



# Building, Land & Structures Asset Management Plan



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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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## 1. EXECUTIVE SUMMARY

### Context

The Mid Murray Council is situated along the River Murray, from Cadell to Wall Flat and including 25km of the Eastern aspect of the Mount Lofty Ranges.

Council is an amalgamation of a number of historic Councils, most recently being the District Council of Mannum, the District Council of Morgan, the District Council of Ridley-Truro and part of the District Council of Mount Pleasant. Although individual towns are in close proximity by today's standards and distances historically they operated more autonomously. This reflects in the presence of similar buildings and site improvements located in each town. These include but not limited to Town Halls, Sportsgrounds, Council Chambers and Works Depots.

This plan covers all Council Land, Buildings & Site Improvements. Buildings are valued in two methods. Single unit rate for replacement, being buildings that would be replaced completely, examples are sheds and basic toilet blocks. The componentised level is composed of individual values, conditions and relevant useful lives broken down into Air Conditioning, Floor Coverings, Roof, Gutters & Downpipes, Fitout, Superstructure, Substructure, Plumbing, Electrical and Plumbing. Site Improvements consist of all other items located on Council Land, including but not limited to Shelters, Car Parks and Vehicular Access, Lighting, Irrigation etc.

The Councils Buildings, Land and Site Improvements assets have a value of (to nearest thousand):

- Land - \$23,480,000
- Buildings & Structures - \$62,358,000

### 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 is \$40,573,000 or \$4,057,300 per year.

Council's estimated available funding for this period is \$31,463,000 or \$3,146,300 per year which is 78% of the cost to provide the service. This is a funding shortfall of \$1,033,703 per year which is made up of entirely capital expenditure.

Councils' present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

### What we will do

Council plans to provide Buildings & Site Improvement services for the Operations, Maintenance and Renewals to meet service levels set by council in annual budgets.

### What we cannot do

Council does not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Confirm maintenance budgets are sufficient due to historic maintenance being reactive and not rationalised to the current asset base
- Fund 78% of the estimated, required capital renewal expenditure in the LTFP

### 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:

- Buildings become uninhabitable
- Site Improvements and Buildings become a risk and those that can't be funded to be renewed must be removed

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

- Identifying assets no longer required and dispose

### The Next Steps

The actions resulting from this asset management plan are listed under Section 8. Plan Improvement and Monitoring and explain the actions Council proposes to take in both the short and medium term to address the funding shortfall.

## Questions you may have

### What is this plan about?

This asset management plan covers the infrastructure assets that serve the Mid Murray Council Community's Buildings and Site Improvement needs. These assets include Community, Commercial and Operational Buildings and all Site Improvements throughout the Council area.

### What is an Asset Management Plan?

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

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

### Why is there a funding shortfall?

A high number of Council owned buildings have been inherited or acquired upon the previous occupants' abandonment. Examples include, the Cambrai Hall, Mannum Hub (formerly the Mannum Primary School), the Purnong Primary School and Morgan Sports Complex.

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

Councils' present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

### What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
3. Identifying surplus assets for disposal and develop a method of efficient disposal process,
4. Conduct a number of strategic planning reviews, through Council's Strategic Management Planning process and relevant committees,
5. Review areas within the current long term financial plan where investment in new assets is no longer funded and redirected towards renewal funding shortfalls in the first instance,

6. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

### What happens if we don't manage the shortfall?

It is likely that council will have to reduce service levels in some areas, unless new sources of revenue are found. For all asset classes covered by this plan Specific service level reductions and implications will require further investigation to report.

### What can we do?

Council can develop options and priorities for future Buildings and Site Improvement 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 and the following associated planning documents:

- Strategic Management Plan (2020)
- Asset Accounting Policy (2019)
- Asset Management Policy (2019)
- Cemeteries & Memorials Policy (2020)
- Disability Access & Inclusion Plan 2020-2024 (2020)
- Disposal of Land & Assets Policy (2019)
- Leases and Licences Policy for Community, Sporting and Recreation Organisations (2018)
- Open Space Management Policy (2019)
- Playground Maintenance & Management Policy (2020)
- Public Consultation Policy (2020)
- Risk Management Policy (2006)
- Risk Management Framework (2020)

This infrastructure assets covered by this asset management plan are shown in Table 2.1.

**Table 2.1: Assets covered by this Plan**

Asset category	Quantity	Replacement Value
Buildings & Structures	444	\$62,357,761
Land	380 (DCDB Valuations)	\$23,440,900
<b>TOTAL</b>		<b>\$85,798,661</b>

### 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.<sup>1</sup>

<sup>1</sup> IPWEA, 2006, *IIMM* Sec 1.1.3, p 1.3.

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.

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

Council's vision is:

***We celebrate our rich and diverse country lifestyle built on a strong economy. Our aim is to encourage a continuing vibrant community, family spirit, the ongoing protection of the River Murray and maintain our precious national, cultural and built heritage.***

Council's mission is:

- ***Proactive in planning for and facilitating business and industry investment and economic growth***
  - ***Committed to the protection of our natural and built environment***
- ***Open and inclusive in encouraging community involvement and partnership in Council plans and policies***
  - ***Advocates for and providers of services and facilities that support community wellbeing***
- ***An efficient and responsible manager of Council assets, infrastructure and resources in partnership with the community***
  - ***A professional organisation that attracts and retains high quality staff and Elected Members***

### **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 Manual<sup>2</sup>. 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.

### **2.5 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.

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<sup>2</sup> IPWEA, 2006.

### 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 3.2.

**Table 3.2: Legislative Requirements**

Legislation	Requirement
Local Government 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.
Development Act 1993	Identifies the laws and regulations that must be considered when undertaking planning for building and construction development.
Local Government (Financial Management and Rating Amendment Act 2005)	The driver for development of a strategic management plan which comprises of asset management plans and long-term financial plan
Work Health and Safety Act 2012	The act provides the framework for the welfare, health and safety of persons at work
Australian Accounting Standards	Establishes the financial reporting standards for the valuation, revaluation and depreciation of assets
National Asset Management Framework Legislation 2010	Focuses on long term financial sustainability and provides a mandate to have long term strategy, financial statements and annual reporting mechanisms. AM plans are likely to be audited

#### 3.3 Current Levels of Service

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?
Safety	Is the service safe?

**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, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (eg road patching, unsealed road grading, building and structure repairs),

- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (eg widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new library).

Council's current service levels are detailed in Table 3.3.

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**Table 3.3: Current Service Levels**

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	Provide Buildings & Site Improvements of an acceptable and appropriate standard	Condition inspection rating and report compiled, managed and continually updated	No current measurement (see improvement plan)	To be determined
Function	Provide Building & Site Improvements that meet user needs	Conduct a function assessment on each sub-class, relevant to current use and occupancy	No current measurement (see improvement plan)	To be determined
Safety	Provide safe facilities that aim to minimise hazards	Emergency exits & fire safety currently managed by WHS & Risk Management Coordinator  Reporting of potential hazards, incidents and near misses occurring in Council facilities	Hazards, incidents and defects are reported and kept for statistical information and actioning. Further investigation into the standardisation and management process of reporting will be reviewed and documented.	Aim to minimise and control hazards
Capacity & Utilisation	Buildings & Site Improvements to have high levels of utilisation and generate demonstrable benefits to the community	Establish a method to record and review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options	Not current measurement (see improvement plan)	To be determined post actions of the improvement plan
<b>TECHNICAL LEVELS OF SERVICE</b>				
Accessibility	Provide Buildings & Site Improvements that are accessible to all	Implementation of Councils Disability Access and Inclusion Plan 2020-2024	As Buildings & Site Improvements are renewed, DDA requirements are actioned	Compliance with the Disability Access & Inclusion Plan
Legislative Compliance	Provide Buildings & Site Improvements that meet all relevant legislation requirements	All Buildings & Site Improvements comply with all relevant legislative requirements and standards	As Buildings & Site Improvements are renewed, reconstruction complies with legislative requirements of the day	Complete Compliance

Operations	Provide cost effective Buildings & Site Improvements	Review and monitor utilities and cleaning costs	Subject to market pricing, look to rationalise and reduce usage	To be determined
Maintenance	Establish a complete, proactive maintenance program reducing current levels of inefficient, reactive maintenance	Accurate and relevant annual budgeting facilitating the known maintenance demands of current facilities	Reduction of all reactive maintenance demands to a small percentage of work demands, proactive planning to strategically cover all maintenance requirements	To be determined, majority of maintenance demands are reactive
Renewal	Renewal works are planned and are identified as part of the current and future period condition inspections	A 10 Year renewal program is established that aligns with Councils LTFP with funding meeting 100% sustainability ratio	A 10 Year renewal program is established that meets all capital renewal demands	Current draft 10 Year plan is reviewed, costed and revised to ensure greater accuracy and relevance
Upgrade/New	Demands that require a higher level of service are identified	All identified upgrade requirements are identified, quantified and costed. Additionally a cost benefit analysis is conducted for each upgrade	All upgrades/new Buildings & Site Improvement assets are funded externally until renewal sustainability ratios are met through LTFP	To be determined

### 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 4.1.

**Table 4.1: Demand Factors, Projections and Impact on Services**

Demand factor	Present position	Impact on services
Population	Estimated resident population 9,143 (2020)	Minimal Impact

### 4.2 Changes in Technology

Technology changes forecast to affect the delivery of services covered by this plan are detailed in Table 4.2.

**Table 4.2: Changes in Technology and Forecast effect on Service Delivery**

Technology Change	Effect on Service Delivery
Increase in affordable, renewable technology	Reduction in operating costs
Integration of mobile data recording and communication	More informed maintenance and renewal data resulting in more efficient investment

### 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.

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.

There are presently no opportunities identified to date for additional demand. Based on the present challenges relating to financial sustainability, the priority is to achieve sustainable funding levels before any asset additions occur.

#### **4.4 New Assets for Growth**

There are no identified new assets required to meet future growth. The acquisition of any new assets will commit council to additional funding with ongoing operations and maintenance costs for the period that the service provided from the assets is required.

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## 5. LIFECYCLE MANAGEMENT PLAN

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

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1.

Asset category	Quantity	Replacement Value
Buildings & Structure	444	\$62,357,761
Land	380 (DCDB Valuations)	\$23,440,900
<b>TOTAL</b>		<b>\$85,798,661</b>

The age profile of the assets has not been included in this report as the historic information of acquisition or construction date is unknown. Council's asset register instead has established remaining life from the most recent condition inspections rather than from the assets age.

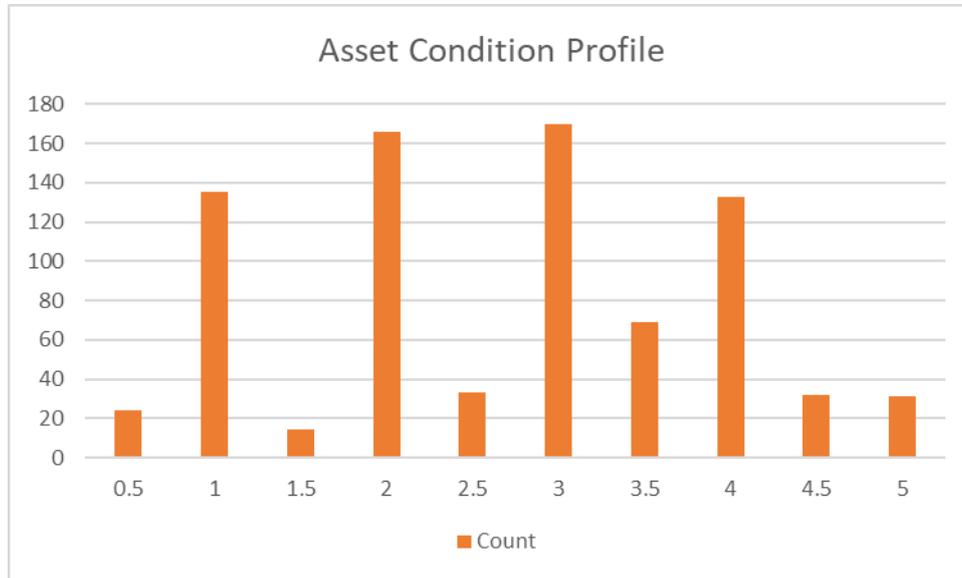
#### 5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available. Service demands have yet to be established and will form a key part of the Improvement Plan.

### 5.1.3 Asset condition

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

**Figure 3: Asset Condition Profile**



Condition is measured using a 1 – 5 rating system<sup>3</sup> as detailed in Table 5.1.3.

**Table 5.1.3: IIMM Description of Condition**

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

### 5.1.4 Asset valuations

The value of assets recorded in the asset register as at 1 July 2021 covered by this asset management plan is shown below. Land is non-depreciable and not included in the figures listed below.

Current Replacement Cost	\$62,357,761
Depreciable Amount	\$36,332,886
Depreciated Replacement Cost	\$26,024,872
Annual Depreciation Expense	\$1,453,487

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

Asset renewal (Capital renewal exp/Depreciable amount)	24.8%
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Council is currently renewing assets at 0.248 of the rate they are being consumed.

<sup>3</sup> Based on IPWEA, 2011, IIMM, Sec 2.5.4, p 2 | 79.

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. An asset hierarchy has not been established and will form a key part of the Improvement Plan.

## 5.2 Risk Management Plan

An assessment of risks<sup>4</sup> associated with service delivery from infrastructure assets needs to be identified as 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. An individualised or classed based risk assessment plan is required to be developed. Current risk plans in place are:

**Table 5.2: Current Risks and Treatment Plans**

Service or Asset at Risk	Risk Treatment Plan	Associated Costs
Playgrounds	Routine defect and safety inspection program	\$79,500
Fire Equipment Management	All Council properties have annual inspections to ensure fire safety equipment is operable	\$17,000 per annum (inc Fire equipment for plant)
Electrical Test & Tag	All electrical equipment within Council properties are tested and tagged to ensure safety and compliance	To be determined
Ongoing Building & Structure Condition Assessments	Through condition assessment to quantify consumption, test useful lives and ensure the adopted renewal programs meet the required demands	\$40,000 (applicable every 4-5 years)

## 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.

Actual past maintenance expenditure is shown in Table 5.3.1.

**Table 5.3.1: Maintenance Expenditure Trends**

Year	Maintenance Expenditure
2017/2018	\$1,086,023
2018/2019	\$1,287,925
2019/2020	\$1,189,457

Current maintenance expenditure levels are not aligned to meet required service levels and are based on recent, historic expenditure. 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. The aim is to develop a routine maintenance program for all Buildings and Site Improvements. This is currently a difficult task, as a number of properties are leased and/or awaiting a lease renewal and not all lease details are consistent. Additionally, communicating to field staff which assets are Council's or under Council's care and control has been issued verbally and not under any kind of system. Another improvement plan is to develop a program that allows field staff to identify in real time and with a high level of accuracy, which assets require maintenance works.

#### **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 2 was used for this asset management plan.

No ranking criteria was used to determine priority of identified renewal proposals. Future revisions of the program will integrate priorities and hierarchy as established in the individualised strategic management plans, based on confirmed core services, utilisation, functionality and importance ratings.

##### **5.4.2 Renewal standards**

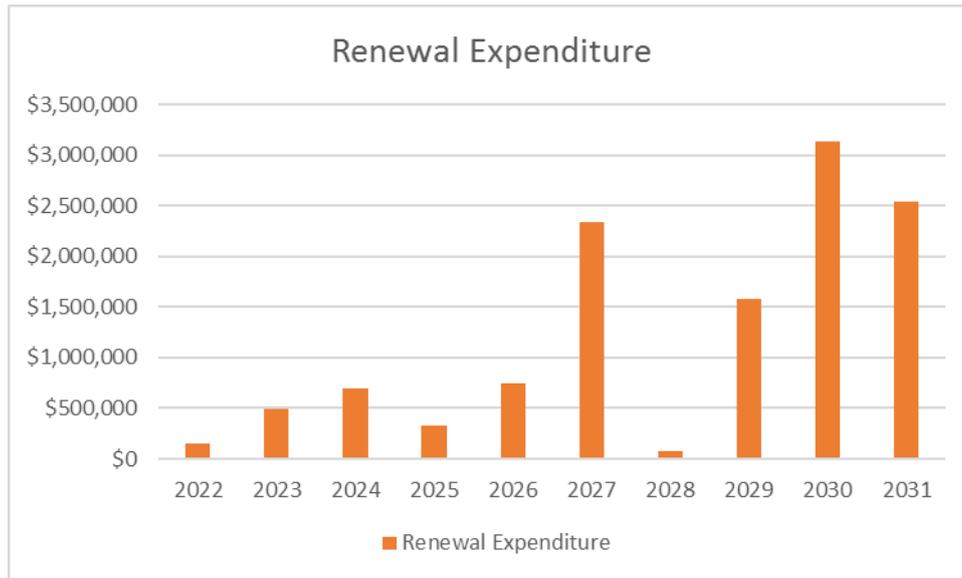
Renewal work is carried out in accordance with the relevant Australian Standards and Specifications.

### 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 5. Note that all costs are shown in 2021 dollar values.

The projected capital renewal program is shown in Appendix B. The only amendments to the renewal program as a result of the most recent valuation and condition assessment is the removal of assets/components where the recommendation is to dispose of the same asset and the removal of any assets where leasing conditions have confirmed that any required investment is the responsibility of the lessee not Council.

**Figure 5: Projected Capital Renewal Expenditure**



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.

New assets and upgrade/expansion of existing assets are identified from various sources such as proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. It is recommended that until the asset renewal ration is closer to a sustainable level, new or upgrade assets expenditure is funded by external funding in the first instance.

### 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if required. In addition to the list below, Council will review the current land register and identify land parcels that are also deemed surplus and list as recommended for disposal. Although this is unlikely to reduce operation expenditure, land will likely be undeveloped, the disposal income could assist in bridging funding shortfalls.

Accurate cashflow projections from asset disposals are not available and these will be developed in future revisions of this asset management plan. In many instances, there may be very little opportunity for income and the disposal of the asset will come at a cost.

**Table 5.6: Assets identified for Disposal**

<b>Asset</b>	<b>Reason for Disposal</b>
Blanchetown Old Bridge Car Park	Inactive/Risk
Blanchetown Old Bridge Stairs	Inactive/Risk
Cadell Camping & Recreation Ground Lighting	No longer required
Cadell Camping & Recreation Ground Toilet Block	No longer required
Cadell Institute Shed	Inactive/Risk
Cadell Tennis Courts	Inactive/Risk
Cadell Tennis Courts Fence	Inactive/Risk
Morgan Institute Shed	Inactive/Risk
Morgan Oval Fencing	Inactive/Risk
Morgan Oval Netball Courts	Inactive/Risk
Morgan Riverfront Precinct Small Shelters	Risk
Morgan Sports Complex Netball Court	Inactive/Risk
Morgan Water Tower & Boundary Fence	Inactive/Risk
Purnong School Cricket Clubrooms	Inactive/Risk
Purnong School Tennis Courts	Inactive/Risk
Purnong School Tractor Shed	Inactive/Risk
Rockleigh Tennis Court Fencing	Inactive/Risk
Rockleigh Tennis Courts	Inactive/Risk
Sedan Hall Tennis Courts	Inactive/Risk
Swan Reach Community Toilet Block	Inactive/Risk
Truro Recreation Tennis Courts	Inactive/Risk
Walker Flat Tennis Court & Fencing	Inactive/Risk
Wall Flat Hall Storage Shelter	Inactive/Risk
Woolford Memorial Church	Inactive

## **6. FINANCIAL SUMMARY**

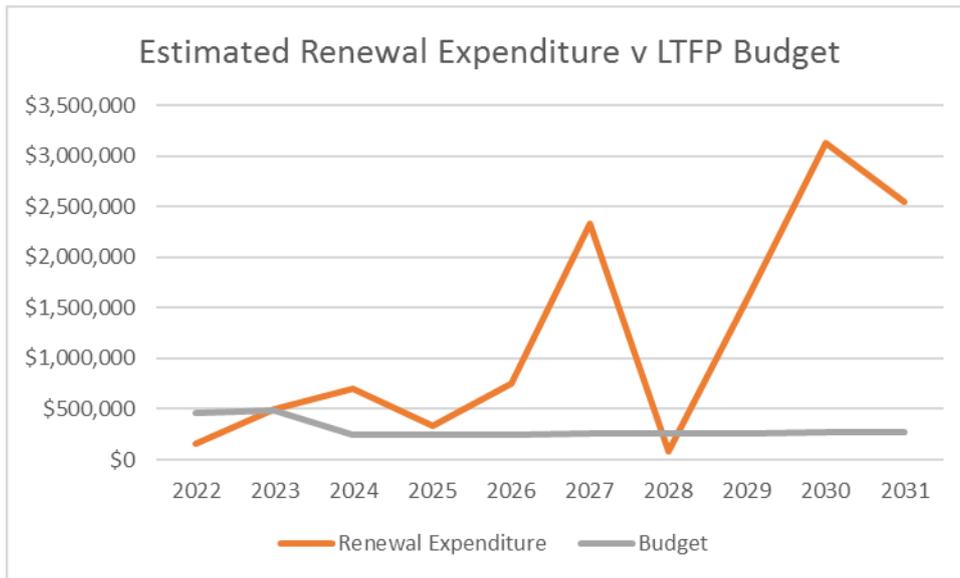
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset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

### **6.1 Financial Statements and Projections**

The financial projections are shown in Figure 7 for projected capital expenditure (renewal and upgrade/expansion/new assets) and estimated budget funding (not including disposal income or expenditure).

Note that all costs are shown in 2021 dollar values and include the present allocation in the long term financial plan to Open Space New/Upgrade as an allocation to renewal expenditure.

**Figure 7: Capital Expenditure and Budget**



**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. As Council’s Long Term Financial Planning period is 10 years, the below summarises the 10 year scenario below.

**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 \$4,057,300 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$3,146,300 per year giving a 10 year funding shortfall of \$911,000 per year and a 10 year sustainability indicator of 0.78. This indicates that Council has 78% of the projected expenditures needed to provide the services documented in the asset management plan.

Table 6.1.1 shows the shortfall between projected and budgeted renewals

**Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall**

Year	Projected Renewals (\$000)	Planned Renewal Budget (\$000)	Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2022	\$157	\$463	\$306	\$306
2023	\$500	\$481	-\$19	\$287

2024	\$697	\$244	-\$453	-\$166
2025	\$330	\$248	-\$82	-\$248
2026	\$752	\$251	-\$501	-\$748
2027	\$2,337	\$255	-\$2,082	-\$2,082
2028	\$78	\$259	\$181	-\$2,649
2029	\$1,584	\$264	-\$1,320	-\$3,969
2030	\$3,133	\$267	-\$2,866	-\$6,835
2031	\$2,545	\$271	-\$2,274	-\$9,109

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.

## **7. ASSET MANAGEMENT PRACTICES**

### **7.1 Accounting/Financial Systems**

#### **7.1.1 Accounting and financial systems**

Synergy

#### **7.1.2 Accountabilities for financial systems**

Director Corporate & Financial Services and Audit Committee

#### **7.1.3 Accounting standards and regulations**

International Financial Reporting Standards (IFRS)

Accounting Standard AASB116 – Property Plant & Equipment

Accounting Standard AASB136 – Impairment of Assets

Accounting Standard AASB13 – Fair Value Measurement

Accounting Standard AASB108 – Accounting Policies, Changes in Estimates and Errors

Accounting Standard AASB1051 – Land Under Roads

#### **7.1.4 Capital/maintenance threshold**

\$15,000

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

NIL

## **7.2 Asset Management Systems**

### **7.2.1 Asset management system**

Synergy Asset Management Modules

### **7.2.2 Asset registers**

Building & Structures Register

Land Register

### **7.2.3 Linkage from asset management to financial system**

Asset Management Module

### **7.2.4 Accountabilities for asset management system and data**

Asset Management Coordinator

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

NIL

## **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:

- Strategic Management Plan (2020)
- Asset Accounting Policy (2019)
- Asset Management Policy (2019)
- Australian Infrastructure Financial Management Guidelines (2015)
- Cemeteries & Memorials Policy (2020)
- Disability Access & Inclusion Plan 2020-2024 (2020)
- Disposal of Land & Assets Policy (2019)
- Leases and Licences Policy for Community, Sporting and Recreation Organisations (2018)

- Open Space Management Policy (2019)
- Playground Maintenance & Management Policy (2020)
- Public Consultation Policy (2020)
- Risk Management Policy (2006)
- Risk Management Framework (2020)

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## 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 8.2.

**Table 8.2: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	Identify surplus assets for disposal and develop a method of efficient disposal process where additional income may be generated to subsidise the funding shortfalls in this plan	SMT	TBD	6-12 months
2	Conduct a Camping Facilities Review and develop a strategic management plan	Director – Development & Environmental Services	TBD	12-24 months
3	Review and revise the Open Space Realm, incorporating service level standards and rationalisation	Director – Development & Environmental Services	TBD	24-36 months
4	Reviewing the useful lives of assets and components ensuring maximum utilisation	Asset Management Coordinator	Ongoing	Ongoing
5	Conduct a Community Facilities Review	Director – Community Services	TBD	24-36 months
6	Review current financial accounts and reporting to ensure data captured can be used to conduct cost benefit analysis of asset classes	SMT	Operational	12-24 months
7	Conduct a Public Convenience Facilities Review, incorporating service level standards and rationalisation	Director – Infrastructure & Field Services	TBD	12-24 months
8	Develop a Council Property Strategy including a hierarchy, function and importance review	SMT	TBD	24 months
10	Review current LTFP and remove all future funding to New/Upgrade assets and redirect to renewal funding shortfall	Director – Corporate & Financial Services/Asset Management Coordinator	Operational	12 months
11	Conduct a Council Sports and Recreation Facilities Review	Director – Community	TBD	24-36 months

		Services		
13	Conduct a Communication Facilities Review	Director – Corporate & Financial Services	TBD	12-24 months
14	Review and rationalise current renewal program and ensure short to medium term investment is thoroughly considered	SMT	Ongoing	Immediate
15	Funds currently allocated to Footpath and Kerbing renewals that are not required, post condition and revaluation, will be recommended to be redirected to this asset class.	Asset Management Coordinator	Operational	12 months

### 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 2 years and is due for revision and updating by 2023.

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## REFERENCES

Mid Murray Council, Strategic Management Plan (2020-20204)

Mid Murray Council, Annual Business Plan & Budget 2019-2020

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IPWEA, 2006, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org](http://www.ipwea.org)

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## APPENDICES

- Appendix A Maintenance Response Levels of Service
- Appendix B Projected 10 year Capital Renewal Works Program
- Appendix C Planned Upgrade/Exp/New 10 year Capital Works Program A
- Appendix D Abbreviations
- Appendix E Glossary

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**Appendix A Maintenance Response Levels of Service**

To be developed.

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**Appendix B Projected 10 year Capital Renewal Works Program**

ASSET ID	LAND ID	DESCRIPTION	SPECIFIC	CRC	RENEWAL YEAR
BLD033	L1031	Morgan Pharmacy	Airconditioning	\$5,000	2022
S00285	L2012	Graeme Claxton Bbq Shelter	BBQ Shelter	\$12,000	2022
S00161	L2012	Graeme Claxton Permapine Rail	Fencing	\$40,000	2022
S00286	L2012	Graeme Claxton Playground	Playground/Nature Play	\$50,000	2022
BLD048	L1032	Morgan Riverfront Precinct Shed 3	Shed Or Outbuilding	\$50,000	2022
S00275	L6021	Len White Reserve Gazebo	BBQ Shelter	\$21,000	2023
S00265	L5040	Cambrai Os&P Park Bbq Shelter	BBQ Shelter	\$18,000	2023
S00230	L5039	Cambrai Office Comms Tower	Comms/Network/Tv Tower	\$20,000	2023
BLD195	L5049	North Rhine Council Chambers	Cultural Or Heritage	\$176,000	2023
S00099	L8051	Collier Park Tennis Court Fencing	Fencing	\$22,000	2023
S00125	L6035	Swan Reach Transfer Station Fencing	Fencing	\$14,000	2023
BLD033	L1031	Morgan Pharmacy	Floor Coverings	\$6,600	2023
BLD035	L1029	Morgan Institute	Floor Coverings	\$110,000	2023
S00309	L8051	Collier Park Memorial	Monument	\$39,000	2023
S00229	L8095	Gass Reserve Path	Path	\$10,000	2023
BLD036	L1029	Morgan Institute Toilet Block	Public Toilet	\$58,000	2023
BLD324	Road Reserve	Mannum Oval Pump Shed	Shed Or Outbuilding	\$5,100	2023
S00174	L4061	Old Ferry Landing Bbq Shelter	BBQ Shelter	\$7,200	2024
S00241	L1026	Morgan Ferry Landing Reserve Bbq Shelter	BBQ Shelter	\$10,000	2024
S00271	L5011	Hettner Landing Car Park & Access	Car Park/Vehicle Access	\$65,000	2024
S00255	Road Reserve	Bear Rock Lookout Carpark	Car Park/Vehicle Access	\$76,000	2024
BLD137	L8061	Mannum Depot Main Workshop	Complete Building	\$343,000	2024
S00281	L2004	Cadell Cemetery Fencing	Fencing	\$9,300	2024
BLD131	L8071	Mary Ann Reserve North Toilet Block	Floor Coverings	\$13,000	2024
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Floor Coverings	\$12,000	2024
BLD009	L5038	Cambrai Depot Office	Floor Coverings	\$15,000	2024
S00138	L8045	Arnold Park Lighting	Lighting	\$20,800	2024
BLD231	L5063	Wongulla Landing Toilet Block	Public Toilet	\$57,000	2024
BLD291	L9040	Younghusband Boat Ramp Reserve Female Toilet	Public Toilet	\$12,000	2024
BLD290	L9040	Younghusband Boat Ramp Reserve Male Toilet	Public Toilet	\$12,000	2024
S00098	L5041	Cambrai Swimming Pool Main Shelter	Shelter > 15M	\$40,000	2024
BLD278	L8067	Mannum Waste Transfer Station Old Battery Shed	Waste Management	\$4,700	2024
S00013	L5039	Cambrai Council Office Fuel Bowser	Fuel Bowser	\$7,500	2025
S00002	L8061	Mannum Depot Fuel Bowser	Fuel Bowser	\$17,000	2025
S00003	L1024	Morgan Works Depot Fuel Bowser	Fuel Bowser	\$7,500	2025
S00264	L5040	Cambrai Os&P Park Playground	Playground/Nature Play	\$38,000	2025
S00012	L4065	Heroes Park Playground	Playground/Nature Play	\$6,500	2025
S00010	L8070	Mary Ann Reserve South Playground	Playground/Nature Play	\$39,000	2025
S00171	L3020	Truro Recreation Ground Playground	Playground/Nature Play	\$13,000	2025
BLD266	L5039	Cambrai Council Office Old Store Shed	Shed Or Outbuilding	\$11,000	2025
BLD139	L8061	Mannum Council Depot Small Plant Shed	Shed Or Outbuilding	\$53,000	2025

BLD009	L5038	Cambrai Depot Office	Superstructure	\$137,300	2025
BLD006	L5037	Cambrai Institute	Airconditioning	\$180,000	2026
S00287	L2012	Cadell Lagoon Fencing	Fencing	\$38,000	2026
BLD006	L5037	Cambrai Institute	Floor Coverings	\$74,000	2026
BLD122	L8045	Arnold Park Toilet Block	Floor Coverings	\$5,600	2026
BLD051	L1034	Morgan Sporting Clubrooms	Floor Coverings	\$120,000	2026
BLD125	L8066	Mannum Dock Visitor Information Centre	Floor Coverings	\$66,000	2026
S00160	L2012	Graeme Claxton Lighting	Lighting	\$23,000	2026
S00299	L5041	Cambrai Swimming Pool Lighting	Lighting	\$21,000	2026
S00154	L8052	Mannum Leisure Centre Car Park Lighting	Lighting	\$26,000	2026
S00135	L8071	Mary Ann Reserve North Lighting	Lighting	\$30,000	2026
S00157	L8070	Mary Ann Reserve South Lighting	Lighting	\$57,000	2026
S00105	L1032	Morgan Riverfront Precinct Lighting	Lighting	\$20,000	2026
BLD178	L3020	Truro Recreation Ground Toilet Block	Public Toilet	\$91,000	2026
BLD262	L5039	Cambrai Lap Office	Airconditioning	\$42,000	2027
BLD032	L1030	Morgan Medical Centre	Airconditioning	\$32,000	2027
BLD034	L1031	Morgan Council Office Shed & Gym	Airconditioning	\$1,700	2027
BLD271	L1024	Morgan Depot Lunchroom	Airconditioning	\$1,900	2027
BLD064	L1024	Morgan Depot Main Workshop	Airconditioning	\$1,400	2027
BLD067	L1024	Morgan Depot Office	Airconditioning	\$1,500	2027
BLD238	L4059	Blanchetown Community Health Centre	Building	\$341,000	2027
S00274	L5065	Tenbury Hunter Reserve Access	Car Park/Vehicle Access	\$40,000	2027
BLD130	L8053	David Shearer Laudromat & Auxillary Shop	Fitout	\$120,000	2027
BLD035	L1029	Morgan Institute	Fitout	\$580,000	2027
BLD002	L5041	Cambrai Swimming Pool Ablution Block	Fitout	\$49,000	2027
BLD131	L8071	Mary Ann Reserve North Toilet Block	Fitout	\$49,000	2027
BLD212	L6032	Swan Reach Community Museum	Fitout	\$60,000	2027
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Fitout	\$22,000	2027
BLD262	L5039	Cambrai Lap Office	Floor Coverings	\$19,000	2027
BLD134	L8052	Mannum Council Chambers	Floor Coverings	\$130,000	2027
BLD130	L8053	David Shearer Laudromat & Auxillary Shop	Floor Coverings	\$26,000	2027
BLD054	L1020	Cfs, Meals On Wheels & Civic Centre	Floor Coverings	\$60,000	2027
BLD002	L5041	Cambrai Swimming Pool Ablution Block	Floor Coverings	\$15,000	2027
BLD135	L8052	Mannum Leisure Centre	Floor Coverings	\$610,000	2027
BLD005	L5039	Cambrai Council Office Nursery Tool Shed	Shed Or Outbuilding	\$2,500	2027
BLD267	L5039	Cambrai Old Sign Shed	Shed Or Outbuilding	\$4,000	2027
BLD046	L1032	Morgan Riverfront Precinct Shed 1	Shed Or Outbuilding	\$3,300	2027
S00228	L8095	Gass Reserve Shelter 1	Shelter < 15M	\$6,300	2027
S00250	L8095	Gass Reserve Shelter 2	Shelter < 15M	\$6,300	2027
S00259	L8095	Gass Reserve Shelter 3	Shelter < 15M	\$6,300	2027
S00108	L1026	Morgan Ferry Landing Reserve Small Shelters	Shelter < 15M	\$5,400	2027
S00245	Crown Land not under Council's care and control	Caurnamont Boat Ramp Reserve Shelters	Shelter < 15M	\$6,100	2027
S00062	L5041	Cambrai Baby Pool Shelter	Shelter > 15M	\$7,900	2027
S00136	L4065	Heroes Park Gazebo	Shelter > 15M	\$14,000	2027

S80181	L8051	Collier Park Tennis Court	Tennis Court	\$64,000	2027
S00118	L9039	Haythorpes Reserve Ticket Machine	Ticket Machine	\$9,000	2027
S00351	L8067	Mannum Transfer Station Fencing	Fencing	\$78,000	2028
BLD125	L8066	Mannum Dock Visitor Information Centre	Airconditioning	\$170,000	2029
S00260	Road Reserve	Mannum Motel Carpark	Car Park/Vehicle Access	\$43,000	2029
S00166	L8045	Arnold Park Car Park	Car Park/Vehicle Access	\$60,000	2029
S00159	L6021	Len White Reserve Car Park	Car Park/Vehicle Access	\$40,000	2029
S00226	L8071	Mary Ann Reserve North Car Park & Access	Car Park/Vehicle Access	\$55,000	2029
S00081	L1026	Morgan Ferry Landing Reserve Car Park	Car Park/Vehicle Access	\$47,000	2029
S00170	L3020	Truro Recreation Ground Access	Car Park/Vehicle Access	\$42,000	2029
BLD124	L8045	Arnold Park And Dock Area Boat Shed	Cultural Or Heritage	\$34,300	2029
BLD045	L1032	Morgan Riverfront Precinct Tea Room	Cultural Or Heritage	\$150,000	2029
BLD262	L5039	Cambrai Lap Office	Electrical	\$35,000	2029
BLD217	L6030	Swan Reach Community Toilet Block	Electrical	\$9,200	2029
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Electrical	\$13,000	2029
S00167	L8045	Mannum Visitors Centre Fencing	Fencing	\$10,000	2029
S00020	L9040	Younghusband Boat Ramp Reserve Fencing	Fencing	\$4,000	2029
S00137	L4063	Blanchetown Transfer Station Fencing	Fencing	\$29,831	2029
S00145	L8065	Mannum Sports Complex Fence	Fencing	\$130,000	2029
BLD129	L8053	David Shearer Carpark Toilet Block	Floor Coverings	\$11,000	2029
BLD212	L6032	Swan Reach Community Museum	Floor Coverings	\$18,000	2029
BLD043	L1032	Morgan Riverfront Precinct Station Masters House	Floor Coverings	\$39,000	2029
S00316	L2007	Cadell Camping & Recreation Ground Irrigation	Irrigation	\$88,000	2029
S00312	L1032	Morgan Riverfront Precinct Irrigation	Irrigation	\$140,000	2029
S00101	L8061	Mannum Depot Loading Bay	Loading Bay/Ramp	\$11,500	2029
BLD138	L8061	Mannum Council Depot Oil Shed	Operational Building	\$70,000	2029
S00251	L1032	Morgan Riverfront Precinct Toilet Path	Path	\$3,200	2029
S00018	L8065	Mannum Sports Complex Playground	Playground/Nature Play	\$38,000	2029
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Plumbing	\$6,600	2029
BLD130	L8053	David Shearer Laudromat & Auxillary Shop	Roof-Gutters-Downpipes	\$20,000	2029
BLD034	L1031	Morgan Council Office Shed & Gym	Roof-Gutters-Downpipes	\$14,000	2029
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Roof-Gutters-Downpipes	\$13,000	2029
BLD125	L8066	Mannum Dock Visitor Information Centre	Roof-Gutters-Downpipes	\$93,000	2029
BLD264	L5039	Cambrai Council Office Machinery Shed	Shed Or Outbuilding	\$98,000	2029
BLD022	L2007	Cadell Camping & Recreation Ground Shed	Shed Or Outbuilding	\$12,000	2029
BLD209	L6029	Swan Reach Cemetery Shed	Shed Or Outbuilding	\$15,000	2029
BLD222	L6021	Len White Reserve Pump Shed	Shed Or Outbuilding	\$2,800	2029
S00054	L2004	Cadell Cemetery Shelter	Shelter > 15M	\$10,000	2029
S00058	L9035	Bolto Reserve Ticket Machine	Ticket Machine	\$9,000	2029
BLD004	L5039	Cambrai Council Office	Airconditioning	\$110,000	2030
BLD134	L8052	Mannum Council Chambers	Airconditioning	\$310,000	2030
BLD246	L8060	Mannum Community Hub	Airconditioning	\$160,000	2030
BLD175	L3017	Truro Hall	Airconditioning	\$200,000	2030
BLD197	L8091	Tungkillo Soldiers Memorial Hall	Airconditioning	\$31,000	2030
BLD167	L8093	Wall Flat Hall	Airconditioning	\$50,000	2030

BLD135	L8052	Mannum Leisure Centre	Airconditioning	\$61,000	2030
BLD200	L8051	Collier Park Pavilion & Cricket Club Rooms	Airconditioning	\$15,000	2030
BLD051	L1034	Morgan Sporting Clubrooms	Airconditioning	\$42,000	2030
BLD212	L6032	Swan Reach Community Museum	Airconditioning	\$30,000	2030
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Airconditioning	\$3,300	2030
BLD043	L1032	Morgan Riverfront Precinct Station Masters House	Airconditioning	\$40,000	2030
S00257	L8051	Collier Park Access	Car Park/Vehicle Access	\$54,000	2030
S00320	L8061	Mannum Leisure Centre Carpark	Car Park/Vehicle Access	\$43,000	2030
BLD087	L8057	Mannum Caravan Park Caretakers Dwelling	Fitout	\$41,000	2030
BLD069	L3011	Morgan Caravan Park Ablution Block	Fitout	\$68,000	2030
BLD006	L5037	Cambrai Institute	Fitout	\$380,000	2030
BLD323	L8099	Mannum Institute	Fitout	\$360,000	2030
BLD122	L8045	Arnold Park Toilet Block	Fitout	\$21,000	2030
BLD051	L1034	Morgan Sporting Clubrooms	Fitout	\$420,000	2030
BLD125	L8066	Mannum Dock Visitor Information Centre	Fitout	\$230,000	2030
BLD038	L1025	Morgan Community Hub	Floor Coverings	\$32,000	2030
BLD020	L2007	Cadell Sports Ground Amenities Building	Floor Coverings	\$26,000	2030
BLD193	L4075	Towitta Park Pavilion	Floor Coverings	\$4,000	2030
BLD189	L5046	Keyneton Soldiers Memorial Institute	Floor Coverings	\$48,000	2030
BLD246	L8060	Mannum Community Hub	Floor Coverings	\$66,000	2030
BLD175	L3017	Truro Hall	Floor Coverings	\$88,000	2030
BLD167	L8093	Wall Flat Hall	Floor Coverings	\$22,000	2030
BLD032	L1030	Morgan Medical Centre	Floor Coverings	\$13,000	2030
BLD226	L5059	Walker Flat Ferry Landing Reserve Toilet Block	Floor Coverings	\$5,200	2030
BLD200	L8051	Collier Park Pavilion & Cricket Club Rooms	Floor Coverings	\$43,000	2030
BLD030	L1017	Landseer Museum	Floor Coverings	\$110,000	2030
BLD064	L1024	Morgan Depot Main Workshop	Floor Coverings	\$4,500	2030
BLD066	L1024	Morgan Depot Compressor Shed	Shed Or Outbuilding	\$2,300	2030
S00261	L8051	Collier Park Entrance Gate	Entrance Gate	\$32,000	2031
S00080	L9039	Haythorpes Reserve Fencing	Fencing	\$32,000	2031
S00248	L8089	Talbots Reserve Fencing	Fencing	\$22,000	2031
S00109	L3012	Morgan Transfer Station Fence	Fencing	\$15,000	2031
S00111	L8061	Mannum Depot Fencing	Fencing	\$52,000	2031
S00317	L8065	Mannum Sports Complex Oval Irrigation	Irrigation	\$41,000	2031
S00211	L8053	David Shearer Carpark Lighting	Lighting	\$16,000	2031
S00240	L1032	Morgan Riverfront Precinct Lighting	Lighting	\$42,000	2031
BLD248	Private Land	Truro Tv Transmission Tower Hut	Operational Building	\$7,000	2031
BLD141	L8061	Mannum Council Depot Office	Operational Building	\$39,000	2031
S00008	L8071	Mary Ann Reserve North Playground	Playground/Nature Play	\$35,000	2031
BLD242	L9035	Bolto Reserve Toilet Block	Public Toilet	\$69,000	2031
BLD253	L2012	Claxton Reserve Toilet Block	Public Toilet	\$15,000	2031
BLD225	L5044	John S Christian Reserve Toilet Block	Public Toilet	\$48,000	2031
BLD230	Road Reserve	Purnong Ferry Landing Toilet Block North	Public Toilet	\$60,000	2031
BLD287	L7031	Purnong Ferry Landing Toilet Block South	Public Toilet	\$53,000	2031
BLD194	L4075	Towitta Park Toilet Block	Public Toilet	\$49,000	2031

BLD028	L2009	Cadell Toilet Block	Public Toilet	\$62,000	2031
BLD223	L6021	Len White Reserve Toilet Block	Public Toilet	\$90,000	2031
BLD169	L8069	Mannum Waterfalls Toilet Block	Public Toilet	\$85,000	2031
BLD204	L8051	Collier Park Toilet	Public Toilet	\$67,000	2031
BLD145	L8065	Mannum Showgrounds Toilet Block	Public Toilet	\$98,000	2031
BLD174	L6026	Purnong School Toilet Block	Public Toilet	\$86,000	2031
BLD216	L6030	Swan Reach Community Centre Lions Club	Sporting Or Social Clubroom	\$150,000	2031
BLD323	L8099	Mannum Institute	Substructure	\$110,000	2031
BLD002	L5041	Cambrai Swimming Pool Ablution Block	Substructure	\$21,000	2031
BLD131	L8071	Mary Ann Reserve North Toilet Block	Substructure	\$36,000	2031
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Substructure	\$13,000	2031
BLD043	L1032	Morgan Riverfront Precinct Station Masters House	Substructure	\$39,000	2031
BLD323	L8099	Mannum Institute	Superstructure	\$710,000	2031
BLD217	L6030	Swan Reach Community Toilet Block	Superstructure	\$100,000	2031
BLD131	L8071	Mary Ann Reserve North Toilet Block	Superstructure	\$150,000	2031
BLD044	L1032	Morgan Riverfront Precinct Showroom 1	Superstructure	\$80,000	2031
BLD260	L5042	Cambrai Waste Transfer Station Weighbridge Hut	Waste Management	\$21,000	2031

## Appendix C Abbreviations

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

## Appendix E 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