



Draft Swimming Pool Facilities Asset Management Plan

December 2019

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This is a DRAFT document which has been prepared for public discussion purposes and does not necessarily indicate the position of Council. Council will adopt this plan after consideration of all public submissions received and amendments have been made to address concerns where appropriate.

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Contents

1. EXECUTIVE SUMMARY	1
Context	1
Swimming Pool Facilities– Our data	1
What does it Cost?	1
What we will do	2
What we cannot do	2
Managing the Risks	2
Confidence Levels	3
The Next Steps	3
Questions you may have	3
What is this plan about?	3
What options do we have?	4
2. Swimming Pool Facilities – Overview	6
2.1 Summary of swimming pool facilities assets	6
3. LEVELS OF SERVICE	8
3.2 Strategic and Corporate Goals	8
Integration of Council’s Asset Management into the Community Strategic Plan	8
3.3 Legislative Requirements	10
3.4 Community Levels of Service	11
3.5 Technical Levels of Service	12
3.6 Asset Provision Levels	12
4. FUTURE DEMAND	14
4.1 Demand Drivers	14
4.2 Demand Forecast	14
4.3 Demand Impact on Assets	14
4.4 Demand Management Plan	15
4.5 Asset Programs to meet Demand	17
5. LIFECYCLE MANAGEMENT PLAN	18
5.1 Background Data	18
5.2 Infrastructure Risk Management Plan	20
5.3 Routine Operations and Maintenance Plan	22
5.4 Renewal/Replacement Plan	25
5.5 Creation/Acquisition/Upgrade Plan	28
5.6 Disposal Plan	29
5.7 Service Consequences and Risks	29
6. FINANCIAL SUMMARY	31

6.1	Financial Statements and Projections	31
6.2	Funding Strategy	31
6.3	Valuation Forecasts	32
6.4	Key Assumptions made in Financial Forecasts	32
6.5	Forecast Reliability and Confidence	33
7.	PLAN IMPROVEMENT AND MONITORING.....	35
7.1	Status of Asset Management Practices	35
7.2	Improvement Plan	36
7.3	Monitoring and Review Procedures	37
7.4	Performance Measures	37
8.	REFERENCES	37
9.	APPENDICES	38
Appendix A	Maintenance Levels of Service	39
Appendix B	Projected Upgrade/Exp/New 10-year Capital Works Program	41
Appendix D	Abbreviations.....	47
Appendix E	Glossary	48

1. EXECUTIVE SUMMARY

Context

Bega Valley Shire is located on the far south coast of NSW and has a population of approximately 33,500 people. The Shire covers a large area of over 6,280 sq km.

The size of the Shire and wide distribution of population raises some challenges for Council and the community in providing swimming pool facilities assets. Despite this Council is committed to providing and maintaining a range of swimming pool assets to meet the needs of its residents and visitors.

In addition, there are several other key issues and challenges which Council aims to address for the future successful management of a swimming pool facilities assets. These include:

- Changing community needs and expectations of quality and amenity of the community;
- Effective management of real and perceived risk;
- Fully understanding the condition of and accounting for all swimming pool facilities assets in the Shire;
- Providing for significant renewal and upgrade opportunities of recreational assets; and
- Understanding the 'value' of recreational assets to remote and isolated communities.

This Swimming Pool Facilities Asset Management has been adapted from the 2017-21 Leisure and Recreation Asset Management Plan (AMP) and is based upon data from that earlier plan. It is important to note that this AMP should be read in conjunction with the December 2019 BVSC Swimming Pools Strategy. Where any discrepancies occur between data and financial information between this AMP and the Strategy, data and figures in the 2019 Strategy shall take precedent.

Swimming Pools Facilities Service

Table 1.1 illustrates the asset categories that the Aquatic facilities team manages on behalf of the community. These assets have a capital replacement value of **\$19,446,000** in 2017 dollars.

Table 1.1: Assets covered by this Plan

Asset category	No. of assets	Replacement Value
Aquatic facilities	13 over 7 sites	\$19,446,000

(note: Includes child pools)

Swimming Pool Facilities– Our data

The Aquatic Facilities asset register used for this (Asset Management Plan) AMP is based on that used in the adopted Leisure and Recreation Asset Management Plan 2017. Understanding of Council's Aquatic Facilities assets have developed over the past 2 years, however that has not led to significant changes in key asset areas, capital replacement costs, the needs for forecast renewals and upgrades, and the challenges in meeting these needs. The data used is as per the 2017 Leisure and Recreation Asset Management Plan (RAMP) to retain consistency and links to that 'parent' asset management plan. During the 2020/21 year Council will undertake a comprehensive review and update of all its Asset Management Plans in line with Integrated Planning and Reporting requirements following a Council election. As stated above, information contained in the December 2019 BVSC Swimming Pools Strategy will take precedent over data and financial information contained within this AMP.

What does it Cost?

The projected outlays necessary to provide the services covered by this AMP based on the data in the 2017 RAMP include operations, maintenance, and renewal of **existing assets** over a 10-year planning period is a total of **\$28,297,000** or **\$2,829,700** on average per year. (Note two facility renewals are due in this 10-year period)

This is replacing existing assets. It does not include upgrades to meet compliance requirements or changing user needs. Estimated available funding for this period based on historical budget allocations is **\$13,820,000** or **\$1,382,000** on average per year which is **48%** (including upgrades) of the cost to provide the service. This is a funding **shortfall** of **\$1,447,700** on average per year. As a result of identified shortfalls and uncertainty about future expenditure allocations, Council is considering the lodgement of a Special Rate Variation as outlined in its 2020/21 draft operational plan to secure future funding allocations for its six public swimming pools.

In section 6 of this AMP the ratios analysis from the 2017 RAMP includes depreciation across all current assets (not only renewals that fall due). This is why there is a difference between the numbers above and those in section 6.

It is noted that these funds do not include any allocations from existing Recreation Facilities Special Rate Variations. These funds are utilised across other recreation asset categories for asset renewals related to sporting, playground, skateparks, tracks and trails, and boating assets and related pavilion and public amenities buildings.

The December 2019 Swimming Pool Strategy provides further updated information in 2019 dollars on the cost and financial implications of swimming pool services and should be read in conjunction with this AMP.

What we will do

Council plans to provide aquatic facilities services for the following:

- Operation, maintenance, renewal of aquatic facilities to meet service levels set by Council in annual budgets within the 10-year planning period.

What we cannot do

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

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

- Reactive works and the development and delivery of new facilities and services without prior planning, funding and endorsement by Councillors.
- Some approaching major asset renewal projects will have to be deferred indefinitely or those facilities will have to be closed.

At present, Council does not have secure recurring funding sources to guarantee the above described service levels and in response Council is currently considering lodgement of a Special Rate Variation (SRV) to fund operations, maintenance and renewal of its six public swimming pools.

Managing the Risks

There are risks associated with providing Council's current swimming pool facilities portfolio and not being able to complete all identified activities and projects.

Council has identified major risks such as:

- Assets not being fully enjoyed and used to their full potential and capacity (not getting full value).
- Increased potential for injury to people while using Council owned and managed facilities, particularly those which are not maintained in a 'fit for purpose' condition.
- Not being proactive in service and facility planning and delivery which can lead to reactive, inconsistent and inefficient management of assets.
- Real or perceived inequity in provision of facilities.
- Commitments to spend beyond financial capacity on both capital works and operations and maintenance.
- Missed opportunities to work collectively with community and key user groups to 'add value' to ensure we have facilities that are able to provide a wide range of experiences.

- Increased exposure to public liability through poor planning, programming and service delivery.
- Not fully understanding levels of use, current needs and future demands when planning and delivering capital works.
- Not being able to meet the required asset renewal and upgrade program to effectively manage the current assets.

Council will endeavour to manage these risks with available funding by:

- Developing sound planning documents, including a ***BVSC Swimming Pools Strategy document***, looking to address future needs based on good consultation, input from the community and accepted industry practice.
- Focusing of delivering fundamental and fit for purpose facilities and services.
- Creatively seeking opportunities to 'value add' to ensure facilities are well used and enjoyed.
- Acknowledging that Council needs to commit to additional funding means or commit to a program of asset rationalisation.
- Consider submission of an SRV to adequately fund swimming pools into the future
- Actively seek grant funding to support swimming pools

Many of the Asset Management risks, constraints and consequences discussed in section 2, section 5.2 and section 5.7 relate directly to levels of service and provision levels in particular.

A small population over a large area along with very high visitor numbers over a relatively short peak holiday period makes balancing provision and service levels a challenge. ***Ongoing funding to retain the current provision levels is a challenge that will need to be addressed to meet Councils adopted six pool goal.***

Many of the risk treatments and opportunities discussed in this plan will provide information that will help in meeting this challenge.

Confidence Levels

This AM Plan is based on a medium level of confidence in regard to its asset management information.

There is still some work to be done in reviewing, developing and managing data sets.

The Next Steps

The actions resulting from this AMP are to:

- i. Undertake a program of developing and linking strategic planning documents including a ***BVSC Swimming Pools Strategy*** to guide future provision, operations and capital works.
- ii. Develop clear and measurable operational programs and specifications (technical service levels) and maintenance programs to deliver efficient and consistent service levels across the asset group.
- iii. Develop capital works programs that respond to current and future community needs (as opposed to simple replacement of existing assets) based on meeting and sustaining key provision levels and responding to identified provision gaps.
- iv. Continuing to review opportunities to improve how value for money services are delivered including through reviewing operating models

Questions you may have

What is this plan about?

This AMP covers the infrastructure assets that serve the Bega Valley Shire Council's aquatic facility needs. These assets provide an opportunity for the community to enjoy the health, social, and psychological benefits that become available with well managed and well-maintained swimming pool facilities.

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.

This AMP details information about swimming pool 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.

The Swimming Pool Facilities AMP presents a snapshot of the current asset portfolio. The AMP will continue to evolve with increased knowledge, the condition of assets and the needs of the community.

Why is there a funding shortfall?

Much of the Council's swimming pool facilities network was constructed by others (such as through community projects or from government grants) and were often provided and accepted by Council without due consideration or full understanding of ongoing operations, maintenance and replacement needs.

Swimming pool facilities are high cost assets to build and very high cost assets to operate.

Some of these high cost assets are approaching the later stages of their useful lives (Bega and Cobargo) and they will require upgrade, or replacement (or decommissioning from the asset base should adequate funding not be secured.)

Many swimming pool facilities minor assets are multi - generational and have typical useful lives of 10 – 20 . This can lead to spikes in renewal funding within the 10-year timeframe, particularly if there is also a longer life asset falling due for renewal in the same year.

The current funding levels present major challenges to continue to provide existing facilities and services at current levels in the medium and long term. They will not be met unless significant additional funding is sourced.

What options do we have?

Council has notified the Independent Pricing and Regulatory Tribunal (IPART) of its intent to lodge a Special Rate Variation application as a means to overcome the funding challenge and secure the

future of the six pools in the shire. If that funding is not forthcoming, resolving the funding shortfall will involve several steps:

- Continuing to improve asset knowledge so that data is accurately recorded in the asset inventory,
- Improving efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs, (i.e. grouping works and services where practical to provide higher volumes and also improved consistency in delivery)
- Making trade-offs between service levels and costs to ensure that the community receives the best value return from infrastructure and investment,
- Identifying assets that are surplus to the **needs** of the community. These assets can then be earmarked for rationalisation and disposal to make savings in future operations and maintenance costs and capital renewals,
- If possible developing partnerships with other bodies, where available, to provide services,
- Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

In reality, if additional funding is not secured to support swimming pools then Councils goal of retaining six swimming pools will need to be reviewed, noting many of the above options have already and continue to be explored.

What happens if Council doesn't manage the shortfall?

If Council is unable to manage a shortfall in funding it is likely that we will have to reduce service levels unless significant and ongoing new sources of revenue are found. For swimming pool facilities assets, the service level reductions may include delaying asset renewals to beyond an acceptable level and reduced service levels (i.e. season length or opening hours) for operational activities.

Council will ultimately need to choose to rationalise its assets to see a balance between

asset provision and operational capability. Consultation with the community has shown a desire to retain the six pools.

These all contribute to increased exposure to the key risks identified earlier in this AMP. Council will need to make a difficult decision to either raise revenue from rate payers, close pools to meet budget allocations, or reduce services in other areas to fund the shortfall.

What can you do?

Council will be pleased to consider your thoughts on the issues raised in this AMP and suggestions on how an appropriate level of service can be provided to the community.

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2. Swimming Pool Facilities – Overview

2.1 Summary of swimming pool facilities assets

Swimming pool facilities within the Bega Valley Shire range from small local facilities servicing single communities to regional facilities servicing multiple communities in the Shire and reaching into surrounding local government areas.

The Aquatic facilities section of Council involves operating, maintaining and upgrading/renewing a swimming pool assets that are enjoyed by not only the residents of the Bega Valley but also by the many tourists who visit this extraordinary part of Australia.

Council manages a diverse portfolio of assets to enable the community to use these assets in order to enjoy a healthy and socially active lifestyle.

Table 2.1: Summary of aquatic facilities assets; their number, hierarchy and examples from across the Shire.

Asset category	No. of assets	Hierarchy	Example
Swimming Pool facilities	13 (includes child pools) over 7 sites	Regional	Sapphire Aquatic Centre, Pambula
		District	Bega Pool, Eden Pool
		Local	Cobargo Pool, Candelo Pool, Bemboka Pool

This section of the Swimming Pool facilities AMP covers the following:

- *Overview of the asset*
- *Level of risk(s) and how we should manage and/or mitigate these risks*
- *Levels of service*
- *Opportunities and Constraints – what are the main opportunities and constraints*
- *Key focus – what are the key items that Council should focus on over the next 3 years*



Figure 2.8: Sapphire Aquatic Centre, Pambula

Levels of service – how we manage and maintain swimming pool facilities

- We manage assets through a combination of routine maintenance (annual equipment and asset servicing), development of maintenance schedules and asset renewal.
- We have commenced identifying, developing and implementing routine maintenance schedules for the aquatic facilities.
- We have developed a program of minor asset renewals.
- We are developing activity programs to encourage the level and range of uses for the facilities.
- We are getting better at working with the community to arrange and promote events and different uses.
- Currently, there is more work required in developing our levels of service in regard to the aquatics and leisure assets.

Opportunities and Constraints – what are the main opportunities and constraints in managing aquatic facilities

Opportunities	Constraints
Increased visitation and provision of services for both residents and visitors of the Shire is an opportunity through having facilities which offer a range of experiences and are fit for purpose	Access to qualified and experienced human resources in this industry (due to limited opportunity for residents to develop this both through course provision and availability of job opportunities).
Funding opportunities would allow for the improvement of how facilities look, and the type of experiences visitors receive.	Limitations in meeting community expectations due to the age and condition of these facilities and assets. Ageing assets require a higher level of routine maintenance and have increased asset renewal requirements in order to meet community expectations and levels of service.
Opportunities exist to review how we currently operate and maintain these facilities and assets, and how we look at alternate service provisions to increase value whilst meeting community expectations.	Available funding. Current facility renewals are unfunded. With two facilities approaching the end of their useful lives this is a major shortfall and risk. Unless resolved it is likely a major failure will lead to facility closure.
	Lifecycle costs - Operations and Maintenance costs are double the capital costs of public swimming pools. Securing ongoing operations and maintenance funding is vital to see the assets well serviced and delivering good recreation opportunities to the community.

Key focus – what are the key items of focus for swimming pool facilities in the coming years

- Maintenance of swimming pool facilities to improve the type, condition and quality of fixtures and fittings within the facility. Currently, many of the facilities are beginning to look tired and out of date. This includes painting and repair of buildings and swimming pool shells, replacement of fittings and fixtures, replacement or upgrade of pool covers and heating systems. This will help to improve community perception and aesthetic condition of the aquatic facilities.
- Finalisation of a **Swimming Pools Strategy** to guide provision, levels of service and forecast renewals of high capital cost assets within the swimming pool facilities asset category.
- Securing funding to meet the Council's adopted six pool goal.

3. LEVELS OF SERVICE

The 2016 Bega Valley Shire local Government Community Survey (IRIS) measured residents' level of satisfaction with various Council services. The most recent community satisfaction survey reported satisfaction levels for the following swimming pool facilities assets and services.

Table 3.1: Community Survey Satisfaction Levels – Swimming Pools facilities Assets

Performance Measure	Satisfaction Level		
	High	Medium	Low
Appearance of the town centres		✓	
Provision of boat ramps, pontoons, trailer parking, fish cleaning tables etc.	✓		
Provision of sportsgrounds and venues	✓		
Quality of sportsgrounds and venues	✓		
Management of wharves and jetties	✓		
Provision of parks and playgrounds	✓		
Quality of parks and playgrounds	✓		
Provision of swimming pools	✓		
Quality of swimming pools	✓		
Provision of public toilets			✓

The organisation uses this information in developing its Community Strategic Plan and in allocation of resources in the budget.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the organisation's vision, mission and key directions.

Our vision is:

'By working together, the Bega Valley Shire community integrates quality of life, enterprising business, sustainable development and conservation of the environment.'

Integration of Council's Asset Management into the Community Strategic Plan

This Swimming Pools Facilities Asset Management Plan works towards community aspirations in the following Outcomes, Goals and Strategies from the Community Strategic Plan 2040.

Table 3.2: Community Strategic Plan 2040 - Outcomes, Goals and Strategies

Outcomes	Goals	Strategies	Aquatic Facilities
Active and Healthy Communities	We are cooperative, caring and enjoy a culturally rich community life	Collaborate with partners to provide and support opportunities for social interaction, cultural industries, activities and events, and care and services for disadvantaged people	✓
	We are an active, healthy community with access to good quality recreation and sporting facilities, and medical health care	Improve the accessibility of the built environment, recreation spaces and facilities	✓
		Collaborate with partners to provide facilities, activities and services that encourage more people to have active and healthy lifestyles	✓
Sustainable Living	We are leaders in sustainable living and support innovative approaches to resource recovery and the production of renewable energy and food	Collaborate with partners and our community to support innovative approaches to waste minimisation, and increase reuse and recycling opportunities	✓
		Adopt sustainable design principles in the planning of our urban areas and infrastructure provision, and encourage sustainable buildings and lifestyles	✓
Liveable Places	Our Shire continues to be a vibrant, enjoyable, safe and affordable place to live	Improve the presentation, maintenance and physical accessibility of existing facilities and towns	✓
	Our places retain their character and scale, development is well planned, and a range of goods and services are available within our Shire that meet local needs	Provide infrastructure and services to meet the ranging needs of residents in our towns, villages and rural areas	✓
Strong, Consultative Leadership	Our Council is financially sustainable, and services and facilities meet community need	Optimise value for money and deliver responsible and ethical spending and efficient service delivery across all of Council's services	✓

3.3 Legislative Requirements

The Council has to meet many legislative requirements including Australian and State legislation and State regulations. These are captured in Table 3.3. Table 3.4 lists the various codes and/or guidelines that must be complied with to ensure assets are built in a safe, structural and compliant manner.

Table 3.3: Legislative Requirements

Legislation / Standard	Requirement
<i>Local Government Act 1993</i>	Sets out role, purpose, responsibilities and powers of local government including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
<i>Work Health & Safety Act 2011</i>	Sets out requirements for safe work practices. (i.e. chemical handling and working in confined spaces)
<i>Public Health Act 2010</i>	Requirements for the control of public health risks associated with public swimming pools.
<i>Food Act 2003</i>	Requirements for businesses that sell food – relevant to kiosk facilities.
Building Code of Australia (BCA)	Enable the achievement of nationally consistent, minimum necessary standards of relevant safety, health, amenity and sustainability objectives efficiently.
Disability Discrimination Act 1992	AS/NZS 1428-Pts 1-5 (2011) Design for Access and Mobility. To ensure infrastructure provides access for all.
NSW Department of Local Government (NSW DLG) Practice Note 15 – Water Safety	Establishes minimum qualifications for employees working in Aquatic Facilities in NSW. It also provides guidance for the management of risk in aquatic environments.
<i>Child Protection (Working with Children) Act 2012</i>	Requirement for adults engaged in child related work to have a current working with children check clearance.

The Council will exercise its duty of care to ensure public safety is not compromised and is in accordance with the infrastructure risk management plan linked to this AMP. Management of risks is discussed in Section 5.2 of this AMP.

3.4 Community Levels of Service

There are two types of service levels – community levels of service and technical levels of service.

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

Community levels of service measures used in the AMP are:

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

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

Table 3.4: Community Level of Service

Service Attribute	Service Objective	Performance Measure Process	Current Performance	Expected position in 10 years based on current LTFP
COMMUNITY OUTCOMES				
To have fit for purpose swimming pool facilities that maximise opportunities for the community and visitors to participate, enjoy and enable them to maximise the health, social, environmental and economic benefits that become available through those opportunities.				
COMMUNITY LEVELS OF SERVICE				
Quality	Facilities are well maintained in a neat and fit for purpose condition	90% of assets (by value) are assessed as condition 3 or better	55% (\$10.4m)	85%
	Organisational measure	Above 90% result in operational service delivery audits.	Unknown Information to be gained through implementing technical levels of service	90%
Function	Facilities are well suited to their intended purpose and collectively cover a very broad range of recreational opportunities.	% level of community able to participate in their 1 st and 2 nd preferred recreation activity.	Unknown Information to be gathered through the strategic planning process.	90%
	Organisational measure Confidence levels	Records of use kept for sites and compared with intended function	Limited and inconsistent measures at present.	Development of consistent and comparable information on bookings / use of facilities.
Capacity/ Utilisation	Facilities are well used by multiple user groups	High levels of user satisfaction Level and types of use records developed and kept	Limited detail and inconsistent measures at present.	Development of consistent and comparable information on bookings / use of facilities.
	Organisational measure Confidence levels	Level and types of use records	Limited detail and inconsistent measures at present.	Development of consistent and comparable information

Service Attribute	Service Objective	Performance Measure Process	Current Performance	Expected position in 10 years based on current LTFP
		developed and kept		on bookings / use of parks and facilities.

3.5 Technical Levels of Service

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

The technical level of service to be provided under this AMP will meet legislative, regulatory and contract specifications. These requirements are provided through the provision of appropriate resources that have been factored into the long-term financial plan (LTFP).

Technical level of service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleaning, mowing grass, providing energy, inspections, etc;
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. painting, building and structure repairs);
- Renewal – the activities that return the service capability of an asset up to that which it was originally intended (e.g. replacing a roof);
- Upgrade – these are required to provide a higher level of service (e.g. widening a road) or a new service that did not exist previously (e.g. an adding an accessible pool ramp)

Service and asset managers plan, implement and control technical service levels to influence the community service levels.¹

This AMP acknowledges that there is work to be done to review, develop and define the current technical levels of service. This work will focus on continuing to develop operational and planned maintenance service specifications to a sustainable position agreed by the Council following community consultation and, where necessary, trade-offs of service levels, performance, costs and risk within resources available in the LTFP. This will relate closely to finalisation of an adopted Swimming Pools Strategy.

3.6 Asset Provision Levels

Many of the Asset Management risks, constraints and consequences discussed in section 2, section 5.2 and section 5.7 relate directly to levels of service and provision levels in particular. Both the numbers and location of assets and facilities are a key element in determining the amount of resources needed to look after those assets, keep them in 'fit for purpose' condition and renew them at the end of their service life. This particularly relates to swimming pools as a high cost asset to operate. A small population over a large area along with very high visitor numbers over a relatively short peak holiday period makes balancing provision and service levels a challenge.

Many of the risk treatments and opportunities discussed in this plan will contribute to meeting this challenge. Developing Strategic plans, defining service specifications, mapping, understanding needs

¹ IPWEA, 2011, IIMM, p 2.22

through consultation, and continued review and improvement to the asset inventory all provide information that will help in meeting this challenge.

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4. FUTURE DEMAND

4.1 Demand Drivers

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

4.2 Demand Forecast

The forecast of very modest population growth will likely place only a slightly higher demand on infrastructure. While the population growth is not significant the changes in demographics and the popularity of recreational activities will have an ongoing effect on the type and need for recreational facilities. Increased awareness of health issues leads to greater interest in both passive and active recreational pursuits.

Increased awareness of health issues leads to greater interest in both passive and active recreational pursuits. An ageing population will mean greater need for improved access and paths of travel and there will be increased emphasis on providing quality accessible facilities. The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

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

Table 4.3: Demand Drivers, Projections and Impact on Services

Demand drivers	Present position	Projection	Impact on services
Population	34,000	In 2031 the population is projected to be 41,610. A 25.74% increase overall from present population.	Increase in demand for all services.
Population age	Council has an average age of 45 which is 8 years older than the state average.	Increasingly ageing population. With projected migration of retiree age groups as well as young and mature families.	Increase use of reserves, recreational boating shared pathways and public transport. Further need of improved accessibility. Facilities for a range of low impact health, fitness and general recreation.
Tourism	There is an increase in population of 3.5% during peak holiday seasons.	Projected to further increase noting state-wide population increases, with tourism spread throughout the year.	Construction of car parks, age specific recreation facilities footpaths cycle-ways. Improved accessibility.
Climate change	Possible changing environmental and weather	Warmer temperatures, less rainfall, reduced water	Maintenance and construction determined by water

Demand drivers	Present position	Projection	Impact on services
	patterns. Below average rainfall.	availability, increase extreme weather events.	availability, or new methods adopted. Higher water and energy costs.
Environmental awareness	Awareness raising, water use minimisation expectation for improvements. Trend toward sustainable energy.	Greater demand to reduce pollution and runoff into waterways. Trend continues towards sustainable energy and practices.	Efficient water/irrigation systems, stormwater reuse solutions, energy consumption, REF/EIS requirements.
Economic factors	Significant increases in cost of energy. Constraints/increases in grants and funding sources.	Living costs will increase. Single parent and low-income families will increase.	Increased demand for “at hand” or nearby recreational facilities. Improved accessibility. Increased costs of works.
Recreation trends	Provision of facilities aligns with historical uses.	Limited facilities to accommodate current and developing trends (health awareness / fitness groups / events training / low impact activities)	Council needs to be mindful when undertaking asset renewal to provide facilities that will provide a range of recreation opportunities (like for like assets may not be appropriate).

4.4 Demand Management Plan

Demand for new services can 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 organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures². Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this AMP.

Table 4.4: Demand Management Plan Summary

Demand drivers	Impact on services	Demand Management Plan
Population	Increase in demand for all services.	<i>Strategic planning based on identifying and planning for key facilities and services.</i> Operations and maintenance programs focus on provision and delivery of key facilities and services.
Population age	Increase use of reserves, recreational boating, shared pathways and public transport.	Identification of suitable service levels and, in turn funding ratios across asset categories.

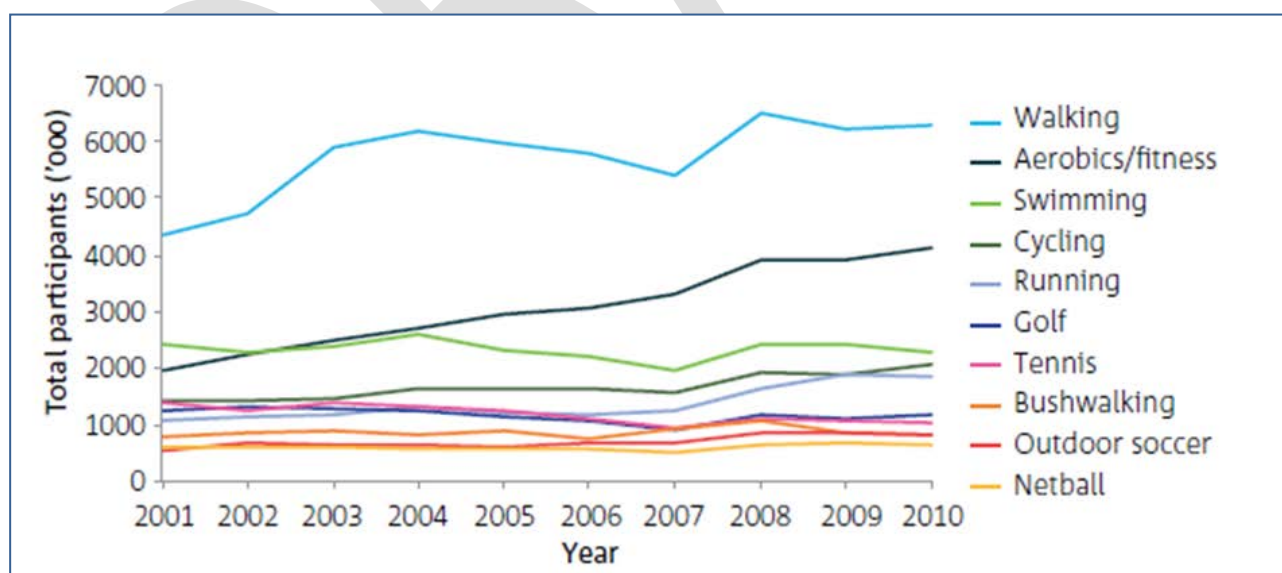
² IPWEA, 2011, IIMM, Table 3.4.1, p 3|58.

Demand drivers	Impact on services	Demand Management Plan
	Further need improved accessibility.	Include opportunities and feasibility in capital project development requirements.
Tourism	Construction of car parks, age specific recreation facilities, footpaths cycle-ways. Improved accessibility.	Strategic planning based on identifying and planning for key facilities and services. Operations and maintenance programs focus on provision and delivery of key facilities and services.
Climate change	Maintenance and construction determined by water availability, or new methods adopted. Higher water and energy costs.	Source specialist advice to ensure best use of resources to meet service levels (i.e. sports turf management and parkland areas used for regular events).
Environmental awareness	Efficient water/irrigation systems, stormwater reuse solutions, energy consumption. REF/EIS requirements.	Source specialist advice to ensure best use of resources to meet service levels. Include in capital project development requirements.
Economic factors	Increased demand for “at hand” or nearby recreation facilities. Improved accessibility. Increased costs of works.	Provision of facilities and services as identified in strategic planning.
Recreation trends	Council needs to be mindful when undertaking asset renewal to provide facilities that will provide a range of recreation opportunities (like for like assets may not be appropriate).	Look beyond replacing ‘like with like’. Refer to local and industry-based information to guide planning capital projects to meeting emerging and future needs.

Figure 4.1 shows an increasing trend in walking, aerobics/fitness and running. Swimming is the third most popular physical activity.

Figure 4.1: Total participants in Top 10 physical activities, 2001 – 2010

{Source: Standing Committee on Recreation and Sport (2010)}



4.5 Asset Programs to meet Demand

Acquiring new or developing improved assets commits the organisation to fund ongoing operations, maintenance and renewal costs for the full lifecycle of that new asset. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the organisation 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 AMP are shown in Table 2.1.

It is assumed based on industry experience that swimming pool shells/buildings will have a useful life of 60 years on average.

Many aquatic facilities minor asset types have typical useful lives of 10, 15 and 20 years are multi-generational in a facility lifecycle. This this can lead to spikes in renewal funding at the 10-year timeframe, particularly if there is also a longer life asset falling due for renewal in the same year.

While lifecycles typically define upgrade and replacement rates it needs to be acknowledged that effective inspections and maintenance programs for many recreation assets are not only necessary to meet acceptable service levels but can also have the capacity to extend the asset life. This can have a significant effect in drawing out renewal peaks within the asset group.

5.1.2 Asset capacity and performance

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

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location / Asset Type	Service Deficiency
Swimming Pool Facilities	Non-compliance with current Australian Standards, noting standards are not applied retrospectively.
Consistent operations and maintenance programs	Development of consistent provision and service levels based on hierarchy.

The above service deficiencies were identified from staff observations and user knowledge.

5.1.3 Asset condition

Condition has been assessed by:

- Updating the condition of assets included in the November 2016 asset inventory
- Adding asset information collected progressively since the 2015 Recreation AMP was completed
- Using a combination of ground-truthed site inspection data and desktop assessment (estimated 50/50) to deliver a more complete asset inventory.

Table 5.1.3: Simple Condition Grading Model

Condition Grading	Description of Condition
0	Asset not assessed i.e. asset not depreciable or mothball/end of life assets.
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

Further work is required to validate the condition of Council's swimming pool facilities assets to provide better assessment of the condition of our assets. Utilising IPWEA's Practice Notes such as Practice Note 10.1 (Parks Management: Inventories, Condition and Performance Grading) will assist Council in this endeavour.

5.1.4 Asset valuations

The value of assets recorded in the asset register as at November 2016 covered by this AMP is shown below. Assets were last revalued in October, 2016. Assets are valued at fair value at current unit cost to provide current expected service levels.

Current Replacement Cost	\$19,446,000
Depreciable Amount	\$19,446,000
Depreciated Replacement Cost ³	\$9,671,000
Annual Depreciation Expense	\$426,000

Useful lives were reviewed in November 2016 by comparison with industry data (IPWEA Yardstick Benchmarks) comparison to other available local government data and ground truthing actual asset condition from the BVSC 2015 RAMP.

Key assumptions made in preparing the valuations were:

1. All assets have a flat line consumption rate
2. Useful lives are constant across the Shire. (i.e. no account has been made for different environmental conditions)
3. Renewal works will need to be ground truthed as works fall due.

Note: It is important to note that the above information needs to be read in conjunction with the December 2019 BVSC Swimming Pools Strategy which projects forward expected renewal costs based on modern equivalent standards.

³ Also reported as Written Down Current Replacement Cost (WDCRC).

5.1.5 Historical Data

The 2015 RAMP has been used as a key data source in the development of the asset inventory that this AMP has been developed on. This was reviewed and merged with additional information collected since that plan was adopted.

5.2 Infrastructure Risk Management Plan

An assessment of risks⁴ associated with service delivery of aquatic facilities assets has identified risks that will result in loss or reduction in service from those assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2. These risks are reported to the Council's leadership executive and Council. The detailed Risk Management and Treatment Plan will be included in future versions.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Assets not realising their full potential	Limited asset use.	VH	Focusing of delivering fundamental and fit for purpose facilities and services well.	L	Lost value / opportunity cost
Delivery of fit for purpose facilities	Increased exposure to liability and injury.	VH	Development and delivery of proactive, effective and efficient operational and planned maintenance programs.	L	\$1.164m. p/a
Planned capital works and operational programs	Reactive and inefficient delivery of 'one off' works and projects. Commitments to spend beyond financial capacity on capital works and operations and maintenance.	VH	Development and implementation of sound planning documents looking to address future needs based on good consultation, input from the community and accepted industry practice.	L	Strategic Planning and consultation.
Missed opportunities	Single dimensional facilities that are not able to provide a wide range of experiences.	H	Creatively seeking opportunities to 'value add' to ensure facilities are well used and enjoyed more widely.	L	Strategic Planning and consultation.
Effective and balanced consultation	Real or perceived inequity in provision of facilities	H	Work collectively with community and key user groups in development of planning documents	L	Implement consultation and engagement plans.
Unplanned expansion of	Handover of assets to Council without suitable	H	Work with land owners to maintain revenue streams for	M	Admin and potential legal

⁴ Reference to the Organisation's Infrastructure Risk Management Plan as footnote

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
asset inventory	resourcing. (i.e. Crown reserves)		asset management, noting legislative limits.		costs.

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

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5.3 Routine Operations and Maintenance Plan

Operations include regular activities required to provide facilities and services at fit for purpose condition (public health, safety and appearance) including site supervision, lifeguarding, cleaning, grass mowing, facility lighting, pumping and chemical dosing.

Routine maintenance is the regular on-going work that is necessary to keep assets operating well including planned inspections and the regular and expected works that come from these inspections (i.e. minor building maintenance, floodlighting lamp replacement, pump efficiency). Maintenance also includes instances where assets fail unexpectedly and need immediate repair to make the asset operational again.

5.3.1 Operations and maintenance plan

Operations activities and costs are those which are needed to keep an asset functioning. They affect service levels including quality and function. Examples include grass mowing frequency, cleaning frequency, cost of utilities and opening hours of buildings and other facilities.

Maintenance includes all actions and works to the asset necessary to retain an asset as near as practicable to fit for purpose condition. This includes undertaking regular tasks necessary to keep assets operating, (e.g. annual pump servicing) but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

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

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

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

More defined planned maintenance work programs have been developed over the past 3 years for Council operated aquatic facilities. This has come about through more focus on these assets by Council over recent years and has been largely driven by the need to continue to provide services and comply with relevant standards and legislation. There is no questioning the benefit planned inspection and maintenance programs will have across all aquatic facilities asset categories. The development of these programs over the coming years will be a key item in the consistent delivery of services and facilities across the Shire.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement. Development of more defined service specifications planned maintenance programs and information available to the community will help to guide decisions and develop improved consistency in both response to enquiries from the community and also delivery of core services.

5.3.2 Operations and Maintenance Strategies

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

- Scheduling operations activities to deliver the defined level of service in the most efficient manner;
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most

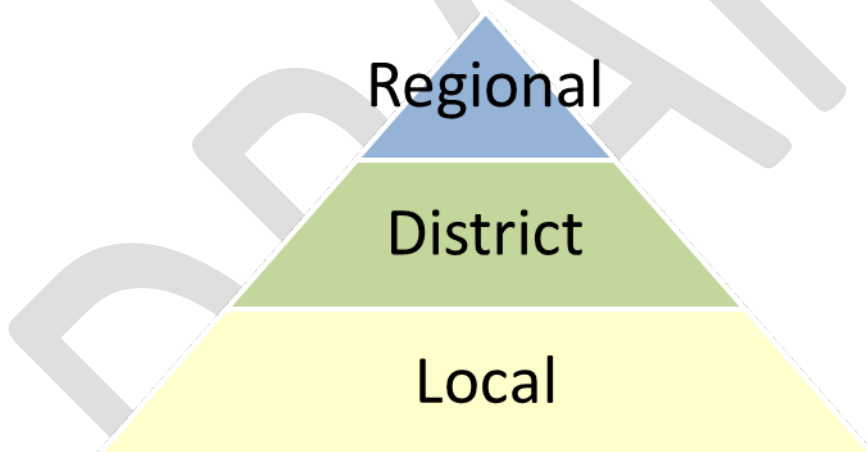
cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost);

- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council;
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs;
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options;
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability; and
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

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.

The hierarchical categories adopted by this plan are: *Regional, District and Local*.



The *function* of a *swimming pool facility* considers the type and level of service and facilities available within the space and the number of people who use it. The organisation's asset service hierarchy is shown in Table 5.3.2.

Table 5.3.2: Asset Service Hierarchy

Levels of Service			
Hierarchy	Function / Service	Key Performance Measure	Shire Wide Provision
Regional	<p>Able to accommodate uses and events that require high quality and/or high capacity facilities.</p> <p>Multipurpose facilities able to be adapted to different uses.</p> <p>Have adopted plans that identify facilities and purpose.</p> <p>Extensive supporting infrastructure e.g. park furniture, paths, lighting, etc.</p> <p>Attractive and pleasant well-maintained surrounds including landscaping</p> <p>Accessible facilities and amenities</p> <p>Provides for significant scenic, tourist, natural, sporting attraction,</p> <p>High level operations and maintenance service frequencies</p>	<p>High profile</p> <p>State and/or National level event accreditation and capacity</p> <p>Regularly attracts user's Shire wide and beyond</p> <p>Adequate to demography</p> <p>Has acknowledged ecological, heritage or community significance</p>	Aquatic facilities x 1
District	<p>Facilities suitable for several uses</p> <p>Some supporting infrastructure</p> <p>Some lighting</p> <p>Accessible pavilions / toilets</p> <p>Some accessible features</p> <p>Defined car and / or coach parking</p> <p>Regular operation and maintenance services</p>	<p>Shire wide profile for organised sport</p> <p>Local level event capacity</p> <p>Regularly attracts users Shire wide</p> <p>Adequate to demography –</p>	Aquatic facilities x 2
Local	<p>Basic facilities</p> <p>Limited supporting infrastructure</p> <p>May have available parking</p> <p>Base level operations and maintenance frequencies.</p>	<p>Immediate local profile</p> <p>Local/informal level event capacity</p> <p>Regularly attracts users locally</p> <p>Adequate to local demography</p>	Aquatic facilities x5

Critical assets

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

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc.

There are few aquatic facilities assets that are considered critical in the context of Council's entire asset profile. It is noted that within site there are critical items that need to be well managed to ensure user health and water quality. However, there is acknowledgment that it is important to maintain some availability and provision. With this in mind assets with a regional level classification are considered critical assets. The higher-level maintenance and operational activities at these sites will mitigate against the likelihood and consequence of asset failure.

Standards and specifications

Operational and maintenance work is carried out based on the following specifications

- BVSC Seasonal Pools - Operation

5.3.3 Summary of future operations and maintenance expenditures

Required operations and maintenance expenditure is \$1.164m pa. (based on 3 yr. average 2016 – 2018 FY). Defined and delivered operational and maintenance programs can also extend the lifecycle of minor assets which can help to distribute 'renewal peaks' which are showing in the current asset condition profile. Note that all costs are shown in current dollar values (i.e. 2019 values).

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

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

5.4 Renewal/Replacement Plan

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

5.4.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the 'NAMS Expenditure Template'. **Method 1** uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year. **Method 1** was used for this Aquatic Facilities AMP.

The useful lives of assets used to develop projected asset renewal expenditures are shown in Table 5.4.1. Asset useful lives were last reviewed with the most recent asset revaluation in late 2016.

Table 5.4.1: Useful Lives of Assets

Asset Type	Asset Sub Type	2017 Useful Life (@new)
Pool Structure	Pool Shell (Main)	60
	Pool Shell (Small)	60
	Balance Tank	60
	Pipes / Plumbing	60
	Ocean / Rock	150
Pool Linings	Paint	4
	Tile	40
Pool fixtures and fittings	Blocks	25
	Rails	10

Asset Type	Asset Sub Type	2017 Useful Life (@new)
	Hardware	15
Pool Equipment	Lane Ropes	10
	Flags	5
	Covers	10
	First Aid	5
Pool Plant	Pumps	20
	Filtration System	40
	Skimmer	20
	UV Treatment	25
	Solar Treatment	20
	Chemical Dosing	10
	Heater and Pump	20

5.4.2 *Renewal and Replacement Strategies*

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

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

5.4.3 Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing building to deliver the service it was constructed to facilitate; or
- To ensure the infrastructure is of sufficient quality to meet the service requirements .⁵

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

- Have a high consequence of failure;
- Have a high utilisation and subsequent impact on users would be greatest;
- The total value represents the greatest net value to the organisation;
- Have the highest average age relative to their expected lives;
- Are identified in the AM Plan as key cost factors;
- Have high operational or maintenance costs; and
- Where replacement with modern equivalent assets would yield material savings.⁶

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

Table 5.4.2: Renewal and Replacement Priority Ranking Criteria

Criteria	Weighting
Risk/Safety	40%
Link to strategic planning (Council adopted)	20%
Utilisation/Fit for purpose	20%
Community partnership proposal	10%
Link to similar works	10%
Total	100%

5.4.4 Summary of future renewal and replacement expenditure

The below table outlines projected future renewal/upgrade expenditure requirements in 2019 dollars as replicated in the December 2019 BVSC Swimming Pools Strategy.

⁵ IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.

⁶ Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

BVSC Pools Future Cost Estimates - Model 1A Current Facilities Upgraded at Renewal plus Increase Facilities at Bega

	Operations PA			Forecast Asset Renewals (Replacement)				Estimated Facility Upgrade Modern (New)			Total
	BVSC Operating Cost PA	BVSC Operating Income PA	Current Net Operating Cost PA	Existing Facility Renewal (Asset Inventory)	Minor Asset Renewal to Renewal Year	Current Asset Backlog	Minor Asset Renewal to Renewal Year PA	Forecast Upgrade Year (60 year life)	Modern' Facility Upgrade Cost	Modern' Facility Upgrade Cost (PA 60yr)	BVSC Total Cost 'Modern' Facility PA
Bega**	\$178k	\$0k	\$178k	\$2.734M	\$73k	\$372k	\$18k	2023	\$9,800,000	\$163k	\$360k
Cobargo	\$104k	\$0k	\$104k	\$1.714M	\$109k	\$75k	\$11k	2029	\$3,219,425	\$54k	\$169k
Eden	\$177k	-\$28k	\$149k	\$3.630M	\$581k	\$81k	\$27k	2040	\$5,794,965	\$97k	\$273k
Bemboka	\$75k	-\$9k	\$66k	\$1.378M	\$502k	\$26k	\$22k	2041	\$3,219,425	\$54k	\$142k
Candelo	\$127k	-\$28k	\$99k	\$4.253M	\$1.594M	\$128k	\$42k	2056	\$5,794,965	\$97k	\$238k
SAC	\$1.369M	-\$802k	\$567k	\$8.441M	\$5.071M	\$40k	\$98k	2070	\$10,946,045	\$182k	\$847k
Total Costs	\$2.031M	-\$867k	\$1.164M	\$22.151M	\$7.930M	\$721k	\$218k		\$38.775M	\$646k	\$2.028M

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 and will typically be directed by adopted strategic plans. Assets may also be acquired at no cost to the organisation from land development.

5.5.1 Selection criteria

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

Table 5.5.1: New / Upgrade Assets Priority Ranking Criteria

Criteria	Weighting
Strategic Planning (Council adopted)	50%
Legislative / Industry standard upgrade	30%
Community partnership proposal	20%
Total	100%

5.5.2 Capital Investment Strategies

Councils current capital investment strategy is to prioritise renewal of minor and multi-generational assets to keep the pools in fit for purpose operating condition. These include critical items of pool plant such as pumps, heating systems, chemical dosing systems and pool linings.

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

- Directly relating works to adopted strategic plans, such as this AMP and an adopted Swimming Pools Strategy.
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner;
- Undertake project scoping for all capital upgrade/new projects to identify:
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset;
 - the project objectives to rectify the deficiency including value management for major projects;

- the range of options, estimated capital and life cycle costs for each options that could address the service deficiency;
- management of risks associated with alternative options; and
- select the best option to be included in capital upgrade/new programs;

Expenditure on new and upgraded assets and services, and renewal of major high cost assets in the organisation's capital works program will need confirmed funding by additional resources before they can be accommodated in the long term financial plan.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Where there is costs and/or revenue associated with disposal they are accommodated within capital works allocations. When Council developed its first Recreation Management Plan in 2011 the plan clearly articulated that swimming pools and community amenities required further consideration in relation to disposal due to oversupply. This 2011 RAMP initiated a process of the independent Otium review of swimming pools and subsequent considerations and resolutions of Council in 2017 and 2019. At the time of drafting this AMP Council had adopted a six modern pool goal. There were no resolutions of Council to dispose or decommission aquatic facilities assets.

This AMP identifies that major swimming pool assets are approaching the end of their useful life and investment is required to retain the assets to meet the adopted six modern pool goal, or accept the risk of facility closure as a result of a major asset failure.

5.7 Service Consequences and Risks

Council has prioritised decisions made in developing this AMP to obtain the optimum benefits from its available resources. Decisions were made based on the development of two scenarios of AMP.

- **Scenario 1** - What Council can do with existing budgets and identifying level of service and risk consequences (i.e. what are the operations, maintenance and capital projects we are unable to do? What are the service and risk consequences associated with this position?). This may require several versions of the AMP.
- **Scenario 2** – What Council should do to deliver the adopted six modern pool goal and noting the funding required to deliver.

The development of scenario 1 and scenario 2 AMPs provides the tools for discussion with the Council on trade-offs between what we are able to do (scenario 1) by balancing changes in services and service levels with affordability and acceptance of the service and risk consequences; and what we should be doing to meet the adopted six pool goal. (scenario 2).

This plan is based on Scenario 1 (the current situation) and presents the gaps and challenges (principally funding) that need to be addressed to be able to meet scenario 2. These discussions have been had with Councillors in workshops. Information and various options have been reported to the Council for consideration in working toward adopting its six modern pool goal.

5.7.1 What Council cannot do

There are some operations and maintenance activities and capital projects that, based on the asset register and available budgets, are unable to be undertaken within the next 10 years. Rather than predict what those particular items might be, this AMP and the principles within it can be used to guide and provide context to those discussions and decisions as they become more realistic.

Examples of key principles include:

- Development of operational service frequencies based on asset hierarchy and delivery of consistent service levels across the Shire.
- Prioritisation of capital works based on the assessment criteria included in this plan.

- Development of regular inspection and maintenance programs to reduce the need for reactive works.

5.7.2 Service consequences

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Decreased provision of services (decommissioning of assets prior to renewal being possible);
- Dissatisfaction by community with levels of service;
- Decreased quality (using the asset beyond desired service levels); and
- Reduction in regular servicing (operational and maintenance programs), which will result in lower use and capacity.

5.7.3 Risk consequences

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences for the organisation. These include:

- Reduced asset use;
- Increased exposure to injury and liability;
- Reactive and inefficient delivery of 'one off' works and projects;
- Higher reactive maintenance costs after extended period of use below service level; and
- Real or perceived inequity in provision of facilities.

These risks have been included with the Risk Management Plan summarised in Section 5.2 and risk management plans actions and expenditures included within projected expenditures.

6. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. 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 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) for Councils six seasonal public swimming pools are presented below as replicated in the December 2019 Swimming Pools Strategy. Note that all costs are shown in 2019 values and exclude other assets which do not relate to the six public swimming pool sites.

BVSC Pools Future Cost Estimates - Model 1A Current Facilities Upgraded at Renewal plus Increase Facilities at Bega

	Operations PA			Forecast Asset Renewals (Replacement)				Estimated Facility Upgrade Modern (New)			Total
Site	BVSC Operating Cost PA	BVSC Operating Income PA	Current Net Operating Cost PA	Existing Facility Renewal (Asset Inventory)	Minor Asset Renewal to Year	Current Asset Backlog	Minor Asset Renewal to Year PA	Forecast Upgrade Year (60 year life)	Modern' Facility Upgrade Cost	Modern' Facility Upgrade Cost (PA 60yr)	BVSC Total Cost 'Modern' Facility PA
Bega**	\$178k	\$0k	\$178k	\$2.734M	\$73k	\$372k	\$18k	2023	\$9,800,000	\$163k	\$360k
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Total Costs	\$2.031M	-\$867k	\$1.164M	\$22.151M	\$7.930M	\$721k	\$218k		\$38.775M	\$646k	\$2.028M

6.1.1 Sustainability of service delivery

Based on the information presented above, it is apparent that based on current budget allocations and forward expenditure projections existing service levels are not financially sustainable. It is also important to note that the above financial information does not provide any broader context on the financial projections of Council which are presented in Councils Long Term Financial Plan.

6.2 Funding Strategy

Council has currently resolved to prepare an application to IPART of a Special Rate Variation to cover the ongoing costs associated with the operation, maintenance and renewal of its existing six swimming pools. It has also signalled an intent to continue to try and secure grant funding where available to compliment rate funding.

Should an SRV application not be supported a new funding strategy will need to be considered.

6.3 Valuation Forecasts

Asset values may fluctuate as modifications are made to the asset base. These modifications may include replacement of existing facilities with modern equivalent facilities which are of a higher capital value. At the same time the written down value of assets will continue to fluctuate depending upon what stage the asset base is through its useful life. In simple terms as assets depreciate more their written down value will continue to decrease until they are renewed.

6.4 Key Assumptions made in Financial Forecasts

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

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

Table 6.4: Key Assumptions made in AMP and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Financial forecasts are made on maintaining current levels of service	Increased demand for higher level of services
Council will maintain similar levels of operational and capital funding relative to current levels into the future	Levels of operational and capital funding relative to current levels will decrease resulting in lower level of service
Council will seek to fully fund asset renewal requirements into the future	Asset renewal requirements will not be fully funded into the future by Council
Capital renewal programs are designed to maintain the service potential of existing assets	Higher levels of service are demanded or reduced funding occurs
Operations and maintenance costs are largely based on historical expenditure and calculated to ensure Council's existing operation (labour, plant, materials and contractors) is being met. It is assumed that there will be no significant increase (eg above CPI) apart from related to new assets	That costs related to Council's existing operation increase above CPI or Council's existing operation is modified to a lower level
Financial forecasts are based in 2017 dollars in most cases (noting some information is presented in 2019 dollars where data available) with the inherent assumption that costs will increase in future in line with consumer price index (CPI)	Costs increase above CPI
The useful lives used in this plan apply in practice.	Useful lives may not reflect network condition
Adequate staff resourcing will be available to coordinate, program and deliver services to archive good value for money.	Low staff resourcing will result in limited or ineffective community consultation, planning, supervision and auditing of service delivery.
The asset inventory and expected service levels remain constant.	Increase asset inventory will require reallocation of funds reduction in service levels (and renewal programs) to accommodate the additional assets.

6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AMP are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale⁷ in accordance with Table 6.5.

Table 6.5: Data Confidence Grading System

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

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

Table 6.5.1: Data Confidence Assessment for Data used in AMP

Table 21 – Forecast Reliability and Confidence		
Data	Confidence Assessment	Comment
Demand drivers	A	Based on State Government projections, Australian Bureau of Statistics (ABS), demographic statistics and local corporate knowledge.
Growth projections	A	Based on State Government projections and ABS statistics.
Operations expenditures	B	Asset and task based 'Bottom Up' budgeting applied for 2016 across most assets. Scope for further review and improvement following service delivery audits and assessment.
Maintenance expenditures	B	Asset and task based 'Bottom Up' budgeting applied for 2016 across most assets. Scope for further review and improvement following service delivery audits and assessment. Reactive maintenance records based on historic expenditure and decrease in resourcing to fund asset renewal gaps.
Projected Renewal expense Asset values	B	Assets revalued in 2016. Inventory and condition assessments from a combination of site assessments (90% by value), local knowledge and desk top analysis. Buildings detailed condition assessment underway early 2017.
Asset useful lives	B	Multiple industry references. Consider local knowledge, expectations and lifecycle performance.

⁷ IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

Condition modelling	B	Condition assessments from a combination of site assessments (90% by value), local knowledge, desk top analysis.
Network renewals	B	Based on asset registers, useful lives and unit rates. Forecast renewals are inspected and ground truthed to ensure 'renewal' of the asset is the most appropriate treatment considering changes in use, local demographics, expectations, site characteristics or maintenance actions to extend the asset life.

Over all, the data confidence is assessed as medium confidence level for data used in the preparation of this AMP.

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7. PLAN IMPROVEMENT AND MONITORING

7.1 Status of Asset Management Practices

7.1.1 Accounting and financial systems

Council's accounting and financial systems predominantly involve the use of:

- Civica® "Authority" software

Accountabilities for financial systems

- Accountabilities for Council's financial systems lie with Council's Director Business and Governance and its Finance Manager

Accounting standards and regulations that are applicable are:

- AASB 13
- AASB 116
- AASB 117

Capital/maintenance threshold

- Further developed and reviewed based on the individual asset category and hierarchy.

Required changes to accounting financial systems arising from this AM Plan

- None identified

7.1.2 Asset management system

Council's Asset Management system comprises the following components:

- NAMS Plus 3
- TRIM (Council's EDRMS)
- Civica® "Authority" software – for storing of asset data
- Spatial software – Mapinfo and Q GIS

Accountabilities for asset management system and data maintenance lie with Council's:

- Director of Assets and Operation
-
- Manager Leisure & Recreation (data maintenance)
- Finance Manager
- Director Business and Governance

Required changes to the asset management system arising from this AM Plan are:

- The ongoing maintenance of this system should then become a core function within council's operations.
- There is a requirement for further synchronisation between Asset Management and Financial management.
- Further integration across the organisation with regard to a sustainable asset management approach is required. This includes increased asset management awareness.
- Currently there are limited links between operations and maintenance expenses against individual assets and a more complete linkage is needed.

7.2 Improvement Plan

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

Table 7.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
	Finalise strategic planning across the swimming pool facilities asset category including consultation and review levels of service.	Asset Manager / Aquatic Facilities Coordinator	Consultant	June 2020
	Continue development and implementation of data capture and condition monitoring.	Aquatic Facilities Coordinator / Asset Officer	In-house/consultant	Ongoing, comprehensive review by June 2021
	Continued development and documentation of operations and maintenance strategy and technical levels of service (specifications).	Asset Manager / Aquatic Facilities Coordinator / Asset Officer	In-house	Ongoing
	Review and develop performance measures, service delivery auditing and reporting	Asset Manager / Aquatic Facilities Coordinator / Asset Officer	In-house	Ongoing
	Continue risk analysis/assessment and implementation of risk management system and processes	Asset Manager / Aquatic Facilities Coordinator /	In-house	Ongoing
	Continued implementation of AM system as a basis for capital works program	Asset Manager / Asset Officer	In-house	June 2020
	Continued review of asset register unit rates and useful lives and collation into a single register	Asset Manager	In-house / industry data	Comprehensive review by June 2021 in line with IPR
	Mapping of Assets on Council's GIS framework	Asset Manager / Recreation Coordinator	In house / consultant	Ongoing
	Continue implementation of spatial links with AM and M system	Asset Systems Coordinator	In-house	On-going
	Continued development of the asset Risk Management and Treatment Plan to be included in future versions of this AMP.	Asset Manager / Asset Officer	In house	Comprehensive review by June 2021 in line with IPR

7.3 Monitoring and Review Procedures

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

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

AMP's typically have a life of 4 years (Council election cycle) and are due for complete revision and updating within 12 months of each Council election. This AMP has been developed from the adopted 2017 Recreation AMP and includes aquatic facilities information from that plan. In the future it will be updated in line with Council's Strategic Asset Management Plan with a comprehensive review to be undertaken by June 2021 following the September 2020 Local Government elections.

7.4 Performance Measures

The effectiveness of the AMP can be measured in the following ways:

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

8. REFERENCES

- AIFMG, 2012, Version 1.3, Financial Sustainability, Indicator 4
- BVSC, 2015, Infrastructure Risk Management Plan
- BVSC, Delivery and Operational Plan 2015 - 16
- BVSC, 2015, Recreation AMP
- IPWEA, 2016, Parks Management Practice Note 10.1, Inventories, Condition and Performance Grading
- IPWEA, 2016, Parks Management Practice Note 10.2, Renewal Planning, Valuation and Asset Management Plans
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- IPWEA, 2015, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMG.

9. APPENDICES

Appendix A - Asset Register & Condition Rating

Appendix B - Budgeted Expenditures Accommodated in LTFP

Appendix C - Abbreviations

Appendix D - Glossary.

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Appendix A Maintenance Levels of Service

The Aquatic facilities team continue to make inroads into the development of specifications to match the technical levels of service with what the community expects (the community levels of service).

These specifications are listed in the table below including a status of their development and implementation.

Specification Title	Specification covering Asset Type	Asset sub-types	Status
Pools – Seasonal Operation	Pools	All aspects of operating and maintaining pools throughout the pool season	Drafted – yet to be implemented

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Appendix B Projected Upgrade/Exp/New 10-year Capital Works Program

As stated above the Projected 10-year AMP Capital Renewal Forecast table is what is known as a Data Generated Forecast. The key information in the table (renewal year and estimated cost) comes principally from three pieces of critical data collected in the asset inventory being:

- i. asset useful life,
- ii. asset condition (at the time of the inventory collation) and
- iii. unit rates for asset renewal.

As discussed in the AMP each of these are generated from adopted standard rates for that asset type. This greatly increases the ability to work with the information to down to asset item and description level.

The purpose of the renewal forecast is to assist with long term financial planning. While it is used as an important source of information used in development of capital works programs it is important to acknowledge the best outcomes in capital works planning achieved when the need, demand, function, use and costs of assets are considered when asset renewals are forecast.

In reviewing the 10-year AMP Capital Renewal Forecast the following overarching principles need to be kept in mind:

- The works program is based on long term annual budget process.
- A notional funding allocation identified in this forecast does not commit future Councils to undertaking the works or allocating the resources to that site if the asset is not renewed.
- Ground truthing will be undertaken when assets are forecast for renewal to confirm asset condition, asset requirements, levels of use and community needs.
- Consultation with the community will be undertaken when assets become programmed for renewal.

Note: the below information will be reviewed pending the outcome of the proposed swimming pools Special Rate Variation and major asset renewal information has been superseded by information in the December 2019 Swimming Pools Strategy.

Asset Name	Asset Type	Asset Sub Type	Year Acquired	Useful Life	RenewalCost	Expected Renewal Year
Bega Pool	Pool Equipment	Covers	2010	10	\$12,000.00	2020
Bemboka Pool	Pool Equipment	Covers	2010	10	\$4,000.00	2020
Bemboka Pool	Pool Equipment	Pool Vacuum	2010	10	\$2,000.00	2020
Candelo Pool	Pool Equipment	Pool Vacuum	2010	10	\$2,000.00	2020
Cobargo Pool	Pool Equipment	Covers	2010	10	\$4,000.00	2020
Sapphire Aquatic Centre	Softfall	Bark	2010	10	\$2,250.00	2020
Sapphire Aquatic Centre	Pool Equipment	Covers	2010	10	\$40,000.00	2020
Sapphire Aquatic Centre	Pool Plant	Chemical Dosing Unit	2010	10	\$30,000.00	2020
Bemboka Pool	Pool Equipment	Blocks	1995	25	\$2,000.00	2020
Cobargo Pool	Pool Equipment	Blocks	1995	25	\$3,000.00	2020
Bega Pool	Pool Linings	Paint	2012	4	\$54,000.00	2020
Cobargo Pool	Pool Linings	Paint	2012	4	\$18,000.00	2020
Bega Pool	Pool Equipment	Covers	2010	10	\$12,000.00	2020
Bemboka Pool	Pool Equipment	Covers	2010	10	\$4,000.00	2020
Bemboka Pool	Pool Equipment	Pool Vacuum	2010	10	\$2,000.00	2020
Candelo Pool	Pool Equipment	Pool Vacuum	2010	10	\$2,000.00	2020
Cobargo Pool	Pool Equipment	Covers	2010	10	\$4,000.00	2020
Sapphire Aquatic Centre	Softfall	Bark	2010	10	\$2,250.00	2020
Sapphire Aquatic Centre	Pool Equipment	Covers	2010	10	\$40,000.00	2020
Sapphire Aquatic Centre	Pool Plant	Chemical Dosing Unit	2010	10	\$30,000.00	2020
				Yr Total	\$269,500.00	
Candelo Pool	Pool Equipment	Lane Ropes	2011	10	\$4,200.00	2021
Eden Pool	Park Furniture	Bench Feature	2006	15	\$6,000.00	2021
Sapphire Aquatic Centre	Exercise Station	Feature	2006	15	\$3,000.00	2021
Bega Pool	Park Furniture	Bench Standard	2001	20	\$12,000.00	2021
Eden Pool	Park Furniture	Bench Standard	2001	20	\$18,000.00	2021
Sapphire Aquatic Centre	Exercise Station	Standard	2001	20	\$4,000.00	2021
Sapphire Aquatic Centre	Pool Linings	Paint	2013	4	\$18,000.00	2021

Candelo Pool	Pool Equipment	Lane Ropes	2011	10	\$4,200.00	2021
				Yr Total	\$69,400.00	
Bega Pool	Pool structure	Pool Shell (Main)	1962	60	\$1,287,000.00	2022
Bega Pool	Pool structure	Pool Shell (Small)	1962	60	\$208,000.00	2022
Bega Pool	Pool structure	Pool Shell (Small)	1962	60	\$130,000.00	2022
				Yr Total	\$1,625,000.00	
Bega Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$30,000.00	2023
Bemboka Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Bruce Steer Pool	Fences and Barriers	Physical Barrier Feature	2013	10	\$6,000.00	2023
Bruce Steer Pool	Fences and Barriers	Physical Barrier Feature	2013	10	\$6,000.00	2023
Candelo Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Cobargo Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Eden Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Sapphire Aquatic Centre	Signs	Regulatory	2013	10	\$4,500.00	2023
Sapphire Aquatic Centre	Softfall	Rubber	2008	15	\$208.00	2023
Bemboka Pool	Pool Plant	Pumps	2003	20	\$48,000.00	2023
Bemboka Pool	Pool Plant	Filtration System	1983	40	\$10,000.00	2023
Bemboka Pool	Pool Plant	Filtration System	1983	40	\$10,000.00	2023
Candelo Pool	Pool Equipment	Flags	2013	5	\$100.00	2023
Cobargo Pool	Pool Equipment	Flags	2013	5	\$100.00	2023
Eden Pool	Pool Equipment	Flags	2013	5	\$100.00	2023
Sapphire Aquatic Centre	Pool Equipment	Flags	2013	5	\$100.00	2023
Sapphire Aquatic Centre	Pool Equipment	First Aid	2013	5	\$10,000.00	2023
Bega Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$30,000.00	2023
Bemboka Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Bruce Steer Pool	Fences and Barriers	Physical Barrier Feature	2013	10	\$6,000.00	2023

Bruce Steer Pool	Fences and Barriers	Physical Barrier Feature	2013	10	\$6,000.00	2023
Candelo Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Cobargo Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Eden Pool	Pool Plant	Chemical Dosing Unit	2013	10	\$15,000.00	2023
Sapphire Aquatic Centre	Signs	Regulatory	2013	10	\$4,500.00	2023
				Yr Total	\$291,608.00	
Bemboka Pool	Pool Equipment	Flags	2014	5	\$100.00	2024
Bega Pool	Pool Linings	Paint	2012	4	\$54,000.00	2024
Cobargo Pool	Pool Linings	Paint	2012	4	\$18,000.00	2024
				Yr Total	\$72,100.00	
Littleton Gardens	Pool Plant	Chemical Dosing Unit	2015	10	\$15,000.00	2025
Bemboka Pool	Park Furniture	Bench Feature	2010	15	\$6,000.00	2025
Bega Pool	Pool Plant	Pumps	2005	20	\$12,000.00	2025
Bega Pool	Fences and Barriers	Visual Barrier Standard	2005	20	\$40,000.00	2025
Bemboka Pool	Fences and Barriers	Physical Barrier Standard	2005	20	\$18,000.00	2025
Eden Pool	Fences and Barriers	Physical Barrier Standard	2005	20	\$60,000.00	2025
Eden Pool	Pool Plant	Solar Treatment	2005	20	\$35,000.00	2025
Sapphire Aquatic Centre	Fences and Barriers	Visual Barrier Standard	2005	20	\$5,000.00	2025
Sapphire Aquatic Centre	Fences and Barriers	Physical Barrier Standard	2005	20	\$30,000.00	2025
Sapphire Aquatic Centre	Play Equipment	Standard	2005	20	\$30,000.00	2025
Sapphire Aquatic Centre	Exercise Station	Standard	2005	20	\$2,000.00	2025
Cobargo Pool	Pool Plant	Filtration System	1985	40	\$10,000.00	2025
Cobargo Pool	Buildings Public Amenities	Structure	1975	50	\$105,000.00	2025
Sapphire Aquatic Centre	Pool Linings	Paint	2013	4	\$18,000.00	2025
				Yr Total	\$386,000.00	

Candelo Pool	Park Furniture	Bench Feature	2011	15	\$3,000.00	2026
Eden Pool	Utilities Stand Alone	Bubbler	2006	20	\$1,200.00	2026
Eden Pool	Park Furniture	Picnic Setting Standard	2001	25	\$3,000.00	2026
Bemboka Pool	Pool Equipment	Lane Ropes	2006	10	\$3,000.00	2026
Eden Pool	Minor Structure	Movable Grandstand	2006	10	\$5,000.00	2026
Eden Pool	Pool Equipment	Lane Ropes	2006	10	\$3,000.00	2026
Sapphire Aquatic Centre	Pool Plant	Chemical Dosing Unit	2006	10	\$30,000.00	2026
				Yr Total	\$48,200.00	
Sapphire Aquatic Centre	Signs	Information	2012	15	\$1,500.00	2027
Blue Pool	Fences and Barriers	Physical Barrier Standard	2007	20	\$16,500.00	2027
Blue Pool	Fences and Barriers	Physical Barrier Standard	2007	20	\$6,000.00	2027
Candelo Pool	Pool Plant	Pumps	2007	20	\$12,000.00	2027
Candelo Pool	Pool Plant	Skimmer	2007	20	\$4,000.00	2027
Cobargo Pool	Pool Plant	Pumps	2007	20	\$12,000.00	2027
Eden Pool	Pool Plant	Filtration System	1987	40	\$10,000.00	2027
Bega Pool	Buildings Pavilions and Kiosks	Structure	1967	60	\$204,000.00	2027
Bemboka Pool	Buildings Pavilions and Kiosks	Structure	1967	60	\$153,000.00	2027
Bemboka Pool	Pool structure	Pool Shell (Main)	1967	60	\$600,000.00	2027
Cobargo Pool	Pool structure	Pool Shell (Main)	1967	60	\$750,000.00	2027
Cobargo Pool	Pool structure	Pool Shell (Small)	1967	60	\$130,000.00	2027
Cobargo Pool	Pool Plant	Balance Tank	1967	60	\$30,000.00	2027
Cobargo Pool	Pool structure	Pipes and Plumbing	1967	60	\$10,000.00	2027
Cobargo Pool	Pool Equipment	Lane Ropes	2007	10	\$4,200.00	2027
Sapphire Aquatic Centre	Pool Equipment	Lane Ropes	2007	10	\$4,800.00	2027
				Yr Total	\$1,948,000.00	
Bemboka Pool	Park Furniture	Bench Standard	2008	20	\$4,000.00	2028
Cobargo Pool	Park Furniture	Bench Standard	2008	20	\$16,000.00	2028
Sapphire Aquatic Centre	Park Furniture	Bench Standard	2008	20	\$30,000.00	2028

Sapphire Aquatic Centre	Park Furniture	Waste Bin Standard	2008	20	\$6,000.00	2028
Bemboka Pool	Floodlighting	Oval	2003	25	\$50,000.00	2028
Candelo Pool	Floodlighting	Oval	2003	25	\$50,000.00	2028
Candelo Pool	Pool Equipment	Blocks	2003	25	\$4,000.00	2028
Eden Pool	Pool Equipment	Blocks	2003	25	\$4,000.00	2028
Bega Pool	Pool Equipment	Pool Vacuum	2008	10	\$2,000.00	2028
Cobargo Pool	Pool Equipment	Pool Vacuum	2008	10	\$2,000.00	2028
Sapphire Aquatic Centre	Pool Equipment	Pool Vacuum	2008	10	\$2,000.00	2028
Candelo Pool	Pool Equipment	Flags	2013	5	\$100.00	2028
Cobargo Pool	Pool Equipment	Flags	2013	5	\$100.00	2028
Eden Pool	Pool Equipment	Flags	2013	5	\$100.00	2028
Sapphire Aquatic Centre	Pool Equipment	Flags	2013	5	\$100.00	2028
Sapphire Aquatic Centre	Pool Equipment	First Aid	2013	5	\$10,000.00	2028
Bega Pool	Pool Linings	Paint	2012	4	\$54,000.00	2028
Cobargo Pool	Pool Linings	Paint	2012	4	\$18,000.00	2028
				Yr Total	\$252,400.00	
Bega Pool	Pool Plant	Solar Treatment	2009	20	\$35,000.00	2029
Eden Pool	Pool Equipment	Pool Vacuum	2009	10	\$2,000.00	2029
Bemboka Pool	Pool Equipment	Flags	2014	5	\$100.00	2029
Sapphire Aquatic Centre	Pool Linings	Paint	2013	4	\$18,000.00	2029
				Yr Total	\$55,100.00	
				10 Yr Total	\$5,017,308.00	

Appendix D Abbreviations

AAAC	Average annual asset consumption
AM	Asset management
AM Plan	Asset management plan
ASC	Annual service cost
CRC	Current replacement cost
DA	Depreciable amount
DRC	Depreciated replacement cost
LCC	Life Cycle cost
LCE	Life cycle expenditure
LTFP	Long term financial plan
MMS	Maintenance management system
RV	Residual value

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 category

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

Asset class

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

Asset condition assessment

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

Asset hierarchy

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

Asset management (AM)

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

Asset renewal funding ratio

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

Average annual asset consumption (AAAC)*

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

remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases 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.

Core asset management

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

Cost of an asset

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

Critical assets

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

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one)

with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Deferred maintenance

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Expenses

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

Fair value

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

Financing gap

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

Heritage asset

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

Impairment Loss

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

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Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost *

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, eg

road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

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- **Planned maintenance**

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

- **Reactive maintenance**

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

- **Specific maintenance**

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

- **Unplanned maintenance**

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

Maintenance expenditure *

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

The value to 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

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

Operating expenditure

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

Operating expense

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

Operating expenses

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

Operations, maintenance and renewal financing ratio

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

Operations, maintenance and renewal gap

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

Pavement management system (PMS)

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

PMS Score

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

Rate of annual asset consumption *

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

Rate of annual asset renewal *

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *

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

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

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

Renewal

See capital renewal expenditure definition above.

Residual value

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

Revenue generating investments

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

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a

measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

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Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the AM 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.

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