Recreation and Other Assets Asset Management Plan

April 2023

Version No. 3

1 – IPWEA, 2011, IIMM, p2.22

How to use this Plan

This Asset Management Plan (AMP) is a tactical document to support Councils understanding of its Recreation and other assets, service levels, risks and to provide operational and capital expenditure forecasts that will deliver the community outcomes detailed in the Community Strategic Plan 2022-2032. The AMP is set out in the following format to support easy navigation of its contents such that specific information can be readily identified to suit the reader's need.

- Executive Summary
  This provides an overview suitable for obtaining a high-level understanding of the key issues and outcomes of the AMP. This is intended for senior decision makers and is supported by the detail in the following sections that make up the body of the AMP.

- Section 1 - Introduction
  This section is the introduction that defines the plan's purpose, its scope and how the AMP aligns with corporate objectives and goals. It 'sets the scene' for the AMP and how it relates to the wider organisational plan framework.

- Section 2 – Data Details
  Defines the AMP's data inputs and assumptions. It includes the Asset Summary, Prior Year Infrastructure Delivery, Asset Age, Asset Condition Assessment Criteria, Results Summary, Asset profiling, Hierarchy, Useful Life and Data confidence ratings.

- Sections 3,4, and 5 – AMP Inputs (Service levels, Risk and Growth)
  Defines Councils' service levels, current risks and demand considerations that have been used in developing this AMP. This is the basis on which the following sections have been developed.

- Sections 6,7,8,9 and 10 - 10-year forecasts
  Provides the detailed 'output' of the AMP development process with forecasts over a 10-year horizon of the works required to maintain the current service levels, mitigate identified risks and cater for service growth and increased demand.

- Sections 11,12 and 13 – Financial forecasts
  Focus on the financial aspects of the delivering these service levels including anticipated 'financial sustainability' performance. This section is particularly relevant to inform decision making and guide continual improvement in both the AMP and achieving corporate goals.

- Section 14 – Findings and Recommendations
  Provides a summary of the key issues and actions to be considered by Council. It includes a statement on the reliability and confidence of information to also be considered.

- Section 15-AMP Improvement Plan
  Provides an action plan improve future iterations of the AMP, particularly the improvement of the plan's accuracy and reliance as a decision-making tool.

- Appendices
  Information which is required in the AMP as reference is in the appendices. It also includes detailed works programs for new and renewal capital works that align with funding requirements and are to be aligned with short to medium term detailed operational planning.

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Document Control

Distribution / Stakeholder list

All key stakeholders are to be included on the distribution list.

Name	Initial	Date	Title/Business Unit
Jack Terblanche			Director Infrastructure and Planning
Mark Dowling			Director of Corporate & Community
Greg Stewart			Manager Operations
Kate Stephens			Manager Finance

- *Stakeholders are initial the final document to indicate that the report has been signeted and reviewed.*

Revision History

Document Version	Date	Comments	Author	Reviewer
1	17/6/22	Initial Draft	David Webb	Mark Dowling
2	20/6/22	Revision	David Webb	Mark Dowling
3	1/4/2023	Revision/Update	David Webb	Mark Dowling

Certification

As the Principal officer/Asset Custodian responsible for preparing this AMP, I certify that if:

- Has been on a series of assumptions and the best available data at the time;
- Provides a rationale for and underpins the renewal funding as specified in the related 10-year service financial forecasts; and
- Provides a strong platform from which to continue asset management advancement by identifying several areas for further improvement.

Principal Officer (if applicable):_____ Signature:_____

Asset Custodian:_____ Signature_____

Date:_____

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Executive Summary

Purpose

The purpose of this Asset Management Plan (AMP) is to consolidate Councils understanding of its Recreation and other assets, service levels, risks and to provide operational and capital expenditure forecasts that will deliver the community outcomes detailed in the Community Strategy Plan 2022-2032.

The plan will support informed decision making, guide Long Term Financial Planning budget requirements and provide a path to further improve the accuracy and confidence in future iterations of this plan.

Scope

This Asset Management Plan (AMP) covers the Recreation and other assets (the Assets) that support the delivery of services to the Hay Shire Council (Council) Community. It has been prepared based on the International Infrastructure Management Manual (IIMM) the recognised guideline for asst management in Australia.

The AMP uses data available within Council in 2021 including Council's audited financial asset register, based on revaluations undertaken by APV in 2020. Where possible, the financial register has been supplemented by historical condition data.

The Assets

The Recreation and other assets are valued at $15.5M and are apportioned into asset categories as detailed in Table 1.

Table 1: Recreation and other assets Summary

Asset Type	Replacement Value (June 2021)
Aerodrome	$7,285,900.80
Pool Assets	$2,144,142
Parks & Recreation	$6,019,713.60
Total	$15,449,756.40

Asset Condition

Council has adopted a condition assessment methos using a 5-point scale varying from very good to very poor. Generally, this class of asset is in reasonably good position with only $2,237,186 (14.48%) considered to be in poor condition. (Rating of 3.5 to 5)

Are we Meeting Our Adopted Service Levels?

Yes, and Council is working towards formally adopting quantified levels of service. The maintenance and operations expenditure projections in this AMP are based on historical spending and therefore it may be assumed that similar future funding will continue to provide similar levels of service. (If supported with appropriate investment in renewals)

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Are We Managing Our Risks?

Yes, Council is managing risks by developing strategies and policies as well as making resources available to provide services to the community. Council has a 'duty of care' to the community, its customers, in relation to the management of the assets. There are numerous types of risks Council is concerned about, including financial, service and safety. The risks were assessed by Council based on their like good and consequences to generate solutions to mitigate or eliminate them.

$9.59M is forecast for operations and maintenance over the next 10 years. It is expected that the maintenance tasks included in this expenditure will mitigate the service risks to an acceptable level.

The Financials

Table 2: 10-Year Forecast Expenditure

Financial Year Ending	Operations & Maintenance	Renewals	Total
2022/23	$862,111	$40,000	$90,211
2023/24	$883,659	$150,000	$1,033,659
2024/25	$905,216	$	$90,5216
2025/26	$926,772	$	$92,6772
2026/27	$948,322	$30,000	$97,8322
2027/28	$969,873	$	$96,9873
2028/29	$991,426	$	$99,1426
2029/30	$1,012,984	$	$1,012,984
2030/31	$1,034,535	$	$1,034,535
2031/32	$1,056,085	$	$1,056,085
Total	$9,590,983	$220,000	$9,810,983

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Introduction

Purpose

The purpose of this Asset Management Plan (AMP or Plan) is to:

- Consolidate Hay Shire Council's (Council's) understanding of its assets within the recreation and other asset class
- Document levels of Service and risk
- Provide short and medium – term capital works plans
- Support informed decision making and guide Long-Term Financial Planning budget requirements
- Provide a plan to work towards improved accuracy and confidence in future iterations of this Plan.

Scope

This AMP relates to the management of Recreation and other Infrastructure assets (the Assets) which are recognised assets owned by Council. Assets in this class typically comprise of the following classes:

Table 3: Assets Type

Asset Type	Replacement Value
Aerodrome	$7,285,900.80
Pool Assets	$2,144,142
Parks & Recreation	$6,019,713.60
Total	*$15,449,756.40*

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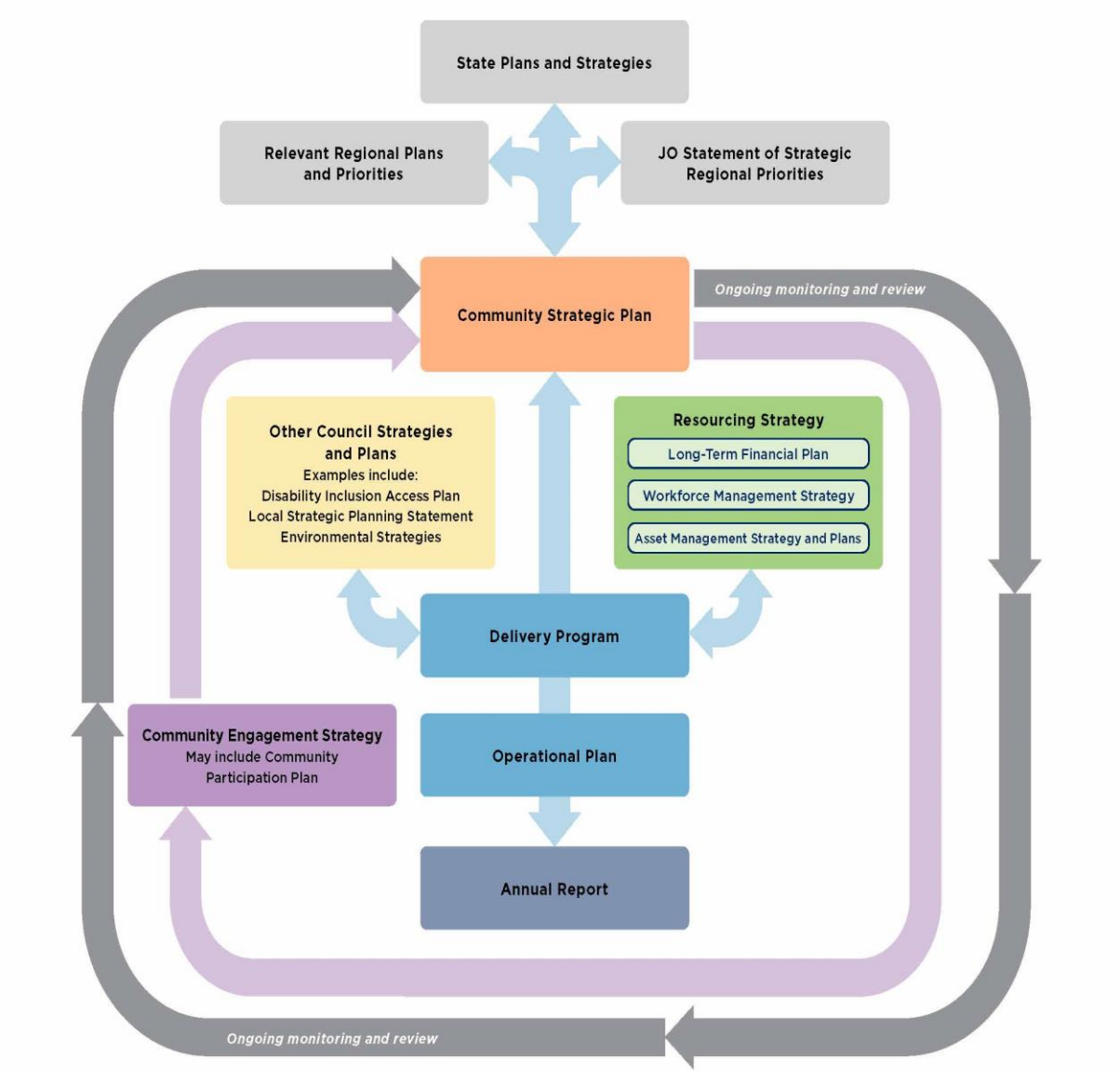
Corporate Context

In 2009 a new Integrated Planning Reporting (IP&R) framework for NSW local government was introduced. The IP&R framework requires councils to prepare a suit of long-term strategic documents, including a Community Strategic Plan, Resourcing Strategy and Delivery Plan Program, as well as an annual Operational Plan. Integration of these strategic documents is key to effective long-term planning and assist us in providing ratepayers with the best level of service that we can.

Table 4 illustrates how the IP&R framework ensures that local planning and reporting is informed, relevant and responsive to community needs.

Table 4: Integrated Planning & Reporting flow chart



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Community Strategic Plan

The Community Strategic Plan is the highest-level plan that Council prepares. The purpose of the Plan is to identify our community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process considers the issues and pressures that may impact the community and the level of resources that will realistically be available to achieve its aspirations.

Informed by extensive community and stakeholder consultation, the Hay Shire Council 2022-2032 Community Strategic Plan seeks to answer four key questions:

- Where are we now?
- Where do we want to be in 10 years?
- How will we get there?
- How will we know when we have arrived?

At an operational level, the Community Strategic Plan is implemented through Council's Delivery Plan and annual Operations Plans, which outlines the activities and actions that are the responsibility of Council in achieving our shared vision.

Resourcing Strategy

The Hay Shire 2022-2032 Community Strategic Plan (CSP) provides vehicle for expressing our community 's long-term aspirations. However, the vision set out in this Plan will not be achieved without sufficient resources – time, money, assets and people – to carry them out.

The Resourcing Strategy comprises the following components:

- **Asset Management Planning:** Council's asset management planning is supported by a governance model that includes an Asset Management Policy, Asset Management Strategy, and individual Asset Management Plans for all assets under Council's control. The Asset Management Plans are based on 'whole of life' asset management from planning, purchase, operation, and maintenance - to disposal of assets. These plans support the Asset Management Strategy in forecasting community requirements and the capacity to meet them on a short - , medium -, and long-term basis.

- **Long-Term Financial Planning:** The Long-Term Financial Plan (LTFP) tests community aspirations as contained in the Community Plan against the financial realities of the delivering on those aspirations. The LTFP integrated with Hay Shire 2022-2032 CSP through the Delivery Program and one-year Operational Plan.

- Workforce Management Planning: The Workforce Management Plan addresses the human resourcing requirements of the Community Strategic Plan, including what people, skills, experience and expertise are required to achieve its strategic objectives.

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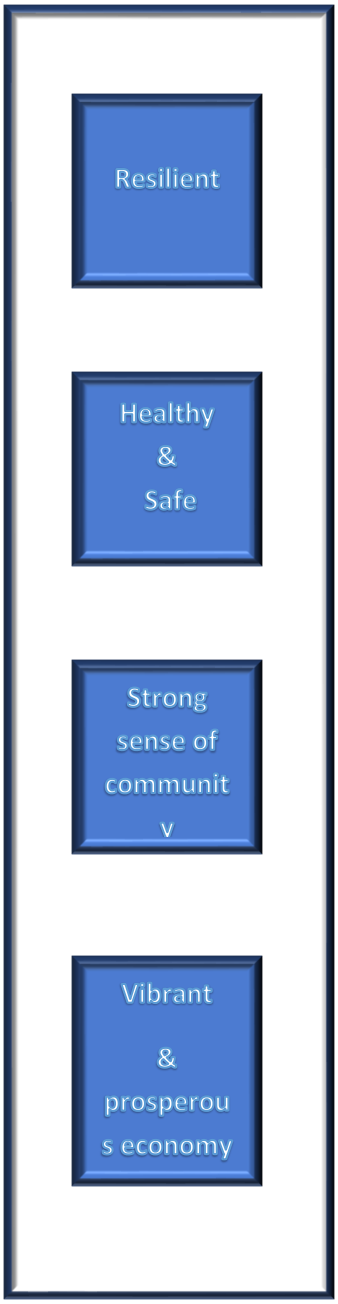
This AMP is prepared under the above hierarchy and direction of Council's mission, values goals and objectives.



Through consultation with government, community, business, and industry, we have developed a clear vision as to what we want the Hay Shire Council region to look like in 2032.

During this consultation, we developed a vision for the Hay Shire Council to strive toward:

We are the Gateway to the Outback, Home to a connected and engaged community, driven by a diverse economy. We work together to lead our community, achieve our potential and embrace out future.

The vision is designed to encourage commitment to our future and engender a sense of common purpose and responsibility in all stakeholders responsible for delivering Hay Shire 2032.

In 2032, our community wants the Hay shire Council region to be:

- Resilient
- Health & Safe
- Strong sense of community
- Vibrant & Prosperous economy

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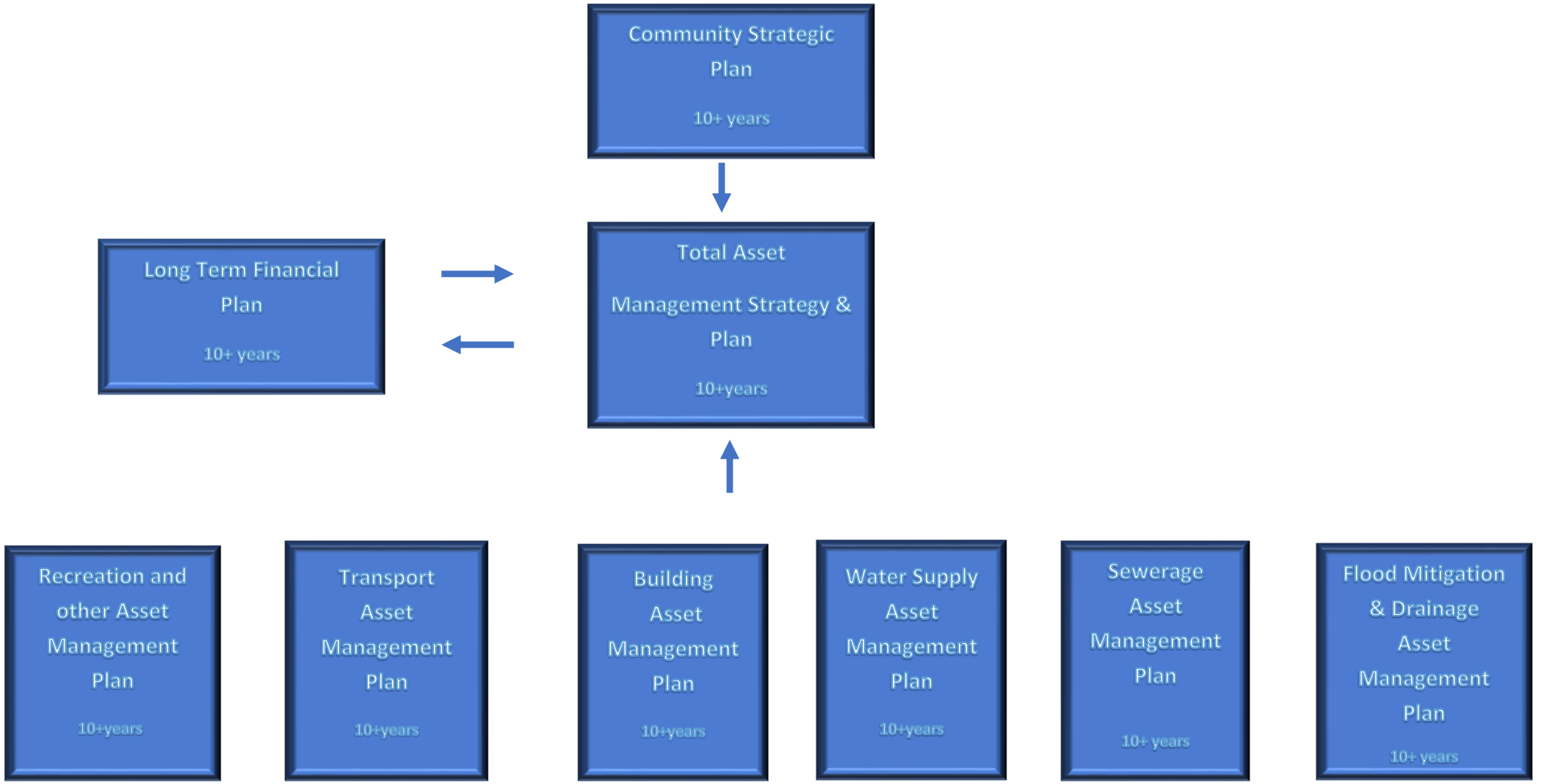
Relationship to Other Asset Related Council Documents

This AMP aligns and should be read in conjunction with framework of Council documents as shown in below:

Asset Management Hierarchy



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The table 5: below shows the key documents that support this AMP

Document	How Related	Reference
AMP Related Documents		
Asset Management Policy	The Asset Management Policy includes the defining principles of asset management within Council. This AMP supports such as by • Considering the entire life cycle of the assets • Supporting the development of cost-effective management strategies for the long term • Providing a defined level of service which can be monitored and used as the basis for aligning affordability with community aspirations • Understanding and meeting the demands of growth through demand management and asset investments. • Managing risk associated with the assets: and • Defining actions required to support continuous improvement in asset management practices.	
Condition Assessment Plan	Contains the methodologies, defect assessment procedures, and the condition rating system used to formally assess the structural integrity and appearance of assets.	
Service Level Agreement (including Maintenance Specifications)	Contains all maintenance and operational specification requirements for assets under this AMP.	
Risk Registers	Contains all identified asset related risks applicable to this AMP.	
Maintenance Manual	Contains design and construction details for new assets.	
Land Development Guidelines	Contains design and construction details for new assets	Council Website

Stakeholder Input

Various stakeholders were considered in the preparation of this AMP who will have different roles in implementing its outcomes. These stakeholders and their role are shown in Table 6.

Table 6: Key Stakeholders

Key Stakeholder	Role
Councillors	• Represent needs of community. • Allocate resources to meet Council's objectives in providing services while managing risks. • Ensure the organisation is financially sustainable

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	• Custodians of the assets and services, providing the interface with the community regarding the levels of service, good governance, and management practices.
General Manager	• Manager organisation operational activities and future planning strategic direction.
Director Corporate & Community	• Long-Term Financial Plans and operational financial data • Defining information requirements for audit and reporting purposes
Director Corporate & Planning	• Manage delivery of the AMP and initiative. • Capital works projects planning and deliver. • Operational and service levels, data information and analysis.
Community and Ratepayers	• User of services • Source of funding
State and Commonwealth Government	• Active in the management of assets and services across the region.
Council Staff	• Directly involved with the renewal, maintenance and operation of the network and the management framework, both operationally and financially. • Delivery of operations plans informed by this AMP.
Emergency Services	• Respond to community needs and emergency situations.

Legislative Requirements

Council is required to meet many legislative requirements including Federal and State legislation and regulations. Key relevant legislation is shown in Table 7.

Table 7: Legislative Requirements

Legislation	Requirement
Local Government Act NSW (1993)	Sets out role, purpose, responsibilities and powers of local government including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery. The system of financial management established by a local government must include- a) The following financial planning documents prepared by a local government- (i) A 5-year corporate plan that incorporated community government. (ii) A long-term asset management plan; and (iii) A long-tern financial forecast.
Local Government Regulation NSW	Preparation of a long-term asset management plan, the plan continues in force for the period stated in the plan unless he local government adopts a new long-term asset management plan, and the period stated in the plan must be 10 years or more. A local government's long-term asset management must provide for strategies to ensure the sustainable management of the assets mentioned in the local government's asset register and the

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	infrastructure of the local government; and state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan; and be part of, and consistent with, the long-term financial forecast.
Playground Australian Standard AS4685:2014	Sets out standards to ensure the fun yet safe activity of children using playground equipment.
Cemeteries and crematoria Act 2013	Aims to ensure that NSW cemetery and crematorium operators provide sustainable, innovative and culturally appropriate services in a consistent, transport and accountable manner.
Workplace Health & Safety Act 2011	Protects workers and other person against harm to their health and safety and welfare through elimination or minimisation of risks arising from work.
OLG Integrated Planning and Reporting Framework	Sets out standards for assets management plans and requires the plan to integrate with community plans and resourcing strategy.
Protection of the Environment operations Act 1997	Protect, restore and enhance the quality of the environment in NSW.
National Guidelines for NSW Swimming and Spa Code of Practice Pool Operation guidelines.	
NSW Department of Health – Water quality guidelines	
Airport Act	Sets out requirements for the operations and management of the Hay Aerodrome.

This AMP contributes to supporting Council's legislative requirements.

Plan Maturity

This development of this AMP is targeted at a first cut, 'core-level' AMP as defined in the International Infrastructure Management Manual. Detailed information is in Table 8 below.

Core level AMP's are developed to meet minimum legislative and organisational requirements and provide basic technical management outputs, including:

- Statements on current levels or aspirational levels of service
- Forward asset flow programs
- Associated cash flow

Table 8: Core Level Asset Management Capabilities

AM Category	Core Assessment requirements
Asset Management Plans	• Plan contains basic information on assets, service levels, planned works, and financial forecasts (5-10years) and future improvements. • The plan also includes executive summary, description of services and key/critical assets, top-down condition and performance description of supporting AM processes, 10-year financial forecasts, and 3-year AM improvements plan.

1 – IPWEA, 2011, IIMM, p2.22

Other “Core” Assessment requirements that can be included in the AMP include the following:

Risk Management	• Risk framework developed • Critical assets and high risks identified • Documented risk management strategies for critical assets and high risks
Quality Management	• Defined quality policy and basic Quality Management System • All critical activity processes documented.
Levels of Service and Performance Management	• Customer groups defined, and requirements informally understood. • Levels of service and performance measures in place covering a range of service attributes. • Annual reporting against performance targets.
Demand Forecasting	• Demand forecasts based on robust projection of a primary demand factor (e.g. population growth) and extrapolation of historic trends. • Risk associated with demand change broadly understood and documented. • Demand management is considered in major asset planning.
Operating Planning	• Emergency response plan is developed • Asset utilisation is measured for critical asset groups and its routinely analysed.
Maintenance Planning	• Asset critically considered in response processes. • Fault tracking and closure process • Strategy for prescriptive versus performance-based maintenance developed. • Key maintenance objective established and measured.
Capital Works Planning	• Projects have been collated from a wide range of sources such as hydraulic models, operational staff, and risk processes.
Financial and Funding Strategies	• 10+ year financial forecasts based on current AMP outputs. • Significant assumptions are specific and well-reasoned. • Expenditure captured at a level useful for AM analysis.
Asset Register Data	• Sufficient information to complete asset valuation – basic physical information recorded in a spreadsheet or similar (e.g location, size, type) but may be based on broad assumptions or not complete. • Replacement costs and asset age/life. • Asset hierarchy, asset identification and asset attribute system documented.
Asset Condition	• Condition assessment programme in place for major asset types, prioritised based on assets risk. • Data supports asset life assessment • Data management standards and processes documented • Programme for data improvement developed.
Information Systems	• Asset registered enables hierarchical reporting (at component to facility level). • Customer request tracking and planned maintenance functionally enabled • The plan
Service Delivery Mechanisms	• Service delivery roles clearly allocated (internal and external), with contracts in place for external service provision.

1 – IPWEA, 2011, IIMM, p2.22

Existing Infrastructure Base

The section provides an overview of the infrastructure assets covered by this AMP. The overview provides an understanding of the age, value, and condition of Council's existing infrastructure asset base.

Asset Summary

A summary of the Recreation and other assets covered by the AMP are included in table 9.

Table 9: Asset Summary

Asset type	Gross Value	Accumulated Depreciation	Fair value	Depreciation expense
Aerodrome	$7,285,901	$2,633,107	$4652793	$79439
Pool Assets	$2,144,142	$1,373,709	$770433	$34282
Parks and Recreation	$6,019,714	$2,181,049	$3838665	$197426
Total	*$15,449,756*	*$6,187,865*	*$9261891*	*$311148*

Asset Hierarchy

Implementing an asset hierarchy is one of the most important steps in building an effective asset management program. Such a hierarchy provides both context and organisation to the asset register.

The asset register is the fundamental building block for asset management and when organised in hierarchical order is the vehicle by which the information system most effectively enables the assessment of the assets as individual components, composite assets, or groups if assets.

Council's hierarchy for Open Space and recreation assets is provided in Asset Standard (Useful) life.

An asset's standards or useful life in the period over which a depreciable asset is expected to be fully consumed. This period can be significantly impacted by Council's maintenance practices.

The standard or useful life is initially based on the manufacturer's recommended life. This is subject to change however, based on historical evidence of the impact of the local environment on the expected life.

The standard life of Council's Recreation and Other Assets varies significantly within each asset class. For example, lighting assets have a standard life of 3 to 70 years standard lives for open space and recreation assets range from 10 to 100 years. The random spread is a result of the revaluation method that allocates a short and a long life to a single asset component. These separate component lives are then averaged (weighted) to calculate an overall asset life.

Asset Condition

Council has adopted a condition assessment method using a 5-point scale rating, varying from 'Very Good" to Very Poor' condition as can be seen in table 10 below.

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Table 10: Structural Condition Grading Model

Grade	Condition	% Remaining Useful Life	Description
1	Very Good	>70%	Sound physical condition. No signs of deterioration Only normal maintenance required
2	Good	70%->50%	Acceptable physical condition; minor deterioration visible, no short-term failure risk. Minor defects only. Only minor work required, if any.
3	Fair	50%->10%	Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term. Minor defects only. Minor components or isolated sections of the asset may need replacement or repair now but asset functions safely at adequate level of service. Work may be required but asset is serviceable. Maintenance required to restore the asset to an acceptable level of service.
4	Poor	10%-4%	Significant deterioration evident. Failure likely in short-term. Likely need to replace most or all of the asset. No immediate risk to health or safety but works are required to ensure asset remains safe. Asset requires renewal – works to be programmed.
5	Very Poor	<4%	Failed or failure imminent. Immediate need to replace most or the entire asset. Health and safety hazards exist which present a possible risk to public safety, or asset cannot be serviced/operated without risk to personnel. Asset is effectively unserviceable. Major work or replacement required urgently.

Table 11: Condition % of total asset base

Asset Type	Condition (% of Asset Base)				
	As New	Good	Fair	Poor	Very Poor
Recreation & Other Assets	3.78%	40.56%	41.19%	14.48%	0.00%

Assets Criticality

A critical asset is an asset 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 non-critical assets.

Although critical assets have a high consequence of failure, they don't necessarily have a high likelihood of failure.

Asset Criticality is a measure of how critical an asset is to the functioning of and/or the services provided by Council.

The importance or degree of asset critically has been proposed to be based on the consequences of failure i.e. consequences of failure are assigned a criticality factor.

1 – IPWEA, 2011, IIMM, p2.22

Elements that may impact on asset criticality include:

- Safety
- Cost of Failure
- Complexity
- Severity of Duty
- Impact of failure
- Impact on Environment
- Location
- Loss of Service
- Number of Customers Serviced
- Site function
- Public image impact

Table 12: Criticality Rating

Criticality Rating				
1	2	3	4	5
Insignificant	Minor	Moderate	Major	Extreme

Data Confidence

There is a high degree of confidence in the data as they have undergone a thorough inspection process and have been valued and assessed in accordance with an accepted methodology.

Table 13: Data Confidence Rating

Grade	Description	Accuracy
1	Accurate	100%
2	Minor Inaccuracies	95%
3	50% Estimated	80%
4	Significant Data Estimated	70%
5	All Data Estimated	60%

(Section 4.3.7 of the IIMM, Version 3.0 2006)

Levels of Service

Level of Service Documents Hierarchy

- Hay Shire 2022-2032 CSP
  The Community Strategy establishes, through community consultation, Council's aspirational goals and objectives for the delivery of Recreation and other services.

- Asset Management Plan
  This asset Management Plan (AMP) develops technical measures against which the aspirational goals and objectives can be measured (Technical Levels of Service)

1 – IPWEA, 2011, IIMM, p2.22

- Service Delivery Plan

  The service delivery plan (SDP) allocated those responsible for the assets and the services they deliver, and the operational areas of Council charged with maintaining, operating, and upgrading existing assets or construction new infrastructure.

- Activity Specification

  The activity specification defines the target performance measures for maintenance, operations, or construction activities. It sets routine inspection and maintenance frequencies and for reactive maintenance sets intervention levels, response times, activity duration targets.

- Maintenance Management Plan

  The Maintenance Management Plan (MMP) details how each activity is to be completed and may include the following:
  - Standard Operating Procedures
  - Work Instructions
  - Hazards Risk Assessment
  - Reference to Equipment Maintenance Manuals (particularly fleet, plant, mechanical and electrical assets)

Community Strategy 2022-2032 (Community Levels of Service)

The Community Strategy relevant to this AMP is: -

Outcome 5: Our Infrastructure – Sustainable infrastructure provision that is adaptive to changing and funding levels.

Table 14: Council's Goals

Council Role
• **REFER TO THE NEW CSP**

In addition to Council's aspirational goal and roles as detailed in the Community Strategic Plan, the Community Levels of Service relate to subjective service delivery outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, value and legislative compliance.

Community Levels of Service measures used in this service management plan are:

- Quality – How good is the service?
- Function – Does it meet users' needs?
- Capacity/Utilisation – Is the service over or under use?

These community levels of service promised by Council are outlined in Table 15.

1 – IPWEA, 2011, IIMM, p2.22

Table 15: Community Levels of Service

Service Level Outcome	Principle Activity	Strategic Elements	Performance Outcome	Assessed by
Reliability	Actively managing Council's available resources	People can assess what they need.	Appropriate Open Space and recreational facilities to provide services to the community	Survey of access to open space and recreation assets (TBD)
Quality	Amenity fir for purpose, clean and tidy.	People can live and function in clean and tidy environments	Zero complaints of open space and recreation cleanliness	TBD
	Healthy Urban and Natural Environment	People breathe clean air.	Proportion of open space and recreation assets that incorporate energy efficient design principles.	Air Quality Testing (TBD)
	Swimming pools provide a safe environment	Pool water is safe to swim in	Zero complaints of swimming pool cleanliness and water quality.	Water Quality Testing
Function	Adequate capacity; All open space and recreation components functional.	Open space and recreation Services are well maintained.	Zero complaints of open space and recreation maintenance issues.	TBD
	Comply with relevant standards	People can access the required services	Open spaces are appropriate to use	Survey of access to open space and recreation assets (TBD)
Condition	Planned Maintenance	Open Space and recreation Services are well managed	Long term asset management planning of Open Spaces and related infrastructure	Progression of asset management plans
	Open Spaces are safe, complying with all relevant codes and standards.	Open spaces are compliant	Stewardship of assets through effective planning for asset provision, maintenance and renewal.	Inspections and condition rating for Open spaces assets.

1 – IPWEA, 2011, IIMM, p2.22

Technical Levels of Service

Technical levels of service support the community levels of service by turning subjective requirements of the Community Levels of Service into objective assessments. These technical measures aim to quality the performance of the assets and service they provide and relate to the allocation of resources to services activities that the organisation undertakes to best achieve the desired community outcomes and demonstrates effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.

- Maintenance – the activities necessary to retain an asset near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs)

- Renewal – the activities that return the service capability of an asset to that which it has originally (e.g frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement)

- Upgrade – the activities to provide a higher level of service (e.g widening a road, sealing tan unsealed road, replacing a pipeline with a larger size) or

- New – a new service that did not exist previously (e.g. a new library).

Asset managers plan, implement and control technical service levels to influence the community service levels. [1]

These technical Levels of Service are outlined in Table 16 by asset classification.

1 – IPWEA, 2011, IIMM, p2.22

Table 16: Technical Levels of Service

Asset Class	Recreational and Other Services		
Service Statement	Council has good quality Open Space and recreational facilities that are well maintained and fit for purpose		
Performance Measure	Community feedback through surveys or complaints and the average condition of the road network.		
Service Factors	Community Levels of Service	Technical Level of Service	Performance Measures
Quality			
Condition	Open Space/structure are: • Well maintained • Appear in good condition • Structurally sound; and • Aesthetically pleasing	Operations & Maintenance • Inspect assets on routine basis to identify their condition • Inspect assets on a routine basis to identify and address any defect and safety concerns • Maintain assets in a tidy, safe and functional condition	Assets condition assessed annually Defect inspections 90% of Open Space Maintenance cost between 1.5-2.9% of open space and recreation renewal cost. <1 complaint /month
		Renewal • Renew/replace open space and recreation components when they no longer function at 90% • Renew/replace open space and recreation when structure degrades to a dangerous level.	Open space and recreation condition being maintained. 90% delivery of renewal programs
Function			
Access	Access to facilities and services is provided that is suited to the use.	New/Upgrade • Provide new/upgrade infrastructure to cater for community growth and in accordance with existing community demand • Provide new/upgrade infrastructure as required to comply with industry standards or stator requirements	90% delivery of CAPEX programs. 100% Compliance with design standards and guidelines.

1 – IPWEA, 2011, IIMM, p2.22

		• Ensure new/upgrade infrastructure is designed and constructed in accordance with Council's Guidelines.	
Capacity /Utilisation			
Cost Effectiveness	Open space and recreation /structures meet the appropriate capacity and utilisation requirements.	New/upgraded • Ensure new/upgrade infrastructure is designed and constructed in accordance with Council's Guidelines • Measure actual utilisation/capacity against planned values • Monitor benefit realisation for new/upgrade works	100% Compliance with design standards and guidelines Customer surveys. Utilisation and Customer surveys Benefits realised within payback period.

1 – IPWEA, 2011, IIMM, p2.22

Risk Management

Risk Management Objectives

Council has a 'duty of care' to the community in relation to management of the assets and appropriate management of risk. Council must reduce risk where it is reasonable to do so. Risks that affect Council include:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance, and operation and management outputs.
- Operational risks where data and information are not maintained to standards which enable competent management outputs.

The objectives to be achieved in managing risks under the AMP are:

- Identify high risk assets
- Maintain Levels of Service
- Mitigate risks to the public
- Reduce the number and magnitude of unplanned asset failures.

Managing risks involves identifying, assessing and determining risk management option.

Risk options vary depending on several factors, including but not limited to:

- Available resources and funding
- Risk assessment level and
- Network demand

In this way, it may be reasonable to mitigate a lower risk when it is not practical to mitigate a high risk.

For each identified risk Council can elect to adopt one of the following positions:

- Take the risk
- Transfer the risk
- Treat the risk
- Terminate the risk

Risk Assessment Method

Risks vary on both likelihood and consequence. Analysing risks in a risk matrix can help to quantify the risk to then identify necessary treatment actions. The risk matrix used to assess Council's risk is shown below.

LIKELIHOOD		CONSEQUENCES				
		1	2	3	4	5
		Negligible	Minor	Moderate	Major	Catastrophic
Likelihood	A. Rare	Low	Low	Low	Moderate	High
	B. Unlikely	Low	Low	Moderate	High	High
	C. Possible	Low	Moderate	Moderate	High	Extreme
	D. Likely	Moderate	Moderate	High	Extreme	Extreme
	E. Almost Certain	Moderate	High	High	Extreme	Extreme

1 – IPWEA, 2011, IIMM, p2.22

Risk Assessment	Treatment Options
Low(L)	Acceptable Risk • Unlikely to require specific application of resources • Manage by routine procedures • Monitor, review and react
Moderate (M)	Acceptable Risk • Unlikely to cause much damage and/or threaten the efficiency and effectiveness of the activity • Treatment plans to be developed and implemented by operational managers. • Manage by specific monitoring or response procedures
High Risk (H)	Generally unacceptable • Likely to cause some damage, disruption, or breach of controls • Senior management attention needed, and management responsibility specified • Treatment plans to be developed and reported to executives
Extreme (E)	Not acceptable • Likely to threaten the survival or continued effective function of the organisation, either financially or politically • Must be managed by senior management with detailed treatment plan in place • Immediate action required.

Operational Risk

The risks associated with other and recreational assets are subject to the normal risk management process as outlined in Council's risk management framework or a case-by-case basis however there has been on complete overall assessed on the asset classed which needs to be undertaken.

Financial Forecasts

The financial forecasts in this plan in relation to operations and maintenance are extracted direct from Council's plan. Based on historical evidence and known requirements they are considered reasonable amounts to maintain service levels into the future. The renewals and upgrades however need a complete reassessment of future requirements, and these expenditures are only addressing known urgent needs. Council intends to undertake a comprehensive review of future requirements.

Table 17: Financial Forecasts

Financial Year Ending	Renewals	Operations & Maintenance	Total
2022/23	$40,000	$862,111	$902,111
2023/24	$150,000	$883,659	$1,033,659
2024/25	$0	$905,216	$905,216
2025/26	$0	$926,772	$926,772
2026/27	$30,000	$948,322	$978,322
2027/28	$0	$969,873	$969,873
2028/29	$0	$991,426	$991,426
2029/30	$0	$1,012,984	$1,012,984

1 – IPWEA, 2011, IIMM, p2.22

2030/31	$0	$1,034,535	$1,034,535
2031/32	$0	$1,056,085	$1,056,085
Total	*$220,000*	*$9,590,983*	*$9,810,983*

If Council's assets are well maintained and renewed in a timely manner, the forecast expenditure is expected to remain at a timely relatively constant level.

This has been verified with the assistance of Cumberland City Council asset team, confirming LTFP allocation required is $9,590,983 (Operations/maintenance - $989,000 per annum and 10-year asset renewal of $220,000). These figures do not include the updated pool renewal estimated cost of $7M. This is a little misleading and further analysis is required. Data for 10- year capital replacement shows a spend of $3,962,170 is required over the life of the plan.

Operations & Maintenance

Operations and Maintenance activities relate to the day to day running and upkeep of assets, the costs of which are particularly significant for dynamic/short-lived assets.

Operations expenditure is recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, e.g. power, fuel, plant equipment, street sweeping, mowing, on-costs and overheads but excludes maintenance and depreciation.

Maintenance activities are those necessary for retaining as asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets functioning and in good repair. It is operating expenditure required to ensure that the asset reaches its expected useful life.

Operations & Maintenance Program

Currently maintenance is managed based on historical information and trends. The maintenance service objectives are to:

- Maintain Council's infrastructure in a safe, serviceable and aesthetic condition to the satisfaction of Council and the community;
- Maintain and preserve the functionality and value of the existing assets;
- To provide and maintain a safe environment of the community within the constraints of Council's financial capacity and resource capability, while displaying a reasonable 'duty of care'; and
- Ensure the provision of a high standard of customer service and that customer requests are responded to quickly efficiently.

Council's future operations and maintenance expenditure is based on last financial year's financial statements. This data only provided very limited granularity and insight into the operations and maintenance work it represents. The operations and maintenance expenditure are not broken down into specific task. From this data it is not possible to assess whether the level of operations and maintenance being conducted is appropriate or how it will change over the planning period.

The projected operations and maintenance expenditure can be seen in Table 18

1 – IPWEA, 2011, IIMM, p2.22

Table 18: Asset Operations and Maintenance Expenditure

Financial Year Ending	Operations	Maintenance	Total
2022/23	$122,300	$739,811	$862,111
2023/24	$125,355	$758,304	$883,659
2024/25	$128,415	$776,801	$905,216
2025/26	$131,474	$795,298	$926,772
2026/27	$134,530	$813,792	$948,322
2027/28	$137,586	$832,287	$969,873
2028/29	$140,645	$850,781	$991,426
2029/30	$143,704	$869,280	$1,012,984
2030/31	$146,760	$887,775	$1,034,535
2031/32	$149,817	$906,268	$1,056,085
Total	$1,360,586	$8,230,397	$9,590,983

This has been verified with the assistance of Cumberland City Council asset team, confirming LTFP allocation required is $989,000 (Operations/maintenance - $989,000 per annum and 10-year asset renewal of $220,000). These figures do not include the updated pool renewal estimated cost of $7M. Data for 10- year capital replacement shows a spend of $3,962,170 is required over the life of the plan.

Operations and Maintenance Conclusion

It has been assumed that the current levels of funding provide an acceptable service level, therefore current operations and maintenance budgets have been extrapolated to forecast future expenditure requirements.

New and Upgrade

New and Upgrade expenditure is for the provision of, improvement to, an asset where the outlay can reasonably be expected to provide benefits beyond the year of outlay, including a value management approach that aims to produce the most economic and creative solutions.

New/Upgrade Prioritisation Approach

The considerations taken into account when prioritising new/upgrade Projects. The discussion may include some example criteria as documented below:

- New/upgrade projects that involved legislative drivers were prioritised over others that did not, to ensure compliance with statutory requirements.
- Once the legislation assessment was completed, projects were assessed against alignment with approved Council plans, policies, and strategies. This was essential to ensure projects were not being developed outside the scope of strategic Council documents.
- A risk assessment was undertaken, to identify projects with higher risk. This was necessary to identify the consequences and impacts If projects were nit undertaken. Projects identified as higher risk were prioritised over those with a lower risk.
- An assessment of community growth and demand based on technical levels of service within the Council area was undertaken. This highlighted that projects associated with growth areas

1 – IPWEA, 2011, IIMM, p2.22

such as the northern growth corridor warranted being prioritised over those not located in such an area.

- For projects concerning the upgrade of existing assets, these were given priority over new assets in order to maximise/enhance existing infrastructure before investing in new, additional assets.
- Include evidence of a value management approach taking into consideration the hole of Life costs of each project.

New/Upgrade Program

Data for 10- year capital replacement shows a spend of $3,962,170 is required over the life of the plan.

The renewal of the swimming pool ($7M estimate) is not reflected in the valuations as this is based on the original value and depreciation. While the pool is being replaced, it will be a substantial upgrade, however, not necessarily provide a higher level of service to the community. Council, as at April 2023, has been success in obtaining $3M from the State Government towards the replacement of the swimming pools. Council will be considering options and timing of the asset renewal in preparations of the 2023/24 budget and LTFP.

Asset Disposal/Rationalisation

Disposal and Transfers

There is currently no information regarding any assts that may have been disposed of. It has been assumed that all assets on the register are in use.

Asset Values

The valuation shown in Table 19: Asset Valuations is based on:

- Asset Valuations be extended Valuer
- Until rates based on Council's construction costs and published rates: and
- Condition assessments to determine remaining useful life.

Table 19: Asset Valuations

Asset Class	Gross Value	Accumulated Depreciation	Fair Value	Depreciation Expense
Aerodrome	$7,285,901	$2,633,107	$4,652,793	$79,439
Pool Assets	$2,144,142	$1,373,709	$770,433	$34282
Parks and Recreation	$6,019,714	$2,181,049	$3,838,665	$197,426
Total	*$15,449,756*	*$6,187,865*	*$9,261,891*	*$311,148*

1 – IPWEA, 2011, IIMM, p2.22

Performance Ratios and Sustainability

The 'financial sustainability' outputs are provided to demonstrate the trends that the currently anticipated expenditure will have on key measures. Capital Expenditure for 2022-23 shown in Table 20.

Table 20: Capital Expenditure 2022-2023

Year	Capital Renewal Expenditure	Capital New/Upgrade Expenditure	Total Capital Expenditure
2020-21	$40,000	$0	$40,000

Assessed asset renewal ratio is current significantly less than the required 80% .

Renewals Program

This renewal requirement does not include any amount dedicated to a renewal project which upgrades or increases the level of service. Any additional amount for this is to be reported through the New and Upgraded Requirement within the New and Upgrade chapter of this AMP.

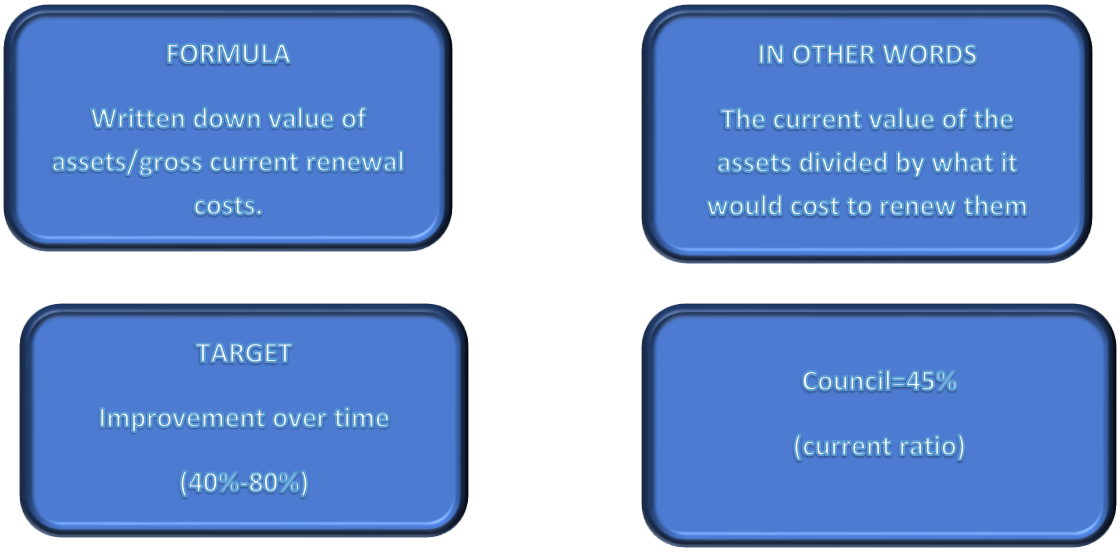
This plan provides an indicative program information for the renewal of the assets.

The renewal plan based on the condition and remaining life data held against each asset in the asset register has been prepared and is attached in Appendix D – Renewal Plan.

Prior to the adoption of the renewal plan, a review of individual projects and the data held in the register will be validated by inspection and where discrepancies exist the Plan and the record data will be amended.

Consumption Ratio

The consumption ratio provides a measure of the percentage of the asset base consumed to date and an indication of how fast the assets are being consumed each year and whether investment may require adjustment.



1 – IPWEA, 2011, IIMM, p2.22

Table 21: Annual Asset Consumption

Annual Asset Consumption (Depreciation/Depreciable Amount)	2.0%

This provides a measure of the percentage of the asset base remaining (yet to be consumed). It is derived by diving the written down value of the assets by the gross current renewal cost.

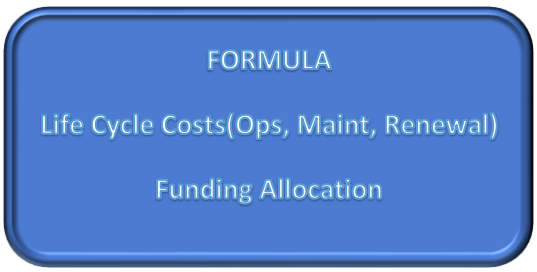
The consumption ratio is currently 45% which is considered satisfactory.

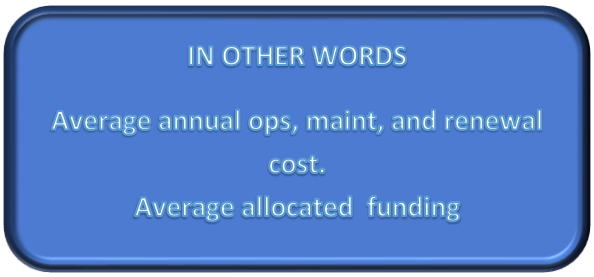
Sustainability Ratio (Levels of Service)

Knowing the extent and timing of any required increase in funding will assist Council in providing services to their communities in a financially sustainable manner.
There are three key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset class. These indicators are:

- Medium term rations 5 and 10year.
  This ration compares the projected operations, maintenance and capital renewal expenditures to the available funding. The Capital renewal estimate is based on the condition of the asset base. This also includes the operations and maintenance expenditure incurred because of planned new and upgraded assets. It is an indication of the expenditure required to deliver current levels of service to existing customers and cater for growth.
- Whole of life ration
  This ratio compares the projected operations, maintenance and capital renewal estimate is based on the average annual costs modelled over 100 years.
  It is an indication of the expenditure required to deliver current levels of service to the current customer base over the life of the current asset base.

These forecast expenditures have been compared to funding allocations for the same expenditure types in the 10-year period to identify any funding discrepancies.





1 – IPWEA, 2011, IIMM, p2.22

Plan Improvement

Performance Measures

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

- The degree to which the required cash flows identified in the development of the final plan are incorporated into Council's long-term financial plan and Community/Strategic Planning processes and documents.
- 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 exiting and projected services levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan Associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

Monitoring and Review Procedures

This plan will be reviewed during annual budget preparation and amended to recognise any material changed in service levels and/or resources available to provide those services as a result of the budget decision process.

This plan has a life of three years and is due for major review in 2025. Interim reviews should be undertaken to check its validity.

Evaluations of Findings

- Council has sufficient funding in the LTFP to maintain current service levels however there is little scope for additional requirements of costs in current budget.
- Council has a high number of recreational and other assets for its size.
- The only critical asset that requires upgrade in the short to medium term in the swimming Pool.
- Insufficient funds have been allocated towards renewal works in the life of the LTFP
- Considerable work needs to be undertaken to assess the renewal requirements across the various asset in this class.

Way Forward

1. Comprehensive risk assessment be undertaken on asset class.
2. Proper evaluation of maintenance costs and requirements be undertaken to calculate maintenance ratio.
3. Further development of asset inspection regime, and management techniques.
4. Assessment of service levels and potential to rationalise assets.
5. Formulate long term renewal requirements.

1 – IPWEA, 2011, IIMM, p2.22

Appendix A – Asset Management Practices

Council is currently using Civica Authority financial system for asset accounting processes and related reporting functions. Asset data included in the system is directly integrated with the financial system.

The intention is to record, further develop and consolidate the processes used for asset and services management, and then review the systems available which will complement those processes. The timeframe for that review will be establish in the Asset and Services Management Practices Improvement Strategy.

The finance module is the responsibility of the finance department. The engineering and finance departments are jointly responsible for ensuring the integrity of the system and asset financial information overall.

Authority has an asset database module that Council uses to monitor their assets. In this way the asset and financial data bases can be aligned. The key information flows into this asset management plan are:

- Council corporate and operational plans;
- Service request from the community;
- Network assets information;
- The unit rates for categories of work/materials;
- Current levels of service and expenditures;
- Projections of various factors affecting future demand for services and new assets acquired by Council;
- Future capital works programs; and
- Financial asset values.

The key information flows from this asset management plan are:

- The project works program and trends;
- The resulting budget and long-term financial plan expenditure projections; and
- Financial sustainability indicators.

These will impact the Long-Term Financial Plan, Strategic Long-Term Plan, Annual Budget and Departmental Business Plans and Budgets.

Standards, guidelines and policy documents referenced in this asset management plan re:

- Council CSP 2022-2032
- Council Operational Plan 2022-203
- Council Asset Management Policy
- Council Asset Management Strategy
- National Construction Code of Australia
- Disability and Discrimination Act
- Applicable Australian Standards associated with asset maintenance, renewal and upgrade works.

1 – IPWEA, 2011, IIMM, p2.22

Appendix B - Abbreviations

AAAC	**Average annual asset consumption**
AMP	**Asset Management Plan**
ARI	**Average Recurrence Interval**
CRC	**Current Replacement Cost**
CWMS	**Community Wastewater Management Systems**
DA	**Depreciable Amount**
EF	**Earthworks/Formation**
IRMP	**Infrastructure Risk Management Plan**
LCC	**Life Cycle Cost**
LCE	**Life Cycle Expenditure**
LGIS	**Local Government Infrastructure Services**
MMS	**Maintenance Management System**
PCI	**Pavement Condition Index**
RV	**Residual Value**
Vph	**Vehicles per hour**

1 – IPWEA, 2011, IIMM, p2.22

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 included 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 class

A group asset having a similar nature or function in the operations of an entity, and which, for purpose 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 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.

Average annual asset consumption (AAAC)*

The amount of a Council'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 useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowings 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 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 Council's asset base, but may be associated with additional revenue from the new user group e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for 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

1 – IPWEA, 2011, IIMM, p2.22

asset being renewed. As it reinstates exiting service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed as the optimum time, e.g. 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 has originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. I will increase operations and maintenance expenditure in the future because of the increase in Council's asset base. E.g. widening the sealed area of an existing roads, 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 ties 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 and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount
The asset at which an asset is recognised after deducting any accumulated depreciation/amortisation and accumulated impairment losses thereon.

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.

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 on-off design and project management costs.

Current replacement cost (CRC)
The costs 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 one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

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.

Fair value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Funding gap
A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of

1 – IPWEA, 2011, IIMM, p2.22

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 liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in 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 of the entity holding it.

Impairment loss
The amount by which the carrying amount of asset exceeds its recoverable amount.

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 if 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 annual operations, maintenance and asset consumption expense, represented by depreciation expense. 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 actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure Cost to give an initial indicator of life cycle sustainability.

Maintenance
All actions necessary for retaining an asset near as practicable to its original condition, including regular ongoing day-today 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 is carried out in response to service requests and management/supervisory directions.

Significant 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 services or to maintain its level of security and integrity.

Maintenance and renewal gap
Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified

1 – IPWEA, 2011, IIMM, p2.22

levels, totalled over a defined time (e.g 5,10 and 15 years).

Maintenance and renewal sustainability index
Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5,10, and 15 years).

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 if service. It is expenditure, which as 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 Council of the cash flows associated with an assets, 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 arising from e.g. 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 Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries tec

Operations 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 are 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 results in decreases relating to distributions to equity participants.

Pavements management system
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
A measure of rate at which assets are being upgraded and expended per annum expressed as a percentage of depreciable amount (capital upgrade/expansion /expenditure/DA).

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.

Remaining useful life
The time remaining until as asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

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

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asset were already of 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 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 in providing services (Depreciated Replacement Cots/Depreciable Amount)

Strategic Longer-Term Plan
A plan covering the term of office of councillors (4years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in Councils longer-term plans such as the service management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where 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.

Specific maintenance
Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including potholes repairs, replacement of pump equipment etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

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 front he 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 the over which the future economic befits embodied in a depreciable asset, are expected to be consumed by 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 costs (DRC) for those assets whose future economic benefits are not primary dependent on the asset's 'an ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits

1 – IPWEA, 2011, IIMM, p2.22

Appendix D – Renewal Plan

Asset Class: Open Space

Asset Name	WAvg-RUL (Rounded)	Year (base 2022)	Asset Class	Asset Type	Component	Component Type	Component Sub Type	Gross	Cumulative Total	Financial Year (AMP Budget)	Consumption Score
Picnic Table (Timber)	1	2023	Other Structures	Park Assets	Tables	Standard	Typical Life	$1,836	$1,836	2022/23	4
Bench Seat	1	2023	Other Structures	Park Assets	Bench Seats	Standard	Typical Life	$2,203	$4,039	2022/23	4
Shelter	1	2023	Other Structures	Park Assets	Shelter	Standard	Typical Life	$5,508	$9,547	2022/23	4
Play Equipment	6	2028	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$6,120	$15,667	2022/23	4
BMX track	39	2061	Other Structures	Sporting Equipment	BMX Track	Standard	Typical Life	$15,198	$30,865	2022/23	4
Fountain	78	2100	Other Structures	Landscaping	Water Features	Standard	Typical Life	$30,600	$61,465	2022/23, 2023/24	4
Toddlers Pool (Not ind. filtration)	6	2028	Other Structures	Pool Assets	Wading / Domestic Pool	Standard	Typical Life	$42,942	$104,407	2023/24	4
Intermediate Pool (Not incl. filtration)	10	2032	Other Structures	Pool Assets	Freeform Swimming Pool	Standard	Typical Life	$135,660	$240,067	2023/24, 2026/27	4
Filtration System	5	2027	Other Structures	Pool Assets	Pool Plant - Long Life	Standard	Typical Life	$751,740	$991,807		4
50m Pool (Not incl. filtration)	28	2050	Other Structures	Pool Assets	50 Metre Swimming Pool	Standard	Typical Life	$1,213,800	$2,205,607		4
Irrigation	10	2032	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$9,547	$2,215,154		3.5
Picnic Tables (Timber x6)	3	2025	Other Structures	Park Assets	Tables	Standard	Typical Life	$22,032	$2,237,186		3.5
Slide	0	2022	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$0	$2,237,186		3
Picnic Shelters (x2)	0	2022	Other Structures	Park Assets	Shelter	Standard	Typical Life	$0	$2,237,186		3
Shelter over sandpit	0	2022	Other Structures	Park Assets	Shelter	Standard	Typical Life	$0	$2,237,186		3
Bench Seat (Alum)	5	2027	Other Structures	Park Assets	Bench Seats	Standard	Typical Life	$1,836	$2,239,022		3
Bench Aluminium (x2)	5	2027	Other Structures	Park Assets	Bench Seats	Standard	Typical Life	$2,448	$2,241,470		3
Signage	5	2027	Other Structures	Miscellaneous	Signs	Standard	Typical Life	$2,938	$2,244,408		3
Signs Park Name (x3)	5	2027	Other Structures	Miscellaneous	Signs	Standard	Typical Life	$2,938	$2,247,346		3
Picnic table	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$3,672	$2,251,018		3
Swings	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$3,672	$2,254,690		3
Swing Set	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$3,672	$2,258,362		3

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Picnic Table on Slab	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$4,896	$2,263,258	3
Fence Chainwire	6	2028	Other Structures	Fences	Post and Chain Link	Standard	Typical Life	$4,896	$2,268,154	3
Irrigation	15	2037	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$4,896	$2,273,050	3
Fence Timber Post and Rail (x27)	6	2028	Other Structures	Fences	Timber Post and Rail	Standard	Typical Life	$4,957	$2,278,007	3
Rope Fence at Beach	15	2037	Other Structures	Fences	Wire (Perimeter and Stock)	Standard	Typical Life	$7,283	$2,285,290	3
Picnic Tables (x2)	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$7,344	$2,292,634	3
Irrigation	11	2033	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$7,956	$2,300,590	3
BBQ	2	2024	Other Structures	Park Assets	BBQ	Standard	Typical Life	$8,568	$2,309,158	3
BBQ Electric	2	2024	Other Structures	Park Assets	BBQ	Standard	Typical Life	$8,568	$2,317,726	3
Swings and slide	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$8,568	$2,326,294	3
Shelter With Picnic Table Built In	5	2027	Other Structures	Park Assets	Shelter	Standard	Typical Life	$9,792	$2,336,086	3
Shelter With Picnic Table Built In	5	2027	Other Structures	Park Assets	Shelter	Standard	Typical Life	$9,792	$2,345,878	3
Picnic Table (Steel with Slab x2)	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$9,792	$2,355,670	3
Picnic Table (x3)	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$11,016	$2,366,686	3
Post & Rail Fencing at Beach	6	2028	Other Structures	Fences	Timber Post and Rail	Standard	Typical Life	$15,606	$2,382,292	3
Play Equipment	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$17,136	$2,399,428	3
Irrigation (Within Pool Complex Fence)	13	2035	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$20,604	$2,420,032	3
Irrigation	11	2033	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$21,726	$2,441,758	3
Picnic Table (x6)	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$22,032	$2,463,790	3
Scoreboard (Oval #1 - Gavin Johnston)	4	2026	Other Structures	Sporting Equipment	Scoreboards	Standard	Typical Life	$24,480	$2,488,270	3
Picnic Tables (Timber and Steel x10)	5	2027	Other Structures	Park Assets	Tables	Standard	Typical Life	$24,480	$2,512,750	3
Irrigation	11	2033	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$24,480	$2,537,230	3
Windsocks	14	2036	Other Structures	Airport Assets	Windsocks	Standard	Typical Life	$24,480	$2,561,710	3
Play Equipment (Old)	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$30,600	$2,592,310	3
Play equipment	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$30,600	$2,622,910	3
Skate Ramps (To Netball Court)	23	2045	Other Structures	Sporting Equipment	Skate Parks	Standard	Typical Life	$30,600	$2,653,510	3
Play Equipment	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$31,824	$2,685,334	3
Irrigation (West)	11	2033	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$36,720	$2,722,054	3

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Exercise equipment (x8)	3	2025	Other Structures	Sporting Equipment	Fitness Equipment	Standard	Typical Life	$48,960	$2,771,014	3
Grandstands Timber and Steel (x4)	5	2027	Other Structures	Park Assets	Shelter	Standard	Typical Life	$48,960	$2,819,974	3
Play Equipment (Old)	14	2036	Other Structures	Park Assets	Playground Equipment	Standard	Typical Life	$48,960	$2,868,934	3
Lighting	5	2027	Other Structures	Lighting	Tower Lighting	Standard	Typical Life	$58,752	$2,927,686	3
Lighting (Netball Courts)	21	2043	Other Structures	Lighting	Sports Fields	Standard	Typical Life	$61,200	$2,988,886	3
Concrete Footpaths (excl. concourse)	24	2046	Other Structures	Hardstand and Internal Roads	Pathways - Concrete	Standard	Typical Life	$68,544	$3,057,430	3
Irrigation (Rest of Park)	11	2033	Other Structures	Landscaping	Irrigation	Standard	Typical Life	$76,500	$3,133,930	3
Picnic Shelter With Table (x7)	5	2027	Other Structures	Park Assets	Shelter	Standard	Typical Life	$77,112	$3,211,042	3
Chainwire Fence	6	2028	Other Structures	Fences	Post and Chain Link	Standard	Typical Life	$88,128	$3,299,170	3
Lighting (Oval #2 Lights x4)	10	2032	Other Structures	Lighting	Sports Fields	Standard	Typical Life	$97,920	$3,397,090	3
Levee Bank - 6km	129	2151	Other Structures	Airport Assets	Runway and Taxiway - Earthworks	Standard	Typical Life	$565,080	$3,962,170	3

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