

Narrandera Shire Council



Buildings



Asset Management Plan



Version 2

May 2012



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Asset Management for Small, Rural or Remote Communities Practice Note

The Institute of Public Works Engineering Australia.

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TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	iv
2. INTRODUCTION	1
2.1 Background	1
2.2 Goals and Objectives of Asset Management	1
2.3 Plan Framework	3
2.4 Core and Advanced Asset Management	3
2.5 Community Consultation	4
3. LEVELS OF SERVICE	4
3.1 Customer Research and Expectations	4
3.2 Legislative Requirements	4
3.3 Current Levels of Service	5
3.4 Desired Levels of Service	8
4. FUTURE DEMAND	8
4.1 Demand Forecast	8
4.2 Changes in Technology	9
4.3 Demand Management Plan	9
4.4 New Assets for Growth	10
5. LIFECYCLE MANAGEMENT PLAN	11
5.1 Background Data	11
5.2 Risk Management Plan	14
5.3 Routine Maintenance Plan	15
5.4 Renewal/Replacement Plan	16
5.5 Creation/Acquisition/Upgrade Plan	19
5.6 Disposal Plan	20
6. FINANCIAL SUMMARY	20
6.1 Financial Statements and Projections	21
6.2 Funding Strategy	30
6.3 Valuation Forecasts	30
6.4 Key Assumptions made in Financial Forecasts	32
7. ASSET MANAGEMENT PRACTICES	33
7.1 Accounting/Financial Systems	33
7.2 Asset Management Systems	33
7.3 Information Flow Requirements and Processes	34
7.4 Standards and Guidelines	34
8. PLAN IMPROVEMENT AND MONITORING	35
8.1 Performance Measures	35
8.2 Improvement Plan	35
8.3 Monitoring and Review Procedures	36
REFERENCES	36
APPENDICES	37
Appendix A Planned Expenditures (From Long Term Financial Plan)	38
Appendix B1 Projected 10 year Capital Renewal Works Program (Scenario 1 – From Asset Register)	39
Appendix B2 Projected 10 year Capital Renewal Works Program (Scenario 2 – Prioritised Renewal Program)	47
Appendix C1 Planned Upgrade/Exp/New 10 year Capital Works Program (All Scenarios)	51
Appendix D Alternate Ratio Calculations	55
Appendix E Abbreviations	56

Appendix F Glossary	57
Appendix G1 Star Rating Assessment	62
Appendix G2 Star Rating Assessment Guide	72

Tables

TABLE 1: ASSETS COVERED BY THIS PLAN.....	1
TABLE 2: ASSET VALUES REPORTED IN THE FINANCIAL STATEMENTS.....	1
TABLE 3: ORGANISATION GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN.....	2
TABLE 4: LEGISLATIVE REQUIREMENTS	4
TABLE 5: FUNCTION ASSESSMENT FOR COMMUNITY AND OPERATIONAL BUILDINGS	72
TABLE 6: FUNCTION ASSESSMENT FOR PUBLIC TOILETS AND AMENITIES	73
TABLE 7: COMMUNITY AND TECHNICAL FUNCTION RATINGS.....	74
TABLE 8: CURRENT SERVICE LEVELS	6
TABLE 9: DEMAND FACTORS, PROJECTIONS AND IMPACT ON SERVICES	9
TABLE 10: CHANGES IN TECHNOLOGY AND FORECAST EFFECT ON SERVICE DELIVERY	9
TABLE 11: DEMAND MANAGEMENT PLAN SUMMARY.....	10
TABLE 12: KNOWN SERVICE PERFORMANCE DEFICIENCIES	12
TABLE 13: IIMM DESCRIPTION OF CONDITION.....	13
TABLE 14: ASSET SERVICE HIERARCHY	14
TABLE 15: CRITICAL RISKS AND TREATMENT PLANS	14
TABLE 16: MAINTENANCE EXPENDITURE TRENDS.....	15
TABLE 17: RENEWAL PRIORITY RANKING CRITERIA	17
TABLE 18: UPGRADE/NEW ASSETS PRIORITY RANKING CRITERIA	19
TABLE 19: ASSETS IDENTIFIED FOR DISPOSAL	20
TABLE 20: SUSTAINABILITY INDICATORS SUMMARY.....	22
TABLE 21.S1: PROJECTED AND BUDGETED RENEWALS AND EXPENDITURE SHORTFALL (SCENARIO 1 - FROM ASSET REGISTER).....	28
TABLE 22 .S2: PROJECTED AND BUDGETED RENEWALS AND EXPENDITURE SHORTFALL (SCENARIO 2 AND 3 – BALANCED TO LTFP – PRIORITISED RENEWAL PROGRAM)	29
TABLE 23: EXPENDITURE PROJECTIONS FOR LONG TERM FINANCIAL PLAN (\$000) (SCENARIO 3 – BALANCED TO LTFP – PRIORITISED RENEWAL PROGRAM)	30
TABLE 24 SECTION 8.2: IMPROVEMENT PLAN	35

Figures

FIGURE 1: NEW ASSETS FOR GROWTH	ERROR! BOOKMARK NOT DEFINED.
FIGURE 2: ASSET AGE PROFILE.....	11
FIGURE 3: CURRENT ASSET CONDITION PROFILE	12
FIGURE 4: TARGET ASSET CONDITION PROFILE (SCENARIO 2)	12
FIGURE 5 PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURE	16
FIGURE 6: PROJECTED CAPITAL RENEWAL EXPENDITURE (SCENARIO 1 - FROM ASSET REGISTER)	18
FIGURE 7: PROJECTED CAPITAL RENEWAL EXPENDITURE (SCENARIO 2 AND 3 – BALANCED TO LTFP – PRIORITISED RENEWAL PROGRAM (INDIVIDUAL RENEWAL ITEMS NOT SEPARATELY IDENTIFIED)).....	18
FIGURE 8: PROJECTED CAPITAL UPGRADE/NEW ASSET EXPENDITURE.....	20
FIGURE 9: PROJECTED OPERATING AND CAPITAL EXPENDITURE AND BUDGET (SCENARIO 1 - FROM ASSET REGISTER)	21
FIGURE 10: PROJECTED OPERATING AND CAPITAL EXPENDITURE AND BUDGET (SCENARIOS 2 AND 3 - BALANCED TO LTFP – PRIORITISED RENEWAL PROGRAM)	22

<i>FIGURE 11: FINANCIAL SUSTAINABILITY INDICATORS (SCENARIO 1 – FROM ASSET REGISTER)</i>	27
<i>FIGURE 12: PROJECTED AND BUDGETED RENEWAL EXPENDITURE (SCENARIO 1 - FROM ASSET REGISTER)</i>	28
<i>FIGURE 13: PROJECTED AND BUDGETED RENEWAL EXPENDITURE (SCENARIO 2 AND 3 – BALANCED TO LTFFP – PRIORITISED RENEWAL PROGRAM)</i>	29
<i>FIGURE 14: PROJECTED ASSET VALUES</i>	31
<i>FIGURE 15: PROJECTED DEPRECIATION EXPENSE</i>	31

1. EXECUTIVE SUMMARY

Context

Narrandera Shire Council has a population of over 6,260 people. The shire is part of the state electorate of Murrumbidgee and the Federal electorate of Riverina.

The Shire covers an area of 4,116km², and is bordered to the west by the local government areas of Murrumbidgee, Leeton, Griffith, to the north by Carrathool and Bland, to the east by Coolamon and Wagga Wagga and to the south by Lockhart and Urana.

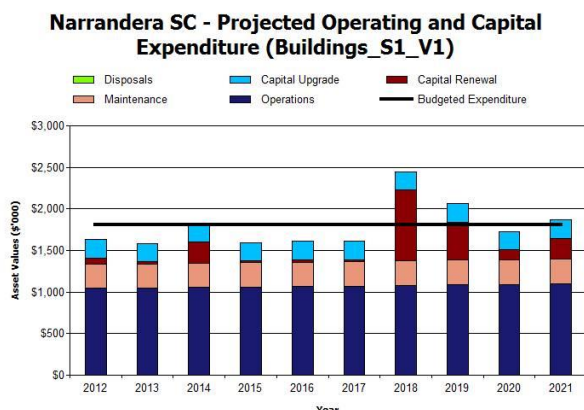
The Australian Bureau of Statistic's annual Estimated Residential Population for Local Government Areas reported that Narrandera Shire recorded a growth rate of 0% and that over the previous five years had recorded an average annual growth rate of -0.1%.

Buildings and Structure

These infrastructure assets have a replacement value of \$38.9M.

What does it Cost?

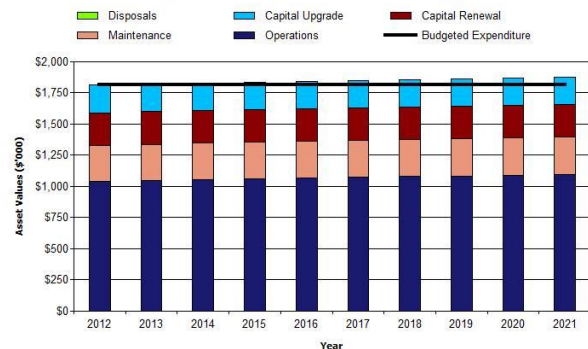
The projected cost to provide the services covered by this Asset Management Plan includes operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period. Scenario 1 shown below is based on the asset register and indicates that the future costs (vertical bars) are generally exceeded by the future long term financial plan funding (horizontal black line), this indicates that under funding scenario 1 the renewal program is being overfunded. This is likely due to limitations with the accuracy of the existing asset register data, further improvements will be required to obtain a realistic funding scenario.



Scenario 3 below shows how council will balance funds available in the long term financial plan with the

expenditure projections in the asset management plan. This has been used for both scenario 2 and 3 at this stage and is demonstrative of a sustainable funding scenario that has not yet been developed or adopted by Council.

Narrandera SC - Projected Operating and Capital Expenditure (Buildings_S3_V1)



Councils' present funding levels will be insufficient in the long term based on current information. The current level of expenditure is equivalent to 66% of the long term average funds required using the ratio of depreciation based on the asset register and average renewal spend for the next 10 years of the long term average requirements.

Projected and budgeted expenditure are shown in the table 21.S1 and 23.

What we will do

Council plans to provide buildings services for the following:

- Operation, maintenance, renewal and upgrade of buildings to meet service levels set by council in annual budgets.
- \$220,000 of upgrade/new assets each year of the 10 year planning period.
- Improve the underlying information with an annual review of service level trends.

What we cannot do

Council does not have enough funding to provide substantial upgrades to building condition and function.

Managing the Risks

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

- Rising costs of managing infrastructure
- Meeting Community expectations for services
- Providing the most appropriate and affordable infrastructure for the community

- Controlling the deterioration of buildings due to lack of renewal funding.

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

- Manage the existing infrastructure
- Manage the expansion of building infrastructure based on the priorities established in the Community Plan
- Expand infrastructure in a financially responsible manner and as funded in Council's Long Term Financial Plan.
- Seek additional funding in the form of grants wherever possible.
- Review the utilisation of building to determine whether low function low utilisation buildings warrant capital investment in future renewal.
- Annual review and update of service level and risk projections as data improves. This review will inform the annual budget process.

The Next Steps

The actions resulting from this asset management plan are:

- Continue to improve asset information and knowledge.
- Develop a single corporate asset register for financial and reporting purposes
- Monitor the provision of building infrastructure alongside the community expectations for community facilities.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Narrandera Community's building needs. These assets include Corporate and Community Buildings throughout the Council area to enable the Council to function in an efficient and effective manner.

What is an Asset Management Plan?

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

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

Is there a funding shortfall?

Councils' present funding levels are sufficient to continue to provide existing services at current levels in the medium term. The current scenario 1 based on the asset register indicates renewals are being over funded; this is likely due to limitations within the asset register. This position will need to be re-examined and an accurate funding scenario 2 developed based on building renewal activities needed to sustain current service levels..

What options do we have?

Resolving the funding shortfall/surplus involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,
4. Making tradeoffs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs
6. Consulting with the community to ensure that transport services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide services;
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

At this time Council can sustain service levels in the medium term. Existing scenario 1 suggests that Council is overfunding renewal; this is likely due to limitations within the current asset register. This will require further review to obtain a realistic funding scenario for the buildings infrastructure.

This should continue to be monitored and reviewed; as if this situation was to change it would be likely that council would have to plan to reduce service levels in some areas, unless new sources of revenue are found.

What can we do?

Council can develop options and priorities for future buildings services with costs of providing the services, consult with the community to plan future services to match the community services needs with ability to

pay for services and maximise benefit to the community for costs to the community.

What can you do?

Council will be pleased to consider your thoughts on the issues raised in this asset management plan and suggestions on how Council may change or reduce its transport services mix to ensure that the appropriate level of service can be provided to the community within available funding.

2. INTRODUCTION

2.1 Background

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

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

- Narrandera Shire Council Adopted Asset Management Plan 2011-2016
- Narrandera Shire Council Annual Report 2010/11

This infrastructure assets covered by this asset management plan are shown in Table 1.

Table 1: Assets covered by this Plan

Source: Technical Asset Register Note: The technical asset register is the latest updated register and includes changes and updates since 30 June 2011. The technical and financial asset register in table 2 are reconciled at the time of revaluation, however Council may choose to reconcile annually in future.

Asset Sub-Category	Asset Replacement Cost (*Calculated from asset register)	Depreciated Replacement Cost *	Annual Depreciation *
Buildings	\$38,906,727	\$21,264,467	\$1,069,820
TOTAL	\$38,906,727	\$21,264,467	\$1,069,820

Table 2: Asset Values Reported in the Financial Statements

Source: Note 9a General Purpose Financial Statements 30 June 2011

Note 9a Category - 30 June 2011	Replacement Cost (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense for current year (\$000)
Buildings	\$37,179	\$20,587	\$1,038
TOTAL	\$37,179	\$20,587	\$1,038

2.2 Goals and Objectives of Asset Management

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

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

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

- Continuous improvement in asset management practices.¹

The goal of this asset management plan is to:

- Document the services/service levels to be provided and the costs of providing the service,
- Communicate the consequences for service levels and risk, where desired funding is not available, and
- Provide information to assist decision makers in trading off service levels, costs and risks to provide services in a financially sustainable manner.

This asset management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Council's vision is:

"Achieving Together"

Council's mission is:

"To provide high quality affordable local government services and representation for people who live, work, and visit Narrandera Shire, and to assist also, those who have a stake in our local and regional prosperity; by way of effective consultation, policy making and responsive delivery that meets the needs of our community."

Relevant goals and objectives and how these are addressed in this asset management plan are shown in Table 3.

Table 3: Organisation Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in AMP
PF 1 – Corporate Support and Governance		
Goal 4 - Decisive leadership, strong partnerships and the effective and efficient management of resources	<p>4.1.1: Maximise the benefits of information technology in improving communication, process efficiency and promote Council and community activities through the website, Council Newsletter and other media.</p> <p>4.2.1: Develop and review Council Business Plans linked to the Strategic Plan and the financial capacity of Council.</p> <p>4.2.2: Develop and implement a long-term Financial Plan that reflects Council/community directions</p> <p>4.3.1: Utilise appropriate mechanisms to regularly review community needs</p> <p>4.4.1: Examine opportunities and support for partnerships with neighbouring and regional Councils, and government agencies to address priority issues</p> <p>4.5.1: Identify needs and provide appropriate training and development for staff</p>	<p>The Asset Management Plan in conjunction with Long Term Financial Plan and the Community Plan are the tools by which Council assesses the long term financial sustainability of council's infrastructure assets.</p> <p>Planning long term sustainable infrastructure is important to enable the appropriate resources to be identified and provided.</p> <p>Planning long term sustainable infrastructure is important to enable Council to meet its statutory Council governance.</p> <p>Infrastructure is provided to support services. Getting the correct infrastructure appropriate to the needs of the community is a primary goal of Asset Management Planning.</p> <p>Council has limited resources. The Asset Management Planning provides a way in which the community can be engaged in setting the priorities and allocation of these resources.</p> <p>Risk associated with Council infrastructure is identified within the Asset Management Plan. Risk assessment is one of the tools by which Council assesses the long term sustainability of council's infrastructure assets.</p>

¹ IPWEA, 2006, IIMM Sec 1.1.3, p 1.3.

Goal	Objective	How Goal and Objectives are addressed in AMP
	4.5.2: Ensure safe work practices through the implementation of the Occupational, Health and Safety Policy and Risk Management Strategy 4.6.1: Review and amend governance structures, policies and decision making processes on a regular basis	
PF 8 – Recreation and Culture		
Goal 1 – Social infrastructure and services that meet community needs and add to the quality of life of residents Goal 3 – Protected and enhanced natural assets and functional and appropriate built environs	1.7.2: Support the management and provision of cultural services and facilities 1.7.3: Encourage art and cultural programs for the Shire 3.4.1: Prepare and implement Master Plans and Plans of Management for key areas	The provision and maintenance of public infrastructure is an important component contributing to the cultural and social needs of the community.
PF 9 - Construction		
Goal 3 – Protected and enhanced natural assets and functional and appropriate built environs	3.5.2: Ensure developer compliance with all planning, building permits.	The AMP sets out principles for managing and operating the buildings infrastructure to meet these objectives.

2.3 Plan Framework

Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how the organisation will manage its existing and future assets to provide the required services
- 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.
- Asset management improvement plan

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a first cut ‘core’ asset management plan in accordance with the International Infrastructure Management Manual². It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a ‘top down’ approach where analysis is applied at the ‘system’ or ‘network’ level.

² IPWEA, 2006.

2.5 Community Consultation

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

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any research on customer expectations. This will be investigated for future updates of the asset management plan.

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 4.

Table 4: Legislative Requirements

Legislation	Requirement
Local Government Act 1993 Local Government Amendment (Planning and Reporting) Act 2009 (the Act).	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The amendments to the Act give effect to the Integrated Planning and Reporting framework.
Building Code of Australia (or BCA)	The Building Code of Australia (or BCA) is the edition, current at the relevant time, of the Building Code of Australia (including the Queensland Appendix) published by the body known as the Australian Building Codes Board.
Occupational Health & Safety Act 2000 & Regulations 2001	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work. Council is to provide a safe working environment and supply equipment to ensure safety.
Disability Discrimination Act 1992 and other relevant disability legislation.	Sets out the responsibilities to all in regards to discrimination. This Act makes it unlawful to discriminate against people because of their disability.
Local Environment Plans	Sets out the zoning of lands within the council area and what development is permissible on the land
Dividing Fences Act	Local Government exempt from 50/50 contribution for dividing fences abutting public open space.
Section 94 Plans	Provides information on contributions for developments that will require or increase the demand for public facilities in the area such as open space, community facilities and recreation facilities.
The Australian Accounting Standards	The Australian Accounting Standards (AASB116) requires that assets be valued, and reported in the annual accounts, which also includes

Legislation	Requirement
	depreciation value (i.e. how fast are these assets wearing out).
Crown land (Reserves) Act (1989):	Regulates what can be done on Crown land

3.3 Current Levels of Service

Council has defined service levels in two terms.

Council has defined service levels in two terms.

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

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

- Quality How good is the service?
- Function Does it meet users' needs?
- Capacity or Utilisation Is the asset substantially over or under capacity.
- Safety Is the service safe? This is managed by the risk management plan and the governance process that reports any high residual risks to the audit committee and Council.

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

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (e.g. building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. building component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. replacing a kitchen with a larger size) or a new service that did not exist previously (e.g. a new library).
- Quality or Condition of finishes
- Function such as standard and range of facilities and amenities in the building
- Capacity and utilisation. How effectively is the building used?

Building condition can be a simple 1-5 scale as per the IMM. For the purpose of community and council engagement this can be further grouped to focus on the proportion of the assets that are poor/very poor. This represents assets at or close to a point where service levels will be affected to the point where the community would notice. Detailed technical indicators can support the 1-5 scale as shown in appendix G.

Council's current service levels are detailed in Table 8. An assessment of building star ratings is shown in appendix G,

Table 5: Current Service Levels

COMMUNITY LEVELS OF SERVICE				
Theme	Community Expectation	Measure	Current Service Level Response	Acceptable Level of Service Response
Quality	Look well maintained and clean At a quality or standard suitable for their purpose	Customer surveys Customer requests % of buildings by value that have poor or very poor condition or finish quality	To be provided from the Resident Survey Most buildings satisfactory Measure to be reported in next AMP % poor / very poor	Requests received should not increase annually Maintain current % poor / very poor
Function	Easy to access Fit for their use	Customer surveys Customer requests % of buildings by value that have poor or very poor function compared with fit for use criteria set out in technical service levels for various buildings categories.	To be provided from the Resident Survey Most buildings satisfactory Measure to be reported in next AMP = % poor / very poor	Requests received should not increase annually Measure to be reported in next AMP = % poor / very poor
Capacity/Utilisation		% of buildings by value that have poor or very poor capacity or utilisation compared with criteria set out in technical service levels for various buildings categories.	Has not been fully assessed at this time Measure to be reported in next AMP = % poor / very poor	Assessment required to inform future revisions of the Buildings Asset Management Plan Measure to be reported in next AMP = % poor / very poor

TECHNICAL LEVELS OF SERVICE				
Budget Area	Activities	Measure	Current Funded Level of Service	Optimal Level of Service
Quality	Monitor Condition of Major Building	1 – 5 Scale using IIMM	Measure to be reported in next	Maintain or improve current condition

TECHNICAL LEVELS OF SERVICE				
Budget Area	Activities	Measure	Current Funded Level of Service	Optimal Level of Service
	Elements	1- As New 5 – Very Poor	AMP % of components by value in each condition	profile
Function	Easy to access Fit for their use	Star Rating Scale. Rate each building as current and target star rating. (similar to that used for hotels and facilities)	% buildings in each star rating group. % building with a star rating of worse than 2.5 are poor / very poor	Maintain or improve current condition profile
Capacity/Utilisation		1 – 5 Scale 1= Optimum utilisation 5 – Very Poor utilisation or building completely fails to meet community usage needs.	Has not been fully assessed at this time Measure to be reported in next AMP = % poor / very poor	Assessment required to inform future revisions of the Buildings Asset Management Plan Measure to be reported in next AMP = % poor / very poor
Operations	Opening hours Cleanliness Provision of power and operational services	Identified issues	Requires further assessment to determine whether basic service level expectations are being met	Even based on the current service level being provided, operational expenditure will need to increase in the future as new assets are being created
Operations Cost			\$1,044,000 pa over the course of the planning period	Will need to be at the same rate to continue the current operational levels of service
Maintenance	Remove hazards	Respond to complaints	Reactive maintenance to limit of budget allocation.	Regular Inspections Planned Maintenance

TECHNICAL LEVELS OF SERVICE				
Budget Area	Activities	Measure	Current Funded Level of Service	Optimal Level of Service
Maintenance Cost			\$287,000 pa over the course of the planning period	Will need to be at the same rate to continue the current maintenance levels of service
Renewal	Renewal of assets	Replacement of building components	Primarily reactive maintenance. Increasing renewal required in medium to longer term, due to the age of the infrastructure.	Implement a planned renewal program that is proactive, rather than reactive
Renewal Cost			Renewal Programme from asset register as per table 21.S1, will require annual review to reach a sustainable position.	Renewal Programme funded and balanced to the LTFP as per table 22.S2
Upgrade/New	Provide services in a cost effective manner	Cost, Corporate Strategy	Achieved by a combination of Council and Contract works	Achieved by a combination of Council and Contract works
Upgrade/New Cost			\$220,000 pa over the course of the planning period will require annual review to reach a sustainable position.	Upgrade/New Programme funded and balanced to the LTFP as per table 22.S2

3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan.

4. FUTURE DEMAND

4.1 Demand Forecast

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

Demand factor trends and impacts on service delivery are summarised in Table 9.

Table 6: Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	6256 (2009)	6132 (2029) ³	Increased Assets and demand on existing assets will have a follow on impact on maintenance and renewal costs.
Building Costs	Current costs	Costs anticipated to increase	The shortage of skilled labour, high labour costs and increasing building costs will impact on the future management of buildings
Regulation	Current regulations	Regulations relating to buildings increasing e.g. accessibility	Will add further to the cost of providing, operating, maintaining and renewing buildings
Increasing Costs	The cost to construct, maintain and renew infrastructure is increasing at a rate greater than council's revenue	Anticipated to continue	Increasingly difficult to maintaining the current level of service
Climate Change	Higher frequency of extreme weather events	Unknown, but changes likely.	Addition costs may be imposed to fund environmental initiatives e.g. carbon tax

4.2 Changes in Technology

Technology changes forecast to affect the delivery of services covered by this plan are detailed in Table 10.

Table 7: Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Change in building construction methods and the materials used	May increase the life of building components, reducing the susceptibility to damage, or by reducing the cost of construction or maintenance. E.g. improved graffiti removal methods

4.3 Demand Management Plan

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

³ Projection based on -0.1% average annual growth rate provided by the Australian Bureau of Statistic's annual Estimated Residential Population for Local Government Areas

Non-asset solutions focus on providing the required service without the need for the council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another council area or public toilets provided in commercial premises.

Opportunities identified to date for demand management are shown in Table 11. Further opportunities will be developed in future revisions of this asset management plan.

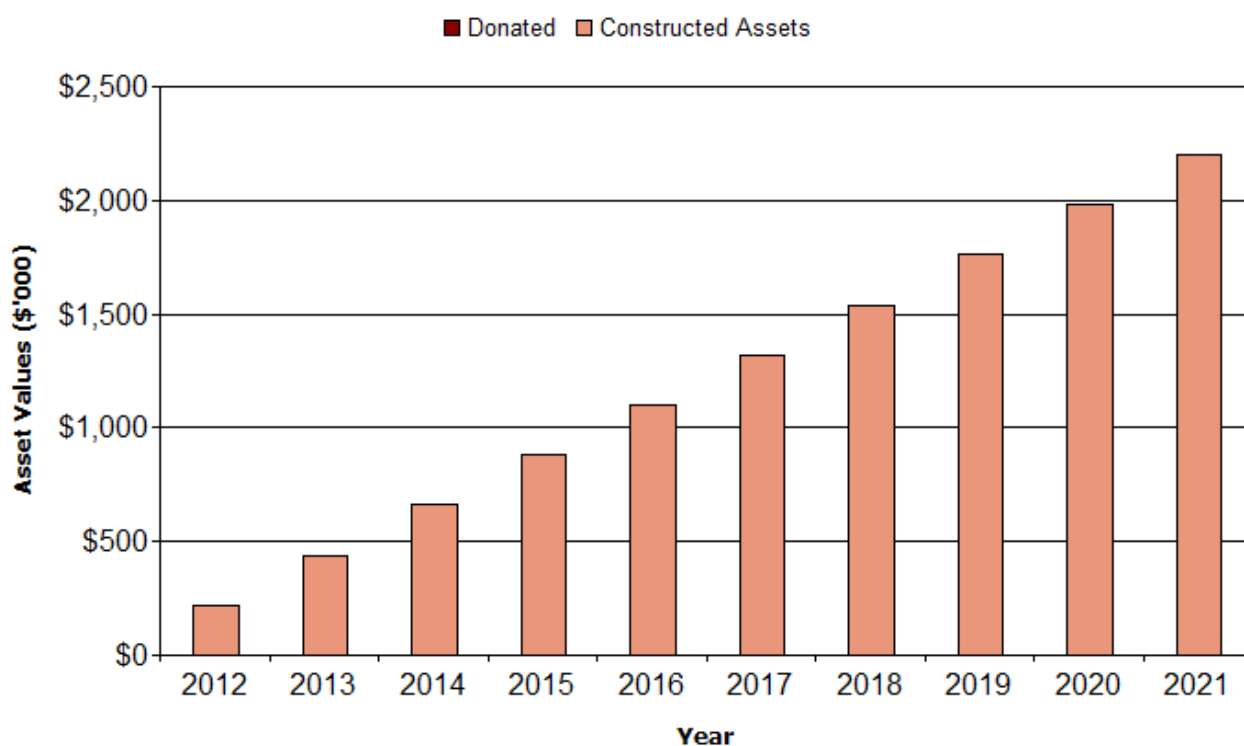
Table 8: Demand Management Plan Summary

Service Activity	Demand Management Plan
Communicate options and capacity to fund building infrastructure with the community	Monitor community expectations and communicate service levels and financial capacity with the community to balance priorities for infrastructure with what the community is prepared to pay for
Funding priority building works	Continue to seek grant funding for projects identified in the Community Plan and Asset Management Plans

4.4 New Assets for Growth

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

Narrandera SC - New Assets for Growth (Buildings_S1_V1)



The additional new assets being created are being constructed by Council. There are no assets being generated by development and being donated to Council.

Council proposes to provide \$220,000 of additional assets in each year of the ten year planning period. (Detailed in Appendix C).

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

5. LIFECYCLE MANAGEMENT PLAN

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

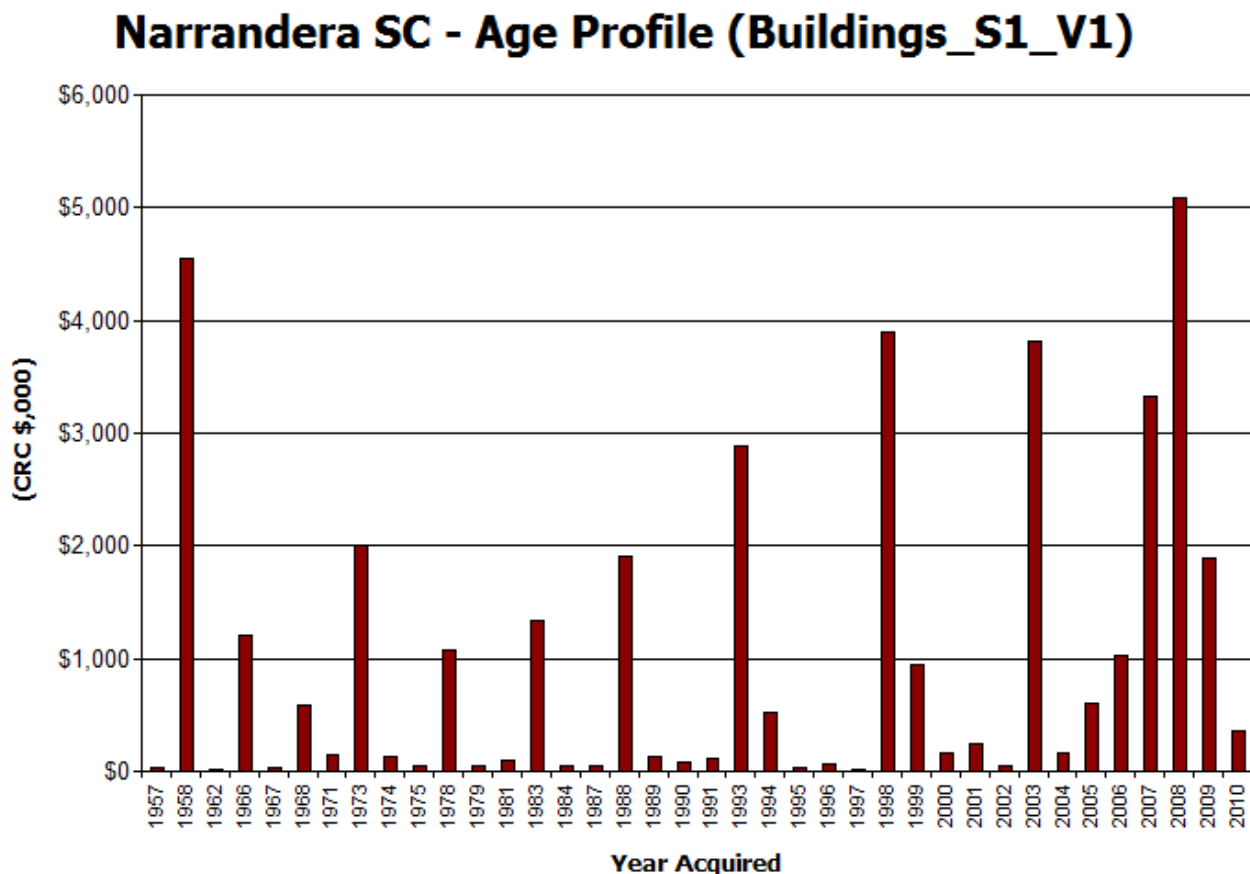
5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 1.

The age profile of the assets include in this AM Plan is shown in Figure 2.

Figure 1: Asset Age Profile



The information basis for the Buildings and Structures assets are:

- Financial Valuations
- Technical Inventory
- Maintenance and Renewal Plans

5.1.2 Asset capacity and performance

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

Locations where deficiencies in service performance are known are detailed in Table 12.

Table 9: Known Service Performance Deficiencies

Location	Service Deficiency
In this first Asset Management Plan detailed performance deficiencies have not been identified	In the development of next asset management plans, and in particular as these plans are developed and integrated along with the Long Term Financial Plans and Community Plans service deficiencies will be identified

5.1.3 Asset condition

The condition profile of buildings infrastructure assets included within this AM Plan is shown in Figure 3.

Figure 2: Current Asset Condition Profile

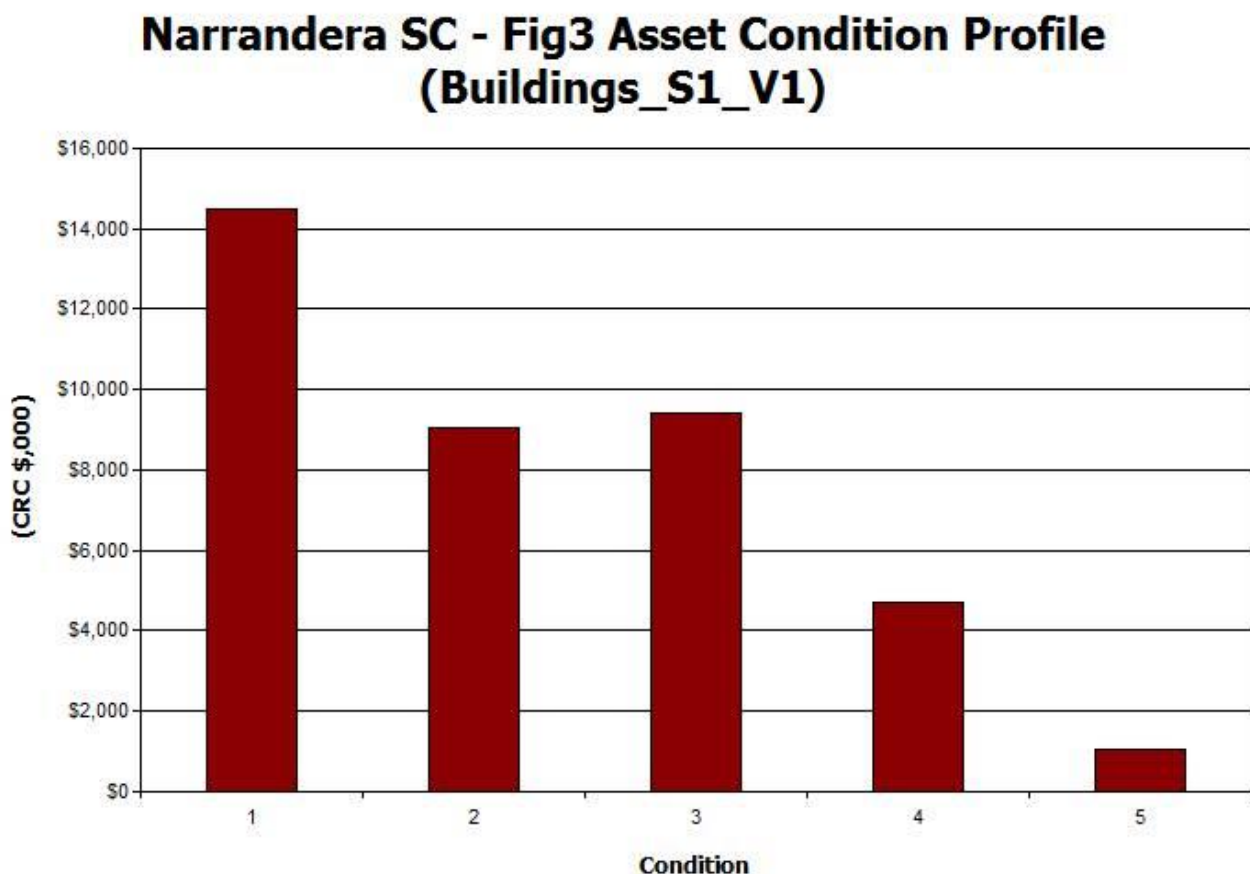
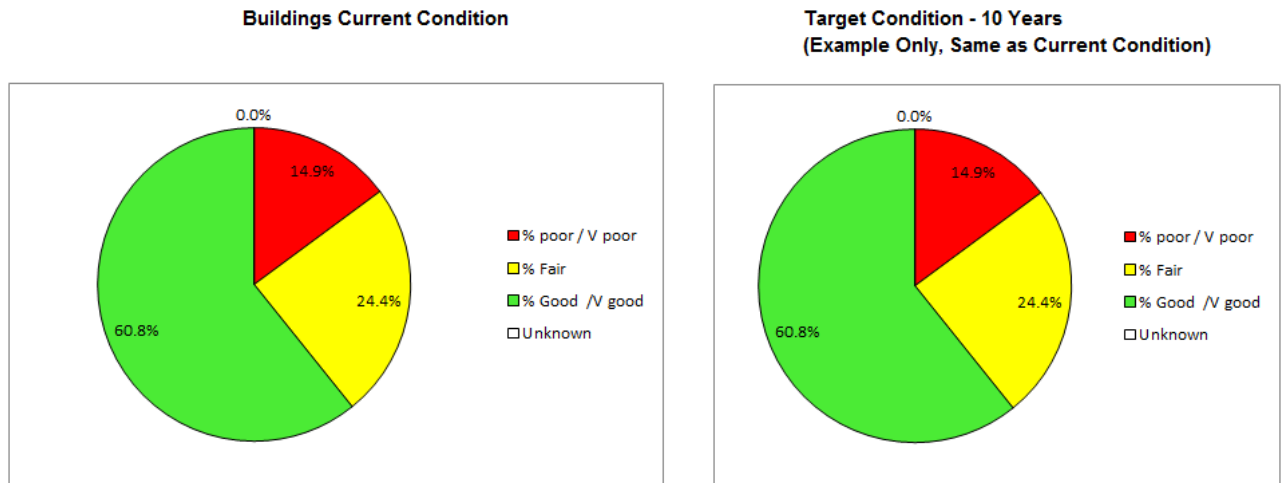


Figure 3: Target Asset Condition Profile (scenario 2)



Condition is measured using a 1 – 5 rating system⁴ as detailed in Table 13.

Table 10: IIMM Description of Condition

Condition Rating	Description
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Fair: Significant renewal/upgrade required.
5	Poor: Unserviceable.

5.1.4 Asset valuations

The value of assets recorded in Council's asset register for the year ending 30 June 2011 covered by this asset management plan is shown below. Assets were last revalued at 30 June 2011.

Current Replacement Cost	\$38,907,000
Depreciable Amount	\$38,907,000
Depreciated Replacement Cost	\$21,265,000
Annual Depreciation Expense	\$1,070,000

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption Ratio ⁵	0.55 or 55%
Asset Sustainability Ratio ⁶	0.24 or 24%
Asset Renewal Funding Ratio ⁷	1.24 or 124%

⁴ IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned', 'average' changed to 'fair')

⁵ Depreciated Replacement Cost / Current Replacement Cost AIFMG, Section 2.6.1, p 2.10

⁶ Renewal or Replacement Expenditure / Depreciation AIFMG, Section 2.6.1, p 2.10

⁷ 10 Year Renewal Expenditure / 10 Year Renewal Requirement in AMP (Scenario 2) AIFMG, Section 2.6.1, p 2.10

To provide services in a financially sustainable manner, Council will need to ensure that it is renewing assets at the rate they are being consumed over the medium-long term and funding the life cycle costs for all new assets and services in its long term financial plan.

5.1.5 Asset hierarchy

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

Council's service hierarchy is shown in Table 14.

Table 11: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Buildings - Community	Community Buildings will generally be provided to support other service activities operating from those facilities.
Buildings - Corporate	Administration Buildings will generally be provided to support Councils activities eg Administration Building and Depot

5.2 Risk Management Plan

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

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in Table 15.

Table 12: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
Building Maintenance	Maintenance costs increasing due to inadequate renewal program	Medium	Continue to improve data Maintenance is managed appropriately at an operational; level. Future planning improvements can be made by documented service level risks and utilisation of these in establishing future maintenance priorities.	Ongoing staff time
Building Renewal	Buildings deteriorate to a lesser service standard and higher risk situation	Medium	Continue to improve data Required renewal of building components is being achieved in the short to medium term. Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities.	Ongoing staff time

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
Utilisation	Buildings not suiting the needs of service providers	Medium	Continue to monitor not only the condition of buildings, but how well they suit the needs of users	Ongoing staff time
Increasing financial pressure to adequately maintain the building portfolio	Growth in building portfolio due to provision of grants	Medium	Although grants may be available for the capital cost of new or expanded facilities, due consideration should be made to ensure sufficient ongoing operation and maintenance funds can be provided to support these additional assets	Ongoing staff time
All buildings and facilities	Building Defects or non-compliance with regulations resulting in injury or discrimination against the disabled.	High	Regular inspection programme targeted and prioritised based on risk, levels or use and types of use.	Ongoing staff time

5.3 Routine Maintenance Plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

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

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

Proposed maintenance expenditure is shown in Table 16.

Table 13: Maintenance Expenditure Trends

Year	Maintenance Expenditure (2012 dollar values)
Proposed 2012	\$287,000
Proposed 2013	\$287,000
Proposed 2014	\$287,000

Current maintenance expenditure levels are considered to be adequate to meet required service levels in the absence of more detailed information. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.3.2 Standards and specifications

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

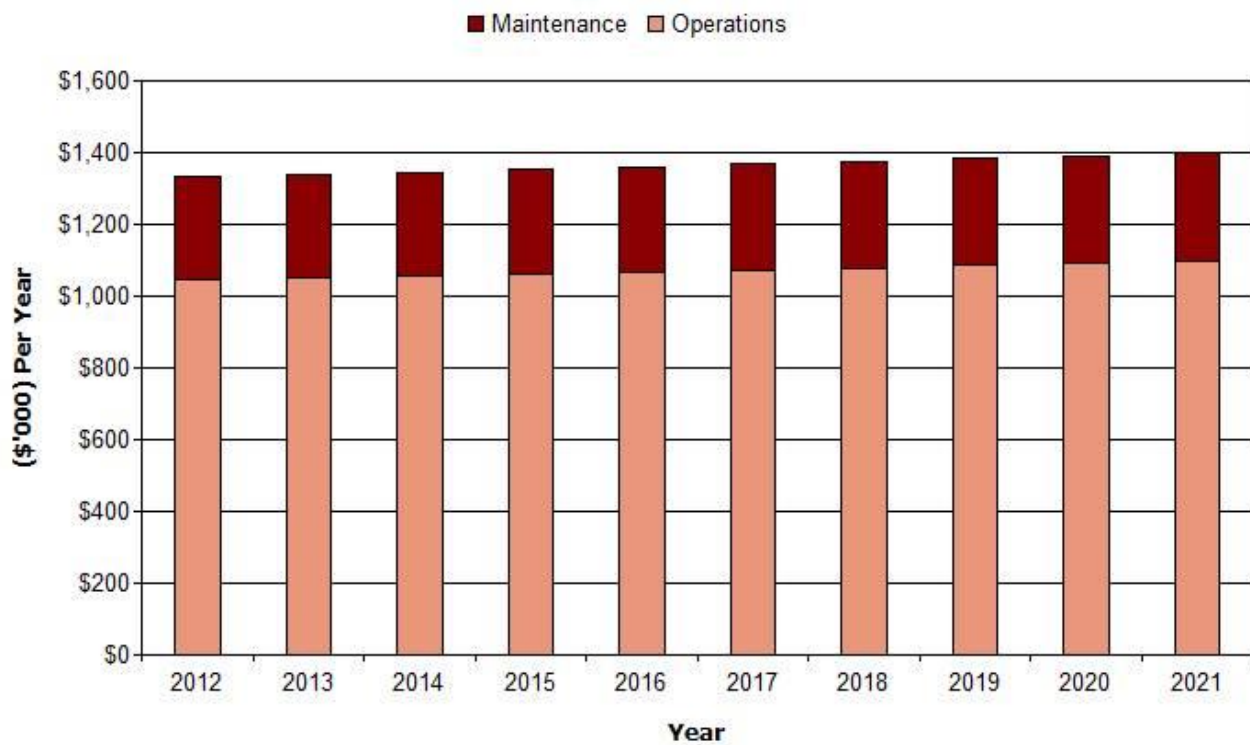
- Building Code of Australia BCA
- Relevant engineering standards
- Licensing and statutory requirements (e.g. dog pounds, public halls, aged and child care facilities)
- Relevant standards and specifications for building works

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 5. Note that all costs are shown in 2012 dollar values.

Figure 4 Projected Operations and Maintenance Expenditure

Narrandera SC - Projected Operations and Maintenance Expenditure (Buildings_S1_V1)



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

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

5.4 Renewal/Replacement Plan

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

5.4.1 Renewal plan

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

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

Method 1 was used for this asset management plan. It is common that the valuation registers used in Scenario 1 are not developed to a level of maturity where they are reliable for producing a realistic renewal forecast. Ideally when this asset register is sorted by remaining life from 1 to 10 years this should be consistent with the capital renewal program. For Narrandera Shire the refinement of the asset register to achieve this situation should become an important part of the asset management improvement plan.

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 17.

Table 14: Renewal Priority Ranking Criteria

Criteria	Weighting
Fit for Purpose/Usage	No weighting criteria adopted
Condition/Safety	
Operating Maintenance Cost	
Community Expectations	
Total	100%

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

5.4.2 Renewal standards

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

- Building Code of Australia BCA
- Relevant engineering standards
- Relevant standards and specifications for building works

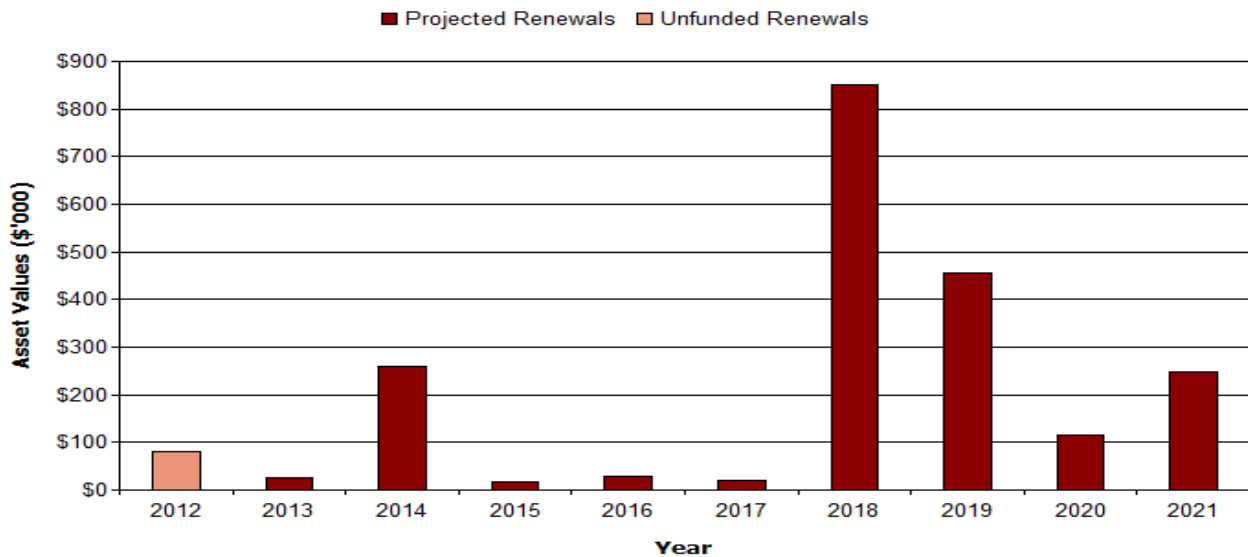
5.4.3 Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 6. Note that all costs are shown in 2012 dollar values.

The projected capital renewal program is shown in Appendix B.

Figure 5: Projected Capital Renewal Expenditure (Scenario 1 - from Asset Register)

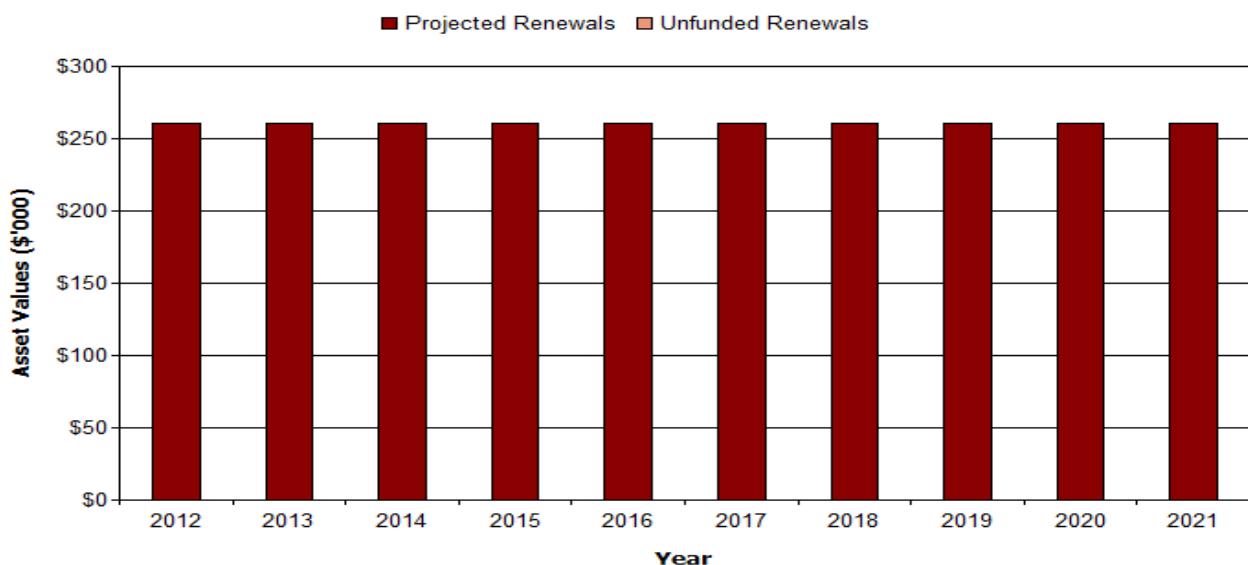
Narrandera SC - Projected Capital Renewal Expenditure (Buildings_S1_V1)



The renewal projection (forecast) in Scenario 1 (Using the asset/valuation register) shows a highly variable renewal expenditure program needed over the course of the planning period. Whilst the long term averages and total values from this register are sound, the shorter term renewal forecast may need review.. This indicates that further refinement of the asset register is required before it is valuable as a capital renewal planning tool. Scenario 2 and 3 shown below provides balanced scenario based on the 10 year LTFP budget figures. At this stage no individual renewal items have been identified and further development will be required in order to introduce a renewal program as a funding scenario for use in the asset management plan (Details shown in appendix B2).

Figure 6: Projected Capital Renewal Expenditure (Scenario 2 and 3 – Balanced to LTFP – Prioritised Renewal Program (Individual renewal items not separately identified))

Narrandera SC - Projected Capital Renewal Expenditure (Buildings_S3_V1)



Scenario 2 and 3 are balanced to the LTFP budget figures for the 10 year period. This is an ideal prioritised funding scenario required for the sustainability of the asset category for the medium term. Under current funding scenario 1 from the asset register the current levels of service cannot be maintained. Further development of the actual planned renewal program will be required to reach the sustainable position demonstrated in scenarios 2 and 3.

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

Renewals are to be funded from capital works programs and grants where available. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 18.

Table 15: Upgrade/New Assets Priority Ranking Criteria

Criteria	Weighting
Regulatory Change (Including environmental criteria)	60%
Community and Corporate Expectation/Anticipated Benefits	20%
Value for Money	10%
Impact on Existing Services/Infrastructure	10%
Total	100%

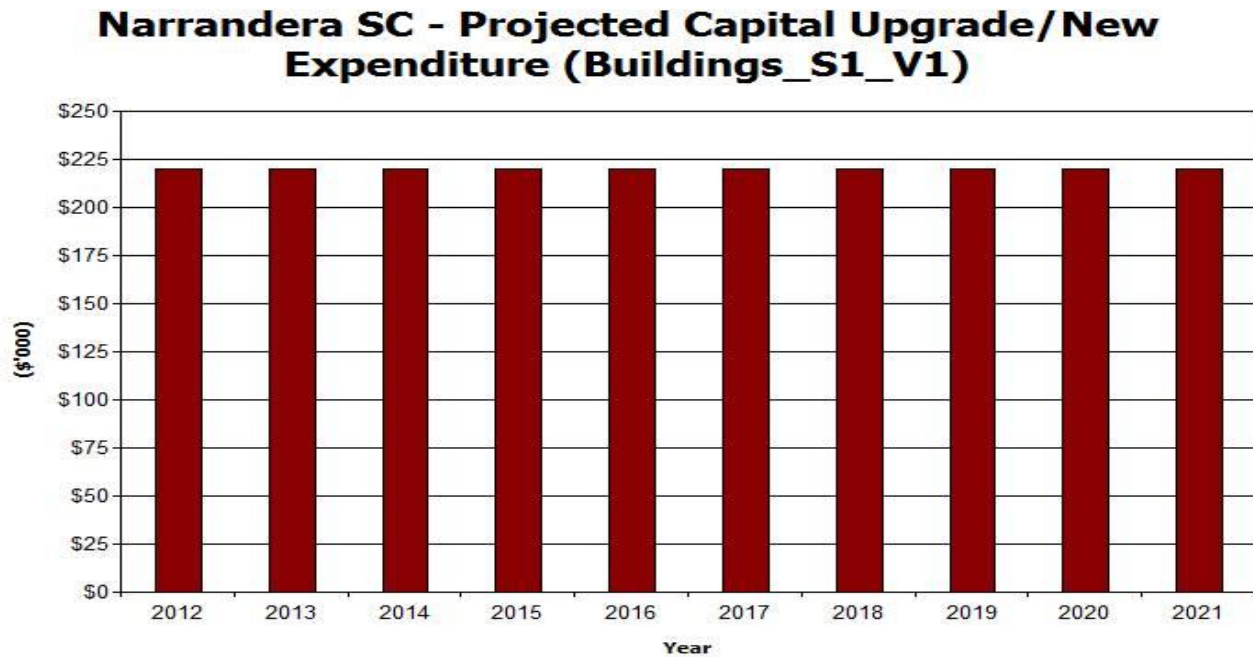
5.5.2 Standards and specifications

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

5.5.3 Summary of projected upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Figure 8. The projected upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2012 dollar values.

Figure 7: Projected Capital Upgrade/New Asset Expenditure



New assets and services are to be funded from capital works program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 19, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any.

Where cashflow projections from asset disposals are not available, these will be developed in future revisions of this asset management plan.

Table 16: Assets identified for Disposal

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue -ve)	Operations & Maintenance Annual Savings
No assets identified for disposal in this asset management plan				

6. FINANCIAL SUMMARY

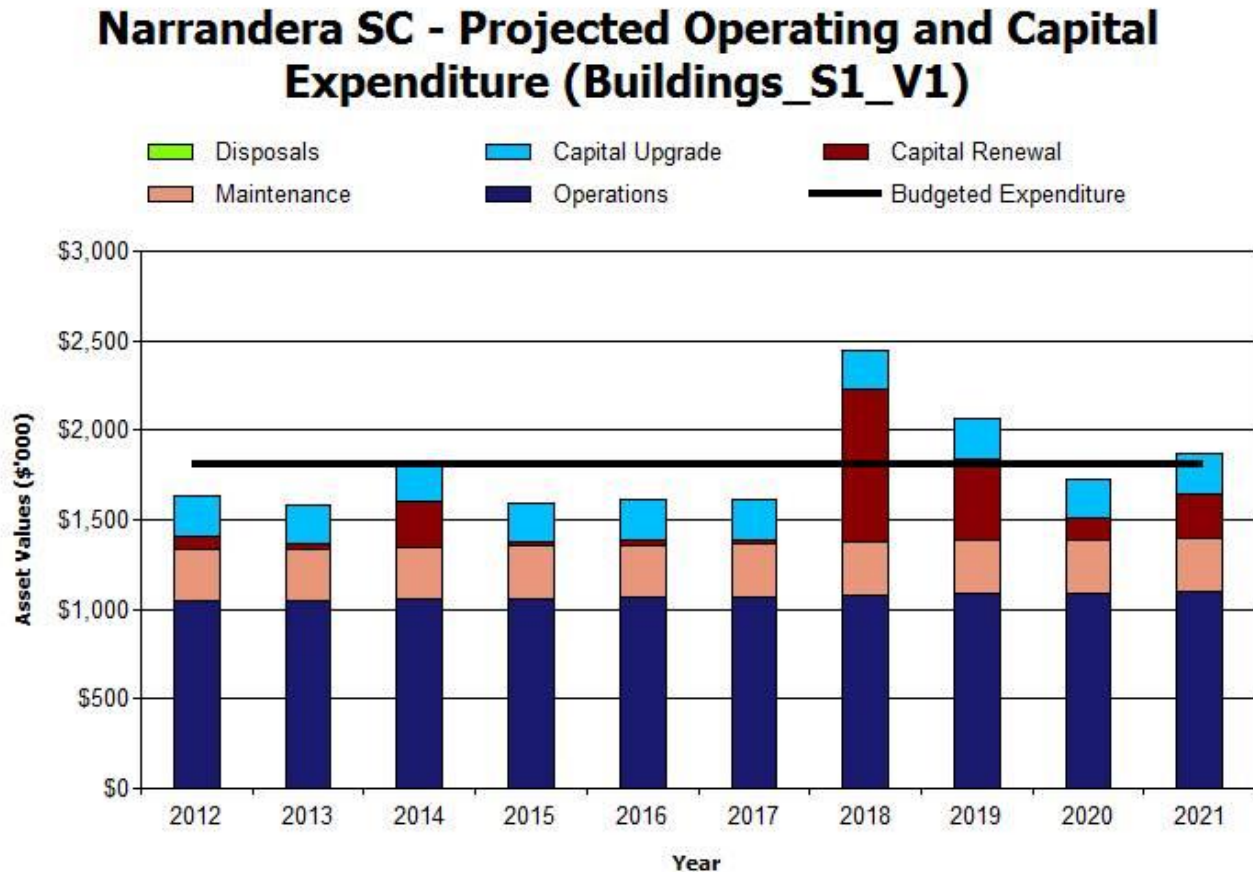
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset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

6.1 Financial Statements and Projections

The financial projections are shown in Figure 9 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

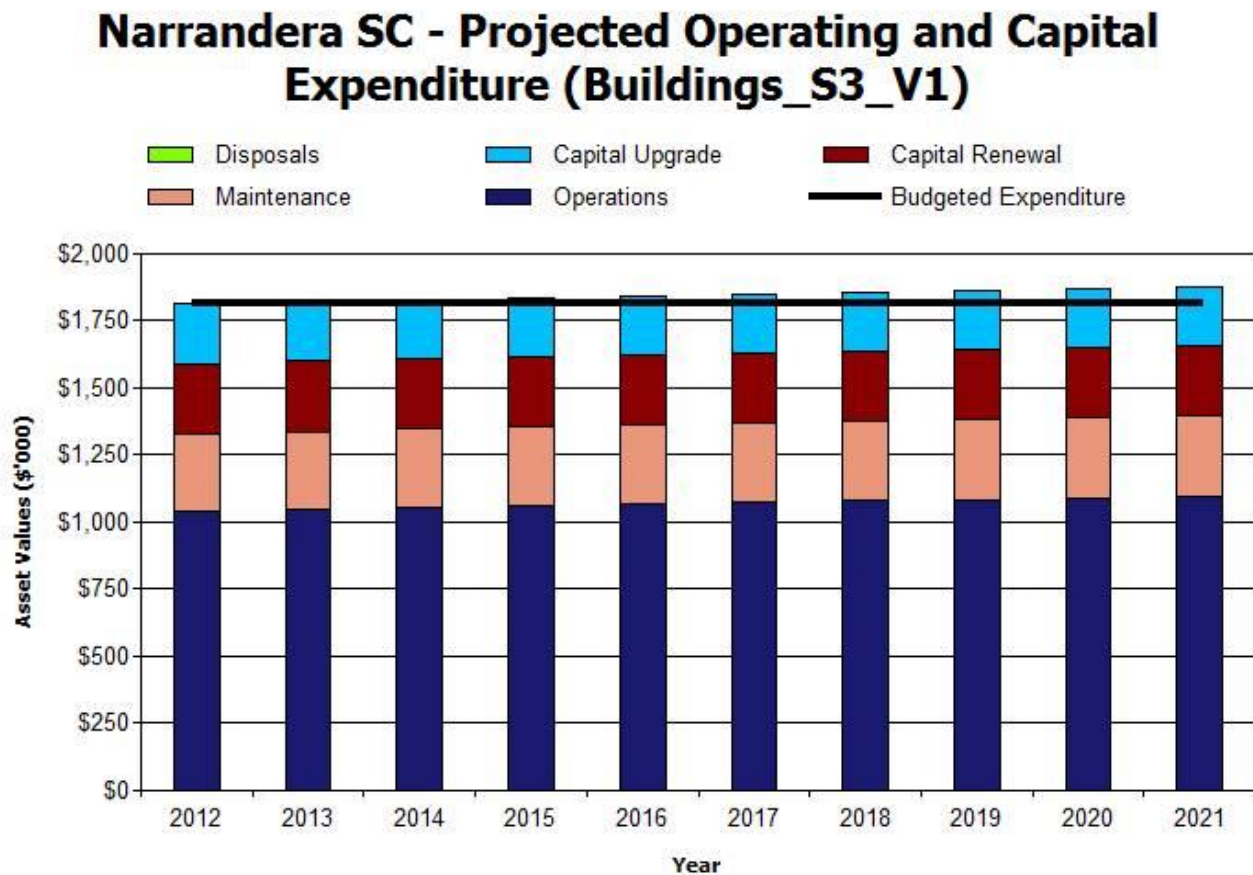
Note that all costs are shown in 2012 dollar values.

Figure 8: Projected Operating and Capital Expenditure and Budget (Scenario 1 - from Asset Register)



As discussed in Section 5.3 the expenditure projection (forecast) in Scenario 1 (Using the asset/valuation register) is not consistent with the required works program or the long term financial plan, and is indicative of the continuing work required to improve the asset register.

Figure 9: Projected Operating and Capital Expenditure and Budget (Scenarios 2 and 3 - Balanced to LTFP – Prioritised Renewal Program)



Ratio figures for balanced scenarios are slightly lower than 1.00 due to required increase to operation and maintenance costs for proposed upgrade/new assets. When this factor is taken into account the ratio is 1.00. Full alternate ratio calculations are shown in appendix D.

6.1.1 Financial sustainability in service delivery

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

Table 17: Sustainability Indicators Summary

	Buildings S1V1	Buildings S2V1 Balanced with LTFP - Prioritised Renewal Program (Individual renewal items not separately identified)	Buildings S3V1
Narrandera SC >> Table 6.1 Sustainability of Service Delivery for (Buildings_AM4SRRC)	Asset Register		Same as Scenario 2
Summary - What does it cost?			
Cost over 10 years	\$15,752	\$16,259	\$16,259
Cost per year	\$1,575	\$1,626	\$1,626

Narrandera SC >> Table 6.1 Sustainability of Service Delivery for (Buildings_AM4SRRC)	Buildings S1V1 Asset Register	Buildings S2V1 Balanced with LTFP - Prioritised Renewal Program (Individual renewal items not separately identified)	Buildings S3V1 Same as Scenario 2
Available funding over 10 years	\$15,920	\$15,920	\$15,920
Funding per year	\$1,592	\$1,592	\$1,592
Funding shortfall	\$17	-\$34	-\$34
Percentage of cost	101%	98%	98%
Life Cycle Cost (long term)'(\$000)			
Life Cycle Cost [depreciation + ops. and maint. exp year 1]	\$2,401	\$2,401	\$2,401
Life Cycle Exp. [capital renewal exp. + ops + mtce exp. yr 1]	\$1,592	\$1,592	\$1,592
Life Cycle Gap [life cycle expenditure - life cycle cost [-ve = gap]	-\$809	-\$809	-\$809
Life Cycle Sustainability Indicator [life cycle expenditure / LCC]	66.30%	66.30%	66.30%
Medium Term (10 yrs) Sustainability			
10 yr Ops, Maint & Renewal Projected Expenditure	\$1,575	\$1,626	\$1,626
10 yr Ops, Maint & Renewal Planned (Budget) Exp	\$1,592	\$1,592	\$1,592
10 yr Funding Shortfall [10 yr proj. exp. - planned (Budget) exp.]	\$17	-\$34	-\$34
10 yr Sustainability Indicator [10 yr planned exp. / proj. exp.]	101%	98%	98%
Short Term (5 yrs) Sustainability			
5 yr Ops, Maint & Renewal Projected Expenditure	\$1,428	\$1,607	\$1,607
5 yr Ops, Maint & Renewal Planned (Budget) Exp	\$1,592	\$1,592	\$1,592
5 yr Funding Shortfall [5 yr proj. exp. - planned (budget) exp.]	\$164	-\$15	-\$15
5 yr Sustainability Indicator [5 yr planned exp. / proj. exp.]	111%	99%	99%
AIFMG Financial Sustainability Indicator 8.			
NPV Budget Expenditure / NPV Projected Expenditure	131%	100%	100%

Summary of Table Above

Scenario	Long Term	Medium Term	
	Lifecycle	5 Year	10 Year
Scenario 1 Buildings S1V1 Asset Register	66.30% Sustainability Ratio (Target is 100%)	111% Sustainability Ratio (Target is 100%)	101% Sustainability Ratio (Target is 100%)
	<p>Based on the comparison of current expenditures (Year 1) to the Projected (Forecast Expenditures) using depreciation as the long term renewal requirement.</p> <p>*A second calculation using the current expenditures based on the 10 year planned (forecast) expenditures resulted in a ratio of 66.3%. This allowed for the variability between year 1 expenditures and the 10 year totals. This indicates that there is no variation between the current expenditures and the long term average. Full alternate ratio calculations are shown in appendix D.</p>	<p>Based on the comparison of current expenditures (5 years) to the Projected (Forecast Expenditures) using the renewals due from the asset register.</p> <p>In isolation this ratio of >100% would indicate that renewals are being over funded. Scenarios 2 & 3 have been undertaken to validate the real position. The apparent surplus reflects that the asset register requires further development to reliably reflect the medium term position.</p> <p>(*Second Calculation 113%)</p>	<p>Based on the comparison of current expenditures (10 years) to the Projected (Forecast Expenditures) using the renewals due from the asset register.</p> <p>In isolation this ratio of >100% would indicate that renewals are being over funded. Scenarios 2 & 3 have been undertaken to validate the real position. The apparent surplus reflects that the asset register requires further development to reliably reflect the medium term position.</p> <p>(*Second Calculation 103%)</p>
Scenario 2 Buildings S2V1 Balanced to LTFP - Prioritised Renewal Program (Individual renewal items not separately identified)	<p>66.30% Sustainability Ratio (Target is 100%)</p> <p>Same calculation for Scenario 1, 2 & 3</p>	<p>99% Sustainability Ratio (Target is 100%)</p> <p>Based on the current expenditures against the Projected (Forecast Expenditures) prioritised renewal program in line with the LTFP budget figures (individual renewal items not identified). At this time the renewal program is simply balanced to the budget figures provided, Council will be required to separately identify actual renewal program items to determine sustainability of the medium term position.</p>	<p>98% Sustainability Ratio (Target is 100%)</p> <p>Based on the current expenditures against the Projected (Forecast Expenditures) prioritised renewal program in line with the LTFP budget figures (individual renewal items not identified). At this time the renewal program is simply balanced to the budget figures provided, Council will be required to separately identify actual renewal program items to determine sustainability of the medium term position.</p>

Scenario	Long Term	Medium Term	
	Lifecycle	5 Year	10 Year
		(*Second Calculation 100%)	(*Second Calculation 100%)
Scenario 3 Buildings S3V1 Same as Scenario 2	66.30% Sustainability Ratio (Target is 100%) Same calculation for Scenario 1, 2 & 3	99% Sustainability Ratio (Target is 100%) Based on the current expenditures balanced to the Projected (Forecast Expenditures) prioritised renewal requirements in line with LTFP budget figures. Same as Scenario 2. (*Second calculation 100%) Ratio figures for balanced scenario are slightly lower than 1.00 due to the projected required increase to operation and maintenance costs for proposed upgrade/new assets, when this factor is taken into account the ratio is 1.00. Full alternate ratio calculations are shown in appendix D.	98% Sustainability Ratio (Target is 100%) Based on the current expenditures balanced to the Projected (Forecast Expenditures) prioritised renewal requirements in line with LTFP budget figures. Same as Scenario 2. (*Second calculation 100%) Ratio figures for balanced scenario are slightly lower than 1.00 due to the projected required increase to operation and maintenance costs for proposed upgrade/new assets, when this factor is taken into account the ratio is 1.00. Full alternate ratio calculations are shown in appendix D.

For the overall assessments used in this asset management plan (including the Executive Summary) the assessment made under Scenario 1 is used as scenario 3 is a demonstrative sustainable position and has yet to be developed by Council.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$2,401,000 per year (operations and maintenance expenditure plus depreciation expense in year 1).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$1,592,000 (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The life cycle gap for services covered by this asset management plan is -\$809,000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 66.30% of life cycle costs giving a life cycle sustainability index of 0.66.

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

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

Medium term – 10 year financial planning period

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

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

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$1,575,000 per year (for scenario 1).

Estimated (budget) operations, maintenance and capital renewal funding is \$1,592,00 per year giving a 10 year funding surplus of \$17,000 per year and a 10 year sustainability indicator of 1.01. This indicates that Council has 101% of the projected expenditures needed to provide the services documented in the asset management plan.

Medium Term – 5 year financial planning period

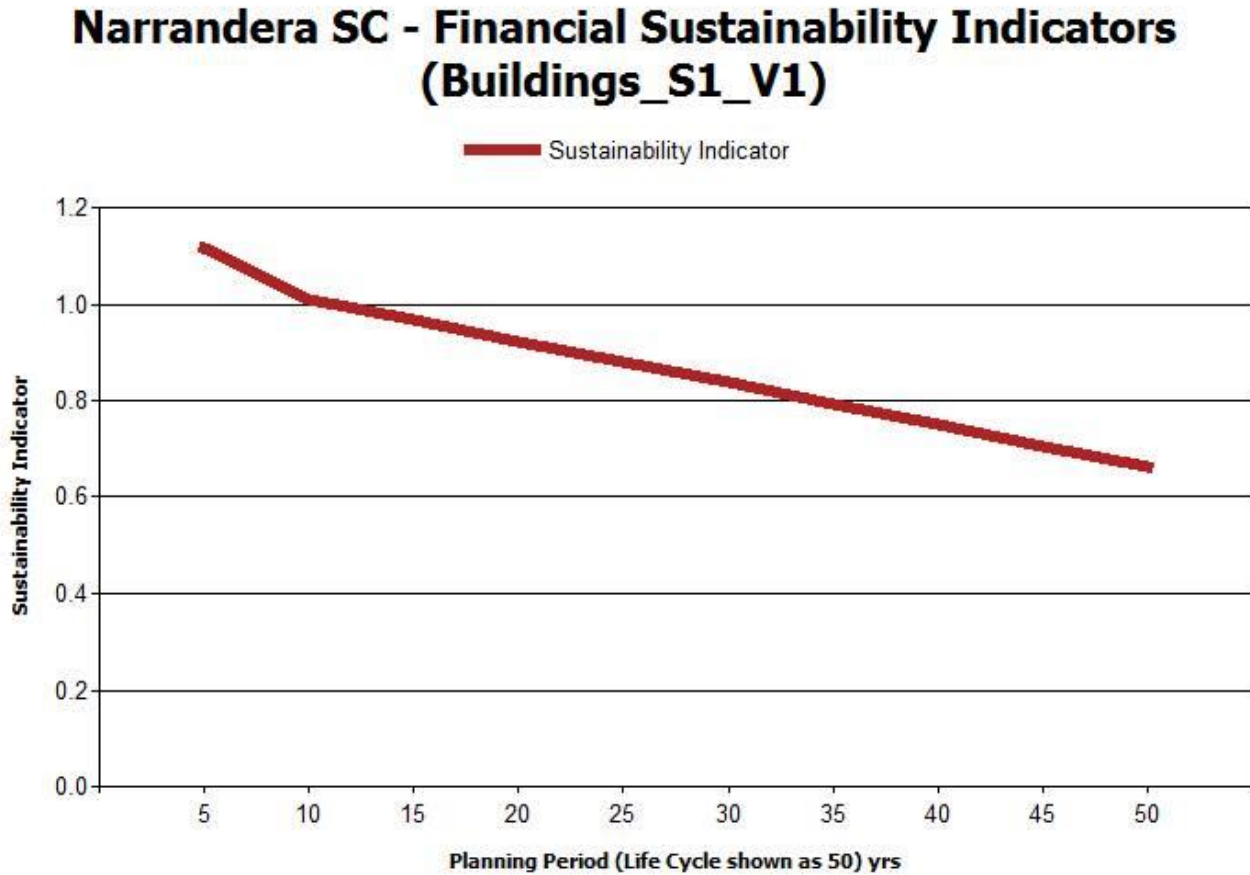
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$1,428,000 per year (for scenario 1).

Estimated (budget) operations, maintenance and capital renewal funding is \$1,592,000 per year giving a 5 year funding surplus of \$164,000. This is 111% of projected expenditures giving a 5 year sustainability indicator of 1.11.

Financial Sustainability Indicators

Figure 11 shows the financial sustainability indicators over the 10 year planning period and for the long term life cycle.

Figure 10: Financial Sustainability Indicators (Scenario 1 – From Asset Register)



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

Figure 8 shows the projected asset renewals in the 10 year planning period from Appendix B. The projected asset renewals are compared to budgeted renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period in Figure 12.

Figure 112: Projected and Budgeted Renewal Expenditure (Scenario 1 - from Asset Register)

Narrandera SC - Projected & Budget Renewal Expenditure (Buildings_S1_V1)

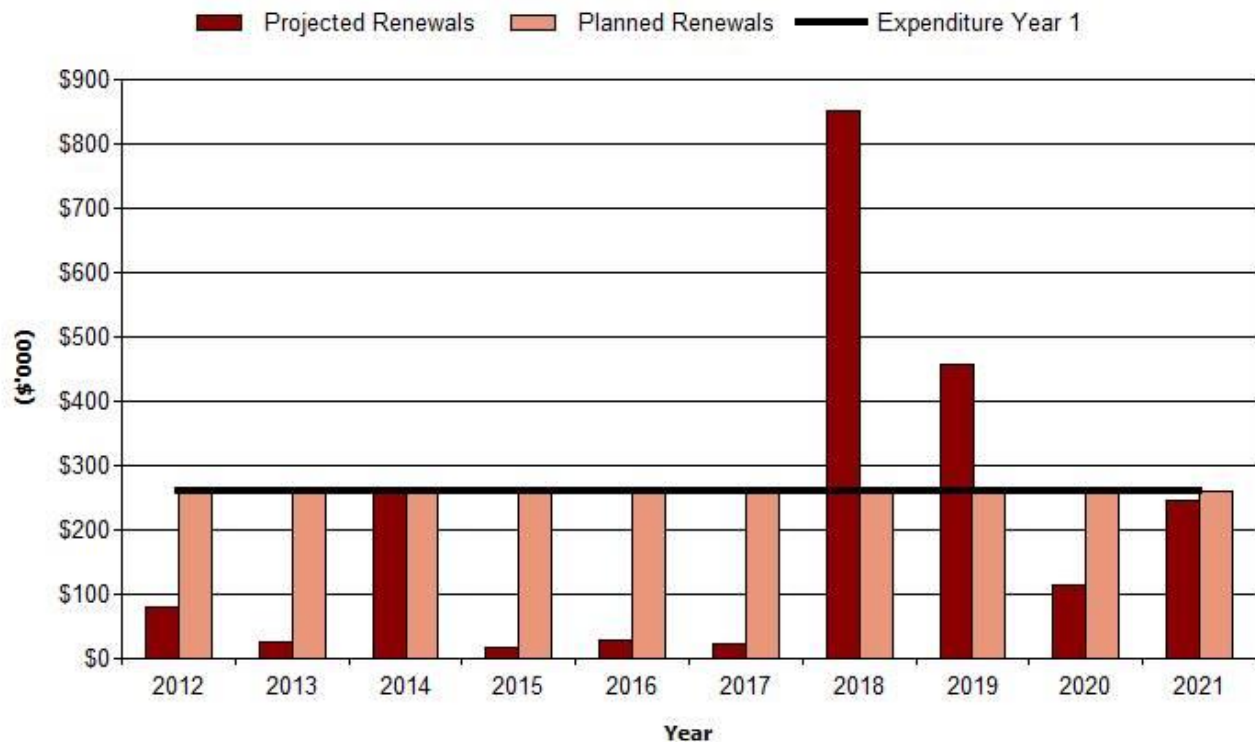


Table 21.S1 shows the shortfall between projected and budgeted renewals for Scenario 1.

Table 18.S1: Projected and Budgeted Renewals and Expenditure Shortfall (Scenario 1 - from Asset Register)

Narrandera SC >> Asset Management Plan Table 6.1.1 (Buildings_S1_V1)

Year End Jun-30	Projected Renewal (\$'000)	Planned Renewal Budget (\$'000)	Renewal Funding Difference (- ve = Gap) (\$'000)	Cumulative Difference Difference (- ve = Gap) (\$'000)
2012	\$80.93	\$261.00	\$180.07	\$180.07
2013	\$27.00	\$261.00	\$234.00	\$414.07
2014	\$258.50	\$261.00	\$2.50	\$416.57
2015	\$18.00	\$261.00	\$243.00	\$659.57
2016	\$27.50	\$261.00	\$233.50	\$893.07
2017	\$21.50	\$261.00	\$239.50	\$1,132.57
2018	\$851.00	\$261.00	-\$590.00	\$542.57
2019	\$456.50	\$261.00	-\$195.50	\$347.07
2020	\$115.50	\$261.00	\$145.50	\$492.57
2021	\$247.00	\$261.00	\$14.00	\$506.57

Note: An negative shortfall indicates a funding gap, a positive shortfall indicates a surplus for that year.

Figure 123: Projected and Budgeted Renewal Expenditure (Scenario 2 and 3 – Balanced to LTFF – Prioritised Renewal Program)

Narrandera SC - Projected & Budget Renewal Expenditure (Buildings_S3_V1)

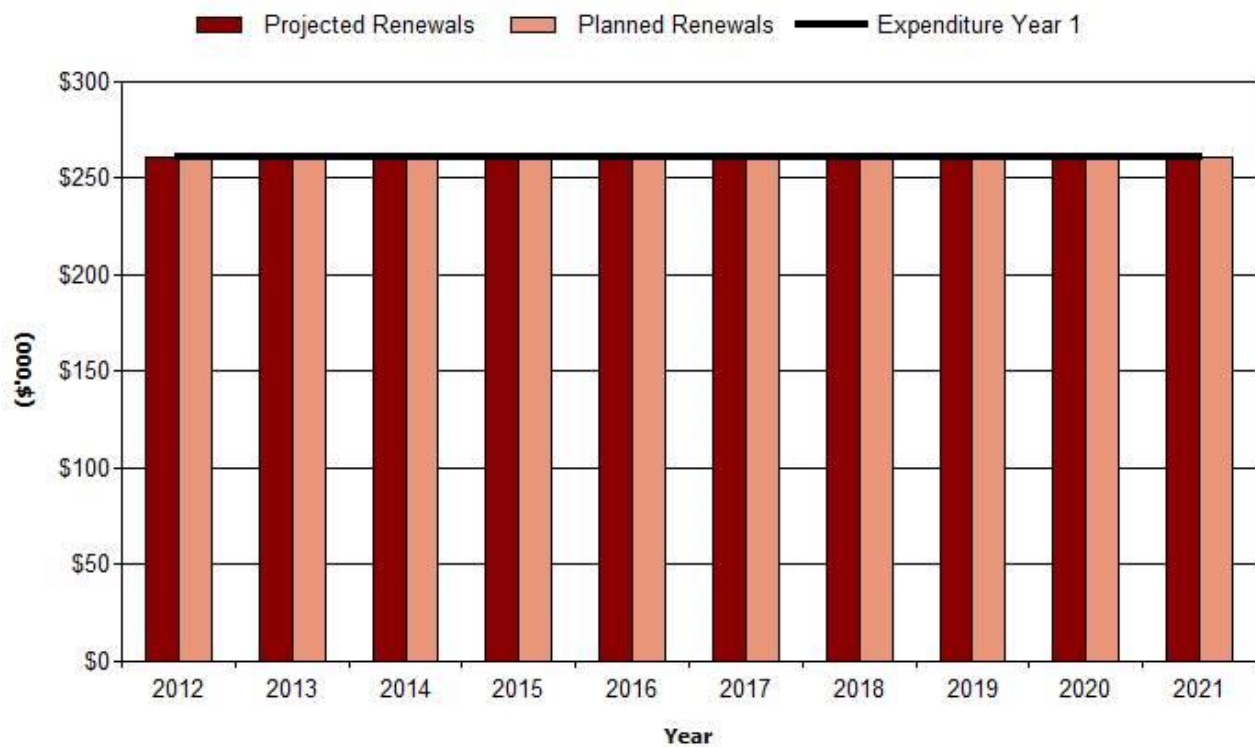


Table 22.S2 shows the shortfall between projected and budgeted renewals for Scenario 2.

Table 19 .S2: Projected and Budgeted Renewals and Expenditure Shortfall (Scenario 2 and 3 – Balanced to LTFF – Prioritised Renewal Program)

Narrandera SC >> Asset Management Plan Table 6.1.1 (Buildings_S3_V1)

Year End Jun-30	Projected Renewal (\$'000)	Planned Renewal Budget (\$'000)	Renewal Funding Difference (- ve = Gap) (\$'000)	Cumulative Difference Difference (- ve = Gap (\$'000)
2012	\$261.00	\$261.00	\$0.00	\$0.00
2013	\$261.00	\$261.00	\$0.00	\$0.00
2014	\$261.00	\$261.00	\$0.00	\$0.00
2015	\$261.00	\$261.00	\$0.00	\$0.00
2016	\$261.00	\$261.00	\$0.00	\$0.00
2017	\$261.00	\$261.00	\$0.00	\$0.00
2018	\$261.00	\$261.00	\$0.00	\$0.00

2019	\$261.00	\$261.00	\$0.00	\$0.00
2020	\$261.00	\$261.00	\$0.00	\$0.00
2021	\$261.00	\$261.00	\$0.00	\$0.00

Note: An negative shortfall indicates a funding gap, a positive shortfall indicates a surplus for that year.

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

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

We will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

6.1.2 Expenditure projections for long term financial plan

Table 23 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in current (non-inflated) values. Disposals are shown as net expenditures (revenues are negative).

Table 20: Expenditure Projections for Long Term Financial Plan (\$'000) (Scenario 3 – Balanced to LTFP – Prioritised Renewal Program)

Narrandera SC >> Planned Expenditures for Long Term Financial Plan (Buildings_S3_V1)

Year End Jun-30	Total Operations Expenditure (\$'000)	Total Maintenance (\$'000)	Projected Capital Renewal (\$'000)	Planned Capital Upgrade/New (\$'000)	Net Disposals (\$'000)
2012	\$1,044.00	\$287.00	\$261.00	\$220.00	\$0.00
2013	\$1,049.90	\$288.62	\$261.00	\$220.00	\$0.00
2014	\$1,055.81	\$290.25	\$261.00	\$220.00	\$0.00
2015	\$1,061.71	\$291.87	\$261.00	\$220.00	\$0.00
2016	\$1,067.61	\$293.49	\$261.00	\$220.00	\$0.00
2017	\$1,073.52	\$295.11	\$261.00	\$220.00	\$0.00
2018	\$1,079.42	\$296.74	\$261.00	\$220.00	\$0.00
2019	\$1,085.32	\$298.36	\$261.00	\$220.00	\$0.00
2020	\$1,091.23	\$299.98	\$261.00	\$220.00	\$0.00
2021	\$1,097.13	\$301.61	\$261.00	\$220.00	\$0.00

Note: All projected expenditures are in 2012 values

6.2 Funding Strategy

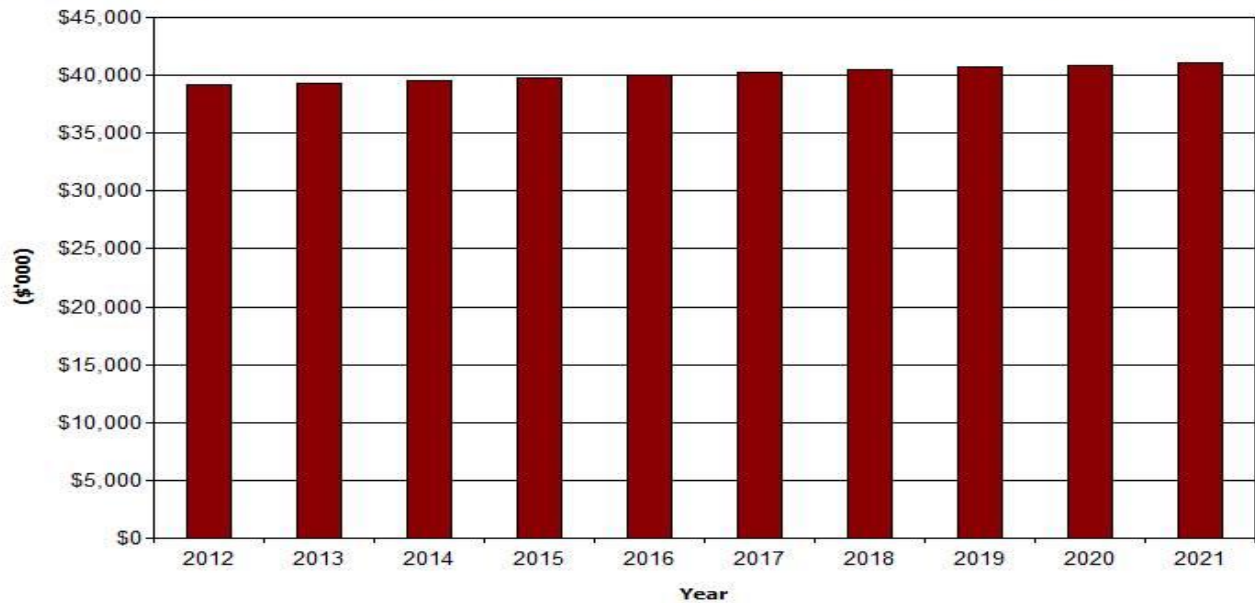
Projected expenditure identified in Section 6.1 is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long term financial plan.

6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Figure 14 shows the projected replacement cost asset values over the planning period in 2012 dollar values.

Figure 13: Projected Asset Values

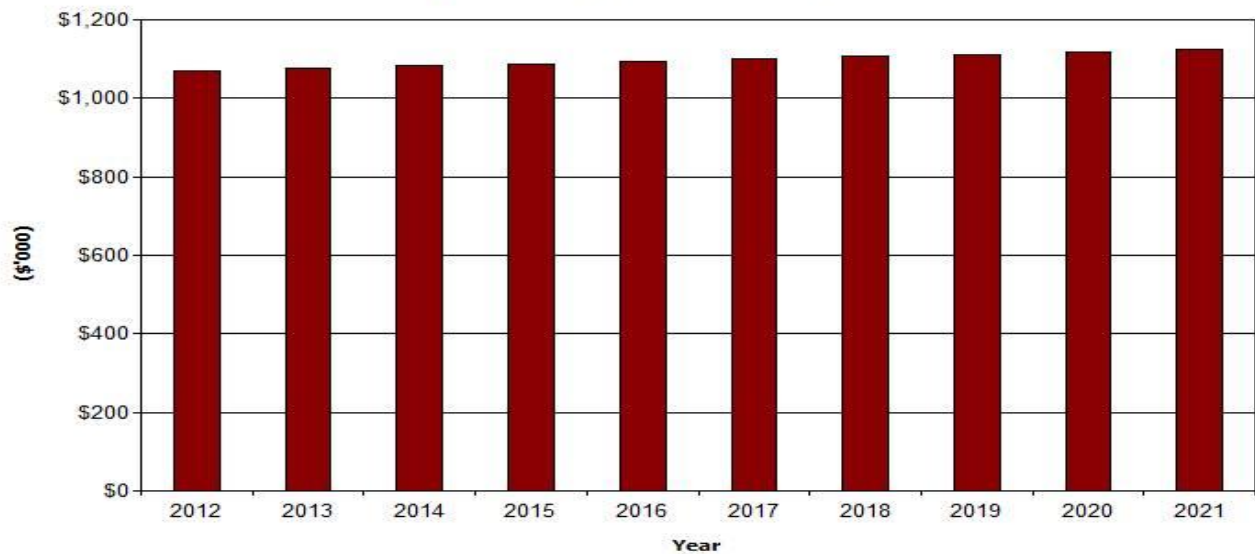
Narrandera SC - Projected Asset Values (Buildings_S1_V1)



Depreciation expense values are forecast in line with asset values as shown in Figure 15.

Figure 145: Projected Depreciation Expense

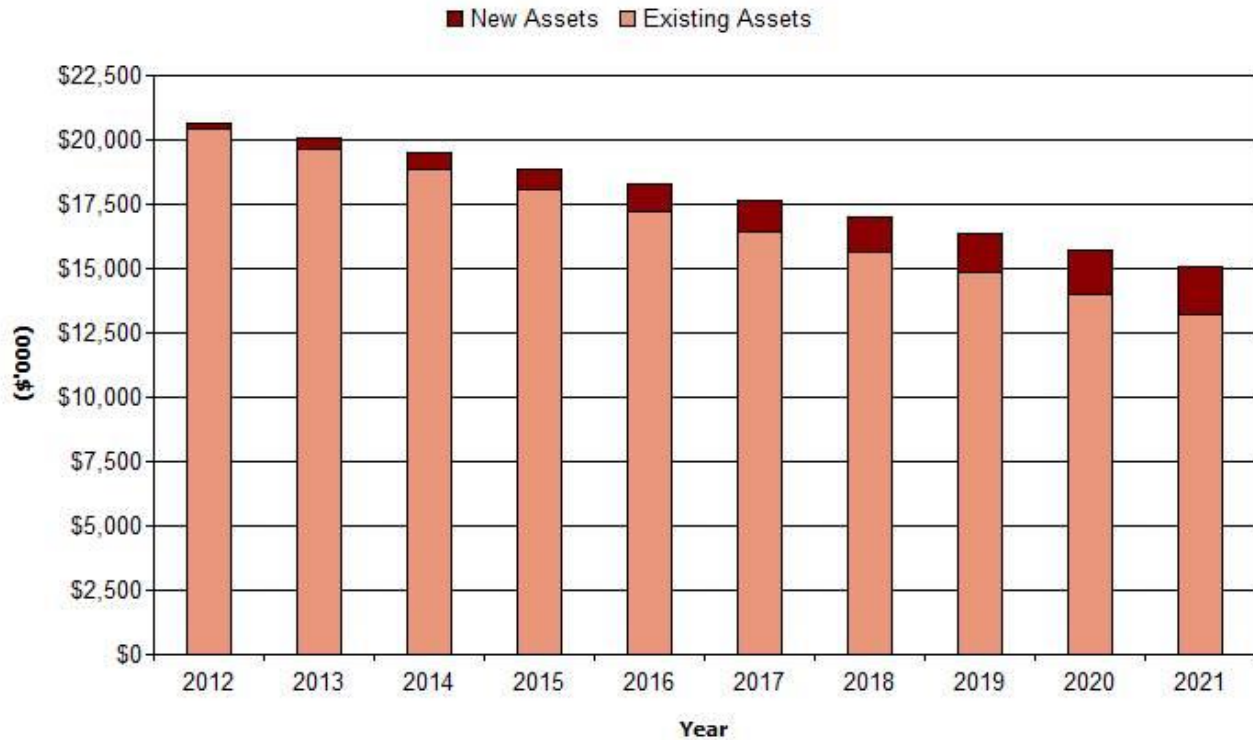
Narrandera SC - Projected Depreciation Expense (Buildings_S1_V1)



The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 16. The effect of contributed and new assets on the depreciated replacement cost is shown in the light colour bar.

Figure 16: Projected Depreciated Replacement Cost

Narrandera SC - Projected Depreciated Replacement Cost (Buildings_S1_V1)



6.4 Key Assumptions made in Financial Forecasts

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

Key assumptions made in this asset management plan are:

- That Building assets will remain in Council's ownership throughout the planning period and that levels of service remain unchanged;
- Required maintenance is assumed to take place in accordance with relevant codes and standards.
- Natural disasters (such as flood), vandalism and other unplanned events are not considered in the asset lifecycles.
- That Building assets will be replaced at the end of their useful life;
- Building assets are assumed to reach their allocated design lives even though degradation will vary according to location, prevailing weather and usage.
- All upgrade and renewal expenditure is stated in 2012 dollar values;

- Information within the buildings register is based on current knowledge only;
- Maintenance and operations allocations are largely based on maintaining current service levels, expenditure is stated in 2012 dollar values;
- The depreciation has been calculated on a straight-line basis

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

- Full Implementation of a single Asset Register
- Maintaining the Asset Register
- Reviewing useful lives for assets in conjunction with developing suitable hierarchies within the asset categories.
- Higher detail and definition in relation to the current expenditures by type e.g. operating, maintenance, renewal, upgrade/new

.7. ASSET MANAGEMENT PRACTICES

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

"[Enter summary of accounting & financial systems]"

7.1.2 Accountabilities for financial systems

"[Enter accountabilities for accounting & financial syst.]"

7.1.3 Accounting standards and regulations

AASB116

Local Government Act as Amended for IPR.

7.1.4 Capital/maintenance threshold

"[Enter summary of capital/maintenance threshold policy]"

7.1.5 Required changes to accounting financial systems arising from this AM Plan

"[Enter required changes to accounting and financial systems arising from AM Plan]"

7.2 Asset Management Systems

7.2.1 Asset management system

"[Enter summary of AM systems]"

7.2.2 Asset registers

"[Enter detail of asset register(s)]"

7.2.3 Linkage from asset management to financial system

"[Enter link from AM to financial systems]"

7.2.4 Accountabilities for asset management system and data

"[Enter accountabilities for AM systems and data]"

7.2.5 Required changes to asset management system arising from this AM Plan

"[Enter required changes to AM systems arising from AM Plan]"

7.3 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,
- Network assets 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,
- Financial asset values.

The key information flows *from* this asset management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

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

7.4 Standards and Guidelines

Standards, guidelines and policy documents referenced in this asset management plan are:

- Local Government Act (NSW) 1993
- Local Government Amendment (Planning and Reporting) Act 2009
- Local Government (Finance Plans and Reporting) Regulation 2010
- AASB116

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan;

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 24.

Table 21 Section 8.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Review the utilisation of building to determine whether low function low utilisation buildings warrant capital investment in future renewal. This may involve additional future community consultation.	Corporate (Technical & Financial)	Staff Time	December 2012
2	Continue the development of the corporate asset register, in which financial calculations including calculation of annual depreciation are undertaken by council.	Corporate (Technical & Financial)	Staff Time	December 2012
3	Develop the forward capital renewal programme under scenarios 2 (optimal renewal program) and 3 (prioritised renewal program in line with LTFP budget figures) and develop strategy for acquiring condition data for use in the condition reporting tables (figures 3 and 4)	Corporate	Staff Time	June 2013
4	Continue to Improve project cost accounting to record costs against the asset component and develop valuation unit rates	Corporate (Technical & Financial)	Staff Time	December 2012
5	Review and update the service level in section 3.3 to enable annual state of the assets reporting on condition, function and utilisation	Technical	Staff Time	December 2012
6	Review methodology for determining remaining life, with detail assessment for assets requiring renewal in the medium term (next 10-20 years)	Corporate (Technical & Financial)	Staff Time	June 2013
8	Continue to review the procedures for maintaining the Asset and Financial Registers	Corporate (Technical & Financial)	Staff Time	Ongoing

Task No	Task	Responsibility	Resources Required	Timeline
9	Carry out an asset management maturity audit to ensure compliance with the national asset management framework and IPR guidelines.	Corporate (Technical & Financial)	LGRF funded	Annual

8.3 Monitoring and Review Procedures

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

The Plan has a life of 4 years and is due for revision and updating within 12 months of each Council election.

REFERENCES

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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.

Narrandera Shire Council Adopted Asset Management Plan 2011-2016

Narrandera Shire Council Annual Report 2010/11

APPENDICES

Appendix A	Planned Expenditures (From Long Term Financial Plan)	44
Appendix B1	Projected 10 year Capital Renewal Works Program (Scenario 1 – From Asset Register)	45
Appendix B2	Projected 10 year Capital Renewal Works Program (Scenario 2 and 3 – Balanced to LTFP (Individual renewal items not separately identified – Demonstrative only, not developed or adopted by Council))	53
Appendix C1	Planned Upgrade/Exp/New 10 year Capital Works Program (Scenario 1 – From Asset Register)	57
Appendix D	Alternate Ratio Calculations	61
Appendix E	Abbreviations	62
Appendix F	Glossary	63
Appendix G	Star Rating Assessment	69

Appendix A Planned Expenditures (From Long Term Financial Plan)

IPWEA Asset Management for Small, Rural or Remote Communities

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Narrandera SC

Buildings_S1_V1 Asset Management Plan

Planned Expenditures

First year of expenditure projections 2012 (yr ending 30 June)

Asset values as at 30 June 2011		Form 2 CRC values
Current replacement cost	\$38,907 (000)	\$38,730 (000)
Depreciable amount	\$38,907 (000)	as check for you
Depreciated replacement cost	\$21,265 (000)	55% of CRC
Annual depreciation expense	\$1,070 (000)	3% of D Amt

Operations and Maintenance Costs from New Assets		Existing %ages calculated from data in worksheet
% of asset value		
Additional operations costs	2.68%	2.68% of CRC
Additional maintenance	0.74%	0.74% of CRC
Additional depreciation	2.75%	2.75% of D Amt
Planned renewals (information only)	0.67%	0.67% of CRC

You may use these values calculated from your data or overwrite the links.

Projected Expenditures

10 Year Expenditure Projections Note: Enter all values in current 2012 values

Year ending June	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations (Budget or LTFP)										
Operations	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044
Management		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total operations	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044
Maintenance (Budget or LTFP)										
Reactive maintenance	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287
Planned maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specific maintenance items		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287	\$287
Capital										
Planned renewal budget	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$261
Planned upgrade/new (from Form 2C)	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Disposal Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #1										

Appendix B1 Projected 10 year Capital Renewal Works Program (Scenario 1 – From Asset Register)

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	T O	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
BUG15289	Buildings Non Specialised	Offices (Electoral Commission) Internal	Twynam Street Narrandera		-2	2010	\$66,928.94	20
Subtotal							\$66,928.94	
BUGS1615	Buildings - Specialised	Storage Shed Structure	Leeton Road Aerodrome Narrandera		-1	2011	\$10,000.00	40
BUGS1612	Buildings - Specialised	Tennis Courts (2) Structure	Jonsen & Mitchell Sts, Jonsen Park Narra		-1	2011	\$4,000.00	20
Subtotal							\$14,000.00	
BUGS1618	Buildings - Specialised	Fencing Structure	Old Brewery Road, Brewery Flat Oval Narr		1	2013	\$3,000.00	20
BUGS1522	Buildings - Specialised	Store Structure	Mallee Street, Depot Barellan		1	2013	\$9,000.00	40
BUGS1525	Buildings - Specialised	Toilet Block Structure	Yapunyah Street, Depot Barellan		1	2013	\$2,000.00	40
BUG15034	Buildings Non Specialised	Museum Fire/Security	Yapunyah Street Barellan		1	2013	\$500.00	20
BUG15031	Buildings Non Specialised	Museum Internal Finishes	Yapunyah Street Barellan		1	2013	\$8,000.00	20
BUG15032	Buildings Non Specialised	Museum Electrical	Yapunyah Street Barellan		1	2013	\$3,000.00	20
BUG15033	Buildings Non Specialised	Museum Mechanical	Yapunyah Street Barellan		1	2013	\$1,500.00	20
Subtotal							\$27,000.00	

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	Buildings - Specialised	Storage Shed			2	2014	\$128,000.00	40
BUG15284	Buildings Non Specialised	Dwelling Mechanical	Racecourse Road Narrandera		2	2014	\$500.00	20
BUG15305	Buildings Non Specialised	Museum Electrical	Twynam Street Narrandera		2	2014	\$6,000.00	20
BUG15304	Buildings Non Specialised	Museum Internal Finishes	Twynam Street Narrandera		2	2014	\$37,000.00	20
BUG15058	Buildings Non Specialised	School of Arts Hall Internal Finishes	Binya & Balaro Streets Grong Grong		2	2014	\$87,000.00	20
Subtotal							\$258,500.00	
BUGS1572	Buildings - Specialised	Boat Shed Structure	Broad St, Swimming Complex Narrandera		3	2015	\$9,000.00	40
BUG15215	Buildings Non Specialised	Shop (Mohair Australia) Internal Finishes	East Street Narrandera		3	2015	\$9,000.00	20
Subtotal							\$18,000.00	
BUGS1531	Buildings - Specialised	Cricket Pitches (2) Structure	Stockyard Rd, Henry Mathieson Oval Narra		4	2016	\$5,000.00	15
BUG15255	Buildings Non Specialised	Dwelling Mechanical	Leeton Road Aerodrome Narrandera		4	2016	\$1,500.00	20
BUG15240	Buildings Non Specialised	Senior Citizens Welfare Club Internal Fi	Jonsen & Mitchell Sts, Jonsen Park Narra		4	2016	\$21,000.00	20
Subtotal							\$27,500.00	
BUGS1508	Buildings - Specialised	Pool Blankets (2) Structure	Boree & Mulga Sts,		5	2017	\$14,000.00	10

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
BUG15291	Buildings - Specialised	Offices (Electoral Commission) Mechanical	Pool Barellan Twynam Street Narrandera		5	2017	\$2,500.00	20
BUG15296	Buildings - Specialised	Offices (Electoral Commission) Mechanical	Twynam Street Narrandera		5	2017	\$2,500.00	20
BUG15301	Buildings - Specialised	Shop (Free Choice) Mechanical	Twynam Street Narrandera		5	2017	\$2,500.00	20
Subtotal							\$21,500.00	
BUGS1513	Buildings - Specialised	Cricket Pitch Structure	Boree Street, Sportsground Barellan		6	2018	\$4,500.00	15
BUGS1548	Buildings - Specialised	Fencing (Oval) Structure	Argyle Street Sportsground		6	2018	\$10,000.00	20
BUGS1549	Buildings - Specialised	Fencing (Sportsground) Structure	Narrandera Argyle Street Sportsground		6	2018	\$31,000.00	20
BUGS1503	Buildings - Specialised	Fencing Structure	Narrandera Boree & Mulga Sts, Pool Barellan		6	2018	\$8,000.00	20
BUGS1551	Buildings - Specialised	Hall/Formers Amenities Structure	Argyle Street Sportsground		6	2018	\$44,000.00	45
BUGS1518	Buildings - Specialised	Lighting Structure	Narrandera Boree Street, Sportsground Barellan		6	2018	\$18,000.00	20
BUGS1622	Buildings - Specialised	Office/Workshop Structure	Old Brewery Road, Water Works		6	2018	\$8,000.00	60
BUGS1604	Buildings - Specialised	Outdoor Basketball Court Structure	Narrandera Elizabeth St & Vic Ave		6	2018	\$11,000.00	20
BUGS1594	Buildings - Specialised	Playground Equipment (north)	Narrandera Cadell Street,		6	2018	\$9,000.00	15

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	T O	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	d	Structure	Narrandera Park					
BUGS1595	Buildings - Specialised	Playground Equipment (south) Structure	Narrander Cadell Street, Narrandera Park		6	2018	\$11,000.00	15
BUGS1501	Buildings - Specialised	Playground Equipment Structure	Narrander Bendee Street		6	2018	\$19,000.00	15
BUGS1611	Buildings - Specialised	Playground Equipment Structure	Barellan Jonsen & Mitchell Sts, Jonsen Park		6	2018	\$11,000.00	15
BUGS1627	Buildings - Specialised	Playground Equipment Structure	Narra Pine Hill Road, Joe Babbs Park		6	2018	\$11,000.00	15
BUGS1559	Buildings - Specialised	Toilet Block (centre) Structure	Narrander Argyle Street Sportsground		6	2018	\$7,000.00	40
BUGS1558	Buildings - Specialised	Toilet Block (nr main gate) Structure	Narrandera Argyle Street Sportsground		6	2018	\$6,000.00	40
BUG15254	Buildings Non Specialised	Dwelling Electrical	Narrandera Leeton Road Aerodrome		6	2018	\$5,500.00	20
BUG15253	Buildings Non Specialised	Dwelling Internal Finishes	Narrandera Leeton Road Aerodrome		6	2018	\$33,000.00	20
BUG15282	Buildings Non Specialised	Dwelling Internal Finishes	Narrandera Racecourse Road		6	2018	\$32,000.00	20
BUG15098	Buildings Non Specialised	Garage Structure	Narrandera Barellan Road Depot		6	2018	\$24,000.00	40
BUG15258	Buildings Non Specialised	Hangar Internal Finishes	Narrandera Leeton Road Aerodrome		6	2018	\$55,000.00	20
BUG15328	Buildings Non	Meeting Room/Pathology/Stor	6 Victoria Square		6	2018	\$6,000.00	20

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	Specialised	Fire/Security	Narrandera					
BUG15326	Buildings Non Specialised	Meeting Room/Pathology/Storage Electrical	6 Victoria Square Narrandera		6	2018	\$30,500.00	20
BUG15325	Buildings Non Specialised	Meeting Room/Pathology/Storage Internal Fire	6 Victoria Square Narrandera		6	2018	\$167,000.00	20
BUG15327	Buildings Non Specialised	Meeting Room/Pathology/Storage Mechanical	6 Victoria Square Narrandera		6	2018	\$21,000.00	20
BUG15030	Buildings Non Specialised	Museum Structure	Yapunyah Street Barellan		6	2018	\$27,000.00	40
BUG15203	Buildings Non Specialised	Office (Staff Amenities) Internal Finish	East Street Narrandera		6	2018	\$25,000.00	20
BUG15205	Buildings Non Specialised	Office (Staff Amenities) Mechanical	East Street Narrandera		6	2018	\$4,000.00	20
BUG15212	Buildings Non Specialised	Office (Summit Personnel) Fire/Security	East Street Narrandera		6	2018	\$1,000.00	20
BUG15061	Buildings Non Specialised	School of Arts Hall Fire/Security	Binya & Balaro Streets Grong Grong		6	2018	\$7,000.00	20
BUG15059	Buildings Non Specialised	School of Arts Hall Electrical	Binya & Balaro Streets Grong Grong		6	2018	\$58,000.00	20
BUG15060	Buildings Non Specialised	School of Arts Hall Mechanical	Binya & Balaro Streets Grong Grong		6	2018	\$21,500.00	20
BUG15243	Buildings Non Specialised	Senior Citizens Welfare Club Fire/Security	Jonsen & Mitchell Sts, Jonsen Park Narra		6	2018	\$1,500.00	20
BUG15241	Buildings Non Specialised	Senior Citizens Welfare Club Electrical	Jonsen & Mitchell Sts, Jonsen Park		6	2018	\$10,500.00	20

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
BUG15242	Buildings - Specialised	Senior Citizens Welfare Club Mechanical	Narra Jonsen & Mitchell Sts, Jonsen Park		6	2018	\$4,000.00	20
BUG15239	Buildings - Specialised	Senior Citizens Welfare Club Structure	Narra Jonsen & Mitchell Sts, Jonsen Park		6	2018	\$36,000.00	50
BUG15299	Buildings - Specialised	Shop (Free Choice) Internal Finishes	Narra Twynam Street Narrandera		6	2018	\$16,000.00	20
BUG15217	Buildings - Specialised	Shop (Mohair Australia) Mechanical	East Street Narrandera		6	2018	\$2,000.00	20
BUG15106	Buildings - Specialised	Vehicle Store Structure	Barellan Road Depot Narrandera		6	2018	\$22,000.00	40
BUG15108	Buildings - Specialised	Workshop/Overseers Office Internal Fini	Barellan Road Depot Narrandera		6	2018	\$33,000.00	20
Subtotal							\$851,000.00	
BUGS1599	Buildings - Specialised	Bus Shelter Structure	Watermain Road Narrandera		7	2019	\$2,000.00	40
BUGS1516	Buildings - Specialised	Fencing Structure	Boree Street, Sportsground Barellan		7	2019	\$7,000.00	20
BUGS1532	Buildings - Specialised	Fencing Structure	Stockyard Rd, Henry Mathieson Oval Narra		7	2019	\$7,000.00	20
BUGS1592	Buildings - Specialised	Parks & Gardens Depot Structure	Cadell Street, Narrandera Park		7	2019	\$6,000.00	40
BUGS1520	Buildings - Specialised	Press Box Structure	Narrander Boree Street, Sportsground Barellan		7	2019	\$2,000.00	40

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	T O	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
BUGS1521	Buildings - Specialised	Storage Shed Structure	Boree Street, Sportsground Barellan		7	2019	\$2,000.00	40
BUG15003	Buildings Non Specialised	Community Hall Mechanical	Bendee Street Barellan		7	2019	\$13,500.00	20
BUG15200	Buildings Non Specialised	Council Chambers Mechanical	East Street Narrandera		7	2019	\$391,500.00	20
BUG15312	Buildings Non Specialised	Emergency Services/SES Mechanical	Twynam Street Narrandera		7	2019	\$17,000.00	20
BUG15260	Buildings Non Specialised	Hangar Mechanical	Leeton Road Aerodrome Narrandera		7	2019	\$3,500.00	20
BUG15211	Buildings Non Specialised	Office (Summit Personnel) Mechanical	East Street Narrandera		7	2019	\$2,500.00	20
BUG15218	Buildings Non Specialised	Shop (Mohair Australia) Fire/Security	East Street Narrandera		7	2019	\$500.00	20
BUG15110	Buildings Non Specialised	Workshop/Overseers Office Mechanical	Barellan Road Depot Narrandera		7	2019	\$2,000.00	20
Subtotal							\$456,500.00	
BUGS1571	Buildings - Specialised	BBQs/Seating/Shelters Structure	Broad St, Swimming Complex Narrandera		8	2020	\$26,000.00	15
BUG15204	Buildings Non Specialised	Office (Staff Amenities) Electrical	East Street Narrandera		8	2020	\$12,000.00	20
BUG15210	Buildings Non Specialised	Office (Summit Personnel) Electrical	East Street Narrandera		8	2020	\$8,500.00	20
BUG15315	Buildings Non	Preschool Internal Finishes	Twynam Street		8	2020	\$59,000.00	20

Narrandera SC >> Renewal Program (Buildings_S1_V1)

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	Specialised		Narrandera					
BUG15317	Buildings Non Specialised	Preschool Mechanical	Twynam Street Narrandera		8	2020	\$4,000.00	20
BUG15216	Buildings Non Specialised	Shop (Mohair Australia) Electrical	East Street Narrandera		8	2020	\$6,000.00	20
Subtotal							\$115,500.00	
	Buildings - Specialised	Bus Shelter			9	2021	\$7,000.00	40
	Buildings - Specialised	Garage			9	2021	\$97,000.00	40
BUG15004	Buildings Non Specialised	Community Hall Fire/Security	Bendee Street Barellan		9	2021	\$11,500.00	20
BUG15001	Buildings Non Specialised	Community Hall Internal Finishes	Bendee Street Barellan		9	2021	\$118,000.00	20
BUG15206	Buildings Non Specialised	Office (Staff Amenities) Fire/Security	East Street Narrandera		9	2021	\$2,000.00	20
BUG15265	Buildings Non Specialised	Terminal Mechanical	Leeton Road Aerodrome Narrandera		9	2021	\$11,500.00	20
Subtotal							\$247,000.00	
Program Total							\$2,103,428.94	

Appendix B2 Projected 10 year Capital Renewal Works Program (Scenario 2 – Prioritised Renewal Program)

**Narrandera SC
Projected Capital Renewal Works Program - Buildings_S2_V1**

(\$000)

Year	Item	Description	Estimate
2012		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2012		Total	\$261

2013		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2013		Total	\$261

(\$000)

Year	Item	Description	Estimate
2014		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		

Narrandera SC
Projected Capital Renewal Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
2014		Total	\$261

2015		Network Renewals	Estimate
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2015		Total	\$261

(\$000)

Year	Item	Description	Estimate
2016		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2016		Total	\$261

2017		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		

Narrandera SC
Projected Capital Renewal Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
2017		Total	\$261

(\$000)

Year	Item	Description	Estimate
2018		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2018		Total	\$261

2019		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2019		Total	\$261

(\$000)

Year	Item	Description	Estimate
2020		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		

Narrandera SC
Projected Capital Renewal Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
	10		
2020		Total	\$261

2021		Network Renewals	
	1	Budget - Long Term Financial Plan Estimate for Buildings	\$261
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2021		Total	\$261

Appendix C1 Planned Upgrade/Exp/New 10 year Capital Works Program (All Scenarios)

**Narrandera SC
Projected Capital Upgrade/New Works Program - Buildings_S2_V1**

(\$000)

Year	Item	Description	Estimate
2012	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2012		Total	\$220

(\$000)

Year	Item	Description	Estimate
2013	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2013		Total	\$220

(\$000)

Year	Item	Description	Estimate
2014	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2014		Total	\$220

Narrandera SC
Projected Capital Upgrade/New Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
------	------	-------------	----------

(\$000)

Year	Item	Description	Estimate
2015	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2015		Total	\$220

(\$000)

Year	Item	Description	Estimate
2016	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2016		Total	\$220

(\$000)

Year	Item	Description	Estimate
2017	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		

Narrandera SC
Projected Capital Upgrade/New Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
	10		
2017		Total	\$220

(\$000)

Year	Item	Description	Estimate
2018	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2018		Total	\$220

(\$000)

Year	Item	Description	Estimate
2019	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2019		Total	\$220

(\$000)

Year	Item	Description	Estimate
2020	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		

Narrandera SC
Projected Capital Upgrade/New Works Program - Buildings_S2_V1

(\$000)

Year	Item	Description	Estimate
	8		
	9		
	10		
2020		Total	\$220

(\$000)

Year	Item	Description	Estimate
2021	1	Typical Annual Budget for Upgrade/New based on current budget for Buildings	\$220
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
2021		Total	\$220

Appendix D Alternate Ratio Calculations

Narrandera SC >> Table 6.1 Sustainability of Service Delivery	S1 Asset Register	S2 Balanced with LTFF - Prioritised renewal program (Individual renewal items not separately identified)	S3 Same as Scenario 2
Summary - What does it cost?			
Cost over 10 years	\$15,413	\$15,920	\$15,920
Cost per year	\$1,541	\$1,592	\$1,592
Available funding over 10 years	\$15,920	\$15,920	\$15,920
Funding per year	\$1,592	\$1,592	\$1,592
Funding shortfall	-\$51	\$0	\$0
Percentage of cost	103%	100%	100%
Life Cycle Cost (long term)'(\$000)			
Life Cycle Cost [depreciation + Projected Expenditure]	\$24,010	\$24,010	\$24,010
Life Cycle Exp. [capital renewal + Planned Expenditure]	\$15,920	\$15,920	\$15,920
Life Cycle Gap [life cycle expenditure - life cycle cost [-ve = gap]]	-\$8,090	-\$8,090	-\$8,090
Life Cycle Sustainability Indicator [life cycle expenditure / LCC]	66%	66%	66%
Medium Term (10 yrs) Sustainability			
10 yr Projected Expenditure	\$15,413	\$15,920	\$15,920
10 yr Planned (Budget) Expenditure	\$15,920	\$15,920	\$15,920
10 yr Funding Shortfall [10 yr proj. exp. - planned (Budget) exp.]	\$507	\$0	\$0
10 yr Sustainability Indicator [10 yr planned exp. / proj. exp.]	103%	100%	100%
Short Term (5 yrs) Sustainability			
5 yr Projected Expenditure	\$7,067	\$7,960	\$7,960
5 yr Planned (Budget) Expenditure	\$7,960	\$7,960	\$7,960
5 yr Funding Shortfall [5 yr proj. exp. - planned (budget) exp.]	\$893	\$0	\$0
5 yr Sustainability Indicator [5 yr planned exp. / proj. exp.]	113%	100%	100%

Appendix E Abbreviations

AAAC	Average annual asset consumption
AMP	Asset management plan
ARI	Average recurrence interval
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SS	Suspended solids
vph	Vehicles per hour

Appendix F Glossary

Annual service cost (ASC)

- 1) Reporting actual cost
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing

a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition

Component

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

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

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.

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises 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.

Loans / borrowings

See borrowings.

Maintenance

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

Planned maintenance

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

Reactive maintenance

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

Significant maintenance

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

Unplanned maintenance

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

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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, roads 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.

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 road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

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

Rate of annual asset consumption

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

See capital renewal expenditure definition above.

Residual value

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

Revenue generating investments

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

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

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.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Appendix G1 Star Rating Assessment

Narrandera Shire Council Fair Value Summary Schedule as at 30 June 2008

SFV Photo No.	Item No.	Description	No .	Street	Suburb	Gross Value (Whole Building)	Accumulated Depreciation	Total Life (years)	Residual Life (years)	Fair Value	Mce Sched	Current SR	Target SR	comments
1001	1	Community Hall		Bendee Street	Barellan	\$912,000	\$307,000	60	40	\$605,000	x	2.5	3	Does not meet DDA. Needs DDA upgrade
1002		Picnic Shelter		Bendee Street	Barellan	\$4,000	\$200	40	38	\$3,800		3	3	
1003		Playground Equipment		Bendee Street	Barellan	\$28,000	\$9,000	15	10	\$19,000		3.5	3.5	
1004		BBQ Shelter		Boree & Mulga Sts, Pool	Barellan	\$23,000	\$1,000	40	38	\$22,000		3.5	3.5	
1005	14	Fencing		Boree & Mulga Sts, Pool	Barellan	\$15,000	\$7,000	20	10	\$8,000		3	3	
1006	13	Kiosk/Changerooms		Boree & Mulga Sts, Pool	Barellan	\$172,000	\$103,000	50	20	\$69,000	x	3	3	
1007	16	Lighting		Boree & Mulga Sts, Pool	Barellan	\$13,000	\$6,000	30	15	\$7,000		3	3	
1008	13b	Main Pool (25m)		Boree & Mulga Sts, Pool	Barellan	\$550,000	\$344,000	80	30	\$206,000	x	3	3	
1009	13a	Plant Room		Boree & Mulga Sts, Pool	Barellan	\$32,000	\$16,000	50	25	\$16,000		3	3	
1010	15	Pool Blankets (2)		Boree & Mulga Sts, Pool	Barellan	\$15,000	\$1,000	10	9	\$14,000		3	3	
1011		Shade Shelters/Seating		Boree & Mulga Sts, Pool	Barellan	\$25,000	\$12,000	40	20	\$13,000		2.5	2.5	
1012	13c	Wading Pool		Boree & Mulga Sts, Pool	Barellan	\$33,000	\$21,000	80	30	\$12,000		3	3	
1013	7a	Amenities Block		Boree Street, Sportsground	Barellan	\$73,000	\$43,000	60	25	\$30,000	x	2.5	2.5	
1014	7e	BBQ Shelter		Boree Street, Sportsground	Barellan	\$11,000	\$7,000	40	15	\$4,000		3	3	
1015	8	Cricket Pitch		Boree Street, Sportsground	Barellan	\$7,000	\$2,500	15	10	\$4,500		3	3	
1016	7	Dressing Shed		Boree Street, Sportsground	Barellan	\$134,000	\$78,000	60	25	\$56,000		1	3	very poor condition. Not heavily used
1017	7f	Dressing Shed		Boree Street, Sportsground	Barellan	\$115,000	\$67,000	60	25	\$48,000		1	3	very poor condition. Not heavily used
1018	10	Fencing		Boree Street, Sportsground	Barellan	\$13,000	\$6,000	20	10	\$7,000		3	3	
1019	7c	Kiosk		Boree Street, Sportsground	Barellan	\$250,000	\$44,000	40	10	\$15,000		4.5	4	Has been demolished and replaced with upgraded building.

SFV Photo No.	Item No.	Description	No .	Street	Suburb	Gross Value (Whole Building)	Accumulated Depreciation	Total Life (years)	Residual Life (years)	Fair Value	Mce Sched	Current SR	Target SR	comments
														Cost around \$250,000
1020	9	Lighting		Boree Street, Sportsground	Barellan	\$35,000	\$17,000	20	10	\$18,000		3	3	assumed
1021	11	Netball Court		Boree Street, Sportsground	Barellan	\$25,000	\$6,000	20	15	\$19,000		3	3	
1022	7b	Press Box		Boree Street, Sportsground	Barellan	\$7,000	\$5,000	40	10	\$2,000				removed
1023	7d	Storage Shed		Boree Street, Sportsground	Barellan	\$7,000	\$5,000	40	10	\$2,000				removed
1024	2	Store		Mallee Street, Depot	Barellan	\$71,000	\$62,000	40	5	\$9,000		1	1	Condemned - demolish
1025		Shade Shelter		Yapunyah St (off), Cemetery	Barellan	\$2,000	\$200	40	35	\$1,800		3	3	
1026	4	Bush Fire Station		Yapunyah Street	Barellan	\$156,000	\$62,000	50	30	\$94,000		3	3.5	New fire trucks don't fit - change door
1027	5	Museum		Yapunyah Street	Barellan	\$156,000	\$116,000	40	10	\$40,000		3	3	
1028	6	Storage Shed		Yapunyah Street, Depot	Barellan	\$72,000	\$36,000	40	20	\$36,000		3	3	
1029	6a	Toilet Block		Yapunyah Street, Depot	Barellan	\$19,000	\$17,000	40	5	\$2,000	x	1	3	demolish or upgrade
1030		BBQ Shelter		Yapunyah Street, Park	Barellan	\$12,000	\$1,000	40	35	\$11,000		1	3	
1031	19	Bus Shelter		Yapunyah Street, Park	Barellan	\$10,000	\$2,000	40	30	\$8,000		4	3	
1032		Landscaping		Yapunyah Street, Park	Barellan									
1033	17	Toilet Block		Yapunyah Street, Park	Barellan	\$15,000	\$9,000	50	20	\$6,000	x	2	3	
1101	20	Bush Fire Station		Francis Street	Binya	\$51,000	\$6,000	40	35	\$45,000		3.5	3.5	
1201	23	Bush Fire Station		Prospect Middle Road	Brobenah	\$51,000	\$13,000	40	30	\$38,000		3.5	3.5	
1301	24	Bush Fire Station		Newell Highway	Corobimilla	\$52,000	\$1,000	40	39	\$51,000		3.5	3.5	
1401	22	Bush Fire Station		Rywang Faithful Road	Faithfull	\$56,000	\$3,000	40	38	\$53,000		3.5	3.5	
1501	30a	Amenities Block		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$25,000	\$17,000	60	20	\$8,000	x	2.5	2.5	
1502		BBQ Shelter		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$8,000	\$2,000	40	30	\$6,000		3	3	
1503	25	Cricket Pitches (2)		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$9,000	\$4,000	15	8	\$5,000		3	3	
1504	27	Fencing		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$13,000	\$6,000	20	10	\$7,000		2	2	
1505		Irrigation System		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$50,000	\$14,000	70	50	\$36,000		3	3	

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1506	30	Kiosk/Changerooms		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$329,000	\$67,500	60	50	\$261,500	x	3	3	
1507	26	Lighting		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$66,000	\$16,000	20	15	\$50,000		3	3	assumed
1508	29	Practice Nets (3)		Stockyard Rd, Henry Mathieson Oval	Ferriertown	\$10,000	\$2,000	20	15	\$8,000		2	3	being upgraded
1601	34	Bush Fire Station		Berrembed Street	Grong Grong	\$99,000	\$12,000	40	35	\$87,000		3.5	3.5	
1602		School of Arts Hall		Binya & Balaro Streets	Grong Grong	\$1,448,000	\$993,500	70	20	\$454,500	x	3	3	
1603	33	BBQ Shelter		Junee & Balaro Streets, Park	Grong Grong	\$15,000	\$2,000	40	35	\$13,000		3	3	Not found in asset listing in CIVICA
1604		Picnic Shelter		Junee & Balaro Streets, Park	Grong Grong	\$3,000	\$0	40	38	\$3,000		3	3	Not found in asset listing in CIVICA
1605		Playground Equipment		Junee & Balaro Streets, Park	Grong Grong	\$17,000	\$6,000	30	20	\$11,000		3	3	Not found in asset listing in CIVICA
1606	31	Toilet Block		Junee & Balaro Streets, Park	Grong Grong	\$13,000	\$9,000	60	20	\$4,000	x	3	3	Not found in asset listing in CIVICA
1701	81	Preschool/Early Childhood Centre		Adams Street, Dixon Park	Narrandera	\$808,000	\$116,500	60	55	\$691,500		3.5	3.5	Not maintained by council
1702		Shadecloth Shelters (Preschool)		Adams Street, Dixon Park	Narrandera	\$7,000	\$500	20	18	\$6,500		3	3	
1703	81a	Storage Shed (Preschool)		Adams Street, Dixon Park	Narrandera	\$23,000	\$3,000	40	35	\$20,000		3	3	
1704	36e	Commentators Shed No. 1		Argyle Street, Sportsground	Narrandera	\$10,000	\$6,000	40	15	\$4,000		2.5	2.5	
1705	36d	Commentators Shed No. 2		Argyle Street, Sportsground	Narrandera	\$4,000	\$2,000	40	20	\$2,000		2.5	2.5	
1706	35	Cottage/Garage	19	Argyle Street, Sportsground	Narrandera	\$231,000	\$95,000	50	25	\$136,000	x	3	3	
1707	43	Dressing Sheds		Argyle Street, Sportsground	Narrandera	\$295,000	\$49,000	60	50	\$246,000	x	3	3	
1708	36b	Entrance Gates		Argyle Street, Sportsground	Narrandera	\$8,000	\$4,000	50	25	\$4,000		3	3	
1709	37	Fencing (Oval)		Argyle Street, Sportsground	Narrandera	\$20,000	\$10,000	20	10	\$10,000		2	2	
1710	37a	Fencing (Sportsground)		Argyle Street, Sportsground	Narrandera	\$61,000	\$30,000	20	10	\$31,000		2	3	Needs attention
1711	36	Grandstand		Argyle Street, Sportsground	Narrandera	\$563,000	\$225,000	50	30	\$338,000	x	2	3	Decking nearing end of life
1712	36a	Hall/Former Amenities		Argyle Street, Sportsground	Narrandera	\$198,000	\$154,000	45	10	\$44,000	x	3	3	Has been upgraded
1713		Irrigation System		Argyle Street, Sportsground	Narrandera	\$44,000	\$13,000	70	50	\$31,000		3	3	Has been upgraded

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1714	40a	Kiosk		Argyle Street, Sportsground	Narrandera	\$70,000	\$12,000	60	50	\$58,000	x	3	3	
1715	40	Kiosks (2)		Argyle Street, Sportsground	Narrandera	\$37,000	\$18,000	40	20	\$19,000	x	2	2	overflow use for major events only - demolish and use portable structure as needed
1716	38	Lighting		Argyle Street, Sportsground	Narrandera	\$352,000	\$35,000	20	18	\$317,000		4.5	4.5	Upgraded to AFL standard
1717	42	Scoreboard		Argyle Street, Sportsground	Narrandera	\$15,000	\$7,000	30	15	\$8,000		3	3	
1718	36c	Switch Room		Argyle Street, Sportsground	Narrandera	\$4,000	\$2,500	40	15	\$1,500		2	2	
1719	41	Toilet Block (nr main gate)		Argyle Street, Sportsground	Narrandera	\$25,000	\$19,000	40	10	\$6,000	x			Demolished
1720	41a	Toilet Block (centre)		Argyle Street, Sportsground	Narrandera	\$28,000	\$21,000	40	10	\$7,000	x			Demolished
1721	41b	Toilet Block (north-east)		Argyle Street, Sportsground	Narrandera	\$33,000	\$10,000	50	35	\$23,000	x	3	3	
1722	41d	Toilet Block (Gents)		Argyle Street, Sportsground	Narrandera	\$32,000	\$13,000	50	30	\$19,000	x	2.5	3	needs upgrade - doors and fittings
1723	41c	Toilet Block (Ladies)		Argyle Street, Sportsground	Narrandera	\$35,000	\$14,000	50	30	\$21,000	x	2.5	3	needs upgrade - doors and fittings
1724	44	Tower (Commentator's)		Argyle Street, Sportsground	Narrandera	\$8,000	\$5,000	40	15	\$3,000		2.5	2.5	
1725	44a	Tower (Training)		Argyle Street, Sportsground	Narrandera	\$4,000	\$2,500	40	15	\$1,500		2	2	
1726	73	"Teloca House" Retirement Village		Audley & Cadell Streets	Narrandera	\$5,279,000	\$1,223,000	70	55	\$4,056,000	x	3.5	3.5	
1727	121	Garage	87	Audley Street	Narrandera	\$97,000	\$73,000	40	10	\$24,000		2	3	Not found in CIVICA. demolish set of small garages
1728		Chemical Shelter/Store		Barellan Road, Depot	Narrandera	\$27,000	\$2,000	40	37	\$25,000		3	3	
1729	47e	Dog Pound		Barellan Road, Depot	Narrandera	\$48,000	\$10,000	50	40	\$38,000		3.5	3.5	
1730	47g	Flammable Liquid Store		Barellan Road, Depot	Narrandera	\$17,000	\$8,000	40	20	\$9,000		3	3	
1731	47a	Lunch/Training Room		Barellan Road, Depot	Narrandera	\$158,000	\$79,000	40	20	\$79,000	x	3	3	
1732	47b	Overseers Office (former)		Barellan Road, Depot	Narrandera	\$33,000	\$12,000	40	25	\$21,000	x	2.5	2.5	
1733	47c	Sign Store		Barellan Road, Depot	Narrandera	\$74,000	\$37,000	40	20	\$37,000		3	3	

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					a									
1734	47d	Tool Store		Barellan Road, Depot	Narrandera	\$30,000	\$7,000	40	30	\$23,000		3	3	
1735	47f	Vehicle Store		Barellan Road, Depot	Narrandera	\$87,000	\$65,000	40	10	\$22,000		2	2	
1736	47	Workshop/Overs eers Office		Barellan Road, Depot	Narrandera	\$438,000	\$163,500	40	25	\$274,500	x	3	3	
1737		Heritage Light		Bolton & Cadell Streets	Narrandera	\$8,000	\$1,000	20	18	\$7,000		3	3	
1738		Taxi Shelter		Bolton & East Streets	Narrandera	\$26,000	\$1,000	40	38	\$25,000		3	3	
1739	106	BBQ Shelter		Broad St, Lake Talbot Boat Ramp	Narrandera	\$18,000	\$4,000	40	30	\$14,000		3	3	
1740		Toilet Block ("Virotech")		Broad St, Lake Talbot Boat Ramp	Narrandera	\$13,000	\$1,000	40	38	\$12,000	x	3	3	
1741	52a	Amenities Block		Broad St, Lake Talbot Tourist Park	Narrandera	\$154,000	\$23,500	60	50	\$130,500	x	3	3	
1742	52	Amenities Blocks (2)		Broad St, Lake Talbot Tourist Park	Narrandera	\$519,000	\$83,500	60	50	\$435,500	x	2	3	Just used for storage. Would need a refit - not used as amenities for 10 yrs
1743	52b	Amenities/Kitchen		Broad St, Lake Talbot Tourist Park	Narrandera	\$233,000	\$46,000	50	40	\$187,000	x	2.5	2.5	old
1744	49a	BBQ & Picnic Shelters		Broad St, Lake Talbot Tourist Park	Narrandera	\$31,000	\$4,000	40	35	\$27,000		3	3	
1745	50a	Cabins 2 Unit Complex		Broad St, Lake Talbot Tourist Park	Narrandera	\$188,000	\$36,500	60	50	\$151,500	x	2.5	2.5	
1746	50	Cabins 5 Unit Complex (3)		Broad St, Lake Talbot Tourist Park	Narrandera	\$910,000	\$173,000	60	50	\$737,000	x	2.8	3	1 is 3 star, 2 are 3.5 except for one room that is 2.5. have been upgrade with ensuite amenities
1747	49	Caretakers Residence/Office		Broad St, Lake Talbot Tourist Park	Narrandera	\$282,000	\$53,500	60	50	\$228,500	x	3	3	
1748	51	Lighting		Broad St, Lake Talbot Tourist Park	Narrandera	\$17,000	\$3,000	30	25	\$14,000		3	3	
1749	48	Recreation Hall/Garage		Broad St, Lake Talbot Tourist Park	Narrandera	\$141,000	\$31,500	50	40	\$109,500	x	3	3	
1750	53a	Amenities Block		Broad St, Swimming Complex	Narrandera	\$75,000	\$12,000	60	50	\$63,000	x	3	3	50 years old
1751	53g	Amenities/Changing rooms		Broad St, Swimming Complex	Narrandera	\$97,000	\$48,000	60	30	\$49,000	x	3	3	50 years old

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1752	56	BBQs/Seating/Seelters		Broad St, Swimming Complex	Narrandera	\$32,000	\$6,000	15	12	\$26,000		3	3	
1753	53h	Boat Shed		Broad St, Swimming Complex	Narrandera	\$51,000	\$42,000	40	7	\$9,000		1.5	3	Demolish and replace
1754	54	Fencing		Broad St, Swimming Complex	Narrandera	\$18,000	\$4,000	20	15	\$14,000		3	3	Not all up to standard for pool fencing. Some has been replaced
1755	53c	Kids Pool		Broad St, Swimming Complex	Narrandera	\$165,000	\$41,000	60	45	\$124,000		3	3	
1756	53	Kiosk/Cottage		Broad St, Swimming Complex	Narrandera	\$395,000	\$159,000	50	25	\$236,000		3	3	
1757		Landscaping		Broad St, Swimming Complex	Narrandera							3	3	
1758	55	Lighting		Broad St, Swimming Complex	Narrandera	\$75,000	\$12,000	30	25	\$63,000		2.5	3	
1759	53d	Main Pool		Broad St, Swimming Complex	Narrandera	\$1,320,000	\$330,000	60	45	\$990,000	x	3	3	Rating for whole complex. concourse has a lot of cracking - needs upgrade of around \$1M. Needs painting within 2 yrs
1760	53e	Storage Shed/Awning		Broad St, Swimming Complex	Narrandera	\$8,000	\$1,000	40	35	\$7,000		3	3	Has been enclosed
1761	53f	Storage Shed		Broad St, Swimming Complex	Narrandera	\$2,000	\$200	40	35	\$1,800				Demolished and replaced with large shade shelter
1762	53b	Toddlers Pool		Broad St, Swimming Complex	Narrandera	\$22,000	\$5,000	60	45	\$17,000		3	3	
1763	86	BBQ Shelter		Cadell Street, Narrandera Park	Narrandera	\$20,000	\$5,000	40	30	\$15,000		3	3	
1764	92	Entrance Archway		Cadell Street, Narrandera Park	Narrandera	\$10,000	\$7,000	60	20	\$3,000		3	3	
1765	85	Fencing (Oval)		Cadell Street, Narrandera Park	Narrandera	\$18,000	\$2,000	20	18	\$16,000		2	3	plastic pvc fencing badly damaged by vandals
1766	84	Grandstand		Cadell Street, Narrandera Park	Narrandera	\$46,000	\$17,000	40	25	\$29,000	x	2.5	3	needs painting
1767		Irrigation System		Cadell Street, Narrandera Park	Narrandera	\$33,000	\$9,000	70	50	\$24,000		3	3	check with Roger
1768		Landscaping		Cadell Street, Narrandera Park	Narrandera							3	3	
1769	91	Mini Zoo Fencing &		Cadell Street, Narrandera Park	Narrandera	\$18,000	\$4,000	20	15	\$14,000				Demolished and replaced with

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		Enclosures												playgrounds
1770	83	Parks & Gardens Depot		Cadell Street, Narrandera Park	Narrandera	\$22,000	\$16,000	40	10	\$6,000				demolished
1771	89	Pergola		Cadell Street, Narrandera Park	Narrandera	\$5,000	\$1,200	40	30	\$3,800		2	2	
1772		Playground Equipment (north)		Cadell Street, Narrandera Park	Narrandera	\$13,000	\$4,000	15	10	\$9,000		3	3	
1773		Playground Equipment (south)		Cadell Street, Narrandera Park	Narrandera	\$17,000	\$6,000	15	10	\$11,000		3	3	
1774	89a	Shelter		Cadell Street, Narrandera Park	Narrandera	\$5,000	\$1,200	40	30	\$3,800		3	3	
1775	90	Skateboard Park		Cadell Street, Narrandera Park	Narrandera	\$55,000	\$3,000	80	75	\$52,000		3	3	
1776	87	Tables/Seats		Cadell Street, Narrandera Park	Narrandera	\$5,000	\$300	15	14	\$4,700		3	3	
1777	58	Tiger Moth Memorial (ICOE)		Cadell Street, Narrandera Park	Narrandera	\$320,000	\$52,500	60	50	\$267,500		3	3	
1778	57	Tourist Information Centre		Cadell Street, Narrandera Park	Narrandera	\$532,000	\$109,000	60	45	\$423,000	x	3	3	
1779	112	Bus Shelter		Chantilly Street	Narrandera	\$7,000	\$5,000	40	10	\$2,000				was removed - check
1780	59	Youth Centre		Charles Street	Narrandera	\$726,000	\$580,500	50	10	\$145,500	x			Disposed - SOLD
1781		Shade Shelter		Douglas Street, Cemetery	Narrandera	\$2,000	\$0	40	30	\$2,000		2.5	2.5	
1782		Toilet Block		Douglas Street, Cemetery	Narrandera	\$17,000	\$13,000	60	15	\$4,000		2.5	2.5	
1783		Heritage Light		East & Cadell Streets	Narrandera	\$8,000	\$1,000	20	18	\$7,000		3	3	
1784		Heritage Light		East & Larmer Streets	Narrandera	\$8,000	\$1,000	20	18	\$7,000		3	3	
1785	63	Council Chambers	14	East Street	Narrandera	\$5,217,000	\$2,614,000	80	30	\$2,603,000	x	3.5	3.5	Needs painting in 7 years
1786	60	Office (Staff Amenities)	14	East Street	Narrandera	\$251,000	\$122,500	60	30	\$128,500	x	3	3	
1787	61	Office (Summit Personnel)	14	East Street	Narrandera	\$178,000	\$73,500	60	35	\$104,500	x	3	3	
1788	62	Shop (Mohair Australia)	14	East Street	Narrandera	\$126,000	\$79,500	60	20	\$46,500	x	3	3	
1789	95	Library	39 - 51	East Street	Narrandera	\$1,206,000	\$302,000	60	45	\$904,000	x	3.5	3.5	10 years old - just replaced carpet

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1790	67	Outdoor Basketball Court		Elizabeth & Victoria Streets	Narrandera	\$22,000	\$11,000	20	10	\$11,000		3	3	Converted to netball courts
1791	66	Sports Stadium		Elizabeth & Victoria Streets	Narrandera	\$1,790,000	\$510,000	50	35	\$1,280,000	x	3	3	Evaporative air cond 10 years old. Does not meet DDA
1792		Communications Tower		Gordon Street	Narrandera	\$105,000	\$10,000	50	45	\$95,000		3	3	
1793	69d	Lunchroom/Laboratory		Gundagai St, Sewerage Treatment Works	Narrandera	\$34,000	\$11,000	60	40	\$23,000	x	3	3	
1794	69c	Shed		Gundagai St, Sewerage Treatment Works	Narrandera	\$25,000	\$9,000	40	25	\$16,000		2.5	2.5	
1795	69b	Switch Room		Gundagai St, Sewerage Treatment Works	Narrandera	\$16,000	\$5,000	60	40	\$11,000		2.5	2.5	
1796	69a	Testing Room/Amenities		Gundagai St, Sewerage Treatment Works	Narrandera	\$30,000	\$10,000	60	40	\$20,000	x	2.5	2.5	
1797		UV Shed		Gundagai St, Sewerage Treatment Works	Narrandera	\$3,000	\$100	40	38	\$2,900		3	3	
1798		Playground Equipment		Jonsen & Mitchell Sts, Jonsen Park	Narrandera	\$17,000	\$6,000	15	10	\$11,000		3	3	
1799	104	Senior Citizens Welfare Club		Jonsen & Mitchell Sts, Jonsen Park	Narrandera	\$266,000	\$193,000	50	10	\$73,000	x	2	3	Does not meet DDA. Needs DDA upgrade
1800	103	Tennis Courts (2)		Jonsen & Mitchell Sts, Jonsen Park	Narrandera	\$44,000	\$40,000	20	2	\$4,000		1	1	Disused
1801	70	Dwelling	16	Kiesling Drive	Narrandera	\$350,000	\$49,500	60	50	\$300,500	x	3	3	
1802		Awning		Kiesling Lane	Narrandera	\$39,000	\$10,000	40	30	\$29,000		3	3	
1803		Toilet Block		Kiesling Lane	Narrandera	\$70,000	\$2,000	60	58	\$68,000	x	3	3	
1804	71	Storage Shed	2a	King Street	Narrandera	\$128,000	\$118,000	40	3	\$10,000				Disposed - SOLD
1805	72b	Dwelling		Leeton Road, Aerodrome	Narrandera	\$217,000	\$120,000	60	25	\$97,000	x	2.5	3	
1806		Fire Station		Leeton Road, Aerodrome	Narrandera	\$108,000	\$4,000	50	48	\$104,000		3	3	
1807	72a	Hangar		Leeton Road, Aerodrome	Narrandera	\$731,000	\$394,500	40	15	\$336,500		2.5	2.5	
1808	72	Terminal		Leeton Road, Aerodrome	Narrandera	\$631,000	\$160,500	60	45	\$470,500	x	2.5	3	Does not meet DDA. Needs DDA upgrade
1809	108	Bus Shelter		Leeton Road, Nallaboona	Narrandera	\$7,000	\$2,500	40	25	\$4,500		3	3	
1810	101	Tourist Signs		Newell & Sturt Highways	Narrandera	\$8,000	\$1,000	20	18	\$7,000		3	3	

SFV Photo No.	Item No.	Description	No .	Street	Suburb	Gross Value (Whole Building)	Accumulated Depreciation	Total Life (years)	Residual Life (years)	Fair Value	Mce Sched	Current SR	Target SR	comments
1811	22	Fencing		Old Brewery Road, Brewery Flat Oval	Narrandera	\$13,000	\$10,000	20	5	\$3,000		2	2	Oval no longer in use.
1812	21	Toilet Block		Old Brewery Road, Brewery Flat Oval	Narrandera	\$37,000	\$18,000	50	25	\$19,000	x	2.5	2.5	Does not meet DDA. Needs DDA upgrade. Used for RV campers
1813		Picnic Shelter (Lions Club)		Old Brewery Road, Brewery Flat Ramp	Narrandera	\$17,000	\$1,000	40	38	\$16,000		3	3	
1814		Chlorinator Shed		Old Brewery Road, Water Works	Narrandera	\$32,000	\$2,000	40	38	\$30,000		3	3	
1815	68a	Office/Workshop		Old Brewery Road, Water Works	Narrandera	\$45,000	\$37,000	60	10	\$8,000	x	2.5	2.5	
1816	68	Pumphouse/Switch Room		Old Brewery Road, Water Works	Narrandera	\$198,000	\$25,000	40	35	\$173,000		2.5	2.5	
1817		Storage Shed		Old Brewery Road, Water Works	Narrandera	\$12,000	\$1,000	40	38	\$11,000		3	3	
1818	109	Bus Shelter		Pine Hill & Old School Roads	Narrandera	\$5,000	\$2,500	40	20	\$2,500		3	3	
1819	107	BBQ Shelter		Pine Hill Road, Joe Babbs Park	Narrandera	\$8,000	\$1,000	40	35	\$7,000		3	3	
1820		Playground Equipment		Pine Hill Road, Joe Babbs Park	Narrandera	\$17,000	\$6,000	15	10	\$11,000		3	3	
1821	94	Dwelling		Racecourse Road	Narrandera	\$214,000	\$118,000	50	20	\$96,000	x	2.5	2.5	Needs painting now
1822	94a	Shed		Racecourse Road	Narrandera	\$36,000	\$22,000	40	15	\$14,000		2	2	
1823	94b	Store		Racecourse Road	Narrandera	\$10,000	\$2,000	50	40	\$8,000		3	3	
1824	111	Bus Shelter		Townsend Street	Narrandera	\$4,000	\$2,000	40	20	\$2,000		2.5	2.5	
1825	77	Offices (Electoral Commission)	4	Twynam Street	Narrandera	\$159,000	\$93,000	60	20	\$66,000	x	3	3	Need to Check Photo ID onsite. Has been upgraded
1826	77a	Offices (Electoral Commission)	6	Twynam Street	Narrandera	\$159,000	\$93,000	60	20	\$66,000	x	3	3	Need to Check Photo ID onsite. Has been upgraded
1827	78	Shop (Free Choice)	8	Twynam Street	Narrandera	\$159,000	\$93,000	60	20	\$66,000	x	3	3	Has been upgraded
1828	75	Museum	28	Twynam Street	Narrandera	\$408,000	\$285,500	50	15	\$122,500	x	2.5	3	old house - not suitable for museum fire risk. Cypress pine lining boards
1829	75b	Museum Shed	28	Twynam Street	Narrandera	\$54,000	\$27,000	40	20	\$27,000		2.5	2.5	

SFV Photo No.	Item No.	Description	No .	Street	Suburb	Gross Value (Whole Building)	Accumulated Depreciation	Total Life (years)	Residual Life (years)	Fair Value	Mce Sched	Current SR	Target SR	comments
					a									
1830	75a	Museum Stable	28	Twynam Street	Narrander a	\$32,000	\$20,000	40	15	\$12,000		2.5	2.5	
1831	79	Emergency Services/SES	17 - 21	Twynam Street	Narrander a	\$1,129,000	\$621,500	60	25	\$507,500	x	3	3	
1832	80	Preschool	17 - 21	Twynam Street	Narrander a	\$327,000	\$165,500	40	15	\$161,500	x	2.5	2.5	
1833		Community Services/Meals on Wheels	4	Victoria Square	Narrander a	\$868,000	\$61,500	60	50	\$806,500	x	2.5	3	Does not meet DDA. Needs DDA upgrade. Used for RV campers
1834		Meeting Room/Pathology /Store	6	Victoria Square	Narrander a	\$606,000	\$302,500	60	30	\$303,500	x	2.5	3	needs upgrade - fittings
1835		Landscaping		Victoria Square, Memorial Gardens	Narrander a									
1836	110	Bus Shelter		Watermain Road	Narrander a	\$4,000	\$2,500	40	15	\$1,500		2.5	2.5	
1837	82	Railway Station		Whitton Street	Narrander a	\$1,191,000	\$649,500	70	25	\$541,500		2.5	2.5	Council does not do maintenance - SRA building
Total						\$38,389,000	\$14,613,400			\$23,775,600				

Appendix G2 Star Rating Assessment Guide

Building Function – Future Improvement

A method has been developed to determine existing and target service based on a range of service level indicators. These indicators describe the service performance of buildings based on a “star rating”, similar to that used to rate hotel accommodation. The rating covers the categories of quality, function and safety. The asset improvement plan aims to progressively bring all buildings up to the target service level in accordance with the asset improvement plan. Initial analysis has been carried out for Halls and Public Toilets since these have been completed. These ratings were based on specialist knowledge derived in a workshop session with building service planners and maintenance service providers. No detailed indicator based ranking has been done and this is a task that should be completed in the next 12 months.

Table 22: Function Assessment for Community and Operational Buildings

Service Levels for Buildings - Halls, Public and Operational Buildings	Comments	Weighting
Overall Condition Building Structure. Overall Condition Expressed as an index. 5 = building no longer fit for purpose, 1 – Building as new.	Note that condition index ratings are set to conform to International Infrastructure Management Manual and need to be converted to a star rating factor. For example a condition index of 1 (as new) has a condition star rating of 5 star.	3
Overall Condition Furniture and Fittings	Condition Index per Building Component e.g. Structure, Roof, Mechanical Services, Electrical Services, Fit out	2
Communications Rating (Telephone /Fax/Mobile/Broadband / Public Phone)	Level of telecommunication facilities	1
Kitchen Facilities Rating - Condition	Condition and usability of existing facilities	4
Kitchen Use Rating - Design Use (commercial / pre packaged)	Capacity of Kitchen to service building needs	4
Disabled Rating (Full Independent, Assisted, None)	(Full Independent, Assisted, None)	5
Level of Meeting Rooms	Rating of meeting facilities provided	1
Site Facilities Rating Internal		2
Site Facilities Rating External (car parking, landscaping etc.)	(car parking, landscaping etc.)	3
Energy Efficiency Rating - Sustainable Energy Fund Priority		3
Environmental Sustainable Design Rating		2
Utilisation Rating	Level of building utilisation	2
Furniture and Fittings (tables, chairs, trestles)		2
Storage Facilities		1
Suitable for Purpose (Multi Use and Flexibility)		2
Statutory Compliance		5
Location Rating - Is the building in the optimum location	Is the building in the optimum location	2
Showers and Toilets Facilities Rating		3
Safety Rating		5

Service Levels for Buildings - Halls, Public and Operational Buildings	Comments	Weighting
Security Rating		2
Wastewater Rating		5
Drinking Water (Mains / Tank)	(Mains / Tank)	5
Utilities / Services (Gas/Electricity/Water)	(Gas/Electricity/Water)	1

Table 23: Function Assessment for Public Toilets and Amenities

Service Levels for Buildings - Toilets and Amenities	Comments	Weighting
Access / location	Is access well defined and suited to ease and utility of pedestrian traffic flow. Is location central to the area it is intended to serve.	5
Condition	Assessment of overall building condition / presentation.	3
Water meters / pans per visit per day	Ratio of users to pans / urinals. Demand factor assessment.	4
Urinal capacity / dimension	Ergonomics, utility.	4
Wash basins	Ratio of basin numbers and ease of use to facility users.	2
Privacy equation	Privacy and personal space factors in utilising the facility.	2
Level of internal finish	Assessment of tiling, paint finishes, flooring, special effects in finishing and overall detail.	3
Lighting levels / natural and artificial		3
Disabled access		5
Cleanliness / cleaning time frames	Assessment on cleanliness, also refer to cleaning schedules for cleaning frequencies.	5
Ventilation		5
Landscaping	Assessment of overall landscape. Is it commensurate with the area / community it serves.	3
Maintenance responsiveness / quality		5
Dimension	Do internal floor areas provide/ facilitate ease of use to building users	3
CEPTED	Crime Prevention Through Environmental Design	3
Environmental	Auto flushing, timed water flow control on flushing and tap use. Sewerage / septic / composting toilets.	3

Service Levels for Buildings - Toilets and Amenities	Comments	Weighting
Location Compatibility Factor	Does the building internal and external standard including landscaping reflect the environment it serves.	5

Each service level indicator is given a 1 to 5 rating based on industry and shire standards / benchmarking / comparisons to the buildings being assessed.

Performance for each service measure is rated using a 1 – 5 rating system.

Table 24: Community and Technical Function Ratings

Community	Technical	
Star Rating	Function Score	Description of Function
5	1	Highest Standard. Compatible with a luxury property facility.
4	2	Very good service provided.
3	3	Good: Functional but basic standard.
2	4	Fair: Significant renewal/upgrade required.
1	5	Poor: Unserviceable.