

PROPOSED SPECIAL VARIATION TO RATES 2010/2011



***Providing Assets and Infrastructure
- the next ten years***

**Fact Sheet 2
9 April 2010**

\$640 million dollars worth of physical built assets

Blue Mountains City Council is the custodian of approximately \$640 million dollars worth of physical built assets. Roads and footpaths meet transport and access needs; building facilities cater for cultural, recreational, health, community and civic purposes; open spaces (parks and reserves) provide recreational opportunities and enhance community life; and underground drains provide for public safety, health and the protection of property. The assets listed below represent the Council's current asset stock. This list is categorised by the Key Directions in *Sustainable Blue Mountains 2025* with the detail on asset provision drawn from the 2009-2010 Management Plan.

Natural Environment

- Natural areas (bushland) – 11,000 hectares
- Creeks (within Council managed land) – 363 kilometres
- Drainage pits – 7,296
- Open drains – 60km
- Drainage pipes – 145km
- Waste Management Facilities – 4 (2 active)

Built Environment (*Using Land for Living*)

- Town Centres – 17
- Public toilets – 65
- Cemeteries – 9

Built Environment (*Moving Around*)

- Sealed Road pavement – 637km
- Footpath / cycleway pavement – 160km
- Kerb and Gutter – 493km
- Bridges – 34
- Car parks - 164km²
- Bus shelters – 127
- Guardrails, fences – 25,175 metres
- Signage general – 8,122
- Signage regulatory, warning, hazard – 9,343
- Marked crossings – 50
- Round-a-bouts – 19
- Pedestrian refuges – 37
- Wombat crossings – 29

Social (*Looking After People*)

- Leisure and Aquatic Centres – 5
- Community Facilities, Buildings and Halls – 58
- Rural Fire Service / SES Buildings – 34
- Parks – 105
- Sportsgrounds – 29 at 23 locations
- Playing courts – 62 at 22 locations
- Skate parks – 5
- Walking trails – 96km
- Fire trails – 167,829 square metres
- Libraries – 6

Sustainable Economy

- Caravan Parks – 2
- Visitor Information Centres – 2

Civic Leadership (*Good Government*)

- Operational buildings – 3
- Commercial buildings – 7

The Table below shows the current allocation of asset value in dollars and percentages by Council service across the Key Directions of *Sustainable Blue Mountains 2025*.

Sustainable Blue Mountains 2025 Key Directions	Built Asset Value \$ Estimate June 2009	Value % of Total
Natural Environment	195,700,000	30.83
Water Resource Management Service	186,525,000	29.38
Waste Resource Management Service	9,175,000	1.45
Built Environment - <i>Using Land for Living</i>	13,992,623	2.2
Burial and Ashes Placement Service	2,358,323	0.37
Town Centre Amenity Service	11,634,300	1.83
Built Environment - <i>Moving Around</i>	241,186,607	37.99
Traffic Management Service	25,847,746	4.07
Transport and Public Access Service	215,338,861	33.92
Social - <i>Looking After People</i>	142,730,410	22.48
Child Care Service	5,100,000	0.80
Community Development Service	12,088,200	1.90
Emergency Management Service	20,345,910	3.21
Sport and Recreation Service	105,196,300	16.57
Economic - <i>Sustainable Economy</i>	10,932,750	1.72
Tourism Service	4,578,000	0.72
Library and Information Service	2,170,500	0.34
Cultural Development Service	4,184,250	0.66
Civic Leadership – <i>Good Government</i>	30,242,800	4.76
Council Commercial Buildings	6,633,300	1.04
Council Operational Buildings	23,609,500	3.72
TOTAL	\$634,785,190	100.00

Asset Management Policy

Blue Mountains City Council recognises that infrastructure assets are fundamental to Council's overall service delivery. The Council is committed to managing its physical assets in line with the Council's adopted strategic direction that responds to the community's priorities identified in *Sustainable Blue Mountains 2025*. To achieve this, the City's assets will be managed to ensure they are appropriate for the needs of our community whilst being effectively and sustainably utilised and maintained at an agreed level of serviceable condition, within the financial capacity of the Council.

To implement this policy statement the Council will continually improve the management of its assets through an Asset Management Strategy which is supported by Sustainable Asset Management Plans (see **Asset Management Framework** at www.bmcc.nsw.gov.au/yourcouncil/integratedplanningforservices_2010-2020).

Current Condition of Council's Assets

The Council has completed an assessment of its assets and their condition against the condition ratings in the Table below (these ratings are recommended by the Integrated Planning and Reporting Reform Guidelines issued by the Department of Local Government).

Level	Condition	Description
1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

In 2010 the Council assessed that most assets are in Average Condition (Level 3) requiring maintenance work with some exceptions as listed below.

The following assets require only minor maintenance and have been assessed as being in **Good Condition (Level 2)**:

- SES buildings
- Emergency Centre
- Signage (regulatory and general)
- Waste Management Facilities

The following assets require renewal and have been assessed as being in **Poor Condition (Level 4) with some in Very Poor Condition (Level 5)**:

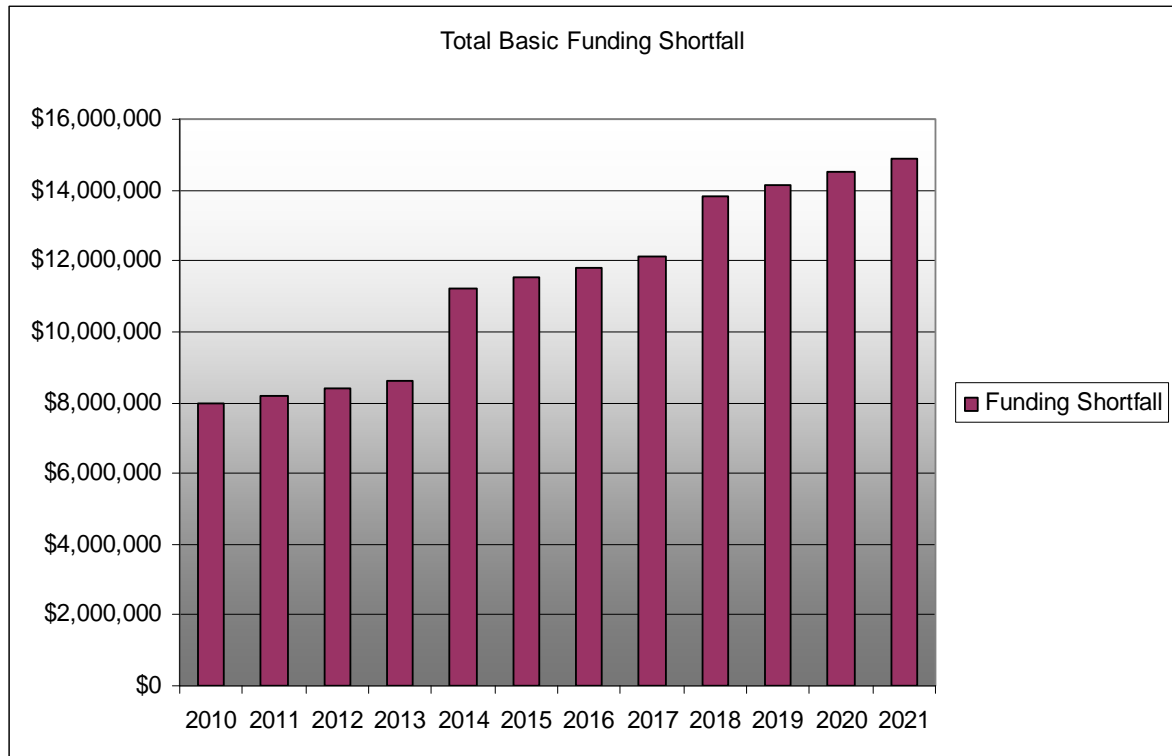
- Fitness and Aquatic Centres – Glenbrook Swim Centre, Lawson Swim Centre, Katoomba Outdoor Pool and Blackheath Pool
- Shoulders and Open drainage channels
- Caravan Parks
- Fire trails on Council managed land
- Rural Fire Service Buildings
- Public toilets

Asset Funding Shortfall

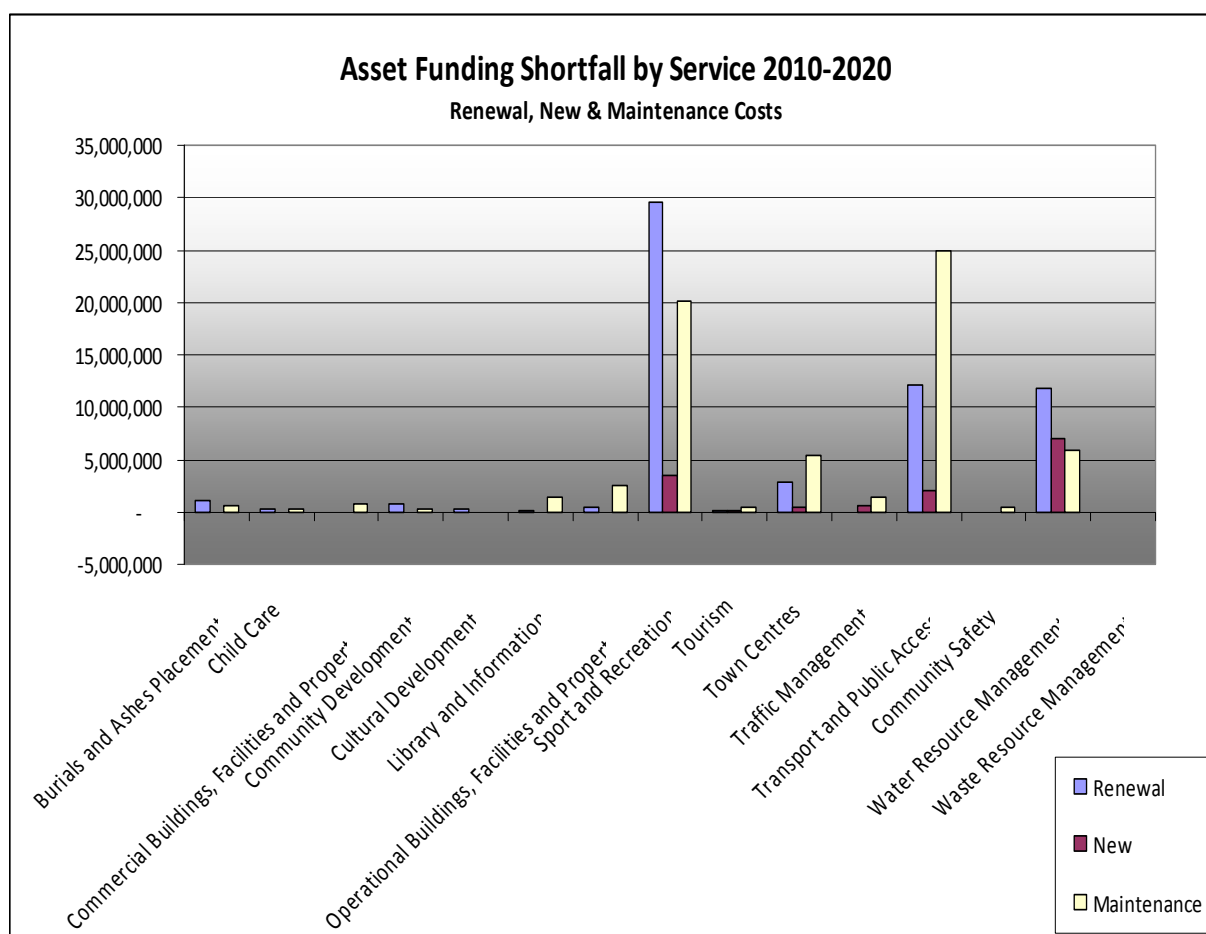
Asset management work has identified a significant funding gap in the renewal, replacement and maintenance of existing Council assets. Assuming the Council retains the current asset stock, the Figure below shows the estimated capital funding shortfall over 2010-2020 by year that will be required to keep all existing assets at Average Condition (Level 3). This does not take into account the impact of cash funding the Major Projects to be completed over 2010-2013.

This shortfall is estimated to be \$116 million for the period 2010-2021

Capital Funding Shortfall by year



The Figure below shows the \$116 million capital funding shortfall by Council service and by capital funding requirement for **maintenance, renewal and new assets**.



Four services show total capital funding shortfalls of greater than \$5 million for the period 2010-2020. These services are:-

1. Sport and Recreation;
2. Water Resource Management
3. Transport and Public Access and
4. Town Centres

Over half of the capital funding shortfall for renewal is in the Sport and Recreation service. This is due to the ageing of some existing infrastructure which requires replacement to prevent major failures. Over 30% is in Transport and Public Access and Water Resource Management services.

Over 70% of the asset maintenance shortfall is in two services – Sport and Recreation and Transport and Public Access.

Over half of the capital funding shortfall for new assets is in Water Resource management service (stormwater drainage).

The Council faces significant financial challenges in funding future asset renewal, replacement and maintenance requirements.

Asset Planning Objectives for 2010-2020

A sustainable council is one that can meet its funding requirements relative to the provision of its services including the maintenance, renewal and replacement of required assets without imposing excessive debt on current or future generations and without unplanned rate revenue increases.

Towards achieving this, the Draft **Asset Planning Objectives** for 2010-2020 are:

1. By 2020, to improve the condition of needed assets to levels in line with community priorities and available funding
2. To manage assets in poor condition or at risk with appropriate responses
3. To provide needed assets through service planning that is integrated with long term financial planning and workforce planning

Addressing the Asset Funding Shortfall – Impact of a Special Variation to Rates

The extent to which the Council will be able to achieve these objectives over the next 10 years is integrally linked to the funding that will be available for asset renewal, replacement and maintenance.

Given the significant shortfall in funding, an **important choice before residents** is whether or not the existing level of built assets and infrastructure should be maintained, increased or decreased.

If the community supports working towards maintaining and/ or increasing the existing level of built assets and infrastructure then additional funding will be required from a Special Variation to Rates (see *Fact Sheet 4 - Proposal for a Special Variation to Rates* and *Fact Sheet 10 - Impact of Special Variation on Ratepayers*) and from ongoing efforts to achieve efficiencies, innovations and revenue.

The following pages show for each Service provided by the Council:

- The current condition of the assets supporting the services
- The proposed capital works expenditure on assets by Service over 2010-2013 without a special variation
- The proposed additional capital expenditure on assets by Service if a Special Variation to rates is achieved over the next 5 years to obtain needed additional revenue.

Burial and Ashes Placement

The current condition of the assets used in providing the Burial and Ashes Placement service is as follows:

Asset	Current Condition
Megalong Valley Cemetery (Not Active) Six Foot Track, Megalong Valley NSW 2785	2
Mount Irvine Cemetery 7-9 Danes Way, Mount Irvine NSW 2786	1
Mount Victoria Cemetery (Not Active) 10 Victoria Falls Road, Mount Victoria NSW 2786	4
Blackheath Cemetery 322-331 Great Western Highway, Blackheath NSW 2785	3
Katoomba Cemetery 2-16 Cemetery Road, Katoomba NSW 2780	3
Wentworth Falls Cemetery 278-312 Great Western Highway Wentworth Falls NSW 2782	3
Lawson Cemetery 80-90 Wilson Street, Lawson NSW 2783	3
Faulconbridge Cemetery 25a Sir Henrys Parade, Faulconbridge NSW 2776	3
Springwood Cemetery 40 Davesta Road, Springwood NSW 2777	2

The Capital Works Funding committed to Burial and Ashes Placement assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Additional Burial Areas	150,000		150,000
Upgrade Facilities	144,000		144,000
Total Proposed Capital Work Program for Service	294,000		294,000

Child Care service

The current condition of the assets used in providing the Child Care service is as follows:

Asset	Current Condition
Preschool buildings (3)	3
Child care buildings (12)	3

The Capital Works Funding committed to Child Care assets for the period 2010-2013 is:

None Proposed

Commercial Activities service

The current condition of the assets used in providing the Commercial Activities service is as follows:

Asset	Current Condition
Residential properties	3
Commercial properties	3
Halls & Rooms	3
Arcade Shops/Multi-Users	4
Caravan Parks	4
Parking Meters	2

The Capital Works Funding committed to Commercial Activities assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Cabin Upgrade Katoomba Caravan Park	25,000		25,000
Caravan Park Improvement Program Blackheath and Katoomba	3,459,650		3,459,650
Cabin Replacement Blackheath Caravan Park	270,000		270,000
Total Proposed Capital Work Program for Service	3,754,650	0	3,754,650

Community Development service

The current condition of the assets used in providing the Community Development service is as follows:

Asset	Current Condition
Public Halls	3
Youth/Community/Neighbourhood Centre Buildings	3

The Capital Works Funding committed to Community Development assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Civic Centre	1,120,000		1,120,000
Disability Access	60,000		60,000
Refit old Library as Community Hall	200,000		200,000
Restoration Works	20,000		20,000
Upgrade Facilities		55,000	55,000
Total Proposed Capital Work Program for Service	1,400,000	55,000	1,455,000

Community Safety service

The current condition of the assets used in providing the Community Safety service is as follows:

Asset	Current Condition
Rural Fire Service Buildings	4
State Emergency Service Buildings	2
Emergency Centre	2
Fire Trails on Council Managed Land	4

The Capital Works Funding committed to Community Safety assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Site Acquisition RFS	164,842		164,842
Total Proposed Capital Work Program for Service	164,842		164,842

Non Capital Works additional funding to Emergency Services

It should be noted that if the Council achieves the proposed Special Variation to rates additional funding totalling \$540,000 will be provided to emergency services for the provision and maintenance of Rural Fire Service and State Emergency Service services and facilities, the management of volunteer Rural Fire Service support, improved emergency response services and improved management and maintenance of fire trails (see Fact Sheet 5 – Community Priorities for dealing with bushfires and emergencies)

Cultural Development service

The current condition of the assets used in providing the Cultural Development service is as follows:

Asset	Current Condition
Sculptures/Statues	3
Structures	3
Plaques	3
Fountains	3
Cenotaph / War Memorials	3
Obelisks	3
Artefacts	3
Public Art - 2D / 3D (this may include sculptures/statues from the monument section)	3
Buildings (not including Cultural Centre)	3

The Capital Works Funding committed to Cultural Development assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
New Cultural Centre/ Library	4,308,333		4,308,333
Restoration Works		20,000	20,000
Signage and associated assets	15,000		15,000
Total Proposed Capital Work Program for Service	4,323,333	20,000	4,343,333

Library and Information service

The current condition of the assets used in providing the Library and Information service is as follows:

Asset	Current Condition
Blackheath Community Hall, including Library , Neighbourhood Centre and Public Toilets	3
Community Centre / Library / Community Advice & Information Centre (New Library programmed)	3
Wentworth Falls School of Arts / Library	3
Lawson Council Building and Library	3
Springwood Office, Library and Library H.Q.	3
Blaxland Community Centre and Library	3

The Capital Works Funding committed to Library and Information assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
New Cultural Centre/ Library	2,800,000		2,800,000
Upgrade Facilities		40,000	40,000
Total Proposed Capital Work Program for Service	2,800,000	40,000	2,840,000

Operational Buildings, Facilities and Property service

The current condition of the assets used in providing the Operational Buildings, Facilities and Property service are as follows:

Asset	Current Condition
Depot & Storage	3
Administration	3
Shelters	3
Amenities	3

The Capital Works Funding committed to Operational Buildings, Facilities and Property assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Sustainability Initiatives	600,000		600,000
Katoomba Headquarters Facilities Upgrade	520,000	80,000	600,000
Katoomba Depot Facilities Upgrade	145,000		145,000
Security upgrade - all buildings		80,000	80,000
Total Proposed Capital Work Program for Service	1,265,000	160,000	1,425,000

Sport and Recreation service

The current condition of the assets used in providing the Sport and Recreation service is as follows:

Asset	Current Condition
Fitness and Aquatic Centres	
Blackheath Pool	4
Katoomba Sports & Aquatic Centre	4
Lawson Swim Centre	4
Springwood Aquatic & Fitness Centre	3
Glenbrook Swim Centre	4
Parks	3
Sportsgrounds	3
Playing courts	3
Skate facilities	2
Walking tracks – track surface	3

The Capital Works Funding committed to Sport and Recreation assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Glenbrook Pool refurbishment		1,000,000	1,000,000
Parks - upgrade facilities		148,000	148,000
Pit Toilet Replacement Program		70,000	70,000
Skate Parks	280,000		280,000
Sportsgrounds - upgrade facilities	534,607	589,500	1,124,107
New Public Toilets in Parks	70,000		70,000
Renewal of Public Toilets in Parks		350,000	350,000
Fencing - Dog off leash areas	60,000		60,000
Park Furniture renewal	4,351		4,351
Park Revitalisation		185,000	185,000
Arborist works		28,000	28,000
Renewal of Play Equipment		161,000	161,000
Minor projects recommended by Sports Council	60,000		60,000
Total Proposed Capital Work Program for Service	1,008,958	2,531,500	3,540,458

Town Centres service

The current condition of the assets used in providing the Town Centres service is as follows:

Asset	Current Condition
Seats	3
Litter bin surrounds	3
Notice boards	4
Garden Beds (excl RTA)	3
Public toilets	4
Shelter shed	3
Commuter car park Springwood	3

The Capital Works Funding committed to Town Centres assets for the period 2010-2013 is:

Capital Works Program Initiatives	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Springwood School of Arts Upgrade		20,000	20,000
Town Centre Bus Stops	17,415		17,415
Town Centre Footpath upgrade		300,000	300,000
Town Centre Parking	307,864		307,864
Town Centre Redevelopment	1,350,000		1,350,000
Tree Planting	20,000		20,000
New Public Toilets in Town Centres	330,000		330,000
Renewal of Public Toilets in Town Centres	500,000	150,000	650,000
New Town Centre Facilities	85,000		85,000
renewal of Town Centre Facilities	335,000	60,000	395,000
New Town Centre Signage	209,531		209,531
Renewal of Town Centre Signage	120,000	40,000	160,000
Total Proposed Capital Work Program for Service	3,274,810	570,000	3,844,810

Tourism service

The current condition of the assets used in providing the Tourism service is as follows:

Asset	Current Condition
Visitor Information Centres	3
Echo Point public toilet	4

The Capital Works Funding committed to Tourism assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Public Toilets in Parks	270,000		270,000
New Tourism Signage	210,000		210,000
Renewal of Wayfinding Signage	270,000		270,000
Total Proposed Capital Work Program for Service	750,000	0	750,000

Traffic Management service

The current condition of the assets used in providing the Traffic Management service is as follows:

Asset	Current Condition
Guardrails / fences	3
Signage general	2
Signage regulatory, warning / hazard	2
Marked crossings	3
Round-a-bouts	3
Pedestrian refuges	2
Wombat crossings	3
Traffic Calming	2

The Capital Works Funding committed to Traffic Management assets for the period 2010-2013 is:

	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Capital Works Program Initiatives			
Traffic Calming	265,000		265,000
Traffic Guardrails	45,000		45,000
Traffic Median	10,000		10,000
Total Proposed Capital Work Program for Service	320,000		320,000

Transport and Public Access

The current condition of the assets used in providing the Transport and Public Access service is as follows:

Asset	Current Condition
Sealed road pavement	3
Footpath / cycleway pavement	2
Kerb and gutter	3
Bridges	3
Car parks sealed pavement	3
Bus shelters	3
Unsealed Road Pavement	3

The Capital Works Funding committed to Transport and Public Access assets for the period 2010-2013 is:

Capital Works Program Initiatives	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Bridge Renewal		350,000	350,000
Bus Shelter Renewal	21,509		21,509
Carpark Renewal	402,715		402,715
Footpath Renewal		903,630	903,630
New Footpath/ Cycleway	335,000		335,000
Road Rehabilitation	220,000		220,000
Road Reseal Program	5,652,000		5,652,000
Total Proposed Capital Work Program for Service	6,631,224	1,253,630	7,884,854

Waste Resource Management

The current condition of the assets used in providing the **current** Waste Resource Management service is as follows:

Asset	Current Condition
1A. Katoomba WMF	
Existing Landfill Cell	2
Existing buildings, weighbridge and civil works	2
Leachate and stormwater management infrastructure	4
Monitoring infrastructure	2
Proposed Transfer Station and associated building and civil works upgrades.	NA
1B. Blaxland WMF	
Existing Landfill Cell A	3
Existing Landfill Cell B	1
Existing buildings, weighbridge and civil works	4
Leachate and stormwater management infrastructure including dams, pipes, interception drains, leachate pumping station	2
Cripple Creek diversion	1
Monitoring infrastructure	2
Proposed buildings and civil works upgrades.	NA

The current condition of the assets of the **former** Waste Management Facilities by Council term are:

2. Dormant Waste Management Facilities	Current Condition
2A. Lawson WMF	
Proposed remediation works, including leachate treatment dam and stormwater infrastructure	NA
Monitoring infrastructure	2
Land	5
2B. Blackheath WMF	
Stage 1 remediation works: Preliminary site works and stormwater management Proposed remediation works	NA
Monitoring infrastructure	2
Land	4

The Capital Works Funding committed to Waste Resource Management assets for the period 2010-2013 is:

Capital Works Program Initiatives	Existing Capital Works Program \$	Additional SV Funded Projects \$	Grand Total \$
Blaxland Waste Management Facility Upgrade	3,000,000		3,000,000
Former Lawson Landfill Site Remediation	82,000		82,000
Total Proposed Capital Work Program for Service	3,082,000		3,082,000

Water Resource Management

The current condition of the assets used in providing the Water Resource Management service is as follows:

Asset	Current Condition
Kerb & Gutter	3
Pipes	3
Pits	3
Shoulders	4
Open Channels	4
Stormwater Quality Improvement Devices	2

The Capital Works Funding committed to Water Resource Management assets for the period 2010-2013 is:

Capital Works Program Initiatives	Existing Capital Works Program \$	Additional Special Variation Funded Projects \$	Grand Total \$
Drainage Renewal		369,000	369,000
Monitoring Equipment		50,000	50,000
Pipeline Capacity Upgrade		240,000	240,000
Construction of replacement drainage pipeline		50,000	50,000
Replacement of existing concrete kerb and gutter	79,800	580,000	659,800
To correct failed road shoulders and missing links		609,317	609,317
Construction of new drainage pipelines	450,000		450,000
Total Proposed Capital Work Program for Service	529,800	1,898,317	2,428,117

Glossary

Activity	Description
Operations:	The active process of using an asset which will consume resources such as labour, energy and utilities, cleaning, insurance costs, rates, etc. Operations activities keep the asset utilised but have no effect on asset condition, or value.
Maintenance:	<p>Actions for retaining an asset close to its original (or current) condition and fit for its intended purpose. Maintenance can be further defined as:</p> <p>Corrective Maintenance (Routine Maintenance) Unplanned maintenance (often referred to as reactive maintenance) that occurs each year as a result of breakdowns, such as sewer chokes, broken locks or windows, vandalism, etc.</p> <p>Preventative Maintenance (Routine Maintenance) Regular planned maintenance activities that occur each year such as servicing of air conditioning, pumps and other mechanical services, fire protection, exit lighting, etc. SLA work is scheduled in WRR.</p> <p>Condition Based Maintenance (Major Periodic Maintenance) Maintenance that occurs outside of a cyclic regime, of a minor nature (i.e. Not classed as renewal) and is based on asset condition assessment. It may include such activities as painting, minor fittings replacement, sections of carpet/floor vinyl replacement, etc</p>
Renewal: (M-Plan – Asset Component Replacement/Refurbishment)	Actions to rebuild or replace major components of an asset to restore it to a required functional condition and extending its current remaining life. Renewal work is the substantial replacement of the asset or a significant asset component to its original size and capacity. Renewal may include air conditioning plant replacement; complete floor finishes replacement, etc.
New Works:	Actions to create new assets or increase the capacity of existing assets beyond their original design capacity/service potential. Capital upgrades or new works may include the construction of a new building, significant alteration and/or additions that ultimately improve the base value of the asset.
Disposal:	Costs associated with the removal or disposal of closed assets. Disposal may also include income derived from the sale of salvageable components of the asset. These may include components ranging from scrap metal to land.