

17 April 2019

## MEMORANDUM

TO: FINANCE MANAGER

FROM: SENIOR PLANNING OFFICER (ASSET MANAGEMENT)

RE: INFRASTRUCTURE ASSET VALUATION 2018-19

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### INTRODUCTION:

This is a report by the Senior Planning Officer (Asset Management) dated 17 April 2019 concerning the Works, Parks and Recreation Department's (WPR) contribution to, and review of, the valuation of infrastructure assets conducted by Cardno for the 2018-2019 financial year.

### BACKGROUND:

#### Data Supplied

#### Asset Registers

Cardno was provided full extracts, including key attributes of all infrastructure asset classes physical asset registers.

#### Asset Condition

Condition, and thereby remaining useful life, was determined by age as an indicator of asset condition for all assets, excluding Sealed Roads.

In the case of Sealed Road assets, the Pavement Condition Index (PCI) was provided as an indicator for the condition of each road segment. The PCI is modelled by the Pavement Management System on the basis of observed physical surface defects. Where PCI is not available for particular segment of road, age was used as an indicator of asset condition.

#### Valuation Outcomes

#### Methodology and Assumptions

The methodology and assumptions applied to the 2018-2019 infrastructure asset valuation, and as outlined in Cardno's valuation report, were reviewed by WPR and found to be consistent with, and appropriate to, the purpose and intent of the valuation.

#### Useful Lives

The useful lives applied to the 2018-2019 infrastructure asset valuation, and as outlined in Cardno's valuation report, were reviewed by WPR and found to be consistent with, and appropriate to, the purpose and intent of the valuation.

#### Unit Rates

The unit rates applied to the 2018-2019 infrastructure asset valuation were reviewed by WPR and found to be consistent with, and appropriate to, the purpose and intent of the valuation.

#### Alignment of the Physical and Financial Asset Register

Alignment between the physical and financial asset registers via the simplification of asset records held in the financial asset register has continued this year.

The physical asset registers hold all the detailed attributes and can be readily aligned to a smaller number of aggregated records within the financial asset register, while still retaining all necessary financial reporting capabilities.

#### CONCLUSION:

The Works, Parks and Recreation Department contributed to the preparation, support and review of the 2018-2019 infrastructure asset valuation as outlined in the body of this report.

#### RECOMMENDATION:

That the report be received and the contents noted.

Benson Au-Yeung  
SENIOR PLANNING OFFICER (ASSET MANAGEMENT)

I concur with the recommendation/s contained in this report.

Helen Coles  
PRINCIPAL OFFICER (ASSET MANAGEMENT)

C/c BUSINESS ACCOUNTING AND ASSET MANAGER

C/c BUSINESS ACCOUNTING MANAGER

C/c PRINCIPAL FINANCIAL ACCOUNTANT