

Shire of Kondinin

Property
Asset Management Plan

Part 2 - Detailed

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Appendix A – Legislation, Acts, Regulations & Standards

This section provides details on all legislation, standards, policies and guidelines that should be considered as part of the management practices of the Shire's property assets.

Legislation, Acts & Regulations

- | | |
|--|---|
| = Local Government Act 1995 | = Dividing Fences Act (1961) |
| = Building Code of Australia | = Occupational Health and Safety Act 1984 |
| = Aboriginal Heritage Act 1972 | |
| = Aboriginal Heritage Regulations 1974 | = OSH Regulations 1996 |
| = Native Title Act 1999 | = Disability Discrimination Act 1992 |
| = Dangerous Goods Safety Act 2004 | = Disability Services Act 1993 |
| = Health Act 1911 | = Disability Services Regulations 2004 |

Standards

- | | |
|---|-------------------------------------|
| = AASB 5 Non-Current Assets Held for Sale and Discontinued Operations | = AASB 136 Impairment of Assets |
| = AASB 13 Fair Value Measurement | = AASB 138 Intangible Assets |
| = AASB 116 Property, Plant and Equipment | = AASB 140 Investment Property |
| = AASB 118 Revenue | = AASB 1051 Land Under Roads |
| = AASB 119 Employee Benefits | = AS/NZS 4360: 1995 Risk Management |

Shire Policies

- | | |
|--|--|
| = 1.1.15 – Risk Management | = 5.3 – Sporting Club & Amenities (5.3.0 to 5.3.2) |
| = 1.1.16 – Capitalisation of Assets | |
| = 1.1.19 – Purchasing | = 7.1 – Caravan Parks (7.1.0 to 7.1.3) |
| = 1.1.20 – Asset Management | = 10.1.3 – Solar Energy |
| = 4.1 – Staff Housing (4.1.0 to 4.1.5) | = 10.1.4 – Occupational Safety & Health |
| = 5.1 – Halls (5.1.0 to 5.1.4) | |

Appendix B – AMP Stakeholders and Service Levels

Process for Developing Potential Service Levels

In developing the service levels for the property portfolio, the Shire has generally applied the framework as set out in the IIMM. The process broadly applies five steps, being:

- = Identify service attributes important to customers
- = Define the delivered customer service levels
- = Develop performance measures
- = Consult with customers
- = Make service level based decisions

Strategic Community Plan (SCP) Drivers

The Shire’s SCP contains long term goals for the delivery of services to its community. The SCP was reviewed in order to identify any Strategies that may directly relate to the property service. The following table outlines those that may influence this AMP’s service levels.

Theme	Strategy
Social	1.1.1 Promote the Shire of Kondinin as a great place to live, work, visit and invest (fit for purpose staff housing).
	1.1.2 Encourage greater housing diversity and standards that meets the needs of a broader demographic profile (fit for purpose aged accommodation).
	1.3.3 Provide a variety of quality sport, recreation and leisure services and facilities for all life stages across the three communities (fit for purpose recreation facilities).
Economic	2.4.2 Add value to current tourism experiences and facilities as well as creating additional tourism experiences and facilities (fit for purpose tourist facilities).
Environment	3.1.3 Encourage alternative energy sources and activities amongst residents and in the Shire’s practices and facilities (energy source).
	3.2.1 Plan for water conservation, reuse and efficiency, water catchment and storage (water usage).

Table 1: Strategic Community Plan Strategies Aligned to the Property Portfolio

Consideration of the strategies listed above shows that the following property service areas are of high importance to the SCP. These may then be considered by the final service levels within this AMP:

- = Fit for purpose (1.1.1, 1.1.2, 1.3.3 & 2.4.2)
- = Energy and water sustainability (3.1.3 & 3.2.1).

AMP Stakeholders

Analysis of the Shire’s property portfolio revealed that there are a number of major stakeholder groups. These stakeholders are identified below and while there may be other minor stakeholders, they have not been specifically considered by this AMP.

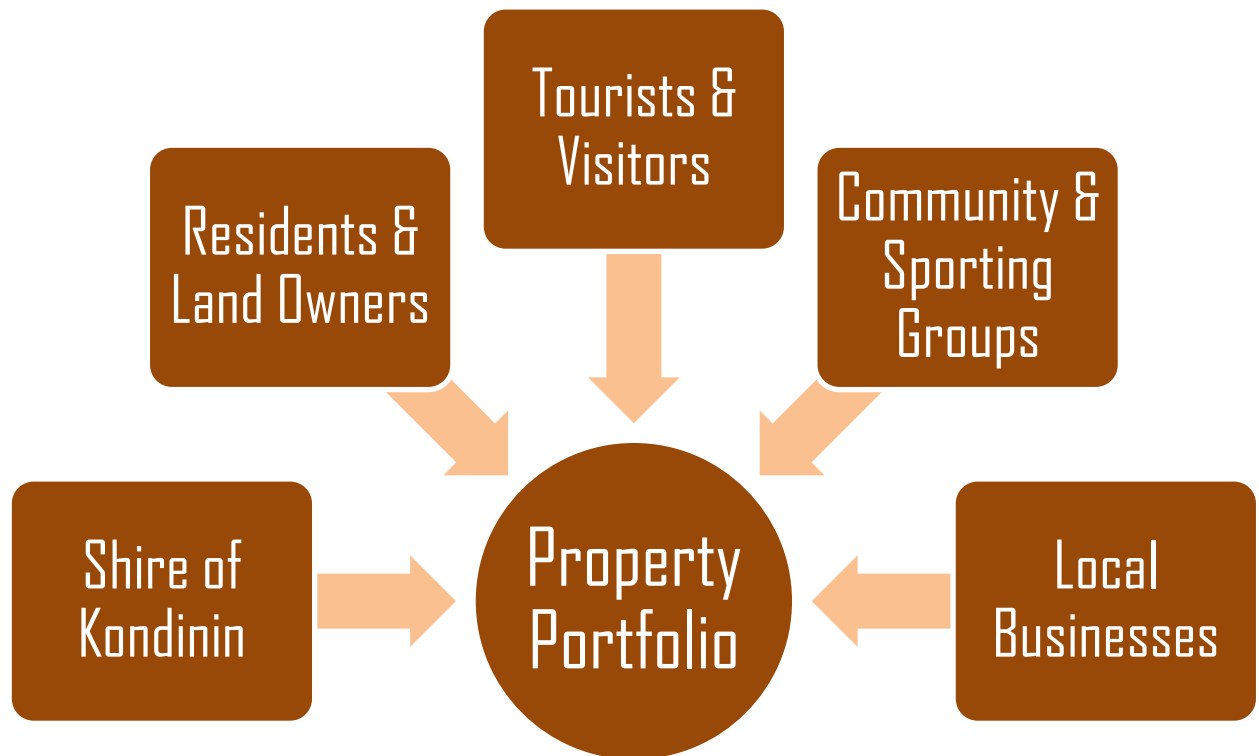


Figure 1: Property Stakeholders

Service Attribute Workshop

During February 2019 Shire staff considered each stakeholder group to identify the service attributes that are most important to them. Those frequently occurring, when combined with the SCP drivers, form the basis of this AMP’s service levels. The results from the staff workshop are shown below. In the future, once the Shire is able to consistently monitor service level performance, as well as link this to cost, it intends to undertake stakeholder consultation.

Stakeholder	Top Three Property Service Attributes		
Shire	Financial Value	Condition	Usage
Residents & Land Owners	Information	Condition	Accessibility

Tourists & Visitors	Availability	Information	Quality
Community & Sporting Groups	Events	Availability	Quality
Local Businesses	Economic Development	Condition	Financial Value

Table 2: Important Stakeholder Property Service Attributes

From the above analysis, the following service attribute(s) have been selected for service levels. While only one has been selected, a further four, tied on two occurrences each, will be held as potential future KPIs.

= Condition (3 occurrences)

Service Level Targets and Performance

By considering the potential service attributes from the SCP and stakeholder analysis, the following KPIs will be used to monitor service delivery performance.

KPI	Driver	Level of Service	Performance Measure	Target	Current	Confidence
Condition	Stakeholders	Buildings are maintained in a suitable physical condition.	Percentage of building components (by value) that are in an excellent to fair condition.	TBC	62%	Moderate
Energy & water sustainability	SCP	Buildings use energy from renewal sources.	Percentage of building electricity usage that is from renewal sources.	TBC	TBC	-
		Buildings are water efficient.	Percentage of buildings that have grey water systems.	TBC	TBC	-
Fit for Purpose	SCP	Buildings meet users' needs.	Percentage of users who are at least satisfied with Shire buildings.	TBC	TBC	-

Table 3: Service Level Targets and Performance

Appendix C – Property Demand

Background

Council's fundamental role is to provide services to its community and stakeholders. These services are often underpinned by assets. Predicting future demand for services (e.g. recreation facilities) is important to ensure that the appropriate assets are provided and maintained.

This section of the AMP looks broadly at both historical and future levels of property demand. Readers should be aware though that as with any demand forecasting, prediction is rarely ever 100% correct.

Historic Property Demand

Demand for services is generally measured by how many customers use the asset(s). However, the Shire generally does not monitor individual building usage levels. To ascertain historical influences on demand, a range of different demand sources have been considered. Each is discussed as follows.

Population & Demographic Change

When the overall population of the Shire (Figure 2) between 2001 and 2016 is considered, the number at census night has fallen from 950 to 864. This decrease of 86 people (-9%) may suggest that demand change for property based services has occurred.

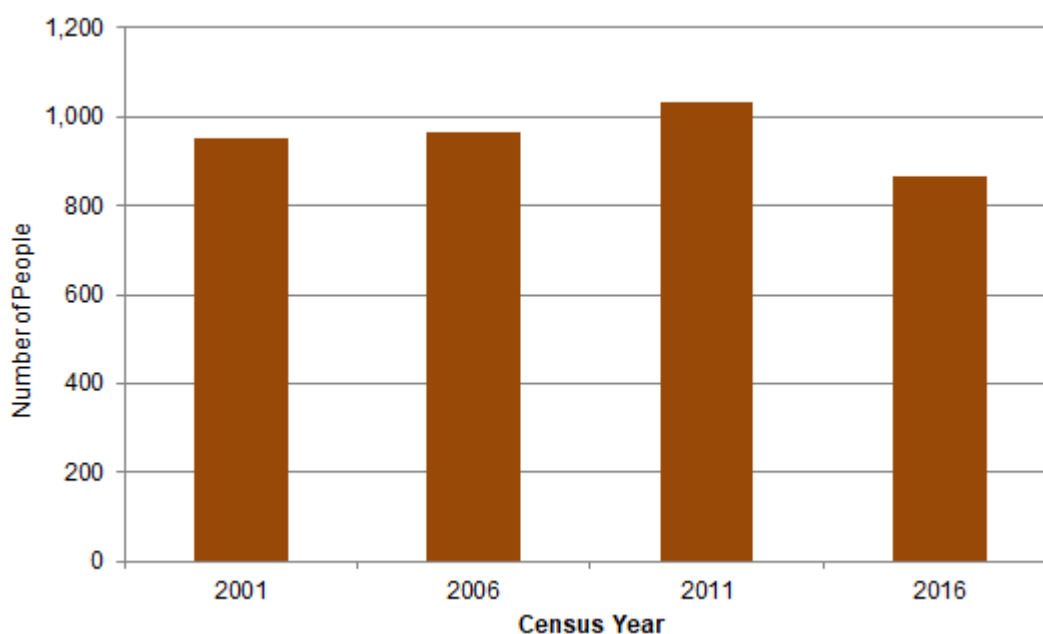


Figure 2: ABS Census Population – Shire of Kondinin 2001 - 2016

Over the same timeframe, the median age has increased from 35 to 43. This change may suggest that demand for some facilities (e.g. active recreation buildings such as pavilions) could have fallen while demand for others (e.g. aged accommodation) had risen. It is likely that demographic change has had some effect on property service demand.

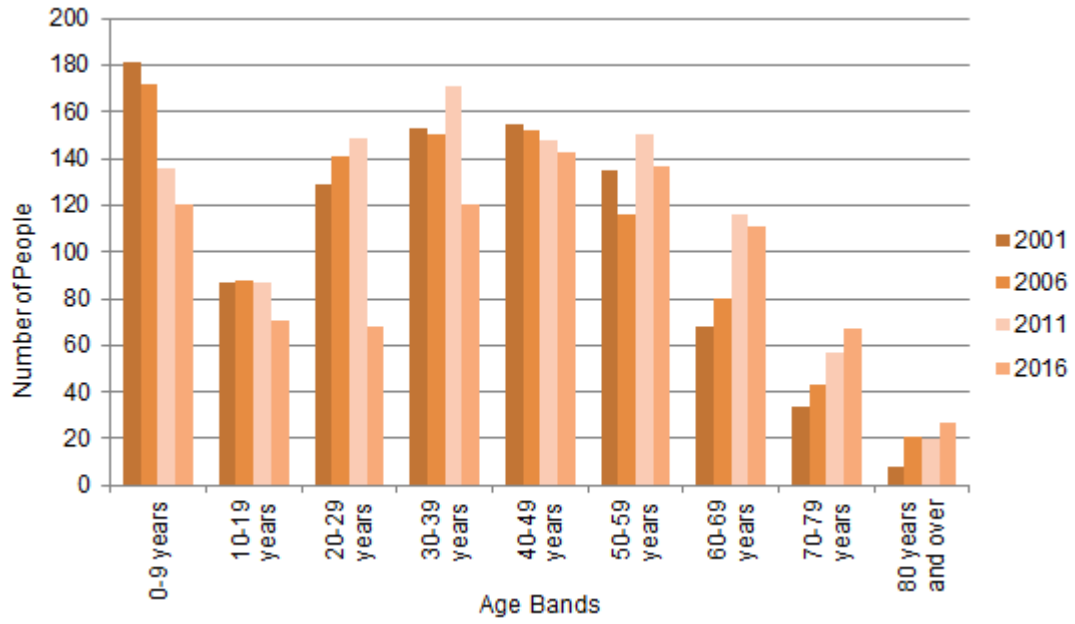


Figure 3: ABS Census Demographics – Shire of Kondinin 2001-2016

Recreation Participation Change

The ABS Participation in Sport and Physical Recreation Survey was last conducted in 2013-14. Within Australia, walking for exercise remained the most popular activity over time with a participation rate of 19.2%. The second and third most popular activities were fitness/gym (17.4%) and jogging/running (7.4%) respectively.

Within WA (Figure 4), participation rates peaked at around 75% in 2002 and have since steadily fallen to 63% in 2013. If this trend is also representative of the Shire’s population, then it is important, as this could also offset any service demand variation from a changing population size. However, this position cannot be categorically determined without the assistance of property usage statistics. The collation of this information has been listed as an improvement action.

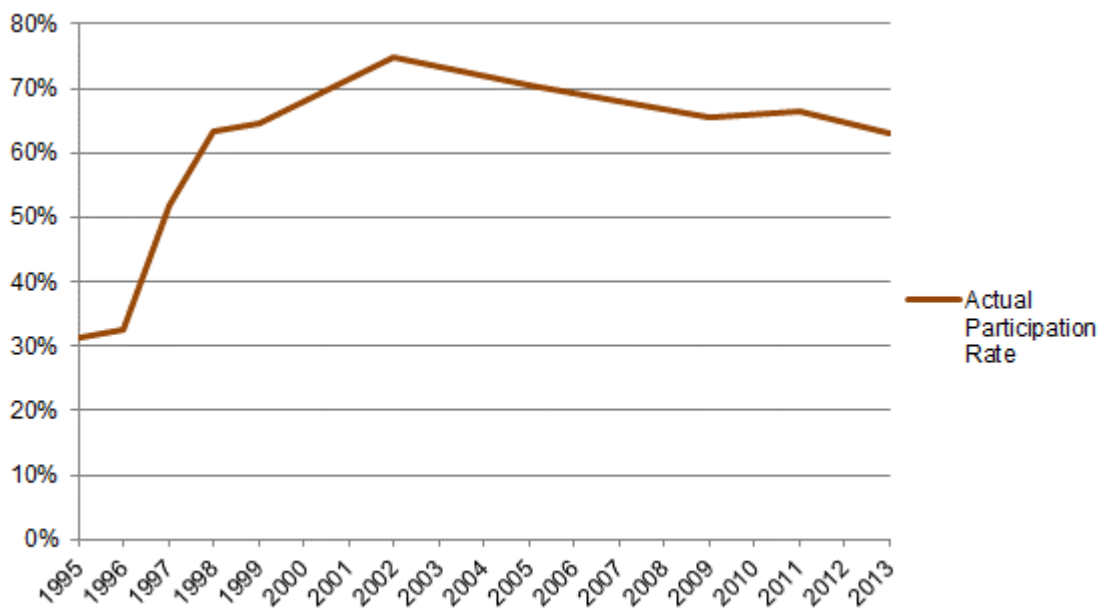


Figure 4: ABS Sport and Recreation Participation Rates

Tourist & Visitor Numbers Change

Outside of immediate local demand, there may be potential demand from visitors to the Shire, whether day trippers or tourists. Figures from Tourism WA show that over the past five years, the estimated number of visitors to/within WA have risen from 26.5million in 2013/14 to 32.2 million in 2017/8. Figures show that 7% of these visitors go to 'golden outback' region, within which the Shire sits. Assuming that a portion of these visitors may visit the Shire, increases in WA tourist numbers may have resulted in increasing demand of property based tourist services.

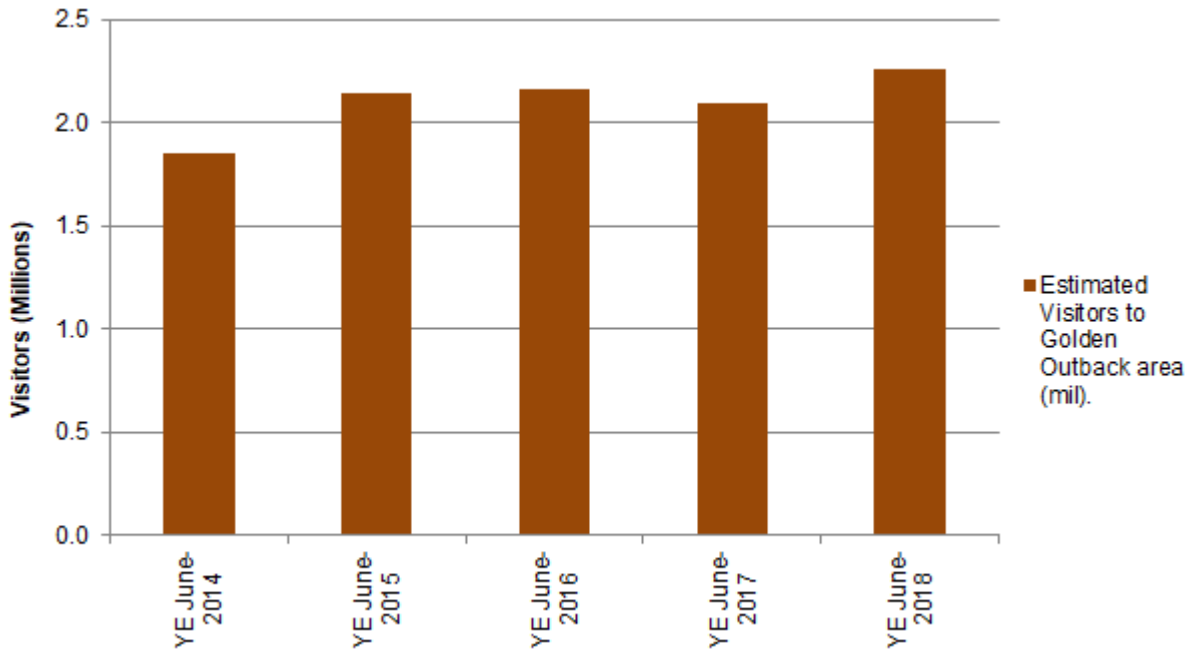


Figure 5: Estimated Golden Outback Visitors (Source: Tourism WA December 2018)

Rainfall Change

Consideration of historical annual rainfall may provide an indication of climate change and whether buildings in particular will need to adapt to meet water supply challenges. Figure 6 shows the annual total rainfall at Kondinin from 1918 to 2017. Considering the linear trend line, it can be seen that average annual rainfall levels have largely remained the same, which is contrary to the trend typically seen across the WA wheatbelt. Nevertheless, this suggests that rainfall has not had an effect on service demand.

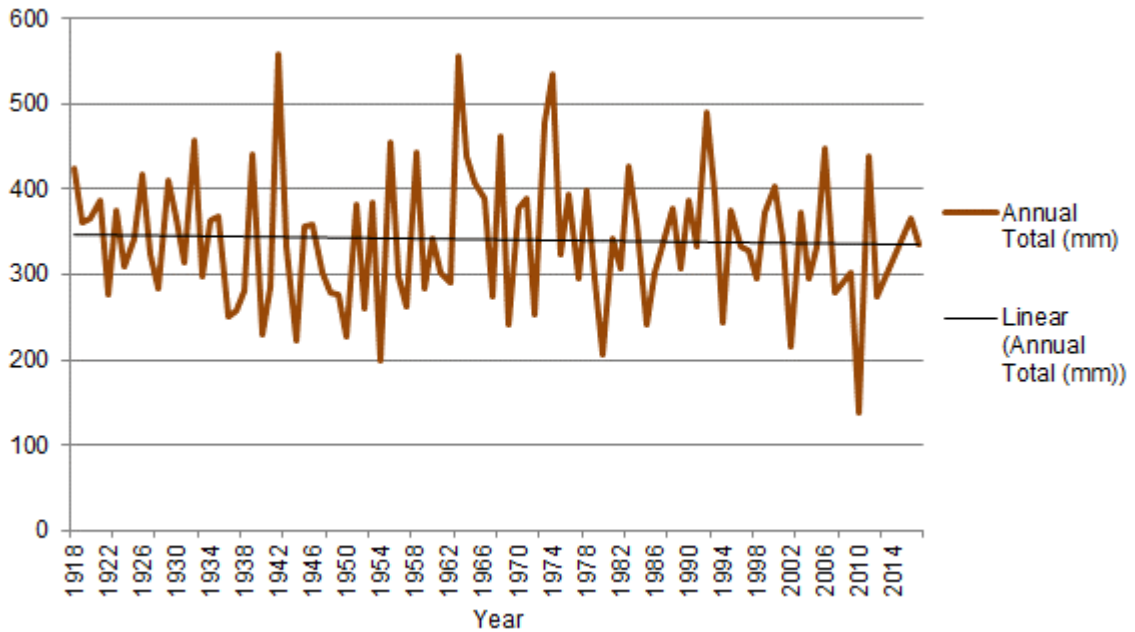


Figure 6: Kondinin Weather Station Historical Annual Rainfall

Temperature Change

A review of the historical annual monthly mean maximum temperatures shows that between 1949 and 2017, there has been an increase from about 32.6 °C to 33.3 °C (Figure 7). This change demonstrates that the local environment is indeed experiencing hotter temperatures. Over time, this climatic temperature change is likely to affect a number of property assets, their component’s lives and even operational costs. If this occurs, then the whole of life costs will increase, resulting in additional budgetary demands.

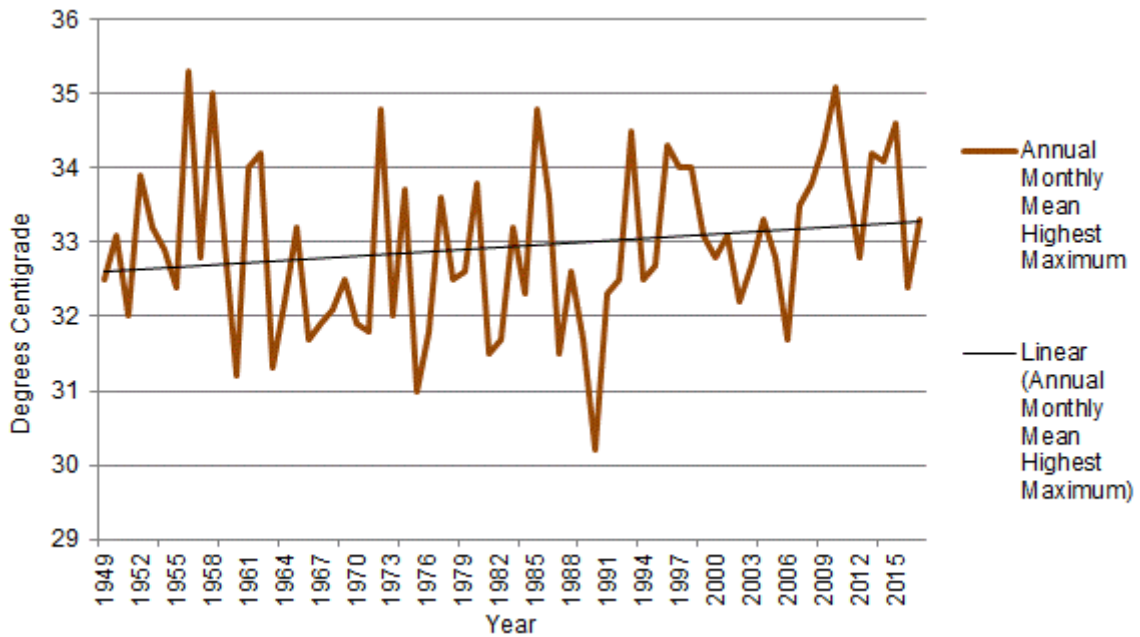


Figure 7: Corrigin Weather Station Historical Annual Monthly Mean Maximum Temperature

Future Demand Drivers

In order to identify future demand pressures on the Property Portfolio (both positive and negative), six driver categories have been considered. These drivers may influence actual usage levels, as well as possibly requiring future resources to meet specific service needs or goals. Each of these demand drivers are briefly discussed below. The exact effects of many of these drivers are difficult to quantify and may also require further study and research.

Political

- ↔ Council has the ability to change (up or down) the quality of buildings' service levels and hence effect costs – Considered unlikely to significantly change.
- ↑ Integrated Planning and Reporting requirements could continue to demand improvements to the Shire's asset management practices – Likely to continue to drive improved practices and hence require additional resources (both workforce and consultancy) over the medium term.
- ↔ Council change the Shire's strategic direction and initiatives – Major changes could mean that the portfolio is not aligned with required services. Considered unlikely to occur at this stage.
- ↔ Local government reform/amalgamation initiatives occur – Whether this occurs or not, the effect on local building service demand is likely to remain unchanged.

Economic

- ↔ Changes/access to external funding sources for buildings – Recurrent external (e.g. state and federal governments) funding schemes for building operation, maintenance and renewal generally do not presently exist. Most available grants are focussed on upgrade or new projects. As such, most grant funded schemes would actually increase the ongoing lifecycle costs of the portfolio. At present though, with current state and federal budget constraints, additional funding for recurrent expenditure is unlikely.
- ↑ Increased energy costs – Historically, costs have risen above CPI, and suggestions are that this trend will continue. As such, this will effect buildings' operational costs.
- ↑ Building portfolio financial sustainability – At present the asset consumption ratio for buildings is slightly below the target band. An improvement task to consider this result has been listed.
- ↑ Financial Sustainability - A review of the MyCouncil ratios shows that the three asset focussed ones have consistently been at or above target bands. However, there are clearly issues with the ratios' calculations, as evidenced by the asset consumption ratio, which is impossibly high. Further analysis is therefore required via an improvement action.

Social

- ↑ Tourism numbers – Through local initiatives, it is hoped that local tourism numbers will increase, thus also increasing service demand of affected buildings.
- ↓ Population – State forecasts suggest that the Shire's population is likely to fall in four of its five scenarios. With a historical change of -0.6% (2001-16) Band D may be the most likely scenario. As such, demand for building based services may also fall.

Year	Band A	Band B	Band C	Band D	Band E
2016	880	880	880	880	880
2021	545	715	820	905	1,105
2026	440	670	770	885	1,165
2031	375	610	740	810	1,100
Change	-505 (57%)	-270 (31%)	-140 (16%)	-70 (8%)	+220 (25%)

- ↔ Demographics – generally, WA's population has an increasing median age. The Shire's median age seems to be growing at a slow rate. If this trend continues, then some demand change due to demographics may be expected, although possibly somewhat minimal.
- ↓ Participation – since 2002, recreation participation has fallen. It is likely that this trend may continue into the future. This will reduce the service demand of sporting type buildings.
- ↔ Relative Socio-economic advantage and disadvantage – With a SEIFA index at the 48 percentile within WA, there generally seems to be few barriers to service access. No specific demand change due to socio-economic factors has been identified at this stage.
- ↔ Heritage buildings – The Shire has a number of buildings that exist due to historic/heritage reasons. No specific changes to the Shire's portfolio has been identified.

Technological

- ↓ Robotics & technology integration – Uptake/implementation of robotics and technology into buildings should increase the efficiency of maintenance practices, thus reducing lifecycle management costs.
- ↓ Solar power & battery storage – implementation of energy technology should reduce operational costs over the longer term.

Legal

- ↔ Litigation change – it is not anticipated that litigation levels will change from currently low levels.
- ↑ Compliance & processes – it is likely that the level of compliance around buildings will increase, thus increasing the Shire's operation and maintenance activities.

Environmental

- ↑ Water security/efficiency – Likely that scheme water will become increasingly more expensive. This will increase the demand to implement scheme water minimisation initiatives.
- ↑ Climate change – trends suggest that this is occurring and therefore extreme events and hotter, dryer weather are likely. Climatic change will increase demand of management practices and building performance.

Key Demand Drivers

During a workshop in February 2019, Shire staff considered each of the potential sources of service demand change. As a result, the following drivers were considered to be those likely to have the greatest change effect. Demand mitigation tactics have been identified and are recorded in Part 1.

- = Legislation and compliance changes (requiring more resources).
- = Population change
- = Demographic change
- = Construction and maintenance cost increases
- = Participation rates/changes
- = External sources of funding

Appendix D – Portfolio Physical Parameters

Data Confidence

To be able to effectively manage its assets, the Shire collects and maintains a range of data on its property portfolio. Understanding where gaps in this data exist is important to determine the confidence that we can put in the outcomes (e.g. valuations) that result. Table 5 details the reliability and confidence levels of the current asset data the Shire holds. In assessing the data, the Shire has applied the IIMM confidence framework as detailed in Table 4.

Confidence Grade	Description	Accuracy
A – Very Good	Accurate	100%
B - Good	Minor inaccuracies	± 5%
C - Average	50% estimated	± 20%
D - Poor	Significant data estimated	± 30%
E – Very Poor	All data estimated	± 40%

Table 4: Data Confidence Measures

Asset Class	Inventory	Condition	Valuation
Buildings	Good	Good	Good
Freehold Land Parcels	Good	N/A	Good

Table 5: Property Portfolio Data Confidence Levels

Inventory & Valuation

The following section outlines the Shire's property assets as of 30 June 2017. No fair values or depreciation expenses were calculated as part of the valuation. The development of these is listed as an improvement action.

Buildings

Asset No.	Name	Address	Replacement Cost	Fair Value	Depreciation Expense
B001	Kondinin Hall	25 Jones Street Kondinin	\$3,110,000	\$1,365,895	\$75,102
B002	Shire Offices & Library	11 Gordon Street Kondinin	\$1,423,000	\$749,000	\$42,325
B003	Arts Centre (Former Kindergarten)	42 Rankin Street Kondinin	\$345,000	\$104,580	\$12,010
B004	Hall	7 Lynch Street Hyden	\$2,690,000	\$819,249	\$64,893
B005	Daycare Centre	33 Mcpherson Street Hyden	\$314,000	\$95,180	\$10,910
B006	Commentators Box	- Marshall Street Hyden	\$40,200	\$16,382	\$914
B007	Community Resource Centre	40 Naughton Street Hyden	\$1,346,000	\$822,508	\$40,008
B008	Karlgarin Hall	- Melba Street Karlgarin	\$689,000	\$247,110	\$15,041
B009	Lions Den	19 Jones Street Kondinin	\$312,000	\$62,947	\$6,875
B010	Resource & Telecentre	3-5 Gordon Street Kondinin	\$1,180,000	\$962,608	\$35,175
B011	Medical Centre	- Graham Street Kondinin	\$919,000	\$735,200	\$31,890
B012	Aged Care Facility	- Graham Street Kondinin	\$712,000	\$569,600	\$24,695
B013	Toilet Block	- Graham Street Kondinin	\$157,500	\$31,500	\$5,526
B014	Vehicle Shed	- Graham Street Kondinin	\$369,000	\$260,588	\$10,363
B015	Signage Shed	- Graham Street Kondinin	\$103,000	\$30,900	\$2,820
B016	Dog Pound	- Graham Street Kondinin	\$8,400	\$3,386	\$236

Asset No.	Name	Address	Replacement Cost	Fair Value	Depreciation Expense
B017	Shed (Greenkeepers)	- Graham Street Kondinin	\$61,300	\$12,260	\$1,661
B018	Maintenance Shed (SES & Fire Truck Shed)	- McArdell Street Kondinin	\$105,000	\$42,000	\$2,860
B019	Garage	1 Clayton Street Hyden	\$40,300	\$16,120	\$1,102
B020	Signage Shed	1 Clayton Street Hyden	\$41,600	\$12,480	\$1,131
B021	Storage Shed	1 Clayton Street Hyden	\$10,500	\$4,200	\$286
B022	Storage Shed #2	1 Clayton Street Hyden	\$84,000	\$33,600	\$2,295
B023	Accommodation Units	1 Clayton Street Hyden	\$41,000	\$14,000	\$2,733
B024	Cribroom & Ablutions	1 Clayton Street Hyden	\$314,000	\$128,466	\$9,296
B025	SES & Fire Truck Shed	13 Lynch Street Hyden	\$218,000	\$152,600	\$5,950
B026	FESA Shed	- Graham Street Kondinin	\$273,000	\$218,400	\$7,420
B027	Fire Tender Shed	29 Melba Street Karlgarin	\$60,100	\$54,090	\$1,637
B028	Administration Building	- Graham Street Kondinin	\$511,000	\$358,220	\$15,200
B029	Dwelling	30 (Lot 246) Repacholi Parade Kondinin	\$380,000	\$320,000	\$6,333
B030	Dwelling	4 Hynes Street Hyden	\$360,000	\$290,000	\$6,000
B031	Dwelling	46 Graham Street Kondinin	\$210,000	\$60,000	\$4,200
B032	Dwelling	4 Wignell Street Kondinin	\$160,000	\$55,000	\$3,200
B033	Dwelling	76 Graham Street Kondinin	\$420,000	\$285,000	\$7,000
B034	Dwelling	84 Graham Street Kondinin	\$400,000	\$285,000	\$6,667
B035	Dwelling	21 Young Avenue Kondinin	\$450,000	\$185,000	\$7,500

Asset No.	Name	Address	Replacement Cost	Fair Value	Depreciation Expense
B036	Dwelling	11 Young Avenue Kondinin	\$460,000	\$140,000	\$7,667
B037	Dwelling	37 Radbourne Drive Hyden	\$530,000	\$260,000	\$8,833
B038	Dwelling	94 Graham Street Kondinin	\$480,000	\$260,000	\$8,000
B039	Dwelling	6 Hinck Street Kondinin	\$610,000	\$260,000	\$10,167
B040	Dwelling	28 (Lot 245) Repacholi Parade Kondinin	\$600,000	\$260,000	\$10,000
B041	Dwelling	35 Smith Loop Hyden	\$230,000	\$180,000	\$4,600
B042	Toilet Block	33 Gordon Street Kondinin	\$126,000	\$50,400	\$4,409
B043	Gazebo	33 Gordon Street Kondinin	\$0	\$0	\$0
B044	Camp Kitchen & Laundry	33 Gordon Street Kondinin	\$376,000	\$300,800	\$13,190
B045	Chalet 1	33 Gordon Street Kondinin	\$62,000	\$46,000	\$4,133
B046	Chalet 2	33 Gordon Street Kondinin	\$140,000	\$99,000	\$9,333
B047	Chalet 3	33 Gordon Street Kondinin	\$120,000	\$87,000	\$8,000
B048	Public Toilets	27 Jones Street Kondinin	\$158,700	\$95,220	\$5,583
B049	Toilet Block 1	- Wave Rock Road Hyden	\$134,600	\$40,620	\$4,727
B050	Toilet Block	- Lynch Street Hyden	\$142,200	\$56,880	\$5,000
B051	Toilet Block 2 (Breakers)	- Wave Rock Road Hyden	\$45,500	\$13,732	\$1,593
B052	Toilet Block 3 (new)	- Wave Rock Road Hyden	\$65,000	\$61,000	\$4,333
B053	Toilet Block	- Melba Street Karlgarin	\$134,600	\$107,680	\$4,727
B054	Dwelling	- Wave Rock Road Hyden	\$290,000	\$31,067	\$7,433

Asset No.	Name	Address	Replacement Cost	Fair Value	Depreciation Expense
B055	Tennis Pavilion	- Marshall Street Hyden	\$771,000	\$375,900	\$26,765
B056	Tennis Pavilion	- Gordon Street Kondinin	\$172,000	\$53,271	\$3,896
B057	Recreation Pavilion	- Marshall Street Hyden	\$2,380,000	\$1,312,200	\$82,400
B058	Recreation Pavilion	- Prospect Street Karlgarin	\$708,000	\$165,000	\$24,560
B059	Recreation Pavilion	- Gordon Street Kondinin	\$1,328,000	\$401,800	\$46,010
B060	CWA Building	33 Melba Street Karlgarin	\$0	\$0	\$0
B061	TV Satellite Rebroadcasting Facility	- Graham Street Kondinin	\$9,100	\$2,819	\$206
B062	TV Satellite Rebroadcasting Facility	1 Clayton Street Hyden	\$13,700	\$6,850	\$310
B063	Kondinin Country Club	- Gordon Street Kondinin	\$1,191,000	\$360,300	\$41,270
B064	Golf Clubhouse	- Kondinin-Hyden Road Kondinin	\$1,094,000	\$218,800	\$37,820
B065	Golf Clubhouse	- Hyden-Lake King Road Hyden	\$1,223,000	\$244,600	\$42,410
B066	Greenkeepers Shed	- Hyden-Lake King Road Hyden	\$80,000	\$48,000	\$2,180
B067	Waste Oil Facility (transportable)	- Graham Street Kondinin	\$8,500	\$4,300	\$283
B068	Waste Oil Facility (transportable)	- Clayton Street Hyden	\$8,500	\$4,300	\$283
B069	Aquatic Centre	- Graham Street Kondinin	\$1,435,000	\$1,305,667	\$45,375
B070	Filter / pump room	- Graham Street Kondinin	\$49,000	\$44,262	\$1,814
B071	Plant Shed	11 McPherson Street Hyden	\$80,000	\$48,567	\$2,967
B072	Changerooms & Kiosk	11 McPherson Street Hyden	\$483,000	\$146,140	\$16,655
B073	Terminal Building	- Airport Road Kondinin	\$87,400	\$70,500	\$3,242
B074	Shed	- Aylmore Road Hyden	\$33,100	\$19,860	\$905

Asset No.	Name	Address	Replacement Cost	Fair Value	Depreciation Expense
B075	Shed	- Kondinin Lake Road Kondinin	\$35,300	\$21,180	\$964
B076	Basketball Pavilion	- Marshall Street Hyden	\$77,100	\$46,260	\$2,677
B077	Machinery Shed	- Kondinin - Narembreen Road Kondinin	\$167,000	\$100,200	\$4,540
B078	Toilet Block	- Bates Road Hyden	\$40,200	\$28,212	\$1,409
B079	Hyden Youth Base	- Marshall Street Hyden	\$189,600	\$133,200	\$6,567
B080	Mens Shed	Lot 277 Cottle Way Kondinin	\$135,600	\$67,936	\$4,062
B081	Bendering Hall	- Bendering Hall Road Bendering	\$341,000	\$35,300	\$7,500
B082	King Rock Pavillion	- King Rock Road Kondinin	\$44,400	\$8,880	\$1,335
B083	Dwelling	33 (Lot 284) Repacholi Parade Kondinin	\$420,000	\$320,000	\$7,000

Table 6: Building Inventory and Values

Land

Land ID	Description	Address	Land Area sq.m.	Fair Value
100A	Lot 1 D35839	1 Gordon Street, Kondinin	184	\$5,000
11003A	Dwelling	2 Hynes Street, Hyden	505	\$12,000
111A	Lion's Den	19 Jones Street, Kondinin	1,012	\$15,000
112A	Dwelling	76 Graham Street, Kondinin (Lot 44)	1,411	\$18,000
117	Dwelling	46 Graham Street, Kondinin (Lot 223)	994	\$15,000
118	Dwelling	11 Young Avenue, Kondinin (Lot 255)	1,406	\$18,000
119	Daycare Centre	33 McPherson Street, Hyden	918	\$15,000
11A	Lot 15 P5661	11 Lynch Street, Hyden	1,012	\$15,000
120	Dwelling	94 Graham Street, Kondinin (Lot 130)	1,877	\$18,000
12011	Dwelling	35 Smith Loop, Hyden	982	\$15,000
121	SES & Fire Truck shed	13 Lynch Street, Hyden	1,012	\$15,000
122	Kalgarin Hall	Melba Street, Kalgarin	3,036	\$15,000
123	Kondinin Hall	25 Jones Street, Kondinin	1,012	\$15,000
124	Shire Offices & Library	11 Gordon Street, Kondinin	1,056	\$15,000
125	Dwelling	84 Graham Street, Kondinin (Lot 125)	1,410	\$18,000
126 + 129	Dwelling	21 Young Avenue, Kondinin (Lot 252)	1,113	\$17,000
127	Lot 82 P201744	2 Rankin Street, Kondinin	1,260	\$16,000
128	Dwelling	4 Wignell Street, Kondinin (Lot 210)	938	\$15,000
130	Dwelling	6 Hinck Street, Kondinin (Lot 243)	1,406	\$18,000

Land ID	Description	Address	Land Area sq.m.	Fair Value
131	Dwelling	37 Radbourne Drive, Hyden (Lot 143)	944	\$15,000
132	Arts Centre (Former Kindergarten)	42 Rankin Street, Kondinin	1,011	\$16,000
133	Lot 184 Smith Loop	27 Smith Loop, Hyden	NIL	\$0
150A	Hyden Hall	7 Lynch Street, Hyden	2,144	\$20,000
151609	Lot 245, No. 28 Repacholi Pde	28 Repacholi Parade, Kondinin	1,112	\$16,000
15A	Lot 42 P147203	15 Nicholls Street, Kondinin	60,703	\$18,000
161	Lot 266 D58922	Graham Street, Kondinin	2,032	\$20,000
165	Lot 10 Airport Road	Airport Road, Kondinin	356,398	\$40,000
172	Lot 246 P210625	30 Repacholi Parade, Kondinin	1,112	\$16,000
17A	Lot 23 P85523	17 Jones Street, Kondinin	1,011	\$15,000
18A	Lot 133 P147834	18 Connell Street, Kondinin	20,259	\$50,000
201	Dwelling	43 Repacholi Parade, Kondinin	907	\$15,000
215A	Fire Tender Shed, Kalgarin	29 Melba Street, Kalgarin	1,011	\$10,000
217A	Resource & Telecentre	3 - 5 Gordon Street, Kondinin	374	\$10,000
239C	Garage, Hyden Works Depot	1 Clayton street, Hyden	7,171	\$30,000
29A	Lot 29 P5661	29 Naughton Street, Hyden	9,751	\$18,000
33A	Lot 38 P205013	33 Federal Street, Kalgarin	1,011	\$10,000
477	Lot 227 D58922	6 & 10 Cottle Way, Kondinin (Lot 277)	4,062	\$40,000
	Lot 1 King Rocks	King Rocks Road, Hyden	27,153	\$40,000
	Land P085523	44 Rankin Street, Kondinin	1,011	\$15,000

Land ID	Description	Address	Land Area sq.m.	Fair Value
	Land P184159	41 Repacholi Pde, Kondinin	925	\$15,000
	Land P184159	39 Repacholi Pde, Kondinin	925	\$15,000
	Lot 1 D064019	Karlgarin Road East, Karlgarin	92,423	\$110,000
	Lot 1 P014141	Kondinin-Hyden Road, Hyden	27,064	\$25,000
	Land P014141	Lot 2 Marshall Street, Hyden	-	\$120,000
	Land (Vacant)	Lot 111 Biglin Road, Kondinin	8,093	\$8,000
	Land (Vacant)	Lot 50 Biglin Road, Kondinin	8,093	\$8,000
	Land (Vacant)	Lot 53 Kondinin-Naremben Road	8,093	\$8,000
	Lot 300 & 2888 (18 hole golf course)	Hyden-Lake King Road, Hyden	1,701,297	\$200,000

Condition

The Shire does not routinely record building condition ratings. However, an assessment was conducted as part of the last valuation. The ratings are shown below. An improvement action to implement a programme of inspections across the portfolio has been listed. Knowing land parcels' condition is not required. It should be noted that the results below used a 0-10 rating scale. These have been converted back to a 0-5 scale for use elsewhere within this AMP.

Building Name	Overall	Substructure	Superstructure	Roof	Fittings	Finishes	Services
Kondinin Hall	6	6	6	2	6	6	6
Shire Offices & Library	5	5	5	3	5	5	5
Arts Centre (Former Kindergarten)	7	7	7	7	7	7	7
Hall	7	7	7	7	7	7	7
Daycare Centre	7	7	7	7	7	7	7
Commentators Box	6	6	6	6	0	0	6
Community Resource Centre	4	4	4	4	4	4	4
Karlgarin Hall	7	7	7	3	7	7	7
Lions Den	8	8	8	8	8	8	8
Resource & Telecentre	2	2	2	2	2	2	2
Medical Centre	2	2	2	2	2	2	2
Aged Care Facility	2	2	2	2	2	2	2
Toilet Block	8	8	8	8	8	8	8
Vehicle Shed	3	3	3	3	0	0	3
Signage Shed	7	7	7	7	0	0	7
Dog Pound	6	6	6	6	0	0	6
Shed (Greenkeepers)	8	8	8	8	0	0	8
Maintenance Shed (SES & Fire Truck Shed)	6	6	6	6	0	0	6
Garage	6	6	6	6	0	0	6
Signage Shed	7	7	7	7	0	0	7
Storage Shed	6	6	6	6	0	0	6

Building Name	Overall	Substructure	Superstructure	Roof	Fittings	Finishes	Services
Storage Shed #2	6	6	6	6	0	0	6
Accommodation Units	7	-	-	-	-	-	-
Cribroom & Ablutions	6	6	6	6	6	6	6
SES & Fire Truck Shed	3	3	3	3	0	0	3
FESA Shed	2	2	2	2	0	0	2
Fire Tender Shed	1	1	1	1	0	0	1
Administration Building	3	3	3	3	3	3	3
30 (Lot 246) Repacholi Parade Kondinin	1	0	0	0	0	0	0
4 Hynes Street Hyden	2	0	0	0	0	0	0
46 Graham Street Kondinin	7	0	0	0	0	0	0
4 Wignell Street Kondinin	7	0	0	0	0	0	0
76 Graham Street Kondinin	3	0	0	0	0	0	0
84 Graham Street Kondinin	3	0	0	0	0	0	0
21 Young Avenue Kondinin	6	0	0	0	0	0	0
11 Young Avenue Kondinin	7	0	0	0	0	0	0
37 Radbourne Drive Hyden	4	0	0	0	0	0	0
94 Graham Street Kondinin	4	0	0	0	0	0	0
6 Hinck Street Kondinin	5	0	0	0	0	0	0
28 (Lot 245) Repacholi Parade Kondinin	5.5	0	0	0	0	0	0
35 Smith Loop Hyden	2	0	0	0	0	0	0
Toilet Block	6	6	6	6	6	6	6
Gazebo	0	-	-	-	-	-	-
Camp Kitchen & Laundry	2	2	2	2	2	2	2
Chalet 1	3	-	-	-	-	-	-
Chalet 2	3	-	-	-	-	-	-
Chalet 3	3	-	-	-	-	-	-
Public Toilets	4	4	4	4	4	4	4
Toilet Block 1	7	7	7	7	7	7	7

Building Name	Overall	Substructure	Superstructure	Roof	Fittings	Finishes	Services
Toilet Block	6	6	6	6	6	6	6
Toilet Block 2 (Breakers)	7	7	7	7	7	7	7
Toilet Block 3 (new)	1	-	-	-	-	-	-
Toilet Block	2	2	2	2	2	2	2
Dwelling	9	9	9	9	9	9	9
Tennis Pavilion	6	7	7	4	4	4	4
Tennis Pavilion	7	7	7	7	0	0	7
Recreation Pavilion	5	7	7	3	3	3	3
Recreation Pavilion	7	8	8	5	8	8	8
Recreation Pavilion	7	7	7	7	7	7	7
CWA Building	-	-	-	-	-	-	-
TV Satellite Rebroadcasting Facility	7	7	7	7	0	0	7
TV Satellite Rebroadcasting Facility	5	5	5	5	0	0	5
Kondinin Country Club	7	7	7	7	7	7	7
Golf Clubhouse	8	8	8	8	8	8	8
Golf Clubhouse	8	8	8	8	8	8	8
Greenkeepers Shed	4	4	4	4	0	0	4
Waste Oil Facility (transportable)	5	-	-	-	-	-	-
Waste Oil Facility (transportable)	5	-	-	-	-	-	-
Aquatic Centre	0.5	1	1	1	1	1	1
Filter / pump room	0.5	1	1	1	0	0	1
Plant Shed	4	4	4	4	0	0	4
Changerooms & Kiosk	7	7	7	7	7	7	7
Terminal Building	2	2	2	2	0	0	2
Shed	4	4	4	4	0	0	4
Shed	4	4	4	4	0	0	4
Basketball Pavilion	4	4	4	4	4	4	4
Machinery Shed	4	4	4	4	0	0	4

Building Name	Overall	Substructure	Superstructure	Roof	Fittings	Finishes	Services
Toilet Block	4	3	3	3	3	3	3
Hyden Youth Base	3	3	3	3	3	3	3
Men's Shed	5	5	5	5	5	5	5
Bendering Hall	9	9	9	9	9	9	9
King Rock Pavilion	8	8	8	8	8	8	8

Appendix E – Lifecycle Management Strategies

Background

Lifecycle management encompasses all strategies and practices that the Shire employs to manage property assets at the lowest lifecycle cost. This section details all the strategies and practices that are currently employed.

Principles & Definitions

In considering the Shire's asset lifecycle management, the following key principles and definitions must be considered.

Work Category Definitions

The Shire considers the activities it undertakes across six categories as follows.

Activity	Definition
Operation	Continuously required expenditure which enables assets to provide benefits to the community such as utility charges, inspections, cleaning etc.
Maintenance	Regular works to maintain the assets' capability, such as minor repairs, servicing, mowing, painting, crack sealing etc.
Renewal	Works to replace existing assets which are worn, poorly functioning or dated with assets of equivalent capacity or performance. For example, the renewal of an internal wall in a building, renewal of an engine in a grader, resurfacing a road (re-sheeting or resealing) or replacing girders on a bridge.
Upgrade	The significant upgrade of an asset to produce a higher service level, such as the widening of a road, extension of a building, installation of reticulation to a dry park etc.
New Work	The creation of a new asset, in a location where that asset type has not existed before.
Disposal	The process of removing and disposing of an asset upon the end of its useful life. For the purpose of this AMP this is only when an asset is not replaced.

Table 7: Activity Categories

Lifecycle Cost Basis

All assets have a lifecycle. This is defined as the time interval that commences with the identification of the need for an asset and ends with the decommissioning of the asset (i.e. disposal but with no replacement). It covers five stages, being conception & design, acquisition/construction, operation & maintenance, renewal and disposal.

Operation & Maintenance Strategy

Often referred to as ‘OPEX’, operational and maintenance expenditure and works are required to ensure the longevity of assets’ lives and the reliability of their services. The Shire’s approach to meeting OPEX needs is a combination of reactive and short term planned strategies. As described in the figure below, the Shire’s strategy to OPEX is:

- = Operational costs typically vary with usage. The Shire broadly works on an annual budget planning cycle (12 months), and seeks funding in-line with previous years’ budgets, with an allowance for at least CPI.
- = Reactive maintenance typically arises from either community requests and/or internal works orders. Works are then scheduled, actioned and completed. Budgeting is based on previous years’ allocations, with an increase of at least CPI.
- = Planned maintenance works are typically identified from either internal staff inspection or by legislative requirements. Budgets are developed based on the programmes and previous years’ expenditure, with an increase of at least CPI. Some planned maintenance programmes do exist, but not all are documented. An improvement action has been listed, to document all planned maintenance schedules, with associated budgets, for building and land assets.

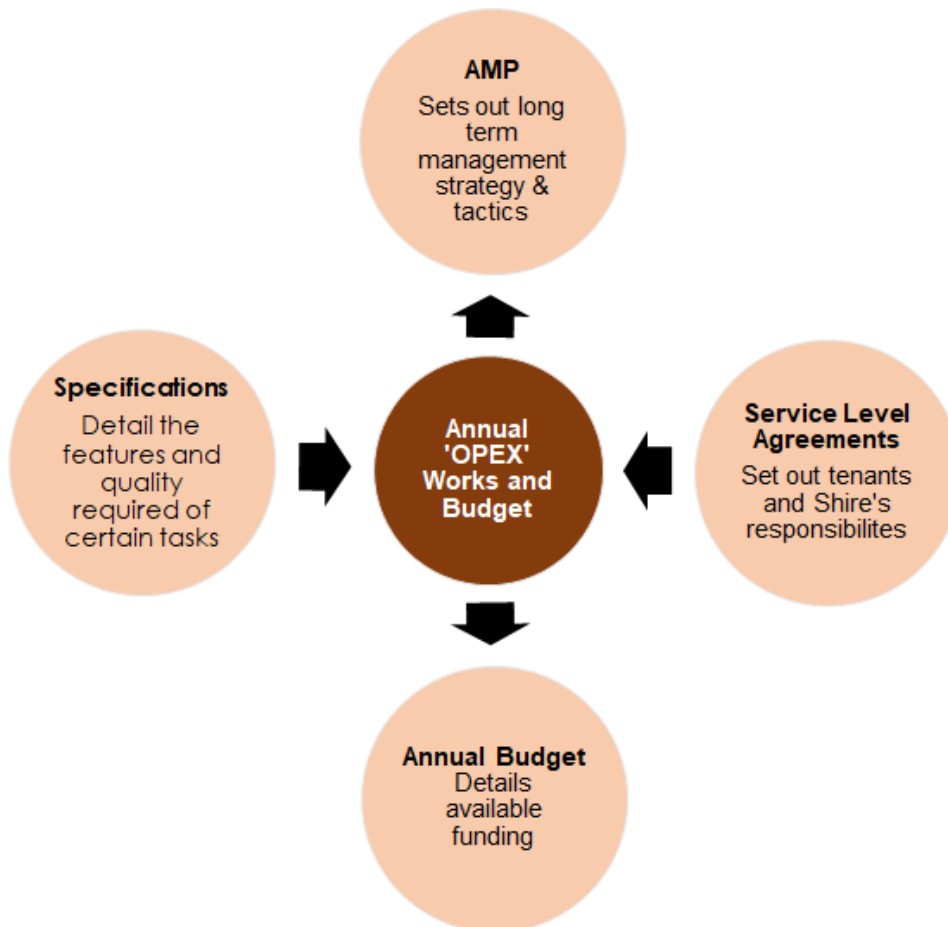


Figure 8: Property OPEX Framework

Staff Resources

The overall management of the Shire's property portfolio falls within the responsibility of the Chief Executive Officer. The Manager of Finance is responsible for overall accounting control of property assets, and the Manager of Works for engineering based works. The Shire is also assisted from time to time by external contractors.

Software Systems

The Shire currently employs the use of the following software system(s) to manage property asset data.

Software	Uses
SynergySoft	SynergySoft is used to record all property asset revenue and expenditure, as well as relevant records.

Table 8: Asset Management Software Systems

Renewal Strategy

Strategy

The Shire periodically inspects building assets to identify short term renewal needs. However, the Shire wishes to improve this practice and use known condition to help inform a long term (5 years+) capital works programme. The development of a formal inspection process and works programme has been listed as an improvement action.

Renewal Management Model

Condition information can be used to develop models that predict assets’ approximate year of renewal. The Shire can then scope and prioritise these renewal projects over the forthcoming period (e.g. 5 years). Further out (e.g. from years 6 onwards), results can help staff to understand the likely amount of renewal expenditure that will be required, even if the exact project details are not yet known. Ultimately, a robust long term (e.g. 15 years) renewal works programme can then be developed, that informs this AMP, and other documents such as the Long Term Financial Plan and Corporate Business Plan.

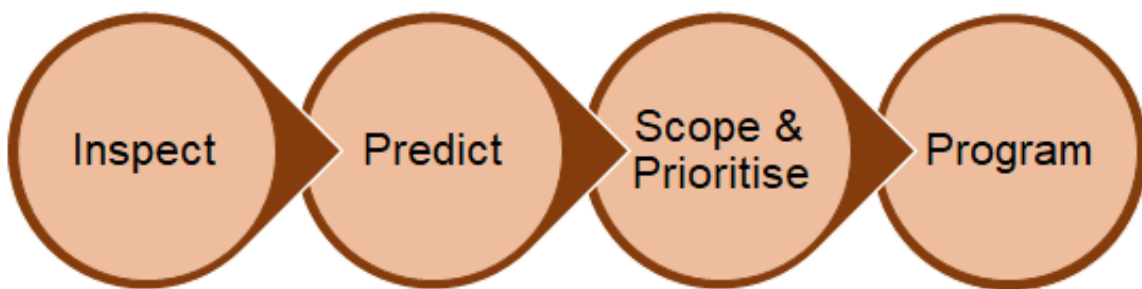


Figure 9: Building Asset Renewal Planning Process

Inspections

Asset Condition Rating Scale

In assessing assets’ condition, the Shire applies a 1 to 5 scale, as shown in Table 9.

Grade	Condition	Description
1	Excellent	A new or near new asset, or an asset recently rehabilitated back to new condition, with no visible signs of deterioration. The asset or component will have no drop in level of service.
2	Good	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	Average	An asset in fair overall condition deterioration in condition would be obvious and there would be some serviceability loss.
4	Poor	An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance costs would be rising.

5	Very Poor	An asset in poor to unserviceable overall condition deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high.
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Table 9: Condition Rating Measures

The Shire aims to minimise the number of assets that are rated as a 4-5 unless assets are in this state as part of a specific management program (i.e. part of an asset decommissioning plan).

Condition Inspection Frequencies

Properties assets are inspected to the following frequencies.

Asset	Inspection Frequency
Buildings	No formal program – currently ad hoc.
Land	Not required

Table 10: Condition Inspection Frequencies

Prediction

By understanding assets' physical condition (or any other performance feature), the Shire can then predict when assets, or their components, may require renewal. Typically, this is achieved by applying total useful lives to different assets or components, and then calculating how long it will take for them to reach a specific trigger. The currently applied renewal triggers are detailed below.

Component	Action	Triggers
All	Renewal	At poor or very poor condition, depending on building's usage level.

Table 11: Asset Renewal Condition Triggers

Project Scoping/Prioritisation

Assets or components that have reached, or will reach over the next few years, their intervention trigger, are then further investigated by Shire staff. The investigation seeks to determine when any works should be undertaken, what the scope is and what budget is required. This information is then used to build up the future renewal works programme.

Upgrade/New Strategy

Strategy

The Shire occasionally constructs or acquires upgraded and/or new assets. Expenditure on these assets is often considered as discretionary, and ultimately results in either a new or improved service (e.g. a building extension). The following section outlines the Shire's general approach to upgrade and new projects.

Project Prioritisation/Selection Criteria

The need for either upgraded or new assets is typically identified by staff from many potential sources including customer and Council request, strategic plans, poor asset performance and so on. Assets' needs are then investigated by staff to determine their potential scope, benefit and costs. Where determined as being required, a formal report may be given to Council for their consideration and approval.

Approved projects are considered for future funding, however at present are not prioritised collectively, to assess features such as their alignment to the Strategic Community Plan. An improvement task to consider a single common prioritisation framework has been listed.

Disposal Strategy

Strategy

At the present time the Shire generally does not frequently dispose of property assets. Where such a project is identified, then the need and scope is considered by staff and (in some instances) Council.

Property Works Programme Summary

Asset Sub Type	Activity Type	Activity Description	Funding Type	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Year 10 2027/28	Year 11 2028/29	Year 12 2029/30	Year 13 2030/31	Year 14 2031/32	Year 15 2032/33	Year 16 2033/34
Services																			
Utility Services	Operation	Kondinin Airstrip - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300	\$2,300	\$2,300	\$2,500	\$2,500	\$2,700	\$2,700	\$2,900	\$2,900	\$3,100	\$3,100
Utility Services	Operation	Kondinin Caravan Park - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$26,000	\$27,250	\$28,500	\$30,000	\$31,500	\$33,000	\$34,500	\$36,000	\$38,000	\$40,000	\$42,000	\$44,000	\$46,000	\$48,000	\$50,000
Utility Services	Operation	Kondinin Sports Pavilion - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$6,500	\$7,000	\$7,350	\$7,800	\$8,200	\$8,600	\$9,000	\$9,500	\$10,000	\$10,500	\$11,000	\$11,500	\$12,000	\$12,500	\$13,000
Utility Services	Operation	Kondinin Country Club - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$12,000	\$12,600	\$13,200	\$13,900	\$14,600	\$15,300	\$16,000	\$16,800	\$17,600	\$18,400	\$19,200	\$20,000	\$20,800	\$21,600	\$22,400
Utility Services	Operation	Kondinin Golf Clubhouse - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300	\$2,300	\$2,400	\$2,400	\$2,500	\$2,500	\$2,600	\$2,600	\$2,700	\$2,700
Utility Services	Operation	Kondinin Mens Shed - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$250	\$265	\$277	\$290	\$305	\$320	\$336	\$350	\$370	\$385	\$401	\$418	\$434	\$451	\$467
Utility Services	Operation	Kondinin Radio Hut - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$570	\$580	\$580	\$590	\$590	\$600	\$600	\$700	\$700	\$800	\$800	\$900	\$900	\$1,000	\$1,000
Utility Services	Operation	Hyden Recreation Centre - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$32,000	\$33,500	\$35,000	\$36,500	\$38,000	\$40,000	\$42,000	\$44,000	\$46,000	\$48,000	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000
Utility Services	Operation	Hyden Golf Clubhouse - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$1,640	\$1,690	\$1,740	\$1,790	\$1,840	\$1,900	\$1,960	\$2,020	\$2,100	\$2,180	\$2,260	\$2,340	\$2,420	\$2,500	\$2,580
Utility Services	Operation	Hyden Tennis Pavilion - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$1,640	\$1,680	\$1,730	\$1,780	\$1,830	\$1,890	\$1,960	\$2,020	\$2,080	\$2,140	\$2,200	\$2,260	\$2,320	\$2,380	\$2,440
Utility Services	Operation	Hyden Radio Hut - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$100	\$100	\$110	\$110	\$120	\$120	\$120	\$130	\$130	\$140	\$140	\$150	\$150	\$160	\$160
Utility Services	Operation	Karlgarin Oval Pavilion - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$2,000	\$2,100	\$2,100	\$2,200	\$2,200	\$2,300	\$2,300	\$2,400	\$2,400	\$2,500	\$2,500	\$2,600	\$2,600	\$2,700	\$2,700
Utility Services	Operation	Kondinin Hall Public Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$770	\$770	\$780	\$780	\$790	\$790	\$800	\$800	\$810	\$820	\$830	\$840	\$850	\$860	\$870
Utility Services	Operation	Wave Rock x 2 Public Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$820	\$820	\$840	\$840	\$850	\$850	\$860	\$860	\$870	\$880	\$890	\$900	\$910	\$920	\$930
Utility Services	Operation	Hyden Hall Public Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$810	\$820	\$820	\$830	\$830	\$850	\$870	\$890	\$900	\$920	\$940	\$960	\$980	\$1,000	\$1,020
Utility Services	Operation	Breakers Public Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$100	\$110	\$110	\$120	\$120	\$130	\$130	\$140	\$140	\$150	\$150	\$160	\$160	\$170	\$170
Utility Services	Operation	Karlgarin Public Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$610	\$620	\$620	\$630	\$630	\$650	\$650	\$700	\$700	\$750	\$750	\$800	\$800	\$850	\$850
Utility Services	Operation	Kondinin Tennis Shed - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$320	\$320	\$320	\$330	\$330	\$340	\$340	\$350	\$360	\$370	\$380	\$390	\$400	\$410	\$420
Utility Services	Operation	Basketball Shed Hyden - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$150	\$150	\$160	\$160	\$170	\$170	\$170	\$180	\$180	\$190	\$190	\$200	\$200	\$210	\$210
Utility Services	Operation	The Humps Toilets - Annual water, insurance & telecommunication charges	Municipal Funds	\$0	\$40	\$50	\$50	\$50	\$60	\$60	\$60	\$60	\$60	\$70	\$70	\$70	\$70	\$70	\$80
SERVICES TOTAL				\$0	\$325,125	\$338,472	\$353,817	\$369,631	\$385,790	\$402,776	\$420,278	\$439,064	\$458,111	\$478,006	\$496,682	\$516,598	\$535,274	\$555,190	\$573,876
TOTAL PROPERTY WORKS EXPENDITURE				\$1,474,076	\$1,158,860	\$742,822	\$678,667	\$1,030,781	\$705,690	\$681,576	\$703,078	\$738,714	\$777,461	\$760,156	\$792,107	\$805,298	\$822,249	\$850,440	\$882,401

Key Assumptions

A number of key assumptions are made in preparing forecasts of required portfolio expenditure. They are that:

- = Property assets will remain in Council ownership throughout the period covered by this AMP, unless specifically detailed otherwise.
- = Standards, Acts and Regulations associated with property assets will remain essentially the same over the AMP life.
- = Expenditure projections allow for inflation.
- = Operation and maintenance costs are based primarily on planned programmes where available. Where not available, cost projections are based on historical expenditure trends which are not necessarily a sound indicator of future need, nor are tied to actual activities.
- = Renewal programmes have been based primarily on defined works programmes where available. Where not available, programmes are based on either modelling projections, historical cost and/or annual depreciation rates.
- = Upgrade, acquisition/construction and disposal programmes are based on defined works programmes. Where not available, programmes are based on either modelling projections and/or historical cost.
- = Inventory information used in calculations is the latest available at hand, but consideration of overall data confidence levels is critical when using this AMP.
- = Unit costs and assumed asset lives are the Shire's but do not necessarily represent actual asset performance.
- = Historical expenditure reports split by activity may contain expenditure that was actually expended on different activities.

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

- = Developing planned maintenance schedules and associated budget(s).
- = Developing and implementing an ongoing building inspection programme.
- = Developing a long term capital works programme.

Appendix G – Asset Ratios

Background

On an annual basis each WA local government reports seven key performance indicators (KPIs) (available within the Annual Report). Of these, three KPIs reflect the performance of the Shire's assets. These KPIs are useful in determining:

- = the current physical state of the asset portfolio
- = how sufficient past renewal expenditure was
- = whether sufficient future renewal expenditure is being allowed for

Asset Consumption Ratio

The ratio is a measure of the condition of the Shire's physical assets, by comparing their condition based fair value (what they're currently worth) against their current replacement cost (what their replacement asset is currently worth as new). The ratio highlights the aged condition of the portfolio and has a target band of between 50%-75%. Non-depreciating assets (e.g. land etc.) should be excluded from the calculation.

Depreciated Replacement Cost (Fair Value) of Depreciable Property Assets
Current Replacement Cost of Depreciable Property Assets

Asset	DRC (FV)	CRC	ACR
Amenity Buildings	\$485,244	\$1,004,300	48%
Community Buildings	\$5,480,453	\$11,648,700	47%
Emergency Service Buildings	\$537,590	\$743,500	72%
Operations Buildings	\$1,653,000	\$3,059,400	54%
Recreation Buildings	\$5,429,818	\$11,999,100	45%
Residences	\$3,760,667	\$6,712,000	56%
Total	\$17,346,772	\$35,167,000	49%

Table 12: Property Assets Consumption Ratios

Asset Sustainability Ratio

The ratio is a measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives. The ratio is essentially past looking, and is based upon dividing the average annual depreciation expense of the property asset portfolio by the average annual renewal expenditure, for a number of past years (e.g. 3). The ratio has a target band of between 90%-110%.

Property Asset Renewal Expenditure
Property Asset Depreciation

Asset	2015/16-2017/18 Average	ADE	ASR
All building assets	-	\$1,008,387	
Total	-	\$1,008,387	

Table 13: Property Assets Sustainability Ratios

Asset Renewal Funding Ratio

The ratio is a measure as to whether the Shire has the financial capacity to fund asset renewal as and when it is required over the future 10 year period. The ratio is calculated by dividing the net present value of planned renewal expenditure over the next 10 years in the LTFP, by the net present value of planned renewal expenditure over the next 10 years in the AMP. The same net present value discount must be applied in both calculations. The ratio has a target band of between 95%-105%.

NPV of LTFP Planned Renewal Expenditure over the next 10 years
NPV of AMP Required Renewal Expenditure over the next 10 years

Asset	LTFP	AMP	ARFR
All building assets			
Total			