

Effective Life Assessment for Infrastructure Assets



Connell Wagner was commissioned by the Australian Valuation Office to make professional and informed assessments of the asset life of a wide range of facilities, equipment and systems making up the rail, road, water, airport and marine infrastructure. The Australian Taxation Office will consider this advice when revising the Commissioner of Taxation's Effective Life Schedule for taxation purposes.

Client:

Australian Valuation Office

Location:

Australia-wide

Market:

Transportation

Services:

Categorisation of infrastructure assets for rail, rolling stock, roads, water, airport and marine facilities, estimation of effective life of the assets and preparation of assessment reports

Value:

A\$142,000

Completion:

2000



Connell Wagner reviewed the current Commissioner's Asset Schedule and developed an asset schedule that consisted of practical units of physical infrastructure. Based on the proposed schedule, each asset element was assessed and assigned with an effective life.



The assignment called for in-depth knowledge in the operation and maintenance practice in the respective industry. Accordingly, the studies necessitated Internet research for information regarding international practice and industry approach in asset life assessment. As there are no agreed design life figures for most of the infrastructure assets, the determination of the asset service life necessitated a high level of professional judgement backed by knowledge of industry practice and case studies.

1. Sunshine Motorway, Queensland
2. Port of Mackay, Queensland
3. Brisbane International Airport, Queensland
4. Mainline Upgrade, Bundaberg to Gladstone, Queensland
5. Coliban Water, Victoria



Connell Wagner also developed a methodology that was based on a weighted-average approach for the assessment of amalgamated assets, to enable the overall life of any specific system or facility to be estimated.



The assignment was challenging because of the element of subjective view required in the assessment process. In this regard, the life assessment was carefully carried out with a focus on the normal industry practice in order to achieve an outcome, which is reasonable and acceptable to the respective industry.

