

ASSET MANAGEMENT STRATEGY

2021 - 2030

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The Institute of Public Works Engineering Australasia.

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the lands in our region belonging to the Barngarla people and acknowledge them as the traditional custodians from the past, for the present and into the future. The Barngarla people are strong and are continuously connecting to their culture and their country. Whyalla City Council and the Barngarla people are working together to build a stronger future.



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Cover Photographer: Cherilee Bagshaw

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1. EXECUTIVE SUMMARY

CONTEXT

Whyalla City Council's Strategic Plan, Long Term Financial Plan and Asset Management Strategy are the three strategic management plans of Council. All three plans can be viewed online at www.whyalla.sa.gov.au/strategicmanagementplans.

This Asset Management Strategy ('the Strategy') is prepared to assist Council in improving the way it delivers services from infrastructure; including road and transport related infrastructure, buildings, open space and land improvements, stormwater, irrigation, plant and equipment. The combined replacement value for all Council Assets is \$382,897,000.

The Strategy has been compiled to combine all asset classes into one summarised document. Adopting the Strategy will assist Council in meeting the requirements of the National Sustainability Framework, the Local Government Act 1999, the Financial Audit and Management Act 2012; and provide services needed by the community in a financially sustainable manner.

Asset Management Plans (AM Plans) for specific asset categories are held as operational documents and are reviewed regularly to underpin the implementation of the Strategy. The Strategy ensures;

- the asset portfolio will meet the service delivery needs of the community into the future.
- Council's Asset Management Policy can be achieved,
- integration of Council's Asset Management with its long term strategic and financial plans.

STRATEGIC OUTLOOK

1. Council is able to continue to improve the level of service provided by its assets and to meet optimal levels of service identified in condition surveys.
2. Council must consider strategies to fund the projected asset renewal expenditure over next 10 years.
3. Council's current asset management maturity is considered at 'core' level. Continued investment is required to ensure that data verification, system management and evaluation continues to mature towards an 'advanced' system level.
4. Council endeavours to optimise the life of assets at the most economic cost over time (lifecycle approach) including the development of new technologies to support optimisation.
5. Reducing the demand for new assets through demand management techniques and consideration of alternative service delivery options.

WHAT IS COVERED?

Council is responsible for managing its assets at a level that ensures the desired standards of service are achieved and maintained in a cost effective and timely manner.

The assets included within this strategy are;

- Transport Assets
- Stormwater Assets
- Irrigation
- Plant and Equipment
- Recreation and Open Space
- Building Assets
- Furniture and Fittings

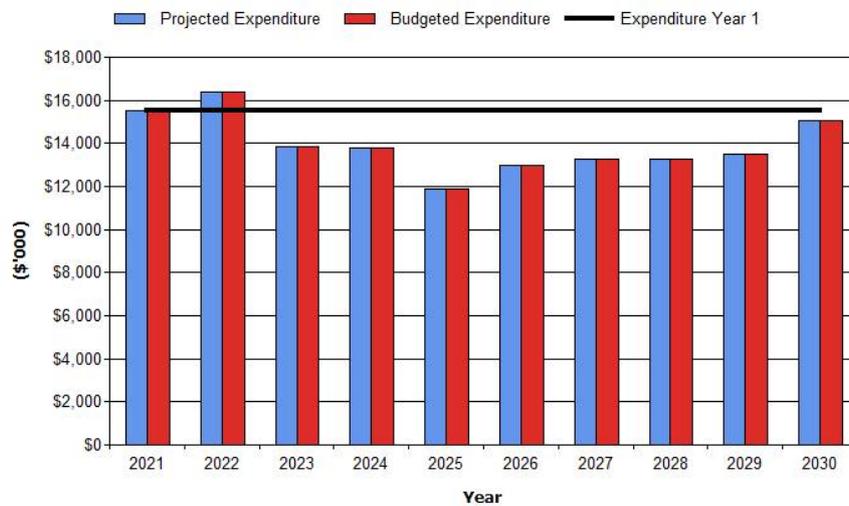
WHAT DOES IT COST?

The projected outlays necessary to provide the services covered by this Strategy, include; operations, maintenance, renewal and upgrade of existing assets over the 10 year and is calculated at \$139,498,000 or \$13,950,000 on average per year for the planning period (2021-2030).

Estimated available funding for this period is \$139,498,000 or \$13,950,000 on average per year which is 100% of the cost to provide the service.

The graph below demonstrates projected and budget expenditure for all assets. Projected Expenditure for year 2021 (2020/21 financial year) includes those assets which are expired or due to expire within the first year of this planning period.

Whyalla CC - Projected and Budget Expenditure for (Strategy)



WHAT WE WILL DO

We plan to provide Infrastructure services for the following:

- Operation, maintenance, renewal of Council’s transport network to meet service levels set by Council in annual budgets while addressing renewal backlog.
- Building categorisation to quantify the funding levels required for optimal operation, maintenance, renewal of Building infrastructure.
- Commissioning of the new Jetty.
- Develop ovals that open up Whyalla to opportunities for hosting sporting event on the national stage.
- Extension of stormwater network for mitigation projects as provided by the Stormwater Management Plan.
- Implement the 3-year transport delivery plan.
- Continued implementation of master plans as considered in Council’s Long-Term Financial Plan.

WHAT WE CANNOT DO

We do not have enough funding to provide services at a higher level than currently delivered or provide new services, unless considered separately by Council.

MANAGING THE RISKS

The following have been identified as major risks:

- Limitation of data, particularly those categories which require componentisation to optimise forward planning and renewal; and, discrepancy in data where full componentisation is not achieved.
- Gifted assets once handed to Council are fit for purpose with any damage rectified and brought to standard.
- Responding to reactive maintenance through Council's Customer Request system to alleviate and manage risk of increased asset deterioration.
- Reliance on historical data and knowledge available for asset categories which are below a 'core' level of maturity.
- Compliance with legislative requirements on limited resources.

Council will endeavour to manage these risks by:

- Ensuring continuous improvement of Council's Conquest Asset Management System and systematic componentisation of assets to ensure optimum performance.
- Identifying assets most at risk and undertake necessary testing to quantify function and condition.
- Develop and maintain a 10-year asset renewal program across all asset classes, with continued analysis prior to compiling annual works program.
- Undertake conditioning surveys for each asset class on a rotating five-year schedule, to rectify any data deficiencies over the 10 year period.
- Continue planned and some reactive maintenance through Council's maintenance programs.
- Record, inspect, repair and finalise specific concerns through the customer service system.

CONFIDENCE LEVELS

This Strategy, on balance, is based on a medium level of confidence in information. Data pertaining to categories with the majority value, including Transport, Buildings and Stormwater is provided with a high level of confidence. However, continued investment is required to achieve similar validation of data in those categories that carry the least value, namely Irrigation, Plant and Equipment.

THE NEXT STEPS

The actions resulting from this Strategy are:

- Complete revision of AM Plans for all Asset classes to ensure effective management of Assets.
- Investigate and implement innovative cost-effective treatment methods and solutions to extend the life of Council Assets.
- Compile a 10 year forward works program in line with treatments and/or recommendations.
- Undertake testing on key assets where details are unknown or assumed.
- Implement the Asset Management Policy in line with national framework requirements.
- Refine the existing Asset Management System to comply with Asset Management Policy and ensure that the Conquest data is suitably componentised and inclusive of all asset categories.
- Enact the asset management improvement program (Table 6.1) which details a program of tasks to be completed and resources required to bring Council to an 'advanced' level of asset maturity and competence.

2. INTRODUCTION

2.1 BACKGROUND

This Strategy is designed to;

- demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 20 year planning period.
- follow the format recommended in Section 4.2.6 of the International Infrastructure Management Manual¹.
- be read with the organisation’s Asset Management Policy, Whyalla City Council Strategic Plan and the Long Term financial Plan.

This infrastructure assets covered by this Strategy are shown in Table 2.1. These assets are used to provide a range of services to the community.

Table 2.1: Assets covered by this Plan

Asset category	Category Components
Transport Assets	Road Pavement (Base) Road Surface (Seal) Kerb and Channel Footpaths
Building Assets	Community Facilities Council Operational Facilities Public Toilets Sporting Facilities Community Halls
Recreation and Open Space	Land Improvements Playgrounds and Open Space
Stormwater	Stormwater Pits (above ground infrastructure) Stormwater Pipe (below ground infrastructure)
Plant and Equipment	Minor Plant Major Plant
Irrigation	Recycled Water Network Irrigation pipework Valves and miscellaneous fittings
Furniture and Fittings*	Information Technology Furniture Miscellaneous Equipment

Key stakeholders in the preparation and implementation of this Strategy are shown in Table 2.1.1.

* Due to the total value making up a small portion of Council’s total asset stock, Furniture and Fittings is low risk from an Asset Management perspective and is therefore excluded from individual renewal plans. Risk is mitigated by providing an allowance for annual renewal in the Long Term Financial Plan which is reflected in the total renewal figures listed in this Asset Management Strategy.

¹ IPWEA, 2011, Sec 4.2.6, *Example of an Asset Management Plan Structure*, pp 4 | 24 – 27.

Table 2.1.1: Key Stakeholders in the AM Strategy

Key Stakeholder	Role in Asset Management Strategy
Mayor and Elected Members	<ul style="list-style-type: none"> • Represent needs of community/stakeholders, • Ensure organisation is financially sustainable.
Chief Executive Officer	<ul style="list-style-type: none"> • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
Director Infrastructure	<ul style="list-style-type: none"> • Overall responsibility for Engineering and Infrastructure Department. • Ensuring compliance of Strategic Plan Objectives • Guidance and leadership based on expertise within asset management category.
Manager Assets	<ul style="list-style-type: none"> • Responsibility for ensuring asset management tasks and improvement plan are undertaken in line with objectives set out in Asset Management Strategy • Guidance and leadership based on expertise within asset management category. • Direct Responsibility of Technical Assist • Drafting of Asset Management related plans for approval • Capital works projects
Project Engineer, Project Manager Landscape, Manager Roads	<ul style="list-style-type: none"> • Capital works projects • Report of any asset defects or deficiencies noted during inspections
Manager Operations, Civil/ Maintenance Coordinator and Open Spaces Coordinator	<ul style="list-style-type: none"> • Responsible for reactive and planned maintenance schedules • Completion of customer requests relating to asset maintenance issues • Report of any asset defects or deficiencies noted during inspections
Technical Assistant	<ul style="list-style-type: none"> • Responsible for Data integrity, storage and retrieval • Update and maintain GIS systems • Assist with capital works projects
The Community (residents, businesses, property owners)	<ul style="list-style-type: none"> • Provide feedback on Level of Service and the implications on revenue and budget expenditure • Reporting of any asset defects or deficiencies through Council's Customer Service System
Federal and State Governments	<ul style="list-style-type: none"> • Liaise for funding opportunities through various Government Agencies • Reporting body for any issues or service deficiencies for DPTI infrastructure

2.2 RESOURCING STRATEGY

Council's asset management strategy is aligned with the vision and objectives set in Council's strategic plan. Central to this is forecasting the service delivery needs and the capacity to meet them on a short, medium and long term basis.

Cost occurs in all phases of an asset's life. It is important to attribute the costs to each phase of an asset's life cycle so that the total life cycle costs can be determined to enable better management decision making. There are four key phasis of the asset management lifecycle of a council's asset: acquisition, operation and maintenance, renewal and disposal. These phases are interrelated.

The cost of implementing the Asset Management Plan has been incorporated within Council's delivery program and financial estimates and LTFP. However, it should be noted that this strategy reflects council's intention at the time of publication. As with any plan or budget the actual results may vary from that forecast.

2.3 GOALS AND OBJECTIVES OF ASSET MANAGEMENT

Council exists to provide services to the community. Some of these services are provided by public infrastructure assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Continuous improvement in asset management practices,
- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.²

2.4 FRAMEWORK

Key elements of the Strategy are:

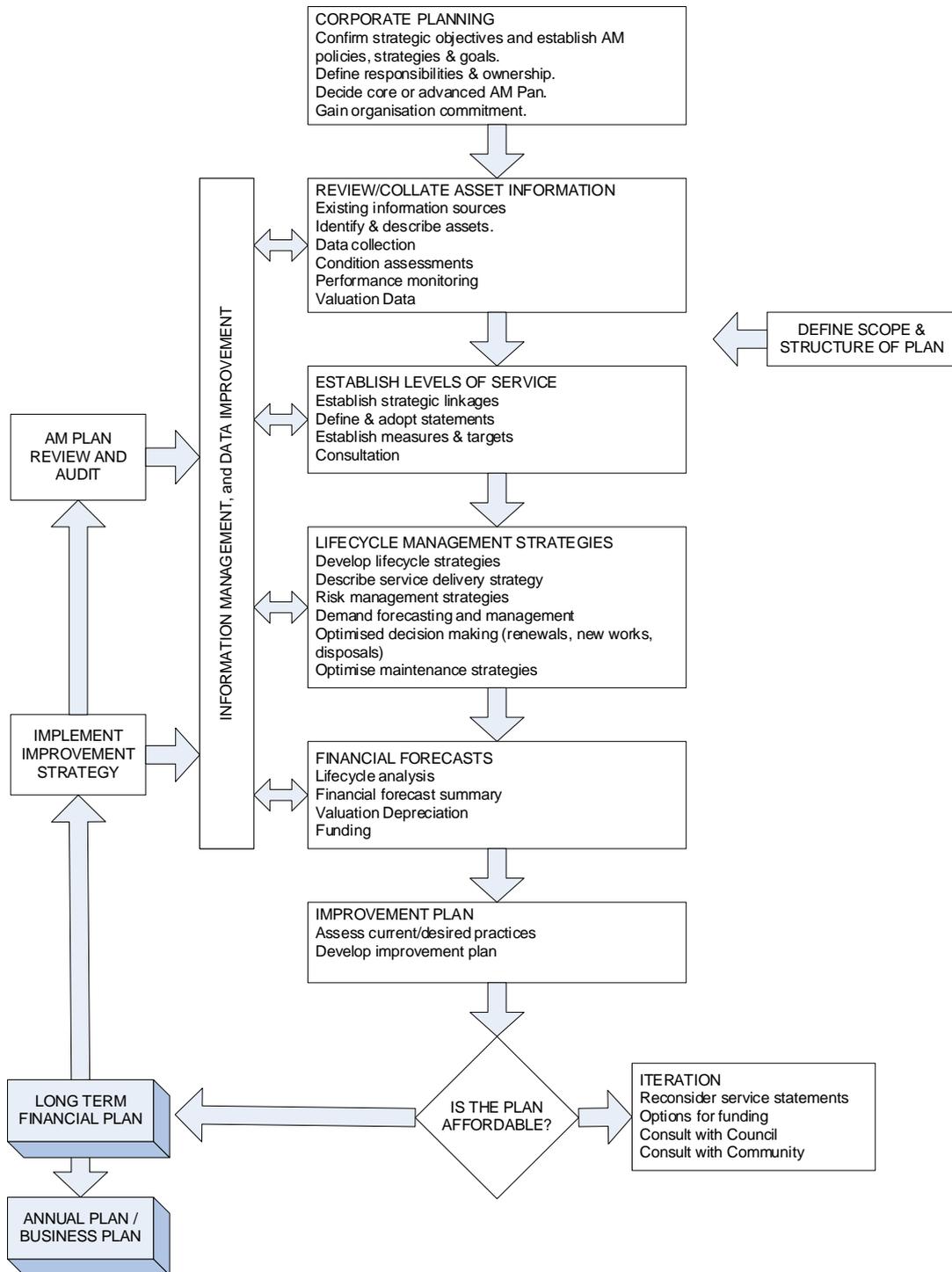
- Life cycle management – how Council will manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices,
- Monitoring – how the plan will be monitored to ensure it is meeting organisation's objectives,
- Asset management improvement plan.

A road map for preparing an AM Plan is shown over page.

² Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11.



2.5 CORE AND ADVANCED ASSET MANAGEMENT

This Strategy is prepared as a 'core' asset management plan over a 20 year planning period in accordance with the International Infrastructure Management Manual³. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

The Strategy provides an approach to asset management based on:

- Best available current information
- Current level of service
- Contrasting existing management strategies with opportunities for improvement.
- A long term financial plan for 10 years with an advanced approach, resulting from financial needs prediction through particular asset's economic life span.
- Prioritising work for rolling forward programming focusing in detail on capital, operational and maintenance requirements.
- A life cycle approach

This Strategy is based on the best information available at the time of preparation. The plan will be regularly reviewed and updated with the level of sophistication improving incrementally to an optimum level that is appropriate to the needs of council and the community.

Future revisions of this Strategy and the associated operational plans will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

An advanced asset management approach contains optimisation of activities and programs to meet agreed service standards, through the development of management tactics based on the collection and analysis of key information on asset condition, performance, lifecycle costs, risk costs and treatment options.

2.6 COMMUNITY CONSULTATION

This 'core' asset management strategy is prepared to facilitate community consultation initially through feedback on public display of the draft prior to adoption by Council. Future revisions of the Strategy will incorporate community consultation on service levels and costs of providing the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences with the community's ability and willingness to pay for the service.

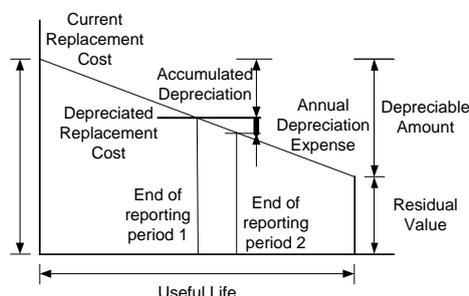
³ IPWEA, 2011, IIMM.

3. LIFECYCLE MANAGEMENT PLAN

3.1 ASSET VALUATIONS

The value of assets recorded in the asset register as at 30 June 2019 covered by this asset management strategy is shown below.

Current Replacement Cost	\$382,987,000
Depreciable Amount	\$382,987,000
Depreciated Replacement Cost ⁴	\$225,347,000
Annual Depreciation Expense	\$5,899,000



Key assumptions made in preparing the valuations were:

- Asset Data available at time of audit is accurate and based on sound methodology
- Depreciation being calculated using a straight-line method
- Current depreciated value based on standard life
- Landfill, land assets, street furniture and office furniture are not included in the above asset valuations due to being outside of the asset registers. An allowance for annual renewal has been included in the Long Term Financial Plan for these asset groups. Their total value makes up a small portion of Council's total asset stock and they are therefore considered to be low risk from an Asset Management perspective.

Various ratios of asset consumption and expenditure have been prepared to help guide and gauge asset management performance and trends over time.

Rate of Annual Asset Consumption (Depreciation/Depreciable Amount)	1.5%
Rate of Annual Asset Renewal (Capital renewal exp/Depreciable amount)	1.8%

In 2020 the organisation plans to renew assets at 115.9% of the rate they are being consumed. Increases in asset stock are considered 0% in the year throughout this plan as upgrade/new is being developed separately.

3.2 INFRASTRUCTURE RISK MANAGEMENT PLAN

An assessment of risks⁵ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure 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 3.1. These risks are reported to management and Council.

⁴ Also reported as Written Down Current Replacement Cost (WDCRC).

⁵ Council's Risk Management Policy

Table 3.1: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *
All assets	Errors in data analysis based on existing historical data resulting in inaccurate calculations for useful life, renewal costs and asset depreciation	VH	Componentisation of all asset classes and the uploading of this data into Conquest for programming and reporting	L
All assets	Further deterioration compounding existing back log	VH	Ensure capital renewal expenditure exceeds annual depreciation across the medium and long term	L
Footpaths and Kerb & Channel	Future deterioration of network resulting in excessive capital outlay	VH	Implement 3-year delivery program	L
Stormwater Management	Interruption of services, road network etc as a result of flooding	H	Execute Stormwater Management Plan projects in alignment with road renewal program	M
Open Space	Limitation to available water	H	Optimise and upgrade irrigation network	M
Open Space & Buildings	Operations and Maintenance costs become unsustainable to maintain current service levels	H	Condition assessment and develop renewal, upgrade & divestment plans	L

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

3.3 ROUTINE OPERATIONS AND MAINTENANCE PLAN

Operations include regular activities to provide services such as public health, safety and amenity, e.g. cleansing, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

3.3.1 Operations and Maintenance Plan

Operations activities affect service levels including quality and function through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes 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. 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.

Actual past operating and maintenance expenditure is shown in Table 3.3.1.

Table 3.3.1: Operating and Maintenance Expenditure Trends

Asset Class	Operating & Maintenance Expenditure
Transport Assets	\$1,225,400
Building Assets	\$1,763,500
Recreation and Open Space	\$3,984,000
Stormwater Assets	\$58,800
Plant and Equipment	\$434,500
Irrigation	\$268,600

Planned and specific maintenance work is currently 49% of total maintenance expenditure.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience, judgement and feedback from the community through Council's Customer Service System and through further refinement of Council's inspection regime.

3.3.2 Operations and Maintenance Strategies

The organisation 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/Board,
- 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,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

3.3.3 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. Council has developed a hierarchy system to assist with asset management strategies into the future and will continue to develop this throughout future iterations of Asset Management Plans (refer to improvement plan).

3.3.4 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, Council 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. Critical assets failure modes and required operations and maintenance activities are detailed in Table 3.3.4.

Table 3.3.4: Critical Assets and Service Level Objectives

Critical Assets	Critical Failure Mode	Operations & Maintenance Activities
Footpaths	Unserviceable for use with particular risk to the elderly or those who rely on mobility aids	Undertake planned and reactive maintenance in line with Council's customer service charter and internal schedules and policies.
Roads	Unserviceable for vehicular traffic due to failure	Undertake planned and reactive maintenance in line with Council's customer service charter and internal schedules and policies.
Culverts and similar road structures	Failure/Collapse	Continued inspection procedures to identify and complete maintenance as required
Sporting facilities	Unserviceable for use by community and/or sporting clubs.	Undertaken planned and reactive maintenance in line with Council's customer service charter and internal schedules and policies.
Playgrounds	Unserviceable for use due to failure	Undertaken planned and reactive maintenance in line with Council's customer service charter and internal inspections and policies.
Public furniture/structures	Failure/Collapse	Continued inspection procedures to identify and complete maintenance as required

3.3.5 Standards and specifications

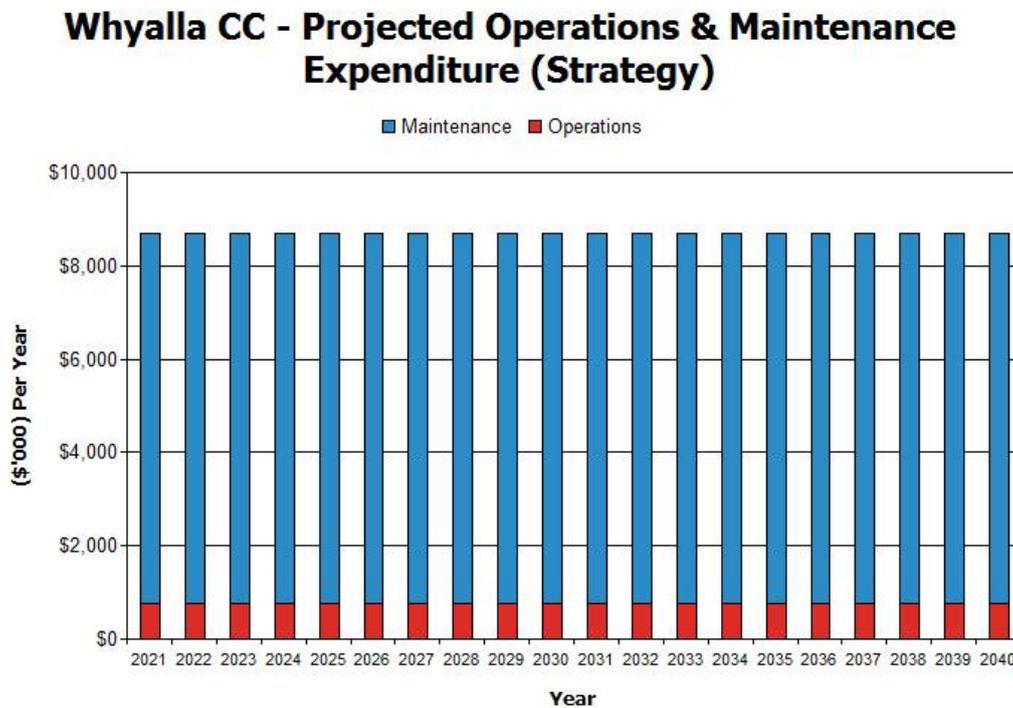
Maintenance work is carried out in accordance with the following Standards and Specifications.

- SAA HB81 parts 1-9: Field Guide for Traffic Control at Works on Roads
- AS 1472 parts 1-13: Manual of Uniform Traffic Control Devices
- Ministers Notice to Council – 9 September 2013
- Various internal policies
- Approved maintenance schedules

3.3.6 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 1. Note that all costs are shown in current 2019/20 dollar values (i.e. real values).

Figure 1: Projected Operations and Maintenance Expenditure



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.

3.4 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.

3.4.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the ‘Expenditure Template’.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the ‘Expenditure template’.

Achieving an asset maturity to allow for the use of Method 2 across all categories is Council’s preference. To develop this strategy a mix of Method 1 and Method 2 was used subject to information available for each asset category.

3.4.2 Renewal and Replacement Strategies

Council will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure 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 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible,
- Maintain a current 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/Board,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

3.4.3 Asset Improvement Program & Revaluation Schedule

AM Plans will be prepared in accordance with this Strategy and the International Infrastructure Management Manual. They will be prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

Further revisions of the AM Plans will move towards 'advanced' asset maturity and further develop 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels. Objectives provided in the Asset Improvement Program (see Table 6.1) will be incorporated in to the AM Plans to provide operational direction and underpin the implementation of this Strategy.

AM Plans will be based on refined data that Council has available with each iteration. It is anticipated that the AM Plans will be significantly revised and enhanced regularly in line with the Asset Revaluation Schedule provided in table 3.4.3 below with the emphasis being using the latest technology to collect and store data for all asset classes.

Table 3.4.3 - Asset Revaluation Schedule

Asset Class	Asset Type	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Transport	Road Network	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Transport	Kerbs	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Transport	Footpaths	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Transport	Signs	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Stormwater	Pits	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Stormwater	Pipes	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk
Buildings	Level 2	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond
Buildings	Level 3	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond
Open Space	Land Improvements	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond
Open Space	Playgrounds	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk	Cond
Irrigation	Recycled Water Network	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk
Irrigation	Other	Desk	Cond	Desk	Desk	Desk	Desk	Cond	Desk	Desk	Desk	Desk

Cond – Condition Assessment; Desk – Desktop Valuation

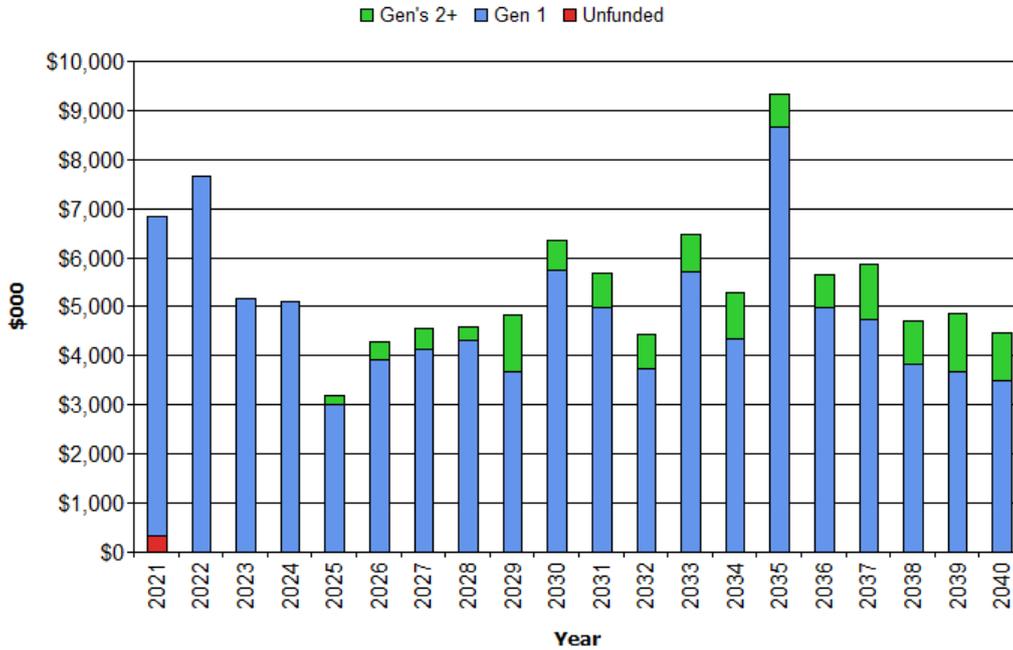
3.4.4 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The expenditure is summarised in Fig 2. Note: that all amounts are shown in real values.

Note: The Red (unfunded) bar in Fig 2 does have allocated renewal budget however is displayed as unfunded due to the financial model beginning from year 2021 and works not yet being completed in 2020. There is no unfunded renewal as depicted in figure 5.

Fig 2: Projected Capital Renewal and Replacement Expenditure

Whyalla CC - Projected Capital Renewal Expenditure (Strategy)



Gen's 2+ represents the second and subsequent renewals of an asset.

Deferred renewal and replacement, i.e. those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan.

Renewals and replacement expenditure in the organisation's capital works program will be accommodated in the long term financial plan.

3.5 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. Assets may also be acquired at no cost to the organisation from land development.

Any asset upgrade or Asset creation will require a project plan and to be tested against the LTFP.

3.5.1 Capital Investment Strategies

The organisation will plan capital upgrade and new projects to meet level of service objectives by:

- 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:
 - o the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
 - o the project objectives to rectify the deficiency including value management for major projects,
 - o the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
 - o management of risks associated with alternative options,
 - o and evaluate the options against evaluation criteria adopted by Council, and
 - o select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 3.4.2.

Projected capital upgrade/new asset expenditure costs are being developed outside of this Asset Management Plan and will be accommodated for in the organisations long term financial plan.

3.6 DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Further investigation regarding assets identified for possible decommissioning and disposal, together with estimated annual savings from not having to fund operations and maintenance of the assets require further reinvestigation to determine the required levels of service and see what options are available for alternate service delivery, if any.

4. FINANCIAL SUMMARY

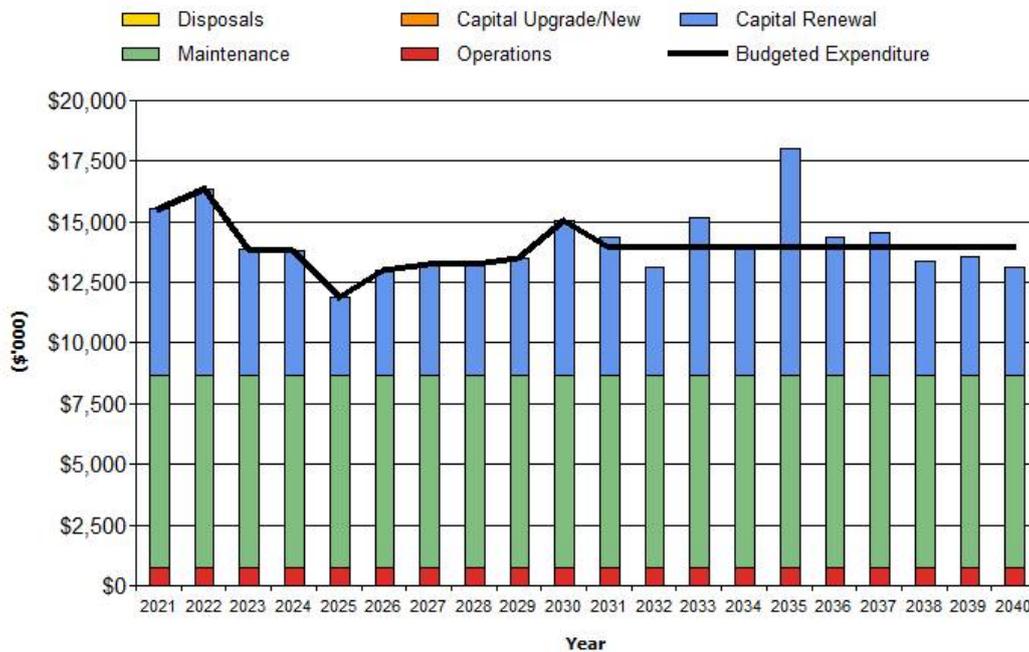
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

4.1 FINANCIAL STATEMENTS AND PROJECTIONS

The financial projections are shown in Fig 4 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values and upgrade/new expenditure is being developed outside of this plan.

Fig 4: Projected Operating and Capital Expenditure

Whyalla CC - Projected Operating and Capital Expenditure



4.1.1 Sustainability of service delivery

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁶ 100%

The Asset Renewal Funding Ratio is the most important indicator and reveals that over the next 10 years, Council is forecasting that it will have 100% of the funds required for the optimal renewal and replacement of its assets.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life cycle. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$14,592,000 per year.

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is \$13,951,000 per year.

Life cycle expenditure is 100% of life cycle costs.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Medium term – 10 year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$13,950,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$13,950,000 on average per year indicating that Council expects to have 100% of the projected expenditures needed to provide the services documented in the asset management plan.

Medium Term – 5 year financial planning period

⁶ AIFMG, 2012, Version 1.3, Financial Sustainability Indicator 4, Sec 2.6, p 2.16

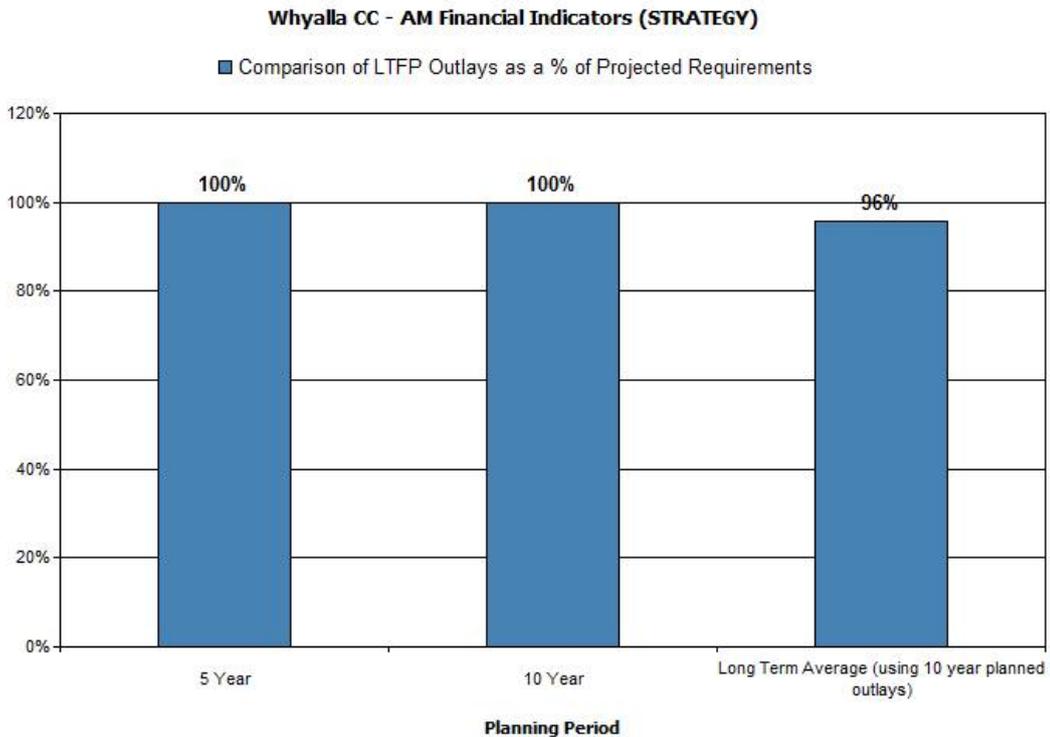
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$14,285,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$14,285,000 on average per year indicating that Council expects to have 100% of projected expenditures required to provide the services shown in this asset management plan.

4.2 ASSET MANAGEMENT FINANCIAL INDICATORS

Figure 5 shows the asset management financial indicators over the 10 year planning period and for the long term life cycle.

Figure 5: Asset Management Financial Indicators

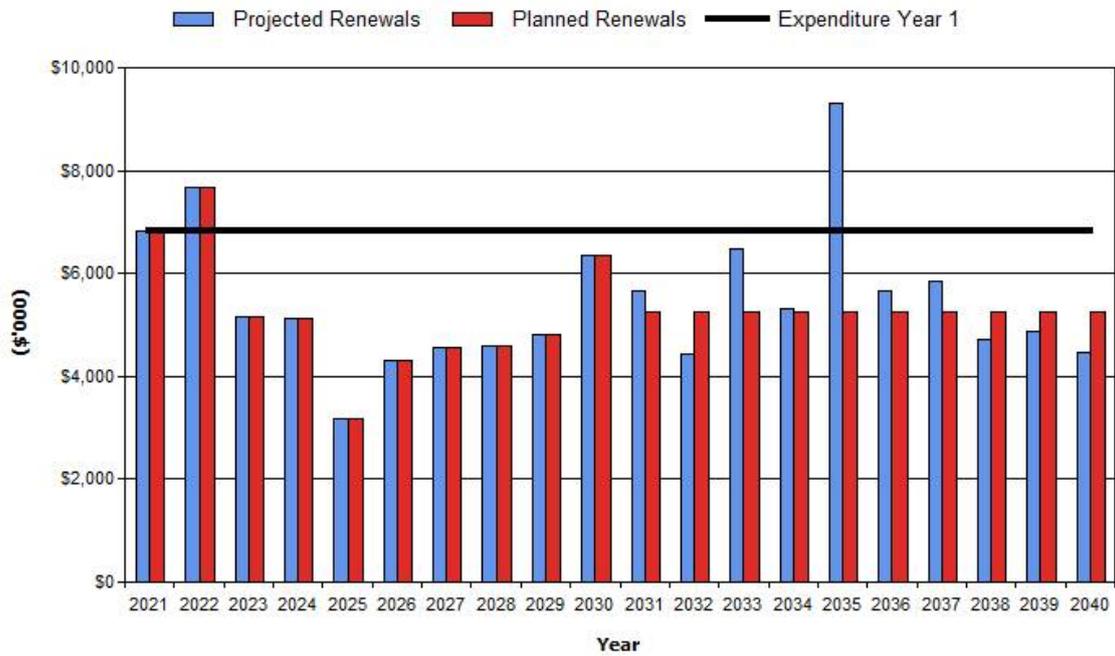


Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long Term Financial Plan.

Figure 6 shows the projected asset renewal and replacement expenditure over the 20 years of the AM Plan. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, which is accommodated in the long term financial plan.

Figure 6: Projected and LTFP Budgeted Renewal Expenditure

Whyalla CC - Projected & LTFP Budgeted Renewal Expenditure (Strategy)



4.3 PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN

Table 4.3 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2020 real values.

Table 4.3: Projected Expenditures for Long Term Financial Plan (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)
2021	\$768	\$7,925	\$6,835
2022	\$768	\$7,925	\$7,670
2023	\$768	\$7,925	\$5,161
2024	\$768	\$7,925	\$5,111
2025	\$768	\$7,925	\$3,181
2026	\$768	\$7,925	\$4,295
2027	\$768	\$7,925	\$4,556
2028	\$768	\$7,925	\$4,579
2029	\$768	\$7,925	\$4,819
2030	\$768	\$7,925	\$6,361

4.4 VALUATION FORECASTS

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.

The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

Valuations are expected to be updated annually in line with the Asset Revaluation Schedule in Table 3.4.3.

4.5 KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. 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 asset management plan and risks that these may change are shown in Table 4.5.

Table 4.5: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Asset Data available at time of audit is accurate and based on sound methodology	Asset data is based on historical data that is incomplete. Further testing is required to confirm assumptions made from visual inspection.
Current depreciated value based on standard life	Actual service life may vary, resulting in reduced or increased life of assets.
Growth not considered in this plan as all figures are in real values.	Unexpected growth may result in unplanned/unbudgeted maintenance and renewal.

4.6 FORECAST RELIABILITY AND CONFIDENCE

The expenditure and valuations projections in this AM Plan 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 4.6.1.

Table 4.6.1: 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.

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

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 4.6.2.

Table 4.6.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	B	Demand drivers are based on historical trends and are not expected to vary significantly.
Growth projections	N/A	Growth projections are not considered in this plan.
Operations expenditures	B	Are expected to remain steady
Maintenance expenditures	B	Are expected to remain steady
Projected Renewal exps.	A	Values are based on latest contract values for correspondence asset subcategories to reflect current market
- Asset values		
- Asset residual values	B	Asset residual values are only considered for assets with an active market such as plant & equipment.
- Asset useful lives	B	Asset useful lives are based on visual inspection applied to historical information to revise the expiry.
- Condition modelling	B	Conditions are based on visual inspections undertaken in in line with the inspection schedule.
- Network renewals	B	Network renewals are based analysed after a sample visual inspection methodology is expected to be accurate.
- Defect repairs	B	Treatments in line with Asset Audit Deliverables
Upgrade/New expenditures	B	Capital delivery program and LTFP allows for careful scoping of projects. This will be evaluated in conjunction with renewal programs to ensure intervention point is optimised and budget is based on historical expenditure.
Disposal expenditures	C	Written down value (accumulated depreciation) is based on standard life estimations. Actual residual value may be greater if actual useful like exceeds standard useful life.

Over all data sources, the data confidence is assessed as medium to high confidence level for data used in the preparation of this Strategy.

5. STRATEGIC AND CORPORATE GOALS

5.1 ALIGNMENT TO ORGANISATIONAL GOALS

This Strategy is prepared under the direction of the organisation's vision, mission, goals and objectives.

Our vision is:

Whyalla will be vibrant, attractive City offering our community a diverse range of sustainable economic, social, environmental and cultural opportunities.

Our mission is:

We will provide access to quality infrastructure, services and facilities, capitalising on and protecting our attractive coastal and outback landscapes.

We will be home to an energetic, harmonious, integrated community actively involved in shaping Whyalla for current and future generations.

Relevant organisational goals and objectives and how these are addressed in this asset management plan are:

Table 5.1: Organisation Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in AM Plan
Infrastructure is appropriately planned, maintained and managed.	Plan, Maintain and Enhance Council's infrastructure assets to meet, as far as practicable, the community's economic, social, environmental and financial needs.	<p>Develop annual work programs and long-term projects to reflect maintenance and investment priorities, risk and available resources and be proactive and link them to Council's annual budgeting and long term financial plan.</p> <p>By ensuring that expenditure reflect both the current requirement to bring transport assets to a suitable standard in conjunction with a commitment to ensure capital renewal exceeding annual depreciation.</p> <p>Asset management plans will define outcomes, service standards, condition, performance, maintenance and investment requirements.</p> <p>Asset Management Plan and system will outline for optimised maintenance cost through next 3-5 years by looking at best mixture of reactive and planned maintenance, asset rehabilitation and renewal interventions.</p> <p>Asset management plan will outline the projected future funding requirements and funding gaps for the next 20 years.</p>
Council will be	Ensure the provision of	Identify long term funding gaps, discuss

<p>recognised for being financially responsible.</p>	<p>appropriate services and maintenance of assets by:</p> <ul style="list-style-type: none"> - Cost containment - Income generation - Rate setting policy review - Adopting a flexible and sustainable rating structure - Exploring cost recovery mechanisms <p>Use financial risk management strategies and take appropriate action to manage these risks across the organisation.</p>	<p>strategies to minimise those gaps as ongoing.</p> <p>Prepare Long term financial plans and funding forecasts for long term sustainability of transport assets.</p> <p>Continue to work in partnership with State and Federal Government organisations and funding bodies.</p> <p>Prepare maintenance and rehabilitation plans, identify interventions to provide agreed service levels at a minimum life cycle cost.</p> <p>Maintain a collaborative and interactive relationship with Audit Committee.</p> <p>Assess the suitability of current Asset Management System to meet the current and future requirements of the council and community.</p> <p>Asset Management Plans for all assets evolve from core Asset Management Plans, i.e. Generation 1 towards advance Asset Management Plans following current international Asset Management principals and guidelines.</p>
<p>Council is inclusive in its financial governance</p>	<p>Involve the Whyalla community early in the annual budget and rate-setting process.</p> <p>Proactively inform the Whyalla community on developments with Council's finances and communicate and explain the rate-setting and services-provision processes in as open and transparent way.</p>	<p>By linking ability to pay to level of service and setting the level of service to a price the community are willing to pay.</p> <p>As a part of new Asset Management Policy the Council will undertake customer satisfaction surveys on an annual basis so quantifiable information can be gathered, this will then be implemented in future iterations of this Asset Management Plan.</p> <p>Continue engagement with community to ensure assets providing services are still required to be held by council, i.e. divest certain assets if deemed appropriate.</p> <p>The community understand what we are doing and how we are doing it.</p>

The organisation will exercise its duty of care to ensure public safety is accordance with the infrastructure risk management plan prepared in conjunction with this Strategy (refer to Asset Management Improvement Program).

5.2 LEGISLATIVE REQUIREMENTS

The organisation must meet many legislative requirements including Federal and State legislation and State regulations. These include:

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Road Traffic Act	Sets out the requirements for public consultation and notification requirements for road events, road closures etc.
Work Health and Safety Act 2012 & Regulations	Set out roles and responsibilities to secure the health, safety and welfare of persons at work.
Native Vegetation Act	Sets out the requirements under the Act to protect and preserve native vegetation.
Highways Act	A reference for legislation relating to state roads
AS 1742 Manual of uniform traffic control devices	Standards in relation to traffic control devices for general use and works on roads, speed control, street names, service and tourist signs, railways crossings, freeways, bicycle facilities, pedestrian controls, parking controls, bus transit and truck lanes and local area traffic management
Australian Road Rules	Ensure that Transport facilities satisfy the requirements of Road rules for example road marking to be consistent with legal requirements
AS/NZS 2890 Parking Facilities	Sets out parking requirements in various forms (Off-street parking, on-street parking, etc)
AS1428 Design for access and mobility	Reference for access requirements relating to transport (ie ramps, parking, pedestrian ways, etc)
Austrroads Design Guidelines	Ensure that transport facilities satisfy the requirements of guidelines.
Development Act 1993	Sets our parameters for Developments, including what developments required Development Approval (Planning Consent/Building Rules Consent) and the process required to obtain such consents.
Building Codes Australia	Sets out Technical requirements relating to building works.
Disability Discrimination Act 1993	Set outs requirements for equality of access to services and facilities.

6. PLAN IMPROVEMENT AND MONITORING

6.1 IMPROVEMENT PROGRAM

The asset management improvement plan generated from this Strategy is shown in Table 6.1.

Table 7.2: Asset Management Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
Transport Assets				
1	Further Development Asset Management System (for modelling purposes)	MA	Staff time/consultant	Completed
2	Update of Asset Registers and upload into Conquest for surface and pavement	MA	Staff/consultant	Completed
3	Validation and upload into Conquest of data pertaining to airport infrastructure, laneways, unsealed roads and carparks	MA	Staff/consultant	Completed
4	Community Satisfaction Survey and desired level of service identification	MA / DI	Staff time/consultant	November 2020
5	Asset Condition Surveys and desktop valuations	MA / DI	Staff time/Consultant	Completed
6	Identification of gaps within data and sourcing of required data	MA / DI	Staff time	Annually
7	Development and review of 10 year capital roads, kerbs & footpaths renewal program	MA	Staff time	Completed and review annually
8	Signage audit and development of 10 year renewal plan	MA	Staff time	June 2021
9	Review of useful life projections at valuation	MA / DI	Staff time/consultant	annually
10	Conduct association maturity Assessment in line with national framework	MA	Staff Time	annually
11	Risk Management Plans, AM Plans and other various operation documents as required.	MA	Staff Time	annually
12	Maintenance Response Levels of Service	MO	Staff Time	Ongoing
13	Update of data on Exponare	MA	Staff Time/consultant	annually
Buildings				
1	Further Development Asset Management System (for modelling purposes)	MA / DI	Staff time/consultant	Ongoing
2	Validation of data collected on Buildings Plus	MA	Staff time	To be done with register upload into Conquest 2020
3	Update of Asset Registers and upload into Conquest	MA	Staff/consultant	June 2020
4	Development of Asset Hierarchy	MA / DI	Staff time/consultant	To be done with register upload into Conquest 2020
5	Community Satisfaction Survey and desired level of service identification	MA	Staff time/consultant	November 2020
6	Asset Condition Surveys	MA / DI	Staff Time/Consultant	To be done with register upload into Conquest 2020
7	Identification of gaps within data and sourcing of required data	MA / DI	Staff	annually
8	Enhance the existing Renewal/Replacement Plans and annual review of 10 year capital programs	MA	Staff Time	To be done with register upload into Conquest
9	Review of useful life projections at valuation	MA / DI	Staff time	annually
10	Conduct association maturity Assessment in line with national framework	MA	Staff Time	annually
11	Risk Management Plans and AM Plans for operational purposes	MA / DI	Staff Time	annually
12	Maintenance Response Levels of Service	MA	Staff Time	Ongoing
13	Conduct Utilisation Study and fit for	MA	Staff time/consultant	December 2020

	purpose/functionality of assets and present recommendations for consideration by Council			
14	Update of data on Exponare	MA	Staff Time/consultant	annually
Recreation and Open Space				
1	Further Development Asset Management System (for modelling purposes)	MA / DI	Staff time/consultant	Ongoing
2	Validation of data collected on Buildings Plus	MA	Staff time	To be done with register upload into Conquest
3	Update of Asset Registers and upload into Conquest	MA	Staff/consultant	In line with condition assessment schedule
4	Development of Asset Hierarchy	MA / DI	Staff time/consultant	To be done with register upload into Conquest
5	Community Satisfaction Survey and desired level of service identification	MA	Staff time/consultant	November 2020
6	Asset Condition Surveys	MA / DI	Staff Time/Consultant	To be done with register upload into Conquest
7	Identification of gaps within data and sourcing of required data	MA / DI	Staff	annually
5	Conduct association maturity Assessment in line with national framework	MA	Staff Time	annually
6	Further testing to verify historical pavement data	MA / DI	Staff Time/NAATA Accredited laboratory	June 2021
7	Risk Management Plans	MA / DI	Staff Time	Every six months
8	Renewal/Replacement Plans and annual review of 10 year capital programs	MA	Staff Time	annually
9	Review of useful life projections at valuation	MA / DI	Staff time	To be done with register upload into Conquest
11	Risk Management Plans	MA / DI	Staff Time	Every six months
12	Maintenance Response Levels of Service	MA	Staff Time	Ongoing
13	Conduct Utilisation Study and fit for purpose/functionality of assets and present recommendations for consideration by Council	MA	Staff time/consultant	December 2020
14	Update of data on Exponare	MA	Staff Time/consultant	annually
Stormwater				
1	Further Development into Asset Management System (for modelling/planning purposes)	MA	Staff time/consultant	Completed
2	Update of Asset Registers and upload into Conquest	MA	Staff/consultant	Completed
3	Community Satisfaction Survey and desired level of service identification	MA	Staff time/consultant	November 2020
4	Enhance Asset Condition data /surveys	MA / DI	Staff Time/Consultant	Condition assessment 2024
5	Identification of gaps within data and sourcing of required data	MA / DI	Staff	annually
6	Renewal/Replacement Plans and annual review of 10 year capital programs	MA	Staff Time	annually
7	Review of useful life projections at valuation	MA / DI	Staff time	annually
5	Conduct association maturity Assessment in line with national framework	PMA	Staff Time	annually
7	Risk Management Plans and AM Plans for operational purposes	MA / DI	Staff Time	annually
8	Maintenance Response Levels of Service	MA	Staff Time	Ongoing
9	Update of data on Exponare	MA	Staff Time/consultant	annually
Plant and Equipment				
1	Further Development Asset Management System (for modelling purposes)	MA	Staff time/consultant	Ongoing

2	Update of Asset Registers and upload into Conquest	MA	Staff/consultant	To be reassessed annually. Target 2022
3	Develop a renewal system / register with optimised figures (maximising trade in values against depreciated replacement cost)	MA / DI	Staff Time/Consultant	To be reassessed annually. Target 2022
4	Identification of gaps within data and sourcing of required data	MA / DI	Staff	annually
5	Renewal/Replacement Plans and annual review of 10 year capital programs	MA	Staff Time	annually
6	Review of useful life projections at valuation	MA / DI	Staff time	annually
7	Conduct association maturity Assessment in line with national framework	MA	Staff Time	annually
8	Risk Management Plans and operational AM Plans	MA / DI	Staff Time	annually
8	Maintenance Response Levels of Service	MA	Staff Time	Ongoing
Irrigation				
1	Further Development Asset Management System (for modelling purposes)	MA	Staff time/consultant	Ongoing
2	Update of Asset Registers and upload into Conquest	MA	Staff/consultant	To be done in line with next condition assessment in 2021
3	Community Satisfaction Survey and desired level of service identification	MA	Staff time/consultant	November 2020
4	Asset Condition Surveys	MA / DI	Staff Time/Consultant	June 2021
5	Identification of gaps within data and sourcing of required data	MA / DI	Staff	annually
6	Renewal/Replacement Plans and annual review of 10 year capital programs	MA	Staff Time	annually
7	Review of useful life projections at valuation	MA / DI		annually
8	Conduct association maturity Assessment in line with national framework	MA	Staff Time	annually
9	Risk Management Plans and operational AM Plans	MA / DI	Staff Time	annually
10	Maintenance Response Levels of Service	MA	Staff Time	Ongoing
11	Update of data on Exponare	MA	Staff Time/consultant	annually

6.2 MONITORING AND REVIEW PROCEDURES

This Asset Management Plan 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 AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement and asset disposal expenditures and projected expenditure values incorporated into the Council's long term financial plan. Noting that upgrade/new will be considered outside of this plan.

The AM Plan has a life of 4 years (Council election cycle) and is due for complete revision and updating within 2 years of each Council election.

6.3 PERFORMANCE MEASURES

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into the organisation's long term financial plan,

- The degree to which 1-5-year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management 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 organisation's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

6.4 STATUS OF ASSET MANAGEMENT PRACTICES

6.4.1 Accounting and financial systems

Financial records are maintained within the Synergy Soft system and Asset Management within the Conquest Asset Management System. This system provides links to Asset Maintenance, Records, Property Files and other services provided by Council.

Manager Assets is responsible for regular up-dating of asset data on Conquest. Finance Manager, provides supervision for Finance staff in the regular up-dating of Synergy Soft. Technical support is provided by IT Vision and Tonkin Consulting.

Council maintains records and reports financial information in accordance with AASB standards, The Local Government Act 1999 and the Financial Regulations.

6.4.2 Accounting standards and regulations

IPWEA, 2011, " International Infrastructure Management Manual", Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

IPWEA, August 2007, " A Guided Pathway to Asset Management Planning", Institute of Public Works Engineering Australia Limited.

IPWEA, December 2009, " Australian infrastructure Financial Management Guidelines", Institute of Public Works Engineering Australia Limited.

6.4.3 Asset management system

Council currently records asset details for the Transport and Stormwater Category's within the Asset Management System Conquest. Records are updated as and when required by Finance (in Synergy Soft) and Engineering and Infrastructure Staff (in Conquest).

Procedures assist with timely flow through of information between the Asset Register and Accounting system.

Director Finance is responsible for the management of financial data, Director Infrastructure is responsible for Asset Management Systems. Manager Operations is responsible for the Planned and reactive maintenance of Transport Assets.

The key information flows into this infrastructure and asset management plan are:

- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models;
- Data on new assets acquired by council.

The key information flows from this asset management plan are:

- The assumed Works Program and trends;
- The resulting budget, valuation and depreciation projections;
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets. Annual Maintenance and renewal requirements are used for the purpose of budgeting for expenditure. New assets are recognised and recorded at the date on which they are available for use. This usually occurs on 30 June of each year. Assets are depreciated from the date of recognition.

7. REFERENCES

- IPWEA, 2006, '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, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMG
- IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM

8. APPENDICES

Appendix A LTFP Budgeted Expenditures (Category Specific)

Appendix B Abbreviations

Appendix C Glossary

Transport_2019RG_S2_V1

Asset Management Plan



First year of expenditure projections **2021** (financial yr ending)
Transport_2019RG

Asset values at start of planning period

Current replacement cost	\$240,093 (000)
Depreciable amount	\$240,093 (000)
Depreciated replacement cost	\$157,536 (000)
Annual depreciation expense	\$3,287 (000)

Calc CRC from Asset Register
 \$0 (000)
 This is a check for you.

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.30%
Additional maintenance	0.51%
Additional depreciation	1.37%

Planned renewal budget (information only)

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current **2021** values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Expenditure Outlays included in Long Term Financial Plan (in current \$ values)

Operations

Operations budget	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$702
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Total operations	\$713	\$713	\$713	\$713	\$713	\$713	\$713	\$713	\$713	\$713

Maintenance

Reactive maintenance budget	\$613	\$613	\$613	\$613	\$613	\$613	\$613	\$613	\$613	\$613
Planned maintenance budget	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306
Specific maintenance items budget	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306	\$306
Total maintenance	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225

Capital

Planned renewal budget	\$4,415	\$4,933	\$3,285	\$1,438	\$1,398	\$2,424	\$2,424	\$2,298	\$2,161	\$2,727
Planned upgrade/new budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Asset Disposals

Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)

Additional Expenditure Outlays required and not included above	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Renewal to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)

Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										

Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Forecast Capital Renewal from Forms 2A & 2B	\$4,415	\$4,933	\$3,285	\$1,438	\$1,398	\$2,424	\$2,424	\$2,298	\$2,161	\$2,727
Forecast Capital Upgrade from Form 2C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Buildings_2019RG_S1_V6 Asset Management Plan



First year of expenditure projections **2021** (financial yr ending)

Buildings_2019RG

Asset values at start of planning period

Current replacement cost	\$71,058 (000)
Depreciable amount	\$71,058 (000)
Depreciated replacement cost	\$23,912 (000)
Annual depreciation expense	\$958 (000)

Calc CRC from Asset Register

\$71,058 (000)

This is a check for you.

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.02%
Additional maintenance	2.48%
Additional depreciation	1.35%
Planned renewal budget (information only)	

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current **2021** values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)										
Operations										
Operations budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Total operations	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Maintenance										
Reactive maintenance budget	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882
Planned maintenance budget	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882	\$882
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764
Capital										
Planned renewal budget	\$921	\$909	\$798	\$1,046	\$754	\$873	\$963	\$1,001	\$992	\$1,908
Planned upgrade/new budget										
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Disposals										
Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)										
Additional Expenditure Outlays required and not included above	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	2029 \$000	2030 \$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Renewal	to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)									
Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)										
Forecast Capital Renewal from Forms 2A & 2B	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	2029 \$000	2030 \$000
Forecast Capital Upgrade from Form 2C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

First year of expenditure projections 2021 (financial yr ending)

Open_Space_2019RG

Asset values at start of planning period

Current replacement cost	\$21,415 (000)
Depreciable amount	\$21,415 (000)
Depreciated replacement cost	\$13,728 (000)
Annual depreciation expense	\$664 (000)

Calc CRC from Asset Register

\$21,415 (000)

This is a check for you.

Operations and Maintenance Costs for New Assets

Additional operations costs	0.05%
Additional maintenance	18.60%
Additional depreciation	3.10%
Planned renewal budget (information only)	

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current 2021 values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Expenditure Outlays included in Long Term Financial Plan (in current \$ values)

Operations

Operations budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11

Total operations

\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
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Maintenance

Reactive maintenance budget	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992	\$1,992
Planned maintenance budget	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996
Specific maintenance items budget	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996	\$996

Total maintenance

\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984
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Capital

Planned renewal budget	\$547	\$973	\$259	\$307	\$119	\$303	\$292	\$419	\$431	\$327
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Planned upgrade/new budget

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Non-growth contributed asset value

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Asset Disposals

Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Additional Expenditure Outlays required and not included above	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Renewal to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)

Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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User Comments #2

Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Forecast Capital Renewal from Forms 2A & 2B	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Forecast Capital Upgrade from Form 2C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Stormwater_2019RG_S1_V2

Asset Management Plan



First year of expenditure projections **2021** (financial yr ending)

Stormwater_2019RG

Asset values at start of planning period

Current replacement cost	\$35,250 (000)
Depreciable amount	\$35,250 (000)
Depreciated replacement cost	\$19,587 (000)
Annual depreciation expense	\$385 (000)

Calc CRC from Asset Register

\$35,250 (000)

This is a check for you.

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.03%
Additional maintenance	0.16%
Additional depreciation	1.03%
Planned renewal budget (information only)	

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current 2021 values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Expenditure Outlays included in Long Term Financial Plan (in current \$ values)

Operations

Operations budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Total operations	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11

Maintenance

Reactive maintenance budget	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29
Planned maintenance budget	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58

Capital

Planned renewal budget	\$29	\$7	\$0	\$11	\$38	\$0	\$51	\$56	\$2	\$100
Planned upgrade/new budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Asset Disposals

Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)

Additional Expenditure Outlays required and not included above	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Capital Renewal to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)

Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										

Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)

Forecast Capital Renewal from Forms 2A & 2B	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

First year of expenditure projections **2021** (financial yr ending)

Plant_2019RG

Asset values at start of planning period

Current replacement cost	\$6,220 (000)
Depreciable amount	\$6,220 (000)
Depreciated replacement cost	\$2,539 (000)
Annual depreciation expense	\$514 (000)

Calc CRC from Asset Register

\$6,220 (000)

This is a check for you.

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.18%
Additional maintenance	6.98%
Additional depreciation	8.26%
Planned renewal budget (information only)	

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current **2021** values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)										
Operations										
Operations budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Total operations	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Maintenance										
Reactive maintenance budget	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217
Planned maintenance budget	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total maintenance	\$434	\$434	\$434	\$434	\$434	\$434	\$434	\$434	\$434	\$434
Capital										
Planned renewal budget	\$927	\$849	\$801	\$792	\$781	\$695	\$825	\$806	\$1,237	\$1,300
Planned upgrade/new budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-growth contributed asset value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Disposals										
Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)										
Additional Expenditure Outlays required and not included above	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Renewal	to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)									
Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
User Comments #2										
Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)										
Forecast Capital Renewal from Forms 2A & 2B	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Irrigation 2019RG_S1_V2

Asset Management Plan



First year of expenditure projections 2021 (financial yr ending)

Irrigation 2019RG

Asset values at start of planning period

Current replacement cost	\$8,861 (000)
Depreciable amount	\$8,861 (000)
Depreciated replacement cost	\$8,045 (000)
Annual depreciation expense	\$91 (000)

Calc CRC from Asset Register
\$8,861 (000)
This is a check for you.

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.12%
Additional maintenance	5.19%
Additional depreciation	1.03%
Planned renewal budget (information only)	

You may use these values calculated from your data or overwrite the links.

Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current 2021 values

Financial year ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Expenditure Outlays included in Long Term Financial Plan (in current \$ values)

Operations

Operations budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AM systems budget	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11

Total operations

	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11
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Maintenance

Reactive maintenance budget	\$368	\$368	\$368	\$368	\$368	\$368	\$368	\$368	\$368	\$368
Planned maintenance budget	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total maintenance

	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
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Capital

Planned renewal budget	\$0	\$0	\$18	\$1,517	\$92	\$0	\$0	\$0	\$0	\$0
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Planned upgrade/new budget

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Non-growth contributed asset value

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Asset Disposals

Est Cost to dispose of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Carrying value (DRC) of disposed assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Additional Expenditure Outlays Requirements (e.g from Infrastructure Risk Management Plan)

Additional Expenditure Outlays required and not included above	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Capital Renewal to be incorporated into Forms 2 & 2.1 (where Method 1 is used) OR Form 2B Defect Repairs (where Method 2 or 3 is used)

Capital Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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User Comments #2										
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Forecasts for Capital Renewal using Methods 2 & 3 (Form 2A & 2B) & Capital Upgrade (Form 2C)

Forecast Capital Renewal from Forms 2A & 2B	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Forecast Capital Upgrade from Form 2C										
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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APPENDIX B

Abbreviations

AAAC	Average annual asset consumption
AM	Asset management
AM Plan	Asset management plan
ARI	Average recurrence interval
ASC	Annual service cost
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DRC	Depreciated replacement cost
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
LTFP	Long term financial plan
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SoA	State of the Assets
SS	Suspended solids
vph	Vehicles per hour
WDCRC	Written down current replacement cost

APPENDIX C 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 asset management 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.

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.

- **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).

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 asset management 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

Additional and modified glossary items shown *



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