

LGFP Conference 2019 - Masterclass

# Better Condition Assessments

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# Condition Assessments 101

- Asset Condition reflects the physical state of the asset, which may or may not affect its performance.
- The performance of the asset is the ability to provide the required level of service to customers.
- Condition data is critical information for determining the remaining useful life of an asset and more importantly the timing for possible intervention steps to bring levels of service, provided by the asset, back to a desired standard.



# Condition Assessments 101

It is critical that Councils have a clear knowledge of the condition of their assets and how they are performing.

All management decisions regarding maintenance, rehabilitation and renewal revolve around these two aspects.



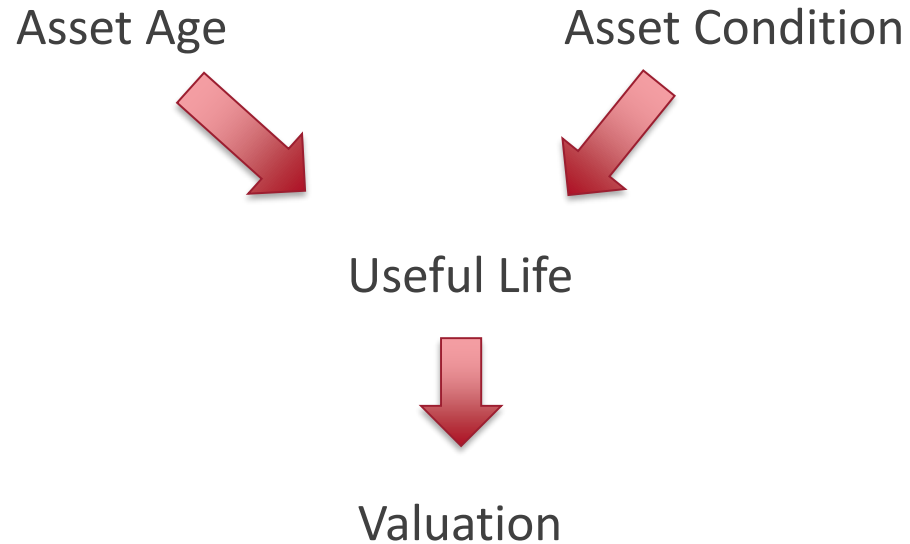
# Condition Assessments 101

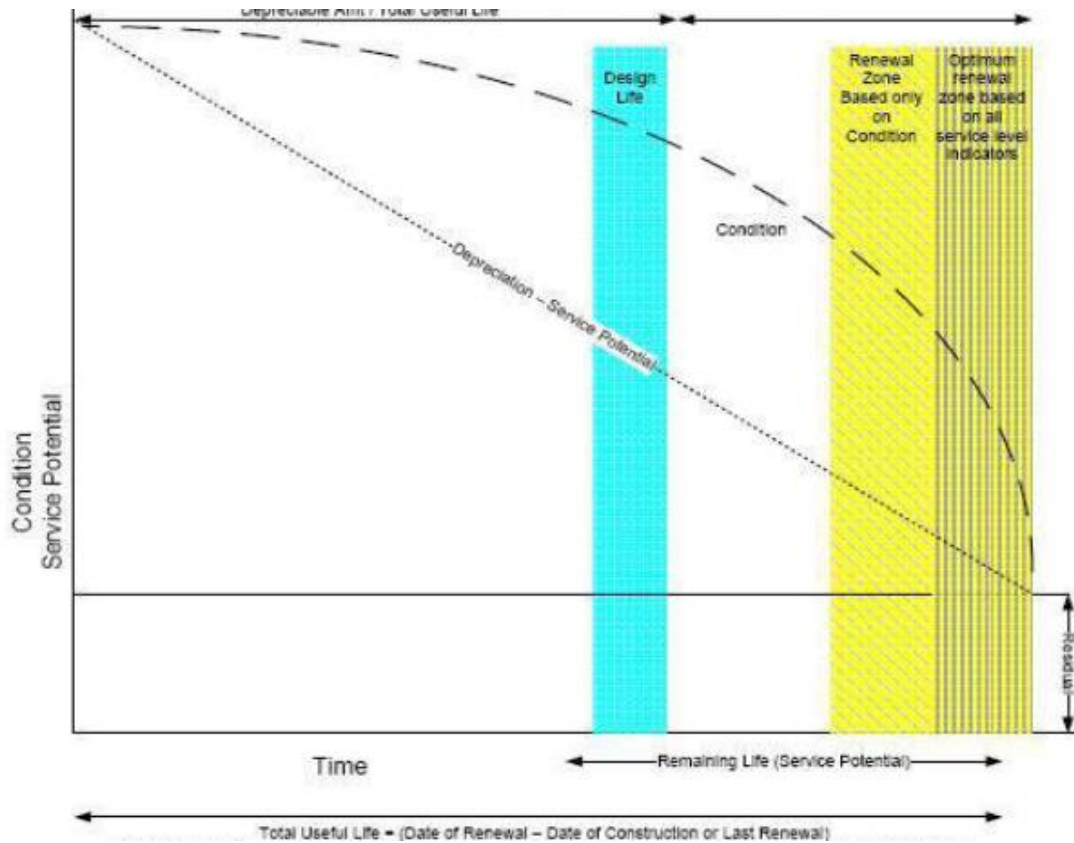
Condition Assessments must be:

- economically justified as a benefit to the organisation
- carried out in the most cost-effective and efficient manner
- applied consistently
- repeatable.



# Condition Assessments role in Valuation





## Condition Based Useful Life Assessment

Condition Rating	Description	% Asset Remaining (Based on delivery of future economic benefit)
0	Brand New	100
1	Excellent (Only normal maintenance required)	95
2	Good (Minor defects only /minor maintenance required up to 25%)	75
3	Average (Significant maintenance required 50%)	50
4	Poor (Requires replacement within next 1-2yrs)	20
5	Asset Failure (Requires immediate replacement)	5





# Maximising your return on Condition Assessments

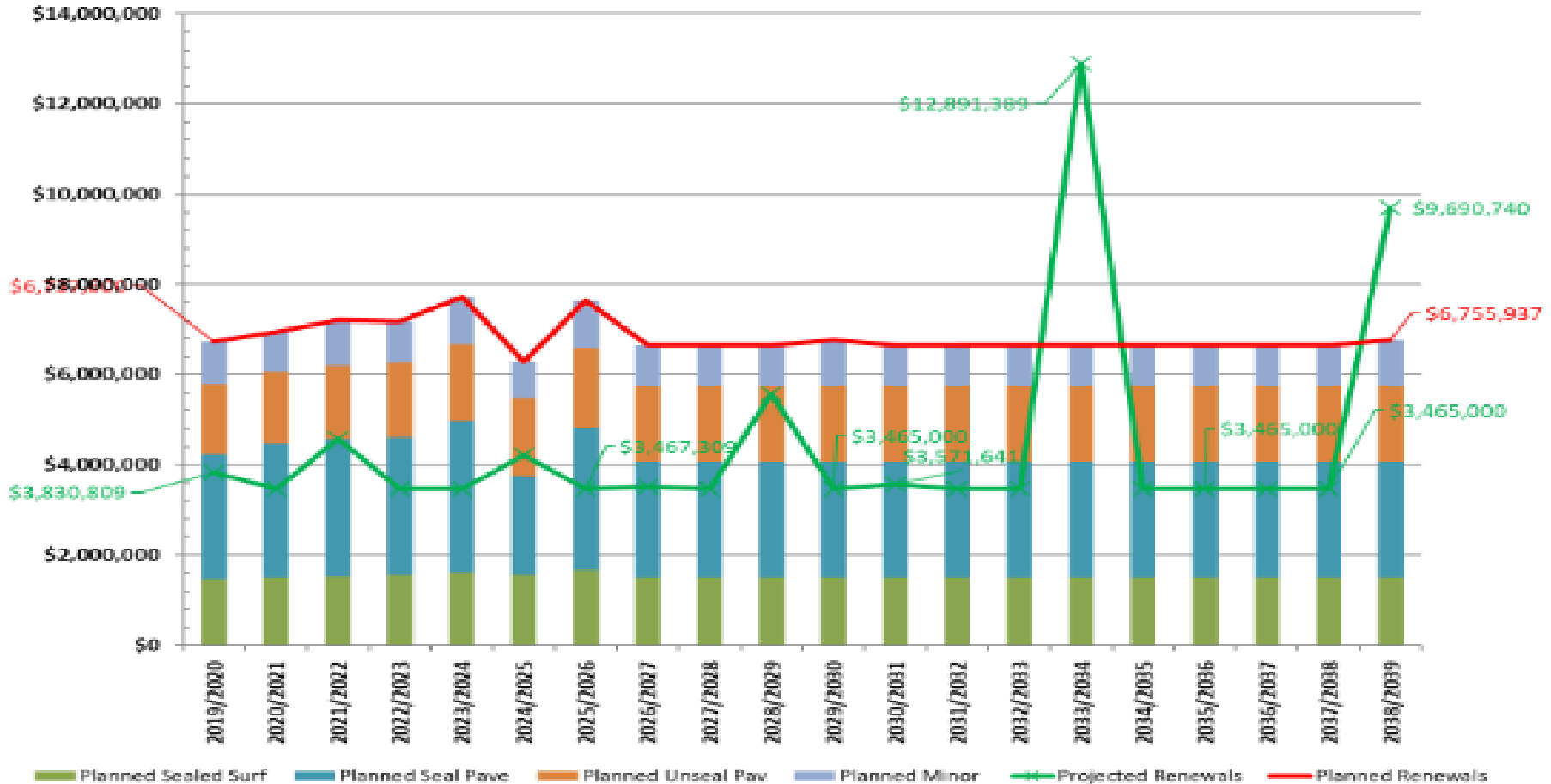
Condition Assessments should not be done in Isolation

Potential Related Issues

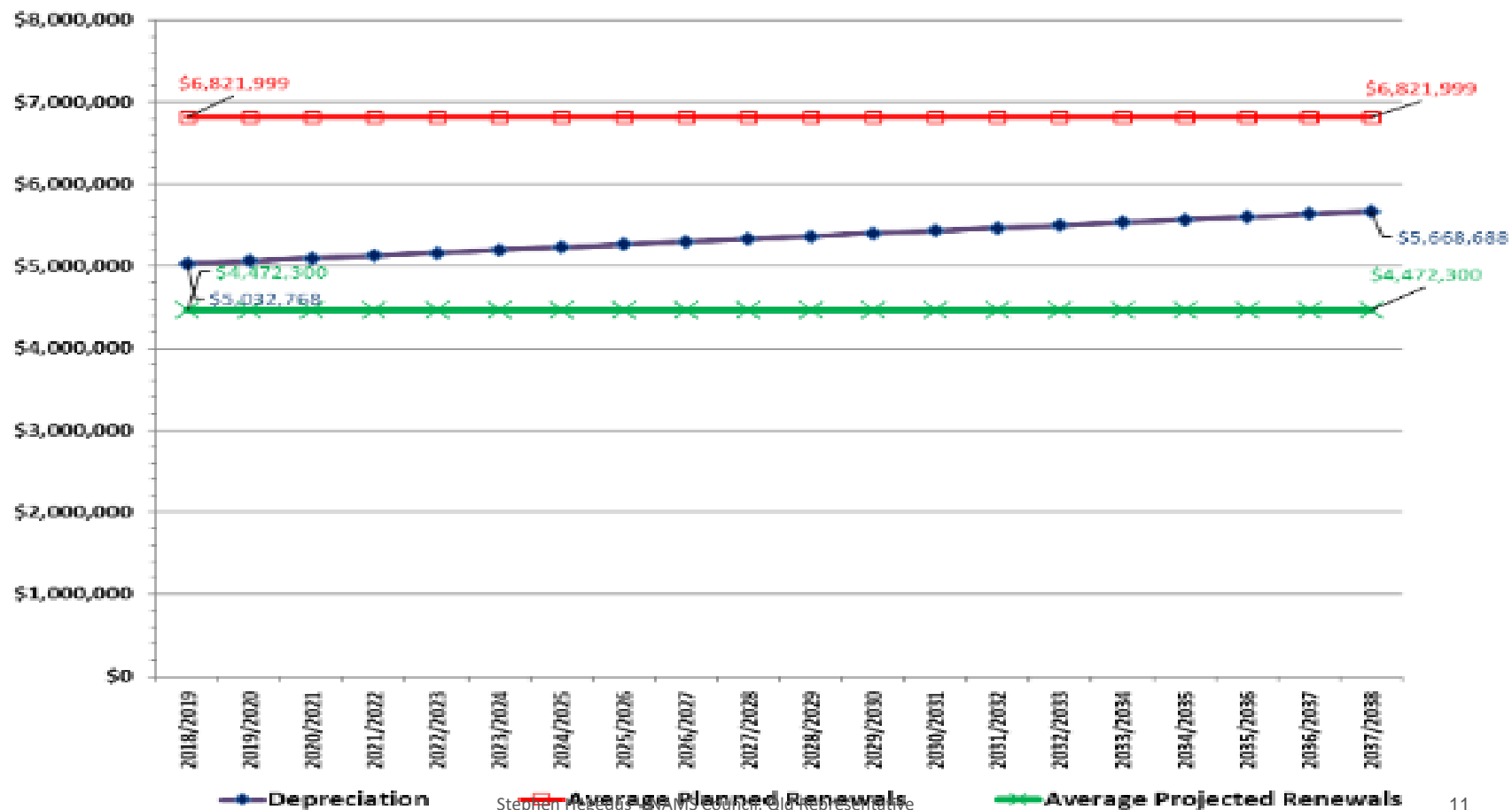
- Determining useful life
- Capital Works Renewal Planning
- Maintenance Management Planning
- New NDRRA funding requirements for evidence of pre event asset condition
- Risk Management (Especially identified critical assets)



## Planned vs Projected Renewals



## 20 Yrs Average Planned (FWP) & Projected (SL) Renewals and Depreciation



# Condition Assessment Resources

- Roads
- Footpaths
- Kerb & Channel
- Buildings
- Stormwater Drainage
- Water Supply and Sewerage



## CONDITION ASSESSMENT AND ASSET PERFORMANCE GUIDELINES

Preamble Document

IPWEA – NAMS.AU

# Condition Assessments Questions To Considering

- When was the asset constructed / rehabilitated / replaced?
- Where is the asset / component in its lifecycle?
- What is the asset's theoretical effective life?
- What is the estimated remaining life until rehabilitation and / or replacement is necessary?
- Has the asset been inspected physically and by what process?
- How can the asset's deterioration be predicted?
- How can the asset's failure be predicted?
- How could planned maintenance prevent the asset's failure or extend the time to failure?
- Can the asset be rehabilitated and at what cost?
- What level of service will the asset deliver once rehabilitated and for how long?
- Is the asset technically or commercially obsolete?
- Are asset condition gradings appropriate and relevant?
- Are asset condition monitoring processes effective?



## In Summary - Benefits of Condition Assessments

- Information utilised for accurate Asset Valuations
- Ability to plan for and manage the delivery of required level of service
- Avoidance of costly premature asset failure
- Mitigation of risks associated with asset failures
- Accurate predictions of future long term costs – Operation and Capital
- Planned maintenance in lieu of ad-hoc maintenance





**Thank You**