant. Depreciation of plant and equipment and plant operating costs are allocated as an expense against works and services projects annually.

Proceeds on disposal of plant and equipment are combined with Shire resources to fund plant and equipment renewals. Gross estimated plant replacement costs based on the plant replacement program (including inflation of 3%) are reflected below.

Chart 11.2 (e) Plant and Vehicle Replacement Expenditure




The peak in Plant renewals in 2025/26 may require the accumulation of funds within a Plant cash reserve to ensure adequate funding.

# 12.0 NEW ASSETS/ASSET UPGRADES

## 12.1 New Asset Standards and Specifications

Main Roads WA has standards and specifications for sealed roads which are followed when constructing new road assets.

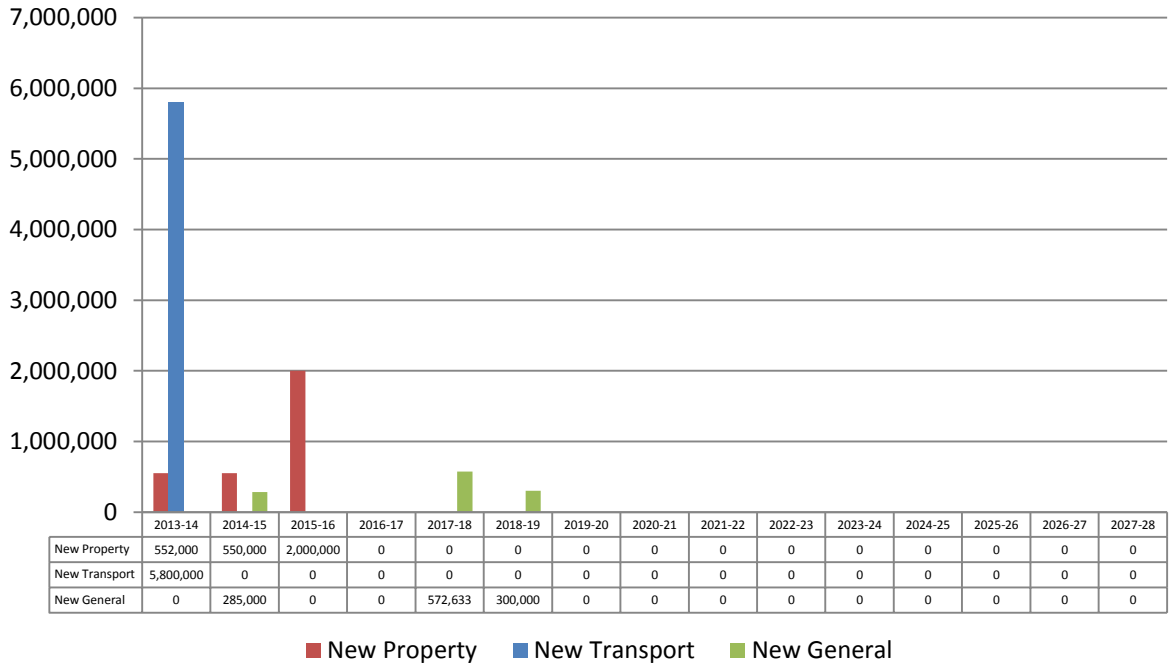
Standards and specifications for new assets and for upgrade/expansion of existing assets are determined on a project by project basis.

## 12.2 Planned New Assets to Increase Level of Service

New assets are planned based on the Shire's understanding of the level of service required by the community. Due to limits in financial capacity, new asset acquisitions are highly dependent on the receipt of grant funding.

Total planned new asset expenditure included within the Long Term Financial Plan is shown in the Chart below.

### Chart 12.2 (a) New Asset Expenditure




| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Property | 552,000 | 550,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Transport | 5,800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New General | 0 | 285,000 | 0 | 0 | 572,633 | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

New/upgrade asset expenditure is examined for each asset class on the following pages.

# 12.0 NEW ASSETS/ASSET UPGRADES

## 12.2.2 Transport Assets – New Assets/Upgrades

Road upgrades have been identified by the Shire in conjunction with mining operators using the road network for transportation of ore. The nature and extent of road upgrades will be determined by the level of funding available from mining operators and government grants.

Currently $5,800,000 is planned to be expended in 2013-14 on the Yalgoo Ningan road from funds received from mining operators requiring the roads to be upgraded. Additional footpaths are planned for construction in 2014-15 for $15,000.

Sealing of the Yalgoo-Morawa road will also be undertaken where external funding is available.

## 12.2.3 Property Assets - New Assets/Upgrades

The Long Term Financial Plan identifies new property acquisitions will be made over the first three years of the Plan provided external funding is received. These projects are detailed in the table below

### Table 12.2 (a) New Property Asset Expenditure

| Project | Year Planned | New Service | Expansion | Upgrade |
|---|---|---|---|---|
| Yalgoo Hub - Waterpark hard cover | 2013-14 | $40,000 | | |
| Yalgoo Hub - Sporting Equip Shed | 2013-14 | $12,000 | | |
| Caravan Park Redevelopment - TIRF | 2013-14 | | | $250,000 |
| Caravan Park Redevelopment - CLGF 2012-13 | 2013-14 | | | $250,000 |
| Works Depot: Replace Workshop | 2014-15 | | $550,000 | |
| Yalgoo Community Hub: Community and Youth Centre | 2015-16 | $2,000,000 | | |

As the Shire develops its integrated planning and reporting further, new property assets may be identified as being required to achieve the desired outcomes contained in the Strategic Community Plan.

In accordance with the Shire's Asset Management Policy, whole of life cost analysis will be undertaken before committing to the purchase of major new property assets.

## 12.2.4 General Assets - New Assets/Upgrades

The Long Term Financial Plan identifies new general asset acquisitions are to be made over the first three years of the Plan provided external funding is received. These projects are detailed in the table below

### Table 12.2 (b) New General Asset Expenditure

| Project | Year Planned | New Service | Upgrade |
|---|---|---|---|
| Construct Sports Oval | 2014-15 | $270,000 | |
| Headworks | 2017-18 | | $572,633 |
| Yalgoo Airstrip – Animal Exclusion Fence | 2018-19 | | $150,000 |
| Payne's Find Airstrip – Animal Exclusion Fence | 2018-19 | | $150,000 |

In accordance with the Shire's Asset Management Policy, whole of life cost analysis will be undertaken before committing to the purchase of major general assets.

## 13.0 ASSET DISPOSAL

An 'asset disposal' includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Asset renewals or replacement, by their nature, comprise a disposal of assets. Where there are no forecast cashflow implications from the disposal of the asset, the disposal has been ignored for the purposes of this Plan.

### 13.1.1 Transport Assets – Asset Disposal

Transport assets are not projected to be disposed other than through the renewal or replacement of those assets with no associated cashflow impact.

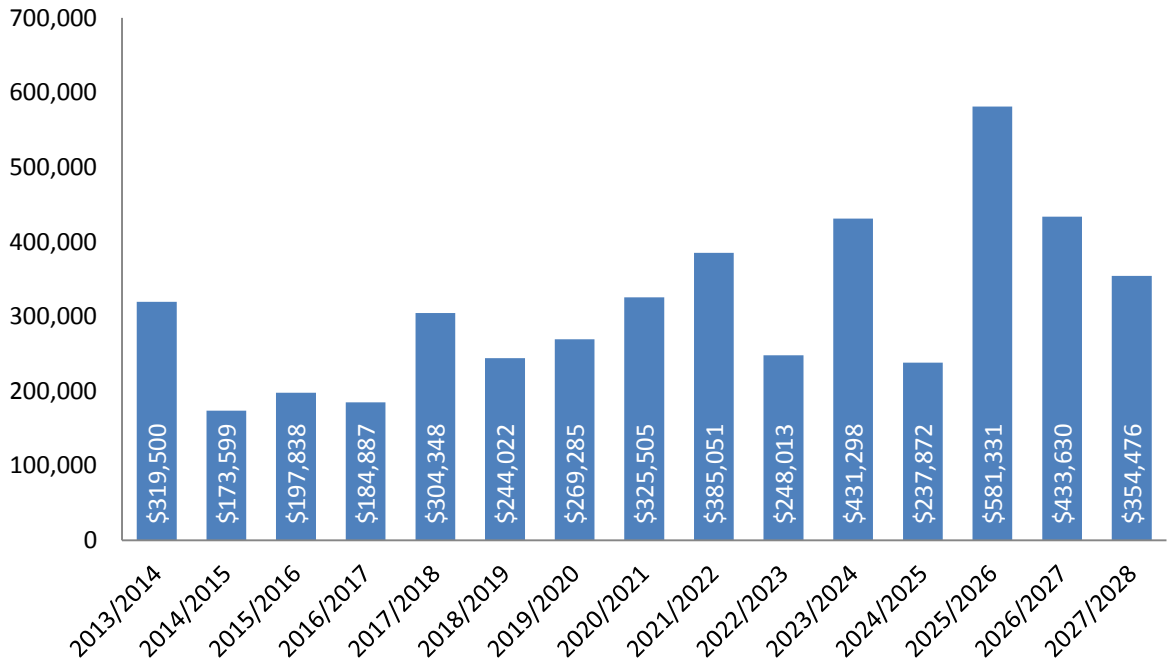
### 13.1.2 Property Assets - Asset Disposal

Property assets are not currently projected to be disposed other than through the renewal or replacement of assets.

### 13.1.3 General Assets - Asset Disposal

The replacement and renewal of plant and equipment is expected to result in the receipt of funds from the disposal of existing assets. The forecast proceeds on disposal are included within the Long Term Financial Plan (with an inflation adjustment of 3% per annum) as reflected below.

Chart 13.1 (a) Proceeds on Disposal of Assets




The proceeds on disposal of assets will be used to fund the purchase of replacement assets. No assets are currently planned to be decommissioned.

# 14.0 ASSET MAINTENANCE AND OPERATIONS

Maintaining asset in support of services to the community requires the Shire to incur routine operational and asset maintenance expenditure. Certain operational and maintenance expenditure takes the form of a fixed cost and is independent of demand while other expenditure has a direct relationship to usage levels and as such, is more difficult to accurately forecast.

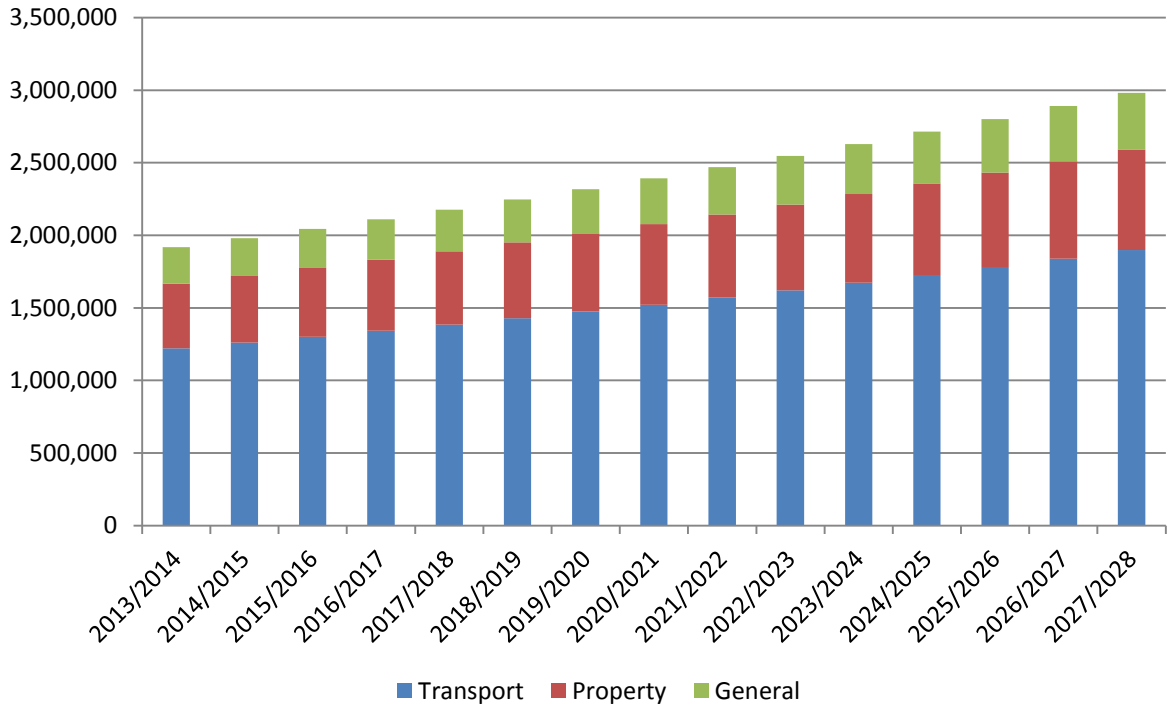
## 14.1 Projected Operations and Maintenance Expenditure

Maintenance and operations are funded from the Shire's operating budget.

Failure to undertake maintenance work may result in sudden failure of the asset or its components with a corresponding decrease in level of service.

Projected maintenance and operating costs included within the Long Term Financial Plan are presented below.

### Chart 14.1 (a) Projected Operations and Maintenance Costs



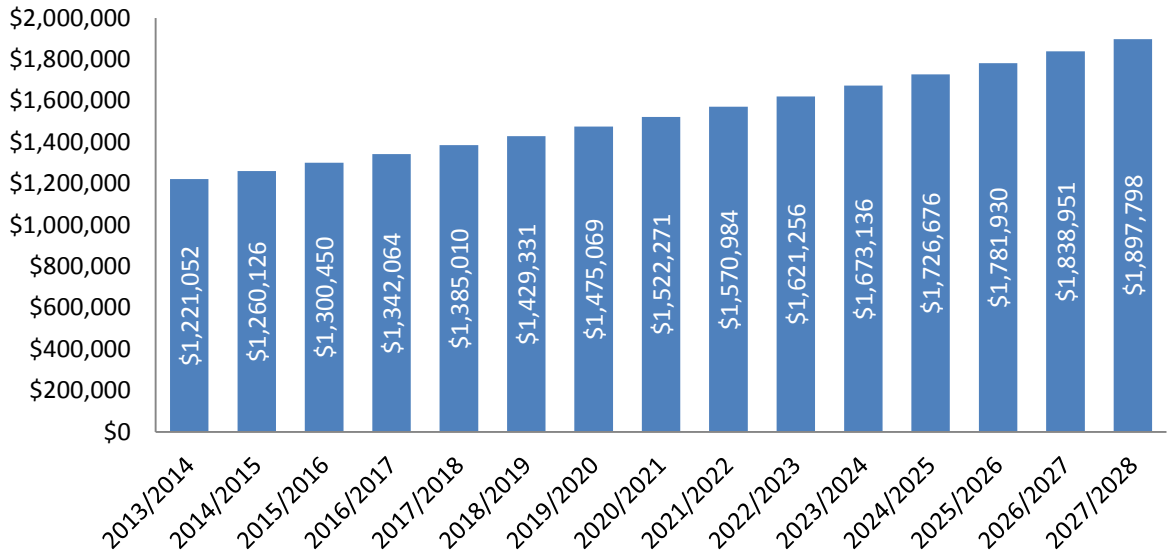

Maintenance and operating costs are analysed for each asset group on the following pages.

# 14.0 ASSET MAINTENANCE AND OPERATIONS

## 14.1.2 Transport Assets – Operations and Maintenance

The financial information shown in the chart below relates to projected maintenance expenditure on Transport Assets included within the Long Term Financial Plan (assuming inflation at 3% per annum).

### Chart 14.1 (b) Projected Road Operations and Maintenance Costs



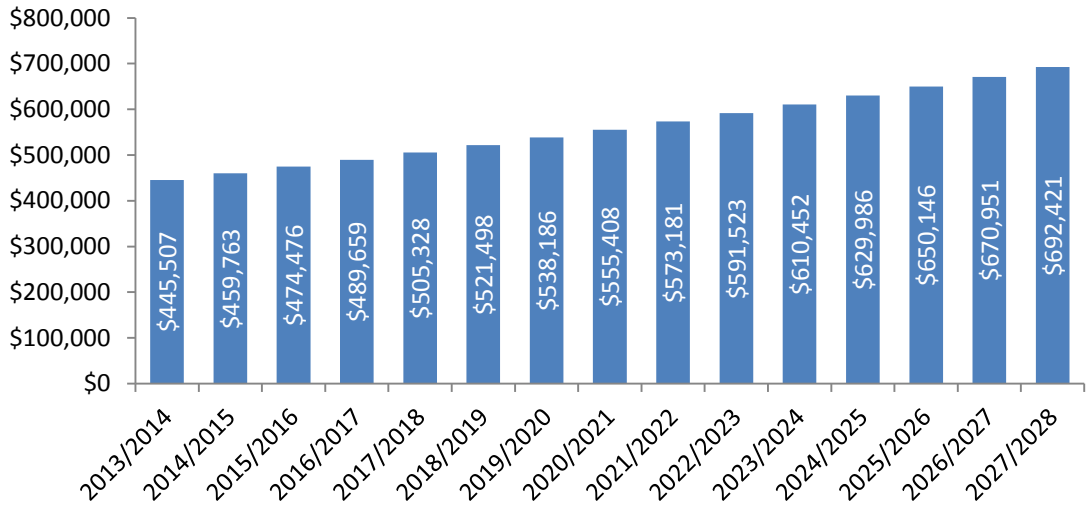

Projected road maintenance and operating expenditure is based on historical trends. As the Shire obtains condition information on Transport assets and moves to an optimised asset renewal program, projected maintenance expenditure may vary.

# 14.0 ASSET MAINTENANCE AND OPERATIONS

## 14.1.3 Property Assets - Operations and Maintenance

The financial information shown in the chart below relates to projected maintenance expenditure on Property assets included within the Long Term Financial Plan (assuming inflation at 3% per annum).

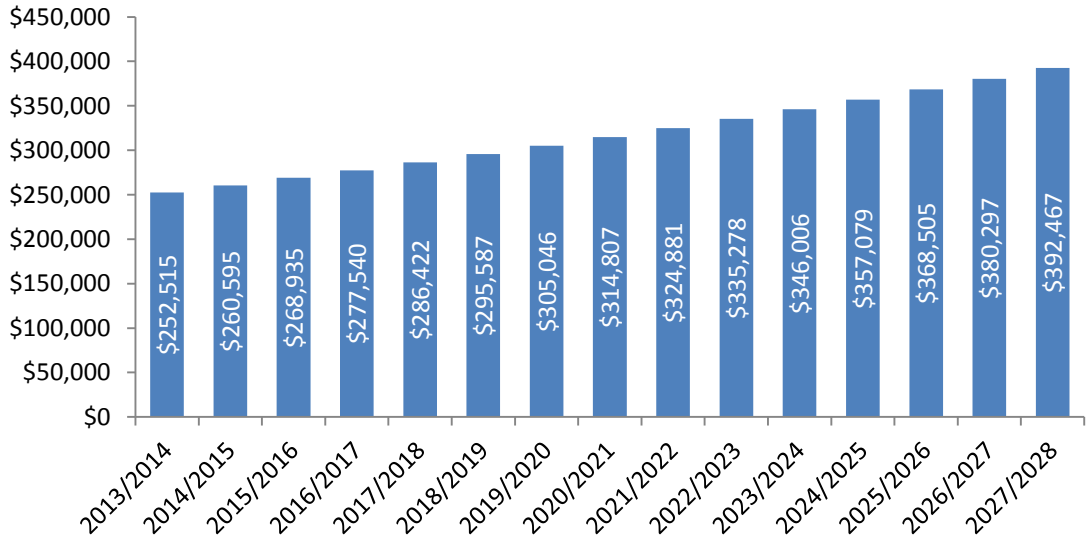
### Chart 14.1 (c) Projected Building Operations and Maintenance Costs




## 14.1.4 General Assets - Operations and Maintenance

The financial information shown in the chart below relate to projected maintenance expenditure on General assets included within the Long Term Financial Plan (Assuming inflation at 3% per annum). Maintenance requirements for Plant and Equipment are dependent on usage levels and the age of the asset. Maintenance of general assets will continue to be a mix of planned usage based maintenance and reactive maintenance to breakdowns both funded from the operating budget.

### Chart 14.1 (d) Projected General Asset Operations and Maintenance Costs



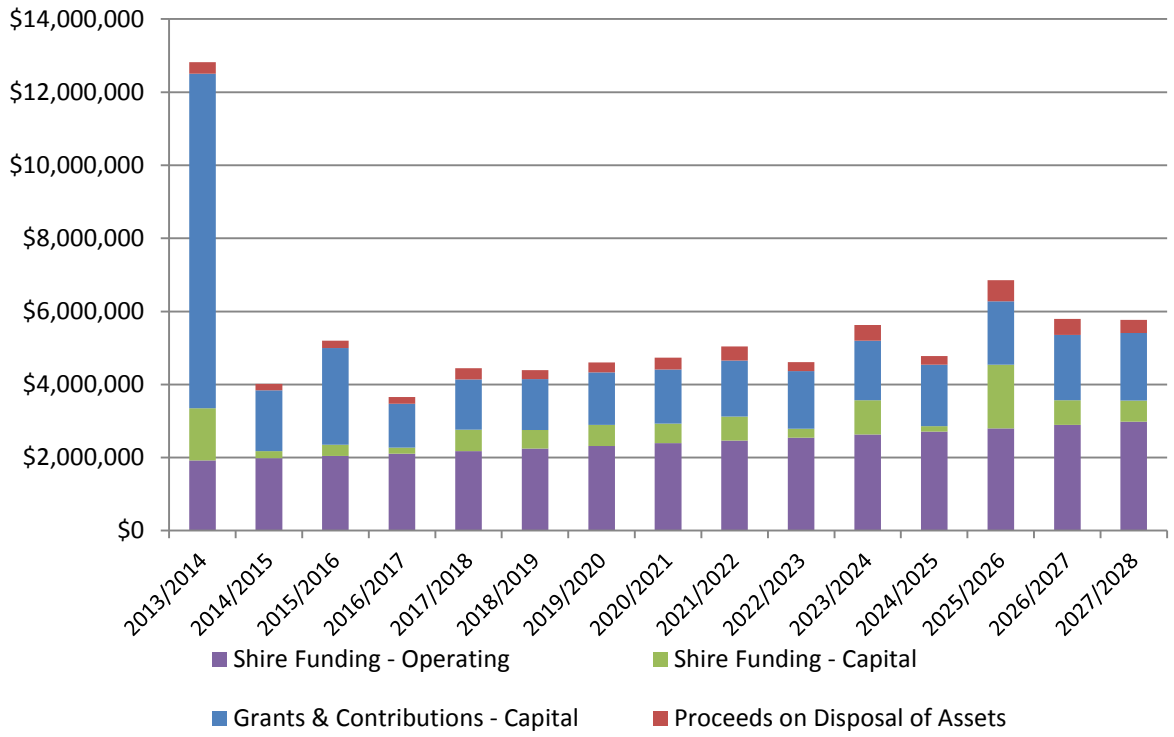
# 15.0 CASHFLOW INFORMATION

Most assets generate a limited cash flow for the Shire; however maintaining the Shire's assets requires significant financial resources for operations, maintenance, renewal, upgrade and acquisition of assets. For this reason, an understanding of the cash flow impacts of asset management decisions is essential.

## 15.1 Funding

Projected expenditure on the relevant assets is expected to be funded from future operating and capital budgets. The funding in the Shire's Long Term Financial Plan available for assets is reflected in the chart below.

### Chart 15.1 (a) Forecast Asset Funding Sources




For reference, the values in the chart above are set out in the table on the following page.

## 15.0 CASHFLOW INFORMATION

Table 15.1 (b) Forecast Asset Funding Sources Per Long Term Financial Plan

| | Year | Non-Operating Grant Funding | Municipal Funding - Capital | Proceeds on Disposal of Assets | Municipal Funding - Operating | Total |
|---|---|---|---|---|---|---|
| 1 | 2013/2014 | $9,153,325 | $1,433,316 | $319,500 | $1,919,074 | $12,825,215 |
| 2 | 2014/2015 | $1,660,758 | $199,193 | $173,599 | $1,980,485 | $4,014,035 |
| 3 | 2015/2016 | $2,643,613 | $309,372 | $197,838 | $2,043,860 | $5,194,683 |
| 4 | 2016/2017 | $1,200,000 | $164,561 | $184,887 | $2,109,264 | $3,658,712 |
| 5 | 2017/2018 | $1,372,633 | $588,464 | $304,348 | $2,176,760 | $4,442,205 |
| 6 | 2018/2019 | $1,400,000 | $503,749 | $244,022 | $2,246,416 | $4,394,187 |
| 7 | 2019/2020 | $1,435,200 | $575,971 | $269,285 | $2,318,302 | $4,598,758 |
| 8 | 2020/2021 | $1,481,126 | $532,646 | $325,505 | $2,392,487 | $4,731,764 |
| 9 | 2021/2022 | $1,528,522 | $657,235 | $385,051 | $2,469,047 | $5,039,855 |
| 10 | 2022/2023 | $1,577,435 | $237,053 | $248,013 | $2,548,056 | $4,610,557 |
| 11 | 2023/2024 | $1,627,913 | $940,370 | $431,298 | $2,629,594 | $5,629,175 |
| 12 | 2024/2025 | $1,680,006 | $147,393 | $237,872 | $2,713,741 | $4,779,012 |
| 13 | 2025/2026 | $1,733,766 | $1,737,969 | $581,331 | $2,800,581 | $6,853,647 |
| 14 | 2026/2027 | $1,789,247 | $680,753 | $433,630 | $2,890,199 | $5,793,829 |
| 15 | 2027/2028 | $1,846,503 | $580,639 | $354,476 | $2,982,686 | $5,764,304 |
| | | **$32,130,047** | **$9,288,684** | **$4,690,655** | **$36,220,552** | **$82,329,938** |

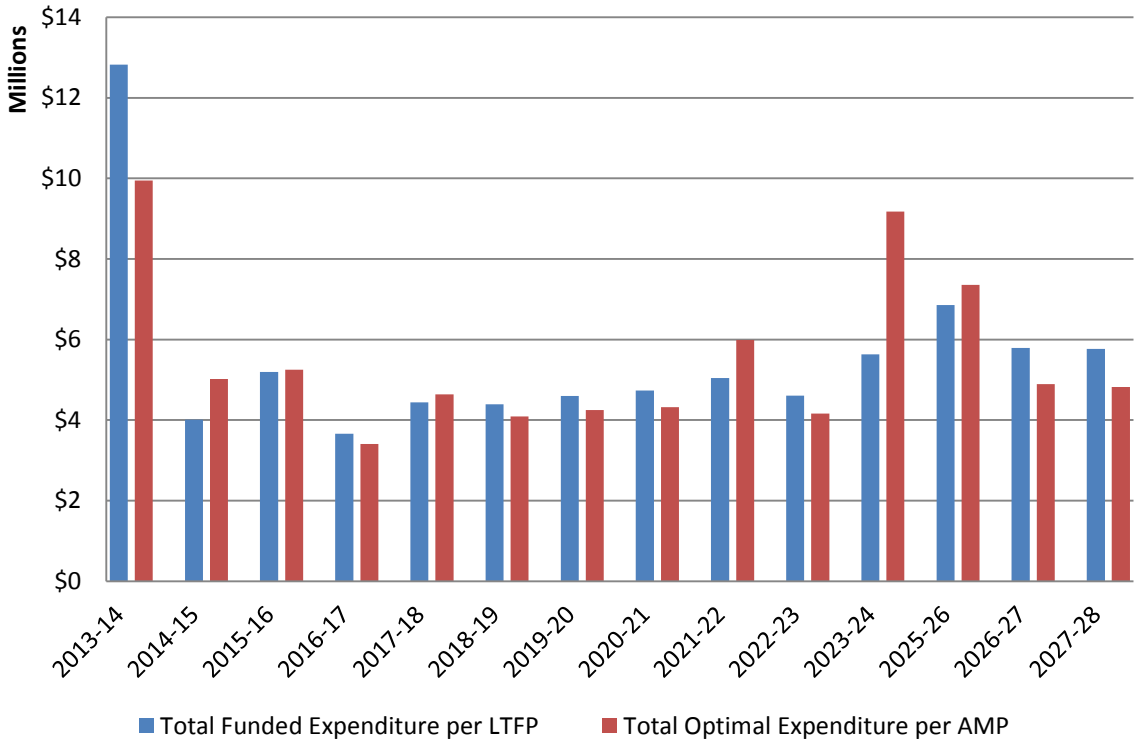
# 15.0 CASHFLOW INFORMATION

## 15.2 Projected Expenditure and Projected Funding

Projections have been developed using data sources outlined throughout this Plan. The accuracy and reliability of the financial projections will be improved as further information becomes available relevant to the desired levels of service, and current and projected future asset performance.

The blue column in the chart below reflects the total asset expenditure from the Long Term Financial Plan with the Red column reflecting forecast total optimum asset expenditure per the Asset Management Plan.

Chart 15.2 (a) Forecast Total Asset Expenditure and Funding




Where the blue column extends above the red column (such as in 2013-14) the estimated expenditure in the Long Term Financial Plan exceeds the optimum expenditure in the Asset Management Plan. This indicates overspending on assets in that particular year. Where the red column is above the blue column this would indicate underspending in that particular year.

# 15.0 CASHFLOW INFORMATION

## 15.1 Projected Expenditure and Projected Funding (Continued)

The table below reflects the forecast total optimum asset expenditure and funding included within the Asset Management Plan (supporting the chart on the previous page) and is utilised in the calculation of the Asset Renewal Funding Ratio.

### Table 15.1 (a) Forecast Total Asset Expenditure

| | Year | Maintenance | Renewal | New | Total |
|---|---|---|---|---|---|
| 1 | 2013/2014 | $1,919,074 | $1,678,028 | $6,352,000 | **$9,949,102** |
| 2 | 2014/2015 | $1,980,485 | $2,207,744 | $835,000 | **$5,023,229** |
| 3 | 2015/2016 | $2,043,860 | $1,210,293 | $2,000,000 | **$5,137,001** |
| 4 | 2016/2017 | $2,109,264 | $1,293,632 | $0 | **$3,221,543** |
| 5 | 2017/2018 | $2,176,760 | $1,889,950 | $572,633 | **$4,617,791** |
| 6 | 2018/2019 | $2,246,416 | $1,547,495 | $300,000 | **$4,074,011** |
| 7 | 2019/2020 | $2,318,302 | $1,933,714 | $0 | **$4,252,016** |
| 8 | 2020/2021 | $2,392,487 | $1,924,508 | $0 | **$4,316,996** |
| 9 | 2021/2022 | $2,469,047 | $3,516,506 | $0 | **$5,898,065** |
| 10 | 2022/2023 | $2,548,056 | $1,611,824 | $0 | **$4,159,880** |
| 11 | 2023/2024 | $2,629,594 | $6,545,848 | $0 | **$5,468,940** |
| 12 | 2024/2025 | $2,713,741 | $1,404,098 | $0 | **$4,117,839** |
| 13 | 2025/2026 | $2,800,581 | $4,555,950 | $0 | **$7,356,530** |
| 14 | 2026/2027 | $2,890,199 | $1,998,995 | $0 | **$4,889,195** |
| 15 | 2027/2028 | $2,982,686 | $1,839,390 | $0 | **$4,822,076** |
| | **Total** | **$36,220,552** | **$35,157,974** | **$10,059,6333** | **$81,438,159** |

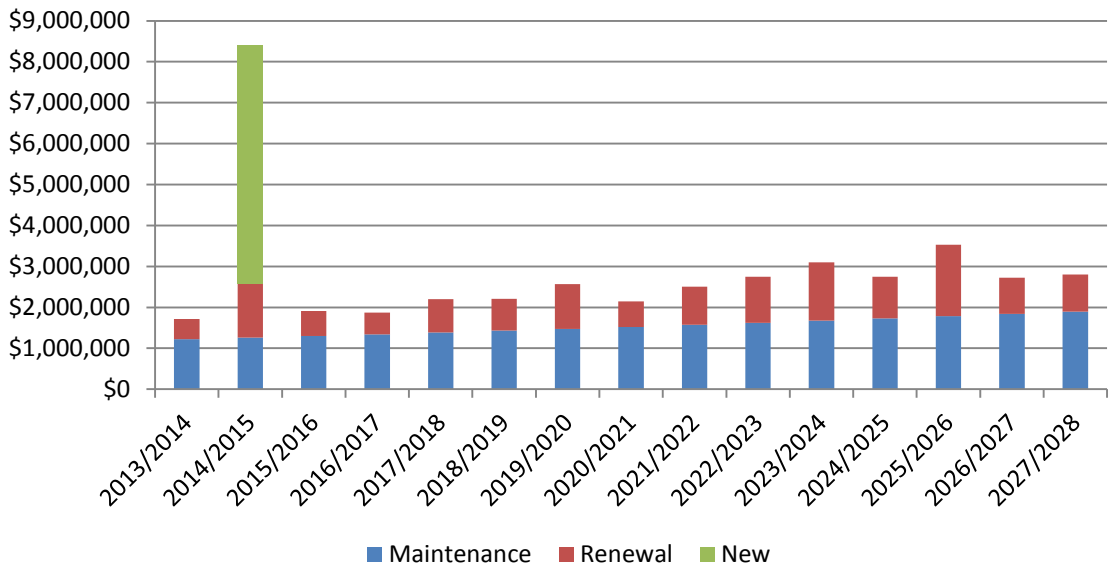
The maintenance, renewal and new asset financial projections for each asset group are considered separately on the following pages, with supporting tables of projected expenditure by asset class provided at Appendix E.

# 15.0 CASHFLOW INFORMATION

## 15.1.2 Transport Assets - Cashflow

The financial information shown in the chart below relates to projected optimum operating and capital expenditure (maintenance, new/upgrade assets and renewal of assets).

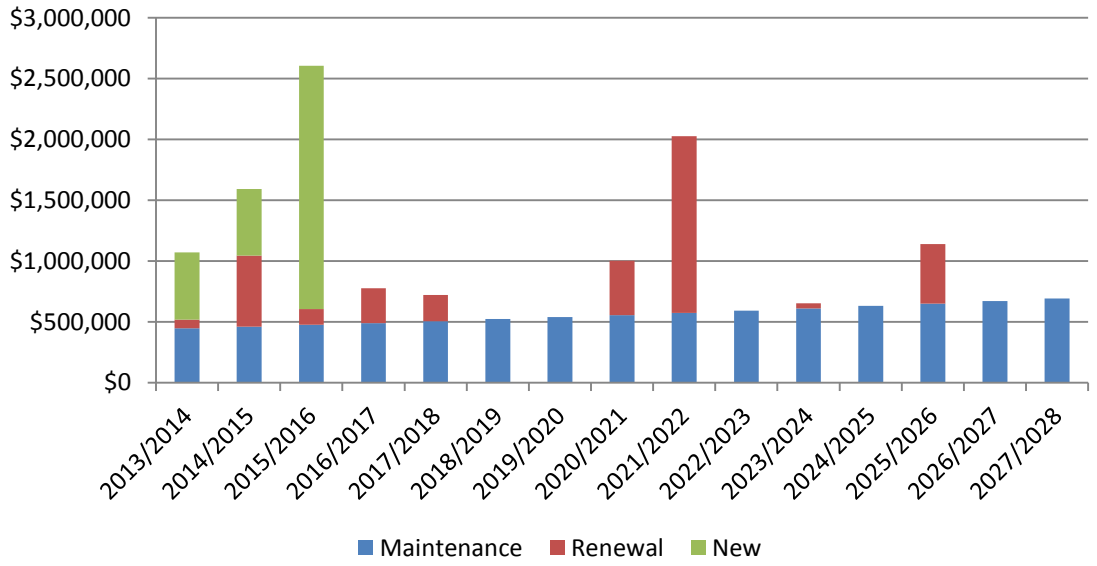
Chart 15.1 (a) Projected Transport Assets Future Expenditure




## 15.1.3 Property Assets - Cashflow

The financial information shown in the chart below relates to projected optimum operating and capital expenditure (maintenance, new/upgrade assets and renewal of assets).

Chart 15.1 (b) Projected Building Assets Future Expenditure

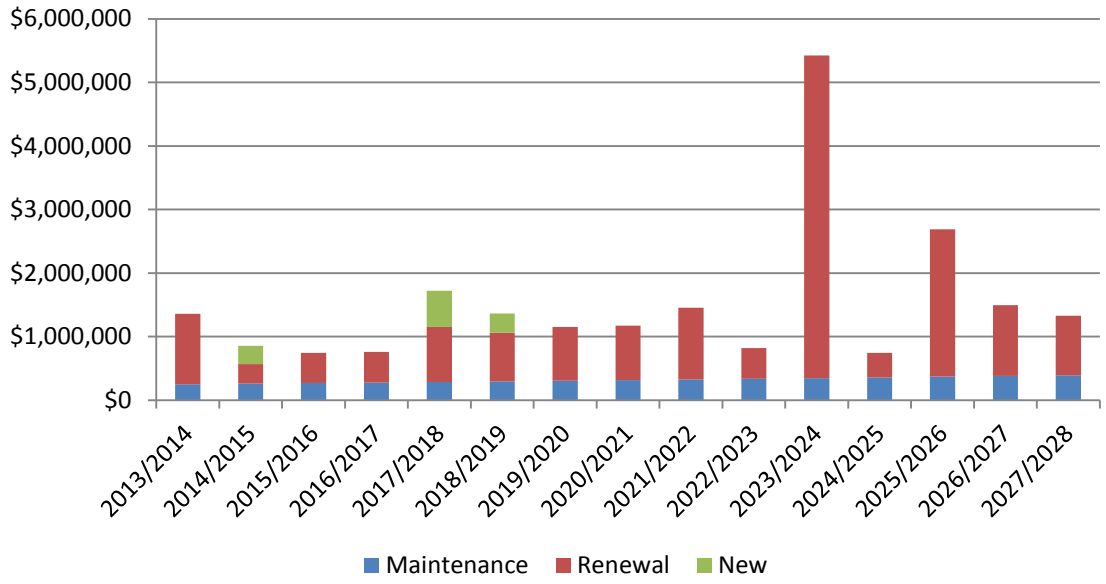


## 15.0 CASHFLOW INFORMATION

### 15.1.4 General Assets - Cashflow

The financial information shown in the chart below relates to projected optimum operating and capital expenditure (maintenance, new/upgrade assets and renewal of assets).

Chart 15.1 (a) General Building Assets Future Expenditure



# 15.0 CASHFLOW INFORMATION

## 15.2 Funding Gaps/Alternative Delivery Solutions

Forecast funding gaps are presented in the table below. A high reliance on grant funding for purchase of new assets and renewal of existing assets requires consideration of alternative service delivery solutions and strategies to address funding gaps should these grants not be received.

### Table 15.2 (a) Forecast Funding Gap/(Surplus)

| Year | Funding Per Long Term Financial Plan | Projected Optimum Renewal Expenditure | Funding Gap/(Surplus) |
|---|---|---|---|
| 2013/2014 | $12,825,215 | $9,949,102 | ($2,876,113) |
| 2014/2015 | $4,014,035 | $5,023,229 | $1,009,194 |
| 2015/2016 | $5,194,683 | $5,254,153 | $59,470 |
| 2016/2017 | $3,658,712 | $3,402,896 | ($255,816) |
| 2017/2018 | $4,442,205 | $4,639,343 | $197,138 |
| 2018/2019 | $4,394,187 | $4,093,911 | ($300,276) |
| 2019/2020 | $4,598,758 | $4,252,016 | ($346,742) |
| 2020/2021 | $4,731,764 | $4,316,996 | ($414,769) |
| 2021/2022 | $5,039,855 | $5,985,553 | $945,698 |
| 2022/2023 | $4,610,557 | $4,159,880 | ($450,677) |
| 2023/2024 | $5,629,175 | $9,175,442 | $3,546,267 |
| 2024/2025 | $4,779,012 | $4,117,839 | ($661,173) |
| 2025/2026 | $6,853,647 | $7,356,530 | $502,884 |
| 2026/2027 | $5,793,829 | $4,889,195 | ($904,635) |
| 2027/2028 | $5,764,304 | $4,822,076 | ($942,228) |
| **Total** | **$82,329,938** | **$81,438,159** | **($891,779)** |

Each major asset will need to be considered on a case by case basis. Unless alternative funding sources are available to the Shire, consideration of one or more of the following alternatives will be required:

- Delayed acquisition of new assets;
- Decrease in level of service for existing assets not renewed; or
- Increased lifecycle cost of providing the existing level of service through continued maintenance of an asset beyond its best economic life.

Should a funding gap arise, in most cases the continued operation of assets beyond their best economic life will be selected, provided it is safe and affordable to do so.

# 15.0 CASHFLOW INFORMATION

## 15.3 Valuation Forecasts

Current replacement costs of assets are forecast to increase due to inflation through the routine revaluation of assets. Marginal increases will also occur through the addition of new assets and upgrades to existing assets from construction and acquisition by the Shire.

Recent amendments to Regulation 17A of the Local Government (Financial Management) Regulations 1996 require all land and buildings to be valued at 'fair value' by 30 June 2014. This requirement may significantly change the value of assets. The extent of this change is unable to be accurately forecast at this point.

# 16.0 ASSET GOVERNANCE AND MANAGEMENT MECHANISMS

## 16.1 Capital Investment Decision Process

Decisions to invest in new assets and to renew existing assets will be made after consideration of the following items:

- Strategic Community Plan;
- "Whole of life" costs of the asset;
- Risks assessment of the asset to be purchased;
- Funding availability and conditions;
- Changes to service levels; and
- Ability of the asset to meet future demand.

## 16.2 Internal Asset Management Process

Accounting/financial systems form the principal reporting system for past transactions undertaken by the Shire. All asset maintenance and expenditure is recorded within the accounting/financial system for statutory reporting purposes.

The Shire utilises Reckon Accounts (QuickBooks) as the central accounting/financial reporting system. The software includes Fixed Assets Online (FAO) which is used to maintain an asset inventory. The asset register contains expenditure information for each asset and detailed inventory information is maintained by Shire staff.

The software systems currently in use are viewed as appropriate to meet the requirements of the Shire.

## 16.3 Accountabilities for Financial and Asset Systems

The Chief Executive Officer is responsible for the financial management of the Shire in terms of the Local Government Act 1995. Currently the Deputy Chief Executive Officer is responsible for asset management systems and the associated data.

## 16.4 Accounting Standards and Regulations

The Shire of Yalgoo prepares a general purpose Annual Financial Report in accordance with Australian Accounting Standards and the Local Government Act 1995. In the preparation of Annual Financial Statements a capitalisation threshold of $1,000 is used for equipment with assets under this value being expensed.

## 16.5 Linkage from Asset Management to other Strategic Plans

The asset management system is not directly linked to the financial system. The projected expenditures derived from the system are considered as input into the development of the Long Term Financial Plan. Available future funding levels derived from the Long Term Financial Plan are utilised within the asset management system to identify funding gaps requiring consideration in the Asset Management Plan.

Workforce implications of changes in service level are considered where necessary and captured within the Workforce Plan. At present no changes in the workforce is expected as a result of this Plan.

# 17.0 MONITORING AND REVIEW

## 17.1 Monitoring

Council will routinely monitor progress in implementing the Improvement Plan. The implementation of Asset Management Plans will be monitored through the annual reporting of KPI's in conjunction with reporting the Shire's overall performance in achieving the objectives set out in its Corporate Business Plan.

How the Shire is meeting the objectives of the Strategic Community Plan will be undertaken by reporting performance to the community in the Annual Report.

## 17.2 Review

This Plan will be reviewed annually and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the annual budget.

The Plan should be the subject of a major review when up to date condition information is available or within 4 years, whichever is the sooner.

# 18.0 ASSET MANAGEMENT IMPROVEMENT PLAN

## 18.1 Asset Management Systems and Governance Improvement Plan

An essential element of asset management is the continuous improvement. The asset management improvement plan is separated into two areas, the first dealing with asset management systems and presented in the table below, and the second is an asset data improvement plan presented in the table on the subsequent page.

### Table 18.1 (a) Asset Management Improvement Plan

| Item | Task | Responsibility |
|---|---|---|
| 1 | The draft Asset Management Plan be prepared. | Executive |
| 2 | Future Long Term Financial Plans be prepared following consideration of the output of the Asset Management Plans for each class of asset. | Executive |
| 3 | A level of service review be undertaken using a process of defining, quantifying and documenting current community levels of service and technical levels of service and associated costs. | Executive |
| 4 | A cross functional asset management working group be established tasked primarily with the implementation of asset management within the organisation. With the goal to significantly improve the governance and management arrangements in relation to asset management. | Executive |
| 5 | The Shire establish systems and procedures to update and maintain property asset information. Following the availability of base data, a data improvement program should be implemented to improve the quality of asset data and close identified data gaps. | Asset Management Working Group |
| 6 | A coordinated asset management process be implemented across all Departments and the topic of asset management be included in all new staff and Elected Member induction programs. | Executive |
| 7 | The Shire conduct an annual evaluation of its asset management program including planning, processes and sustainability and prepare the following performance measures: consumption ratio, asset renewal funding ratio and asset sustainability ratio to assist with this evaluation process. | Council |
| 8 | The Shire link the Annual Report with asset management by reporting on short and long-term service delivery levels in the Annual Report. | Council |

# 18.0 ASSET MANAGEMENT IMPROVEMENT PLAN

## 18.2 Asset Data Improvement Plan

Further improvement to the asset data utilised in the formation of this plan is required to progress the quality of future revisions. These data improvements are summarised below in Table 18.2 (a).

### Table 18.2 (a) Data Improvement Plan

| Item | Asset Data Improvement Tasks |
|---|---|
| 1 | Inspection Dates and Condition Information:<br>a. Conduct a formal condition assessment of Transport assets using a documented assessment framework including measurement of sub components to improve the accuracy of the projected timeline for subcomponent renewals to prevent sudden major failure of major subcomponents; and<br>b. Update the asset inventory records with current measurement, condition and inspection date. |
| 2 | Unit Rates:<br>a. Document the assumptions underlying unit rates for transport assets considering renewal of existing assets (Brownfields) rather than construction of assets in pristine situation (Greenfields). Document the construction standard such as type of materials and quality of finishings to ensure the rates used are in accord with the level of service provided by the asset; and<br>b. Establish a process to routinely review unit rates to reflect current replacement costs and current renewal costs. |
| 3 | Useful Lives of Assets:<br>a. Clarify the definitions of useful lives to reflect Levels of Service: i.e. the length of time assets can deteriorate until renewal or replacement by new assets; and<br>b. Review useful lives to reflect current practices and distinguishing between:<br>(i) renewal (replacement) frequency; and<br>(ii) maintenance frequency (actions on the assets which allow them to reach their useful lives). |
| 4 | Expiry Dates and residual values:<br>a. Using optimum expiry date of each asset sub component determine an appropriate residual value for each asset. |
| 5 | Level of Service<br>a. Quantify current community level of service expectations and current performance measures; and<br>b. Quantify technical level of service specifications and current performance measures. |

# 19.0 ASSUMPTIONS

Various key assumptions have been made as part of preparing expenditure forecasts and forecast asset replacement costs, the required operating and capital expenditure and asset carrying amounts. These assumptions are presented below. It is important to understand the impact they may have on the accuracy of the data presented in this Plan.

## 19.1 Key Assumptions

Key assumptions made in this plan are:

- Projections are based on local operating knowledge and expected budgets;
- Estimated replacement costs are based on 2013 base prices;
- Forecast renewal expenditure is based on estimated entry costs (costs of acquiring assets);
- Forecast renewal costs and current replacement costs may differ from the fair value of the asset;
- Average useful life estimates are based on current local knowledge, historical trends understanding of construction techniques utilised. These estimates may be significantly varied following access to new condition assessment data;
- Maintenance and operational forecasts are based on available current expenditure levels and percentage of replacement cost information; and
- Assets will be sufficiently protected through routine maintenance to prevent damage and loss of assets.

Current replacement costs, estimated economic life and residual value estimates utilised in this Plan are presented in Appendix F.

## 20.0 REFERENCES


Shire of Yalgoo, 2013, *Strategic Community Plan 2013-2023*, Shire of Yalgoo.

Shire of Yalgoo, 2013, *Long Term Financial Plan 2013-2028,* Shire of Yalgoo.

Shire of Yalgoo, 2013, *Workforce Plan 2013-2017,* Shire of Yalgoo.

Shire of Yalgoo, 2013 *Annual Budget 2012/2013*, Shire of Yalgoo.

DLG, 2011, *Asset Management Framework and Guidelines*, Department of Local Government, Perth

DLG, 2010, *Integrated Planning and Reporting, Framework and Guidelines*, Department of Local Government, Perth

DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial.

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

IPWEA, 2008, *NAMS.PLUS Asset Management* Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus

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

IPWEA, 2011, *Asset Management for Small, Rural or Remote Communities* Practice Note, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AM4SRRC.

IPWEA, 2011, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

*Australian Bureau of Statistics, 2011 Census of Population and Housing, "Basic Community Profile" Yalgoo (LGA59350)*

*IPWEA, 2011, IIMM Sec 1.2.1, p 1.7.*

Department of Planning, 2012, *Western Australia Tomorrow Population Report No. 7, 2006 to 2026,* Perth

AVP Valuers, 2013 *Valuation Report of Plant, Machinery (Contents) & Mobile Plant Assets for Financial Reporting Purposes,* Perth

AVP Valuers, 2013 *Valuation Report of Building and Improvement Assets for Financial Reporting Purposes,* Perth

# APPENDICES

## APPENDIX A1 : SEALED ROADS DIMENSIONS AND PROJECTED COSTS

| Road Name | Length (m) | Pavement Area ($m^2$) | Sealed Area ($m^2$) | Projected Pavement Renewal Cost | Projected Seal Renewal Cost |
|---|---|---|---|---|---|
| CAMPBELL STREET | 460 | 4370 | 3450 | $43,700 | $15,525 |
| GIBBONS STREET | 10 | 150 | 150 | $1,500 | $675 |
| GIBBONS STREET | 90 | 1350 | 1350 | $13,500 | $6,075 |
| GIBBONS STREET | 580 | 8700 | 8700 | $87,000 | $39,150 |
| HENTY STREET | 500 | 5000 | 3700 | $50,000 | $16,650 |
| KING STREET | 160 | 1280 | 1184 | $12,800 | $5,328 |
| KING STREET | 70 | 770 | 770 | $7,700 | $3,465 |
| MILLIGAN STREET | 190 | 1330 | 950 | $13,300 | $4,275 |
| MORAWA - YALGOO ROAD | 1560 | 12480 | 6552 | $124,800 | $29,484 |
| MORAWA - YALGOO ROAD | 11740 | 105660 | 49308 | $1,056,600 | $221,886 |
| MORAWA - YALGOO ROAD | 330 | 2970 | 2376 | $29,700 | $10,692 |
| MORAWA - YALGOO ROAD | 4430 | 39870 | 18606 | $398,700 | $83,727 |
| MORAWA - YALGOO ROAD | 2240 | 20160 | 9408 | $201,600 | $42,336 |
| MORAWA - YALGOO ROAD | 2900 | 26100 | 12180 | $261,000 | $54,810 |
| MORAWA - YALGOO ROAD | 1490 | 11920 | 6258 | $119,200 | $28,161 |
| MORAWA - YALGOO ROAD | 1250 | 11250 | 5250 | $112,500 | $23,625 |
| MORAWA - YALGOO ROAD | 2620 | 23580 | 11004 | $235,800 | $49,518 |
| MORAWA - YALGOO ROAD | 680 | 6120 | 5440 | $61,200 | $24,480 |
| MORAWA - YALGOO ROAD | 870 | 6960 | 3654 | $69,600 | $16,443 |
| MORAWA - YALGOO ROAD | 640 | 5120 | 2688 | $51,200 | $12,096 |
| MORAWA - YALGOO ROAD | 710 | 5680 | 2982 | $56,800 | $13,419 |
| MORAWA - YALGOO ROAD | 220 | 1760 | 1584 | $17,600 | $7,128 |
| MORAWA - YALGOO ROAD | 1580 | 12640 | 6636 | $126,400 | $29,862 |
| MORAWA - YALGOO ROAD | 2080 | 16640 | 8736 | $166,400 | $39,312 |
| MORAWA - YALGOO ROAD | 330 | 2805 | 2376 | $28,050 | $10,692 |
| MORAWA - YALGOO ROAD | 3710 | 31535 | 15582 | $315,350 | $70,119 |
| MORAWA - YALGOO ROAD | 4510 | 38335 | 18942 | $383,350 | $85,239 |
| MORAWA - YALGOO ROAD | 440 | 3740 | 3520 | $37,400 | $15,840 |
| MORAWA - YALGOO ROAD | 5830 | 49555 | 24486 | $495,550 | $110,187 |
| MORAWA - YALGOO ROAD | 4160 | 35360 | 17472 | $353,600 | $78,624 |
| MORAWA - YALGOO ROAD | 930 | 7905 | 6696 | $79,050 | $30,132 |
| MORAWA - YALGOO ROAD | 1850 | 15725 | 7770 | $157,250 | $34,965 |
| MORAWA - YALGOO ROAD | 180 | 1530 | 1440 | $15,300 | $6,480 |
| MORAWA - YALGOO ROAD | 6260 | 53210 | 26292 | $532,100 | $118,314 |
| MORAWA - YALGOO ROAD | 310 | 2635 | 2232 | $26,350 | $10,044 |
| MORAWA - YALGOO ROAD | 1370 | 11645 | 5754 | $116,450 | $25,893 |
| MORAWA - YALGOO ROAD | 340 | 2890 | 2448 | $28,900 | $11,016 |
| MUSEUM CIRCUIT | 60 | 1500 | 1440 | $15,000 | $6,480 |
| PAYNES FIND - THUNDELARRA ROAD | 100 | 800 | 750 | $8,000 | $3,375 |
| PAYNES FIND TOWN ROAD | 100 | 900 | 900 | $9,000 | $4,050 |
| PAYNES FIND TOWN ROAD | 600 | 5400 | 5400 | $54,000 | $24,300 |
| PAYNES FIND TOWN ROAD | 100 | 900 | 900 | $9,000 | $4,050 |
| QUEEN STREET | 50 | 1000 | 1000 | $10,000 | $4,500 |
| QUEEN STREET | 50 | 700 | 500 | $7,000 | $2,250 |
| QUEEN STREET | 30 | 300 | 300 | $3,000 | $1,350 |
| SELWYN STREET | 210 | 4200 | 3885 | $42,000 | $17,483 |
| SHAMROCK ROAD | 150 | 3000 | 3000 | $30,000 | $13,500 |
| SHAMROCK ROAD | 20 | 300 | 300 | $3,000 | $1,350 |
| SHAMROCK ROAD | 100 | 1500 | 1500 | $15,000 | $6,750 |
| STANLEY STREET | 100 | 1000 | 750 | $10,000 | $3,375 |
| STANLEY STREET | 110 | 1100 | 825 | $11,000 | $3,713 |
| STANLEY STREET | 90 | 900 | 558 | $9,000 | $2,511 |
| WANARRA EAST ROAD | 4000 | 40000 | 32000 | $400,000 | $144,000 |
| WEEKS STREET | 130 | 840 | 600 | $8,400 | $2,700 |

# APPENDICES

## APPENDIX A1 : SEALED ROADS DIMENSIONS AND PROJECTED COSTS

| Road Name | Length (m) | Pavement Area ($m^2$) | Sealed Area ($m^2$) | Projected Pavement Renewal Cost | Projected Seal Renewal Cost |
|---|---|---|---|---|---|
| WURARGA - GULLEWA LOOP RD | 200 | 1400 | 1200 | $14,000 | $5,400 |
| WURARGA - GULLEWA LOOP RD | 200 | 1400 | 1200 | $14,000 | $5,400 |
| YALGOO - NINGHAN ROAD | 200 | 1700 | 1400 | $17,000 | $6,300 |
| YALGOO - NINGHAN ROAD | 1580 | 14220 | 11060 | $142,200 | $49,770 |
| YALGOO - NINGHAN ROAD | 2980 | 23840 | 12516 | $238,400 | $56,322 |
| YALGOO - NINGHAN ROAD | 750 | 7500 | 5400 | $75,000 | $24,300 |
| YALGOO - NINGHAN ROAD | 1560 | 15600 | 11232 | $156,000 | $50,544 |
| YALGOO - NINGHAN ROAD | 1590 | 12720 | 6678 | $127,200 | $30,051 |
| YALGOO - NINGHAN ROAD | 1540 | 12320 | 11088 | $123,200 | $49,896 |
| YALGOO - NINGHAN ROAD | 2660 | 21280 | 11172 | $212,800 | $50,274 |
| YALGOO - NINGHAN ROAD | 780 | 6630 | 3276 | $66,300 | $14,742 |
| YALGOO - NINGHAN ROAD | 190 | 1615 | 1596 | $16,150 | $7,182 |
| YALGOO - NINGHAN ROAD | 270 | 2295 | 1134 | $22,950 | $5,103 |
| YALGOO - NINGHAN ROAD | 110 | 935 | 924 | $9,350 | $4,158 |
| YALGOO - NINGHAN ROAD | 2130 | 18105 | 8946 | $181,050 | $40,257 |
| YALGOO - NINGHAN ROAD | 200 | 1700 | 1440 | $17,000 | $6,480 |
| YALGOO - NINGHAN ROAD | 220 | 1870 | 924 | $18,700 | $4,158 |
| YALGOO - NINGHAN ROAD | 1550 | 13175 | 11160 | $131,750 | $50,220 |
| YALGOO - NINGHAN ROAD | 1430 | 12155 | 6006 | $121,550 | $27,027 |
| YALGOO - NINGHAN ROAD | 1810 | 15385 | 13032 | $153,850 | $58,644 |
| YALGOO - NINGHAN ROAD | 5160 | 41280 | 21672 | $412,800 | $97,524 |
| YALGOO - NINGHAN ROAD | 200 | 1600 | 1440 | $16,000 | $6,480 |
| YALGOO - NINGHAN ROAD | 5820 | 49470 | 24444 | $494,700 | $109,998 |
| YALGOO - NINGHAN ROAD | 1530 | 12240 | 11016 | $122,400 | $49,572 |
| YALGOO - NINGHAN ROAD | 1630 | 13040 | 6846 | $130,400 | $30,807 |
| YALGOO - NINGHAN ROAD | 9380 | 79730 | 39396 | $797,300 | $177,282 |
| YALGOO - NINGHAN ROAD | 25240 | 227160 | 181728 | $2,271,600 | $817,776 |
| YALGOO - NINGHAN ROAD | 8550 | 76950 | 64980 | $769,500 | $292,410 |
| YALGOO - NINGHAN ROAD | 7050 | 63450 | 53580 | $634,500 | $241,110 |
| YALGOO - NINGHAN ROAD | 9430 | 84870 | 71668 | $848,700 | $322,506 |
| YALGOO NORTH ROAD | 1000 | 9000 | 6000 | $90,000 | $27,000 |
| YALGOO NORTH ROAD | 1000 | 9000 | 4000 | $90,000 | $18,000 |
| **Total** | **171,560** | **1,506,750** | **970,688** | **$15,067,050** | **$4,368,096** |

# APPENDICES

## APPENDIX A2 : UNSEALED ROADS DIMENSIONS AND PROJECTED COSTS

| Road Name | Length (m) | Area ($m^2$) | Re sheeting Cost ($m^2$) |
|---|---|---|---|
| BADJA ROAD | 200 | 800 | $3,200 |
| BADJA WOOLSHED | 1100 | 7700 | $30,800 |
| BURNERBINMAH - NALBARRA ROAD | 400 | 2400 | $9,600 |
| BURNERBINMAH - NALBARRA ROAD | 400 | 2400 | $9,600 |
| CEMETARY RD | 290 | 2030 | $8,120 |
| DALGARANGA ROAD | 300 | 1500 | $6,000 |
| DALGARANGA ROAD | 200 | 1000 | $4,000 |
| DALGARANGA ROAD | 2800 | 14000 | $56,000 |
| DALGARANGA ROAD | 1600 | 8000 | $32,000 |
| GABYON - PINDATHUNA ROAD | 600 | 4200 | $16,800 |
| GABYON TARDIE ROAD | 3700 | 22200 | $88,800 |
| GABYON TARDIE ROAD | 400 | 2400 | $9,600 |
| GABYON TARDIE ROAD | 1100 | 6600 | $26,400 |
| GULLEWA - BARNONG RD | 2000 | 11000 | $44,000 |
| LOOKOUT RD | 650 | 4550 | $18,200 |
| MARANALGO ROAD | 2600 | 15600 | $62,400 |
| MARANALGO ROAD | 200 | 1200 | $4,800 |
| MARANALGO ROAD | 900 | 5400 | $21,600 |
| MARANALGO ROAD | 200 | 1200 | $4,800 |
| MELANGATA | 1500 | 7500 | $30,000 |
| MELANGATA | 200 | 1000 | $4,000 |
| MELANGATA | 800 | 4000 | $16,000 |
| MILLIGAN STREET | 110 | 770 | $3,080 |
| MITCHELL STREET | 200 | 1400 | $5,600 |
| MORAWA - YALGOO ROAD | 1000 | 8000 | $32,000 |
| MORAWA - YALGOO ROAD | 3200 | 25600 | $102,400 |
| MORAWA - YALGOO ROAD | 120 | 960 | $3,840 |
| NEVILLE STREET | 120 | 960 | $3,840 |
| NINGHAN ACCESS NW ROAD | 7000 | 42000 | $168,000 |
| PAYNES FIND - SANSTONE ROAD | 700 | 7000 | $28,000 |
| PAYNES FIND - SANSTONE ROAD | 6900 | 48300 | $193,200 |
| RUBBISH TIP RD | 320 | 2560 | $10,240 |
| UANNA HILL ROAD | 3800 | 38000 | $152,000 |
| WURARGA - GULLEWA LOOP RD | 3170 | 17400 | $69,600 |
| WURARGA - GULLEWA LOOP RD | 1500 | 9000 | $36,000 |
| WURARGA - GULLEWA LOOP RD | 2200 | 13200 | $52,800 |
| YALGOO - NINGHAN ROAD | 9750 | 78000 | $312,000 |
| YALGOO - NINGHAN ROAD | 6690 | 46830 | $187,320 |
| YALGOO - NINGHAN ROAD | 510 | 4080 | $16,320 |
| YALGOO - NINGHAN ROAD | 3480 | 24360 | $97,440 |
| YALGOO - NINGHAN ROAD | 12500 | 87500 | $350,000 |
| YALGOO - NINGHAN ROAD | 8960 | 71680 | $286,720 |
| YALGOO NORTH ROAD | 5800 | 52200 | $208,800 |
| YALGOO NORTH ROAD | 23900 | 215100 | $860,400 |
| YALGOO NORTH ROAD | 24200 | 217800 | $871,200 |
| **Total** | **148,270** | **1,139,380** | **4,557,520** |

# APPENDICES

## APPENDIX A3: FOOTPATHS MEASUREMENTS

| Path type and name | Sum of Length | Estimated Renewal Cost |
|---|---|---|
| MILLIGAN STREET – cement concrete | 12m | $1,200 |
| MILLIGAN STREET – cement concrete | 10m | $2,000 |
| MILLIGAN STREET – cement concrete | 28m | $2,800 |
| **Total** | **50m** | **$6,000** |

# APPENDICES

## APPENDIX B: PROPERTY ASSETS REMAINING USEFUL LIFE AND VALUES

| Asset Group | Asset condition | Location | Description | Estimated Remaining Life Years | Fair Value @ 6/2013 | Gross Current Replacement Cost |
|---|---|---|---|---|---|---|
| Ablution | 2 | Townsite | Public Toilets | 45 | $275,000 | $310,000 |
| | 3 | Caravan Park | Laundry / Ablutions Block | 2 | $3,500 | $47,000 |
| | | Paynes Find | Toilet Block | 2 | $5,000 | $40,000 |
| | | Works Depot | Ablution Block | 0 | $1,000 | $16,000 |
| | | Yalgoo Sporting Complex | Toilet Block | 17 | $176,000 | $525,000 |
| | 4 | Yalgoo Gun Club | Toilet Block | 4 | $6,000 | $65,000 |
| ***Ablution Total*** | | | | | ***$466,500*** | ***$1,003,000*** |
| Accommodation | 1 | Townsite | Dwelling | 48 | $168,000 | $535,000 |
| | 2 | Caravan Park | Office / Accommodation | 37 | $420,000 | $455,000 |
| | | Townsite | Dwelling | 13 | $510,000 | $1,370,000 |
| | | | | 48 | $130,000 | $371,250 |
| | 3 | Townsite | Dwelling | 23 | $265,000 | $985,000 |
| | | | | 48 | $110,000 | $357,700 |
| | 4 | Caravan Park | Accommodation Units | 3 | $3,000 | $36,000 |
| | | Townsite | Dwelling | 23 | $135,000 | $625,000 |
| ***Accommodation Total*** | | | | | ***$1,741,000*** | ***$4,734,950*** |
| Community/Civic | 1 | Paynes Find | Fire Brigade Shed | 38 | $14,000 | $15,000 |
| | | | Storage Shed | 38 | $37,000 | $39,000 |
| | | Townsite | Ambulance Garage | 37 | $54,000 | $59,000 |
| | | | Medical Centre | 43 | $590,000 | $620,000 |
| | | Yalgoo Airport | Garage / Storage | 38 | $37,000 | $39,000 |
| | | Yalgoo Cemetery | Gazebo | 39 | $18,000 | $19,000 |
| | 2 | Townsite | Fire Shed | 31 | $43,000 | $56,000 |
| | | | Shire Office | 30 | $1,150,000 | $1,540,000 |
| | 3 | Museum Complex | Exhibits Building & Police Station | 7 | $13,000 | $77,000 |
| | | | Transportable Store | 0 | $2,000 | $24,000 |
| | | | Yalgoo Court House | 17 | $99,000 | $235,000 |
| | | Paynes Find | Function Centre | 17 | $205,000 | $550,000 |
| | | Townsite | St "Hyacinth" Dominican Chapel | 27 | $220,000 | $415,000 |
| | | Works Depot | Dog Pound | 17 | $10,000 | $24,000 |
| | | | Office & Crib Room | 0 | $5,000 | $33,000 |
| | | | Oil Storage Shed | 7 | $2,000 | $13,000 |
| | | | Tyre Storage Shed | 12 | $6,000 | $20,000 |
| | | Yalgoo Sporting Complex | Old Railway Station | 17 | $1,050,000 | $3,090,000 |

# APPENDICES

## APPENDIX B: PROPERTY ASSETS REMAINING USEFUL LIFE AND VALUES

| Asset Group | Asset condition | Location | Description | Estimated Remaining Life Years | Fair Value @ 6/2013 | Gross Current Replacement Cost |
|---|---|---|---|---|---|---|
| Community/Civic (Continued) | 4 | Museum Complex | Yalgoo Gaol | 12 | $36,000 | $120,000 |
| | | Paynes Find | Generator Shed | 17 | $7,000 | $18,000 |
| | | Townsite | Shire Hall | 8 | $225,000 | $1,130,000 |
| | | Works Depot | Bulk Storage Shed | 3 | $8,000 | $115,000 |
| | | | Equipment Storage Shed | 7 | $2,000 | $13,000 |
| | | | Gardeners Shed | 3 | $8,000 | $110,000 |
| | | | Old Power Station | 7 | $8,000 | $50,000 |
| | | | Workshop | 7 | $35,000 | $205,000 |
| | 5 | Townsite | Anglican Church | 1 | $12,000 | $565,000 |
| ***Community/Civic Total*** | | | | | ***$3,896,000*** | ***$9,194,000*** |
| Recreation/Sporting | 3 | Yalgoo Gun Club | Shed | 4 | $2,000 | $21,000 |
| | | Yalgoo Sporting Complex | Horse Yards & Stalls | 12 | $58,000 | $195,000 |
| | | | Jockey Club Bar | 17 | $23,000 | $70,000 |
| | 4 | Yalgoo Golf Club | Shed | 4 | $1,000 | $15,000 |
| | | Yalgoo Gun Club | Shed / Clubroom | 4 | $8,000 | $88,000 |
| ***Recreation/Sporting Total*** | | | | | ***$92,000*** | ***$389,000*** |
| Shelter | 5 | Paynes Find | Sports Shelter | 2 | $1,000 | $35,000 |
| ***Shelter Total*** | | | | | ***$1,000*** | ***$35,000*** |
| Waste Facility | 3 | Works Depot | Waste Oil Storage | 10 | $10,000 | $31,000 |
| ***Waste Facility Total*** | | | | | ***$10,000*** | ***$31,000*** |
| **Grand Total** | | | | | **$6,206,500** | **$15,386,950** |

# APPENDICES

## APPENDIX C1: OTHER INFRASTRUCTURE ASSETS REMAINING USEFUL LIFE AND VALUES

| Location | Description | Condition Rating | Average Estimated Remaining Life Years | Fair Value (Improvements Only) @ 6/2013 | Gross Current Replacement Cost |
|---|---|---|---|---|---|
| Agistment Block | Fencing | 3 | 15 | $22,000 | $34,000 |
| Gibbons Street Park | BBQ's | 3 | 15 | $24,000 | $36,000 |
| | Flagpole | 3 | 25 | $5,000 | $8,000 |
| | Gazebos | 3 | 15 | $14,000 | $22,000 |
| | Picnic tables | 3 | 5 | $3,000 | $8,000 |
| | Reticulation | 3 | 15 | $9,000 | $15,000 |
| Museum Complex | Fencing | 3 | 8 | $6,000 | $18,000 |
| | Shelters | 3 | 8 | $8,000 | $23,000 |
| Paynes Find | BBQ's | 3 | 5 | $2,000 | $11,000 |
| | Perimeter fencing | 3 | 10 | $16,000 | $36,000 |
| | Tennis courts | 4 | 2 | $11,000 | $130,000 |
| | Water tank & stand | 3 | 4 | $3,000 | $22,000 |
| Paynes Find Airport | Fencing | 3 | 10 | $47,000 | $110,000 |
| | Runways | 3 | 10 | $660,000 | $1,500,000 |
| | Windsock & shed | 3 | 10 | $5,000 | $11,000 |
| Shamrock Street Playground | Lighting | 4 | 8 | $6,000 | $18,000 |
| | Shelter | 3 | 8 | $2,000 | $6,000 |
| Tennis Club / Waterpark | Lighting | 3 | 10 | $3,000 | $8,000 |
| | Tennis & basketball courts | 4 | 3 | $24,000 | $190,000 |
| | Water play park | 2 | 17 | $510,000 | $700,000 |
| Townsite | Eastern Entry Statement | 3 | 15 | $72,000 | $160,000 |
| | Entry Statement | 3 | 15 | $62,000 | $150,000 |
| | Western Entry Statement | 3 | 15 | $31,000 | $75,000 |
| Yalggo Lookout | Picnic tables | 2 | 8 | $4,000 | $6,000 |
| | Shelter | 2 | 18 | $6,000 | $8,000 |
| Yalgoo Airport | Fencing | 3 | 10 | $39,000 | $90,000 |
| | Runway | 3 | 10 | $330,000 | $750,000 |
| | Shed | 3 | 10 | $2,000 | $4,000 |
| | Shelter | 2 | 10 | $5,000 | $13,000 |
| | Wind sock | 3 | 10 | $3,000 | $8,000 |
| Yalgoo Caravan Park | BBQ's | 3 | 10 | $4,000 | $9,000 |
| | Caravan bays | 3 | 20 | $47,000 | $110,000 |
| | Dump Ezy | 1 | 19 | $15,000 | $18,000 |
| | Fencing | 3 | 15 | $41,000 | $65,000 |
| | Lighting | 3 | 10 | $8,000 | $18,000 |
| | Picnic tables | 2 | 8 | $4,000 | $6,000 |
| | Power heads | 1 | 19 | $22,000 | $27,000 |
| | Storage shed | 3 | 10 | $8,000 | $15,000 |
| | Water tank | 3 | 18 | $90,000 | $120,000 |

# APPENDICES

## APPENDIX C1: OTHER INFRASTRUCTURE ASSETS REMAINING USEFUL LIFE AND VALUES

| Location | Description | Condition Rating | Average Estimated Remaining Life Years | Fair Value (Improvements Only) @ 6/2013 | Gross Current Replacement Cost |
|---|---|---|---|---|---|
| Yalgoo Cemetery | Entry Statement | 3 | 18 | $56,000 | $75,000 |
| | Perimeter fencing | 2 | 18 | $14,000 | $18,000 |
| Yalgoo Sporting Complex | Barrier rail | 3 | 10 | $80,000 | $180,000 |
| | Judges Box | 2 | 18 | $21,000 | $27,000 |
| | Perimeter fencing | 3 | 10 | $39,000 | $90,000 |
| | Reticulation | 3 | 10 | $39,000 | $90,000 |
| | Water tank | 3 | 10 | $31,000 | $75,000 |
| Yalgoo Tip | Dump station | 2 | 18 | $35,000 | $44,000 |
| | Fencing | 2 | 18 | $14,000 | $18,000 |
| Yalgoo Works Depot | Fencing | 3 | 18 | $28,000 | $36,000 |
| | Plant Loading ramp | 3 | 10 | $8,000 | $18,000 |
| | Storage Bays | 3 | 10 | $12,000 | $27,000 |
| | Washdown Bay | 3 | 10 | $12,000 | $27,000 |
| **Grand Total** | | | | **$2,562,000** | **$5,283,000** |

# APPENDICES

## APPENDIX C2: FURNITURE AND EQUIPMENT ASSET LOCATIONS AND VALUES

| Location | Description | Replacement with New Value @ 2/2013 | Fair Value @ 2/2013 |
|---|---|---|---|
| Caravan Park | 2 x Pumps | $8,000 | $10,000 |
| | Assets Under $ 1,000 | $2,800 | $13,600 |
| | Dryer | $500 | $2,200 |
| | Lawn Mower | $400 | $1,400 |
| | Washing Machine | $600 | $2,000 |
| **Caravan Park Total** | | **$12,300** | **$29,200** |
| Caravan Park/Residence | Assets Under $ 1,000 | $3,400 | $9,700 |
| | Computer | $1,000 | $1,500 |
| | Fridge | $900 | $2,500 |
| **Caravan Park/Residence Total** | | **$5,300** | **$13,700** |
| Community Hall | Amplifier Public Address System | $1,000 | $2,000 |
| | Assets Under $ 1,000 | $5,050 | $18,900 |
| | Cabinet | $900 | $3,000 |
| | Computer | $2,600 | $4,500 |
| | Extraction Hood | $900 | $3,000 |
| | Fridge | $600 | $1,500 |
| | Photocopier | $1,500 | $15,000 |
| | Range | $2,100 | $7,000 |
| | Screen | $300 | $3,000 |
| **Community Hall Total** | | **$14,950** | **$57,900** |
| Dominican Chapel | Assets Under $ 1,000 | $750 | $3,000 |
| **Dominican Chapel Total** | | **$750** | **$3,000** |
| Museum Complex | Assets Under $ 1,000 | $1,050 | $4,200 |
| **Museum Complex Total** | | **$1,050** | **$4,200** |
| Paynes Find Community Hall | Assets Under $ 1,000 | $8,000 | $27,300 |
| | Fridge | $2,100 | $7,900 |
| | Generator | $5,200 | $15,000 |
| | Playground Equipment | $300 | $3,000 |
| | Polisher | $200 | $1,200 |
| | Pool Table | $900 | $3,000 |
| | Radio | $150 | $3,000 |
| | Range | $2,100 | $7,000 |
| | Sound System | $250 | $1,200 |
| **Paynes Find Community Hall Total** | | **$19,200** | **$68,600** |
| Petrol Station | Compressor | $150 | $1,000 |
| | Pay Station | $0 | $0 |
| | Pump | $0 | $0 |
| | Tank | $38,300 | $103,500 |
| **Petrol Station Total** | | **$38,450** | **$104,500** |
| Playground | Play Equipment | $7,500 | $30,000 |
| **Playground Total** | | **$7,500** | **$30,000** |
| Railway Station | Assets Under $ 1,000 | $5,000 | $17,700 |
| | Bain Marie | $300 | $1,500 |
| | Coffee Machine | $700 | $3,500 |
| | Deep Fryer | $150 | $1,000 |
| | Freezer | $750 | $2,700 |
| | Fridge | $1,500 | $6,000 |
| | Griddle | $270 | $1,100 |
| | Oven | $1,200 | $4,000 |
| | Pie Warmer | $200 | $1,000 |
| | Range | $2,100 | $7,000 |
| **Railway Station Total** | | **$12,170** | **$45,500** |

# APPENDICES

## APPENDIX C2: FURNITURE AND EQUIPMENT ASSET LOCATIONS AND VALUES

| Location | Description | Replacement with New Value @ 2/2013 | Fair Value @ 2/2013 |
|---|---|---|---|
| Shire Office | 5 x Computers | $700 | $7,000 |
| | Assets Under $ 1,000 | $15,000 | $50,100 |
| | Binder | $400 | $2,000 |
| | Books | $0 | $42,000 |
| | Cabinet | $2,050 | $8,000 |
| | Coffee Machine | $500 | $2,000 |
| | Compactus | $2,100 | $7,200 |
| | Computer | $2,730 | $16,300 |
| | Fridge | $500 | $1,400 |
| | Hot Water | $850 | $2,200 |
| | Photocopier | $0 | $25,000 |
| | Projector | $750 | $3,000 |
| | Safe | $1,700 | $8,000 |
| | Screen | $400 | $1,000 |
| | Shredder | $1,050 | $3,500 |
| | Stove | $450 | $1,500 |
| | Switch | $500 | $1,500 |
| | Table | $1,320 | $4,000 |
| | Telephone System | $2,700 | $9,000 |
| | UPS | $450 | $1,600 |
| | Workstation | $600 | $2,000 |
| **Shire Office Total** | | **$34,750** | **$198,300** |
| Townsite | Assets Under $ 1,000 | $750 | $1,400 |
| **Townsite Total** | | **$750** | **$1,400** |
| Unit 18C | Assets Under $ 1,000 | $2,570 | $8,550 |
| | Fridge | $400 | $1,000 |
| | Lounge | $300 | $1,000 |
| | Stove | $450 | $1,500 |
| **Unit 18C Total** | | **$3,720** | **$12,050** |
| Works Depot | 2 x Tanks | $5,700 | $6,000 |
| | Aerator | $1,200 | $3,000 |
| | Assets Under $ 1,000 | $10,700 | $34,200 |
| | Cage | $600 | $1,500 |
| | Cleaner | $3,600 | $4,000 |
| | Compressor | $1,950 | $7,500 |
| | Computer | $300 | $1,600 |
| | Crane | $1,000 | $4,000 |
| | Cultivator | $1,600 | $4,000 |
| | Curbing Machine | $2,000 | $2,300 |
| | Fogger | $650 | $3,400 |
| | Fridge | $540 | $2,800 |
| | Hot Water Unit | $850 | $2,700 |
| | Ice Machine | $1,200 | $4,000 |
| | Mower | $2,250 | $9,000 |
| | Mulcher | $200 | $1,000 |
| | Pump | $1,950 | $6,700 |
| | Racking | $1,400 | $3,600 |
| | Radio | $450 | $1,500 |
| | Spreader | $500 | $1,500 |
| | Tank | $9,250 | $17,000 |
| | Tool Kit | $1,000 | $1,500 |
| | Trowel | $850 | $2,200 |
| | Welder | $6,200 | $16,500 |
| **Works Depot Total** | | **$55,940** | **$141,500** |
| **Grand Total** | | **$206,830** | **$709,850** |

# APPENDICES

## APPENDIX C3: PLANT AND MACHINERY ASSET VALUES

| Primary Description | Fair Value @ 06/2013 | Number of Assets |
|---|---|---|
| Back Hoe | $130,000 | 1 |
| Batching Plant | $38,000 | 1 |
| Bus | $62,000 | 1 |
| Cement Agitator | $1,000 | 1 |
| Cement Mixer | $500 | 1 |
| Compressor | $12,000 | 1 |
| Dolly | $25,500 | 2 |
| Fork Lift | $20,000 | 1 |
| Grader | $800,000 | 3 |
| Loader | $400,000 | 3 |
| Low Loader | $75,000 | 1 |
| Mower | $22,500 | 2 |
| Roller | $200,000 | 2 |
| Tractor | $30,000 | 1 |
| Trailer | $341,600 | 13 |
| Truck | $410,000 | 6 |
| Utility | $42,000 | 1 |
| Work Platform | $12,000 | 1 |
| **Grand Total** | **$2,622,100** | 42 |

# APPENDICES

## APPENDIX C4: VEHICLE ASSET VALUES

| Primary Description | Fair Value @ 06/2013 | Number of Assets |
|---|---|---|
| 485 - 2010 Holden Captiva SX 4x4 Auto Wagon DT4 | 22,818 | 1 |
| 546 - Holden Colorado LTZ 4x4-white | 37,172 | 1 |
| 562 - Holden Colorado Ute | 42,000 | 1 |
| 565 - Holden Colorado DX 4x4 Manual | 38,000 | 1 |
| 571 - Holden Colorado LX 4x4 Ute | 40,507 | 1 |
| 573 - Landcruiser 200T/D A/T GXL | 77,581 | 1 |
| **Grand Total** | **$258,078** | **6** |

The fair value of the above vehicle assets were determined by Management.

# APPENDICES

## APPENDIX D: FORECAST ASSET RENEWAL EXPENDITURE

| Year | Seals | Sealed Pavement | Unsealed Pavement | Culverts | Floodways | Signs | Buildings | Vehicles, Plant and Machinery | Other Infrastructure | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 2013/14 | $35,775 | $0 | $455,752 | $0 | $6,000 | $0 | 73,000 | $1,107,501 | $0 | $1,678,028 |
| 2014/15 | $846,536 | $0 | $470,336 | $0 | $0 | $0 | 583,080 | $307,792 | $0 | 2,207,744 |
| 2015/16 | $33,385 | $0 | $485,387 | $0 | $87,225 | $0 | 129,933 | $357,210 | $117,153 | 1,210,293 |
| 2016/17 | $25,046 | $0 | $500,919 | $0 | $0 | $0 | 286,866 | $299,448 | $181,352 | 1,293,632 |
| 2017/18 | $294,260 | $0 | $516,949 | $0 | $0 | $0 | 214,378 | $842,812 | $21,551 | 1,889,950 |
| 2018/19 | $246,333 | $0 | $533,491 | $0 | $0 | $0 | 0 | $747,771 | $19,900 | 1,547,495 |
| 2019/20 | $429,172 | $108,723 | $550,563 | $0 | $0 | $0 | 0 | $845,256 | $0 | 1,933,714 |
| 2020/21 | $0 | $0 | $568,181 | $36,154 | $15,708 | $0 | 446,314 | $858,151 | $0 | 1,924,508 |
| 2021/22 | $346,532 | $0 | $586,362 | $0 | $0 | $0 | 1,453,838 | $1,042,286 | $87,488 | 3,516,506 |
| 2022/23 | $507,292 | $0 | $605,126 | $0 | $14,340 | $0 | 0 | $485,066 | $0 | 1,611,824 |
| 2023/24 | $697,668 | $0 | $624,490 | $0 | $6,577 | $96,465 | 42,477 | $1,371,668 | $3,706,502 | 6,545,848 |
| 2024/25 | $374,359 | $0 | $644,474 | $0 | $0 | $0 | 0 | $385,265 | $0 | 1,404,098 |
| 2025/26 | $1,062,243 | $0 | $665,097 | $20,431 | $0 | $0 | 488,879 | $2,319,300 | $0 | 4,555,950 |
| 2026/27 | $198,232 | $0 | $686,380 | $0 | $0 | $0 | 0 | $1,114,383 | $0 | 1,998,995 |
| 2027/28 | $195,931 | $0 | $708,344 | $0 | $0 | $0 | 0 | $935,115 | $0 | 1,839,390 |
| **Total** | **$5,292,765** | **$108,723** | **$8,601,851** | **$56,585** | **$129,851** | **$96,465** | **$3,718,766** | **$13,019,024** | **$4,133,946** | **$35,157,974** |

# APPENDICES

## APPENDIX E: ASSET EXPENDITURE

### Transport Assets

| | Year | Maintenance | Renewal | New | Total |
|---|---|---|---|---|---|
| 1 | 2013/2014 | $1,221,052 | $497,527 | $5,800,000 | $7,518,579 |
| 2 | 2014/2015 | $1,260,126 | $1,316,872 | $0 | $2,576,998 |
| 3 | 2015/2016 | $1,300,450 | $605,998 | $0 | $1,906,447 |
| 4 | 2016/2017 | $1,342,064 | $525,966 | $0 | $1,868,030 |
| 5 | 2017/2018 | $1,385,010 | $811,208 | $0 | $2,196,218 |
| 6 | 2018/2019 | $1,429,331 | $779,824 | $0 | $2,209,155 |
| 7 | 2019/2020 | $1,475,069 | $1,088,458 | $0 | $2,563,527 |
| 8 | 2020/2021 | $1,522,271 | $620,043 | $0 | $2,142,314 |
| 9 | 2021/2022 | $1,570,984 | $932,894 | $0 | $2,503,878 |
| 10 | 2022/2023 | $1,621,256 | $1,126,758 | $0 | $2,748,013 |
| 11 | 2023/2024 | $1,673,136 | $1,425,200 | $0 | $3,098,336 |
| 12 | 2024/2025 | $1,726,676 | $1,018,833 | $0 | $2,745,509 |
| 13 | 2025/2026 | $1,781,930 | $1,747,771 | $0 | $3,529,701 |
| 14 | 2026/2027 | $1,838,951 | $884,612 | $0 | $2,723,564 |
| 15 | 2027/2028 | $1,897,798 | $904,275 | $0 | $2,802,073 |
| | **Total** | **$23,046,104** | **$14,286,239** | **$5,800,000** | **$43,132,343** |

### Property Assets

| | Year | Maintenance | Renewal | New | Total |
|---|---|---|---|---|---|
| 1 | 2013/2014 | $445,507 | $73,000 | $552,000 | $1,070,507 |
| 2 | 2014/2015 | $459,763 | $583,080 | $550,000 | $1,592,843 |
| 3 | 2015/2016 | $474,476 | $129,933 | $2,000,000 | $2,604,409 |
| 4 | 2016/2017 | $489,659 | $286,866 | $0 | $776,525 |
| 5 | 2017/2018 | $505,328 | $214,378 | $0 | $719,706 |
| 6 | 2018/2019 | $521,498 | $0 | $0 | $521,498 |
| 7 | 2019/2020 | $538,186 | $0 | $0 | $538,186 |
| 8 | 2020/2021 | $555,408 | $446,314 | $0 | $1,001,723 |
| 9 | 2021/2022 | $573,181 | $1,453,838 | $0 | $2,027,019 |
| 10 | 2022/2023 | $591,523 | $0 | $0 | $591,523 |
| 11 | 2023/2024 | $610,452 | $42,477 | $0 | $652,929 |
| 12 | 2024/2025 | $629,986 | $0 | $0 | $629,986 |
| 13 | 2025/2026 | $650,146 | $488,879 | $0 | $1,139,025 |
| 14 | 2026/2027 | $670,951 | $0 | $0 | $670,951 |
| 15 | 2027/2028 | $692,421 | $0 | $0 | $692,421 |
| | **Total** | **$8,408,487** | **$3,718,766** | **$3,102,000** | **$15,229,253** |

### General Assets

| | Year | Maintenance | Renewal | New | Total |
|---|---|---|---|---|---|
| 1 | 2013/2014 | $252,515 | $1,107,501 | $0 | $1,360,016 |
| 2 | 2014/2015 | $260,595 | $307,792 | $285,000 | $853,387 |
| 3 | 2015/2016 | $268,935 | $474,363 | $0 | $743,297 |
| 4 | 2016/2017 | $277,540 | $480,800 | $0 | $758,341 |
| 5 | 2017/2018 | $286,422 | $864,363 | $572,633 | $1,723,418 |
| 6 | 2018/2019 | $295,587 | $767,671 | $300,000 | $1,363,258 |
| 7 | 2019/2020 | $305,046 | $845,256 | $0 | $1,150,302 |
| 8 | 2020/2021 | $314,807 | $858,151 | $0 | $1,172,958 |
| 9 | 2021/2022 | $324,881 | $1,129,774 | $0 | $1,454,655 |
| 10 | 2022/2023 | $335,278 | $485,066 | $0 | $820,344 |
| 11 | 2023/2024 | $346,006 | $5,078,170 | $0 | $5,424,176 |
| 12 | 2024/2025 | $357,079 | $385,265 | $0 | $742,344 |
| 13 | 2025/2026 | $368,505 | $2,319,300 | $0 | $2,687,805 |
| 14 | 2026/2027 | $380,297 | $1,114,383 | $0 | $1,494,680 |
| 15 | 2027/2028 | $392,467 | $935,115 | $0 | $1,327,582 |
| | **Total** | **$4,765,961** | **$17,152,970** | **$1,157,633** | **$23,076,564** |

# APPENDICES

## APPENDIX E: ASSET EXPENDITURE (CONTINUED)

**The information below is presented to assist in calculation of the Asset Renewal Funding Ratio.**

**Total Assets**

| | Year | Maintenance | Renewal | New | Total |
|---|---|---|---|---|---|
| 1 | 2013/2014 | $1,919,074 | $1,678,028 | $6,352,000 | $9,949,102 |
| 2 | 2014/2015 | $1,980,485 | $2,207,744 | $835,000 | $5,023,229 |
| 3 | 2015/2016 | $2,043,860 | $1,210,293 | $2,000,000 | $5,254,153 |
| 4 | 2016/2017 | $2,109,264 | $1,293,632 | $0 | $3,402,896 |
| 5 | 2017/2018 | $2,176,760 | $1,889,950 | $572,633 | $4,639,343 |
| 6 | 2018/2019 | $2,246,416 | $1,547,495 | $300,000 | $4,093,911 |
| 7 | 2019/2020 | $2,318,302 | $1,933,714 | $0 | $4,252,016 |
| 8 | 2020/2021 | $2,392,487 | $1,924,508 | $0 | $4,316,996 |
| 9 | 2021/2022 | $2,469,047 | $3,516,506 | $0 | $5,985,553 |
| 10 | 2022/2023 | $2,548,056 | $1,611,824 | $0 | $4,159,880 |
| 11 | 2023/2024 | $2,629,594 | $6,545,848 | $0 | $9,175,442 |
| 12 | 2024/2025 | $2,713,741 | $1,404,098 | $0 | $4,117,839 |
| 13 | 2025/2026 | $2,800,581 | $4,555,950 | $0 | $7,356,530 |
| 14 | 2026/2027 | $2,890,199 | $1,998,995 | $0 | $4,889,195 |
| 15 | 2027/2028 | $2,982,686 | $1,839,390 | $0 | $4,822,076 |
| | **Total** | **$36,220,552** | **$35,157,974** | **$10,059,633** | **$81,438,159** |

# APPENDICES

## APPENDIX F: TRANSPORT ASSETS LIFE AND REPLACEMENT COSTS

### ROADS

| Asset type | Current Replacement Cost | Estimated Economic Life | Residual Value |
|---|---|---|---|
| Road - Formation | $2.50 /m$^2$ | Infinite | Nil |
| Road - Sealed Pavement | $10.00 /m$^2$ | 40 Years | 2.5% |
| Road - Reseal | $4.50 /m$^2$ | 15 Years | 6.67% |
| Road - Unsealed Pavement | $4.00 /m$^2$ | 8 Years | 28% |
| Unformed Roads | $0.50 /m$^2$ | Infinite | Nil |
| Kerb Barrier | $30.00 /m | 40 Years | Nil |
| Footpaths - Cement Concrete | $50.00 /m$^2$ | 40 Years | Nil |
| Signs | $200.00 / sign | 20 Years | Nil |
| Stock Grids | $1,875.00 /m | 80 Years | Nil |

### CULVERTS

| Asset type | Current Replacement Cost | Estimated Economic Life | Residual Value |
|---|---|---|---|
| Helicore Ø300-450 | $500 /m | 30 Years | Nil |
| Helicore Ø450-750 | $700 /m | 30 Years | Nil |
| Helicore Ø750-1200 | $1,000 /m | 30 Years | Nil |
| RCB (less than .6m2) | $1,000 /m | 80 Years | Nil |
| RCB (less than 1.44m2) | $1,500 /m | 80 Years | Nil |
| RCP Ø300-450 | $600 /m | 80 Years | Nil |
| RCP Ø450-750 | $900 /m | 80 Years | Nil |
| RCP Ø750-1200 | $1,500 /m | 80 Years | Nil |

### FLOODWAYS

| Asset type | Current Replacement Cost | Estimated Economic Life | Residual Value |
|---|---|---|---|
| Concrete Floodway (No Scour) | $200 /m2 | 80 Years | Nil |
| Gravel Floodway | $19 /m$^2$ | 30 Years | Nil |
| Gravel Floodway (1 Side Scour) | $15 /m2 | 30 Years | Nil |
| Gravel Floodway (2 Sides Scour) | $15 /m$^2$ | 80 Years | Nil |
| Sealed Floodway (No Scour) | $40 /m$^2$ | 80 Years | Nil |

# APPENDICES

## APPENDIX G: ABBREVIATIONS

| | |
|---|---|
| **AAAC** | Average annual asset consumption |
| **AMP** | Asset management plan |
| **CRC** | Current replacement cost |
| **DA** | Depreciable amount |
| **LCC** | Life Cycle cost |
| **LCE** | Life cycle expenditure |

# APPENDICES

## APPENDIX H: GLOSSARY

### Funding gap

A funding gap exists whenever an entity has insufficient capacity to fund 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 funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

### 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. properties, 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.

### 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 activity or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

# APPENDICES

## APPENDIX H: GLOSSARY (CONTINUED)

### 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 annual operations, maintenance and asset consumption expense, represented by depreciation expense. 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 actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

### Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.

#### 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.

#### Significant maintenance

- Maintenance work to repair components or replace sub-components that need 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.

# APPENDICES

## APPENDIX H: GLOSSARY (CONTINUED)

### Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets totalled over a defined time.

### Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal.

### 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 the organisation 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 the Council, eg. parks and playgrounds, footpaths, properties and bridges, libraries, etc.

### Operations 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.

# APPENDICES

## APPENDIX H: GLOSSARY (CONTINUED)

### 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.

### Pavement management system

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

### PMS Score

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

### Rate of annual asset consumption

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

### Rate of annual asset renewal

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

### Rate of annual asset upgrade

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

### 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

Works to upgrade refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

## APPENDIX H: GLOSSARY (CONTINUED)

# APPENDICES

### 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 are still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

### 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 the 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 the 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.

### Specific Maintenance

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

### APPENDIX H: GLOSSARY (CONTINUED)

# APPENDICES

### Sub-component

Smaller individual parts that make up a component part.

### Useful life

May be expressed as either:

(a) The period over which a depreciable asset is expected to be used; or

(b) The number of production or similar units (i.e. intervals, cycles) that is expected to be obtained from the asset.

### 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: 'Department of Local Government of WA, 2011, Framework and Guidelines, Glossary'*