Looking After our Community

OPEN SPACE AND RECREATIONAL ASSET MANAGEMENT PLAN

1 MAY 2017

MID-WESTERN REGIONAL COUNCIL
COMMUNITY: OPEN SPACES

TOWARDS 2030

Mid-Western REGIONAL COUNCIL

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1. Executive Summary

1.1 Context

Council provides open space and recreation infrastructure to enable recreational, leisure and sporting opportunities for Mid-Western Regional Council residents and visitors.

The Open Space Service

The Open Space network comprises:

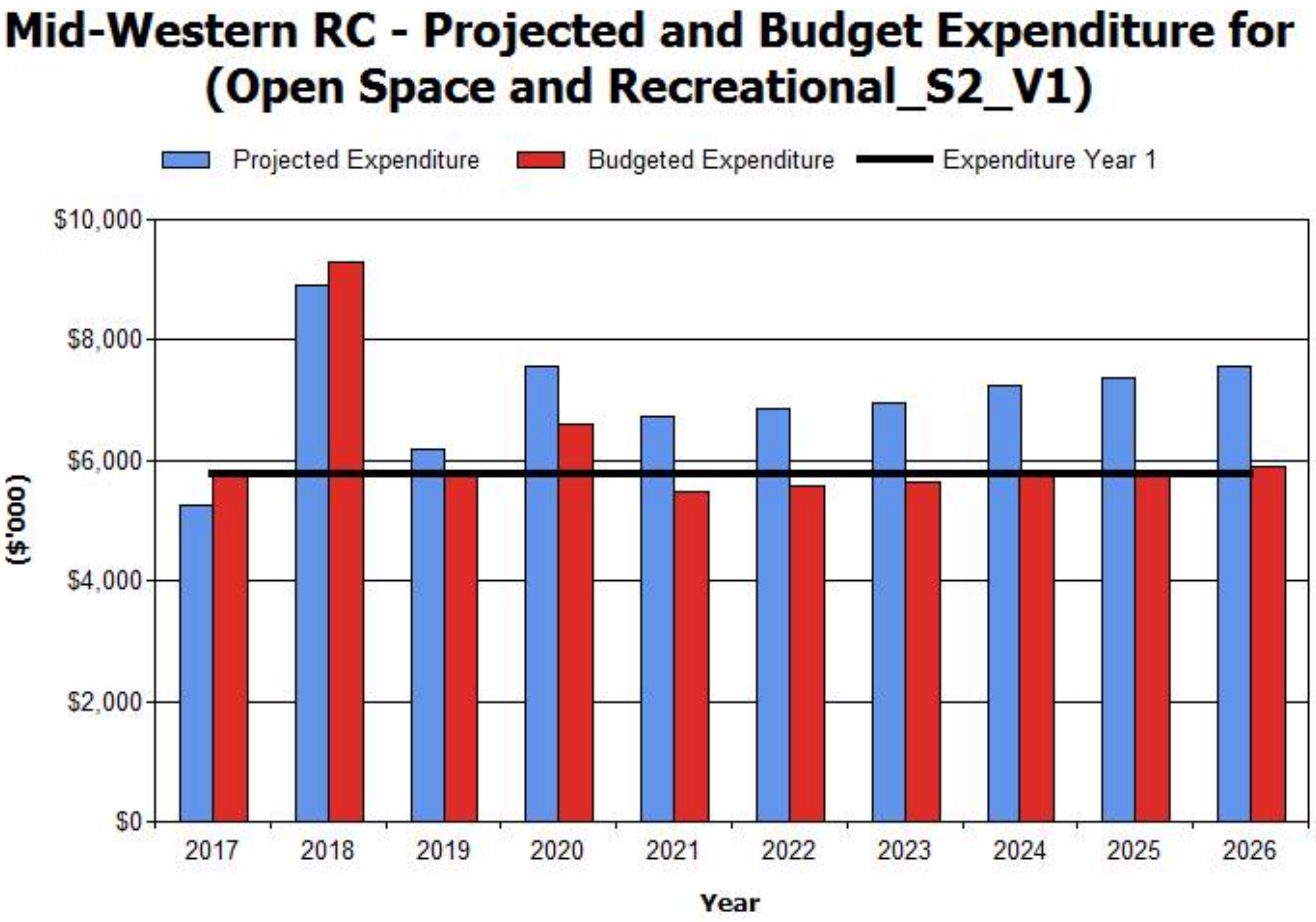
- Regional Parks – 9.75 HA
- Neighbourhood Parks – 52.62 HA
- Reserves – 11.16 HA
- Sporting Grounds – 80.32 HA
- Showgrounds – 2 facilities
- Swimming Pools – 3 facilities
- Cemeteries – 11 locations

These infrastructure assets have a replacement value of $23.5 million.

1.2 What does it cost?

The projected outlays necessary to provide the services covered by this Asset Management Plan (AM Plan) includes operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period is $70,692,000 or $7,069,200 on average per year.

Estimated available funding for this period is $61,685,000 or $6,168,000 on average per year which is 87% of the cost to provide the service. This is a funding shortfall of $901,000 on average per year. Projected expenditure required to provide services in the AM Plan compared with planned expenditure currently included in the Long Term Financial Plan are shown in the graph below.



1.3 What we will do

We plan to provide Open Space services for the following:

- Operation, maintenance, renewal and upgrade of open space and exiting infrastructure to meet service levels set by Council in annual budgets.
- Ensure all Open Space assets are functional, meet requirements and standards within the 10 year planning period.

1.4 What we cannot do

We do **not** have enough funding to provide all services at the desired service levels or provide new services except those specifically funded by development contributions and grants. Works and services that cannot be provided under present funding levels are:

- Formally map each site and associated assets adequately
- Upgrade or replace all ageing and/or insufficient assets

1.5 Managing the risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Insufficient funding for upgrades at end of useful life for all assets
- Low confidence surrounding existing data with our cemetery and irrigation/drainage assets
- Unknown locations of underground pipes and their materials
- Ageing assets that require replacement and/or removal
- High incidences of vandalism

We will endeavour to manage these risks within available funding by:

- Regular inspections to identify hazards before they occur
- Capturing and usage of data within our open space

1.6 Confidence Levels

This AM Plan is based on a medium level of confidence in the information contained.

1.7 The Next Steps

The actions resulting from this asset management plan are:

- Develop and coordinate asset management systems that are meaningful and informative
- Link and capture financial, spatial and asset information so there is consistency between systems
- Ensure appropriate resources are allocated to maintain existing assets to the desired / expected standard

Questions you may have

WHAT IS THIS PLAN ABOUT?

This asset management plan covers the infrastructure assets that serve the Mid-Western Regional community's Open Space needs. These assets include parks, sporting grounds, reserves, streetscape, cemeteries and pools throughout the community area that provide people with recreational, leisure and sporting opportunities.

WHAT IS AN ASSET MANAGEMENT PLAN?

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

An asset management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

WHY IS THERE A FUNDING SHORTFALL?

Many of these assets are approaching the later years of their life and require replacement and maintenance costs are increasing.

Our present funding levels are insufficient to continue to provide current services at existing levels.

WHAT OPTIONS DO WE HAVE?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,
4. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make savings in future operations and maintenance costs,
6. Consulting with the community to ensure that open space services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide services,
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

WHAT HAPPENS IF WE DON'T MANAGE THE SHORTFALL?

It is likely that we will have to reduce service levels in some areas, unless new sources of revenue are found. For open space, the service level reduction may include ageing and unsafe infrastructure, unmaintained parks and reserves.

WHAT CAN WE DO?

We can develop options, costs and priorities for future open space services, consult with the community to plan future services to match the community service needs with ability to pay for services and maximise community benefits against costs.

WHAT CAN YOU DO?

We will be pleased to consider your thoughts on the issues raised in this asset management plan and suggestions on how we may change or reduce its open space mix of services to ensure that the appropriate level of service can be provided to the community within available funding.

2. Introduction

2.1 Background

This asset management plan is 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.

The asset management plan follows the format for AM Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual[1].

The asset management plan is to be read with the Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Mid-Western Region Community Plan
- Mid-Western Regional Council Delivery Program

This infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to provide open space and recreational services to the community.

TABLE 2.1: ASSETS COVERED BY THIS PLAN

Asset category	Replacement Value
Cemeteries & Monuments	1,080,029
Parks & Showgrounds	13,086,276
Swimming Pool	9,324,028
TOTAL	**23,493,333**

Key stakeholders in the preparation and implementation of this asset management plan are shown in Table 2.1.1.

TABLE 2.1.1: KEY STAKEHOLDERS IN THE AM PLAN

Key Stakeholder	Role in Asset Management Plan
Council	Represent needs of community/shareholders, Allocate resources to meet the Council's objectives in providing services while managing risks, Ensure Council is financially sustainable.
Community	Provide feedback on levels of service and requirements

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

2.2 Goals and Objectives of Asset Management

Council exists to provide services to its community. Some of these services are provided by 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:

- 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]

2.3 Plan Framework

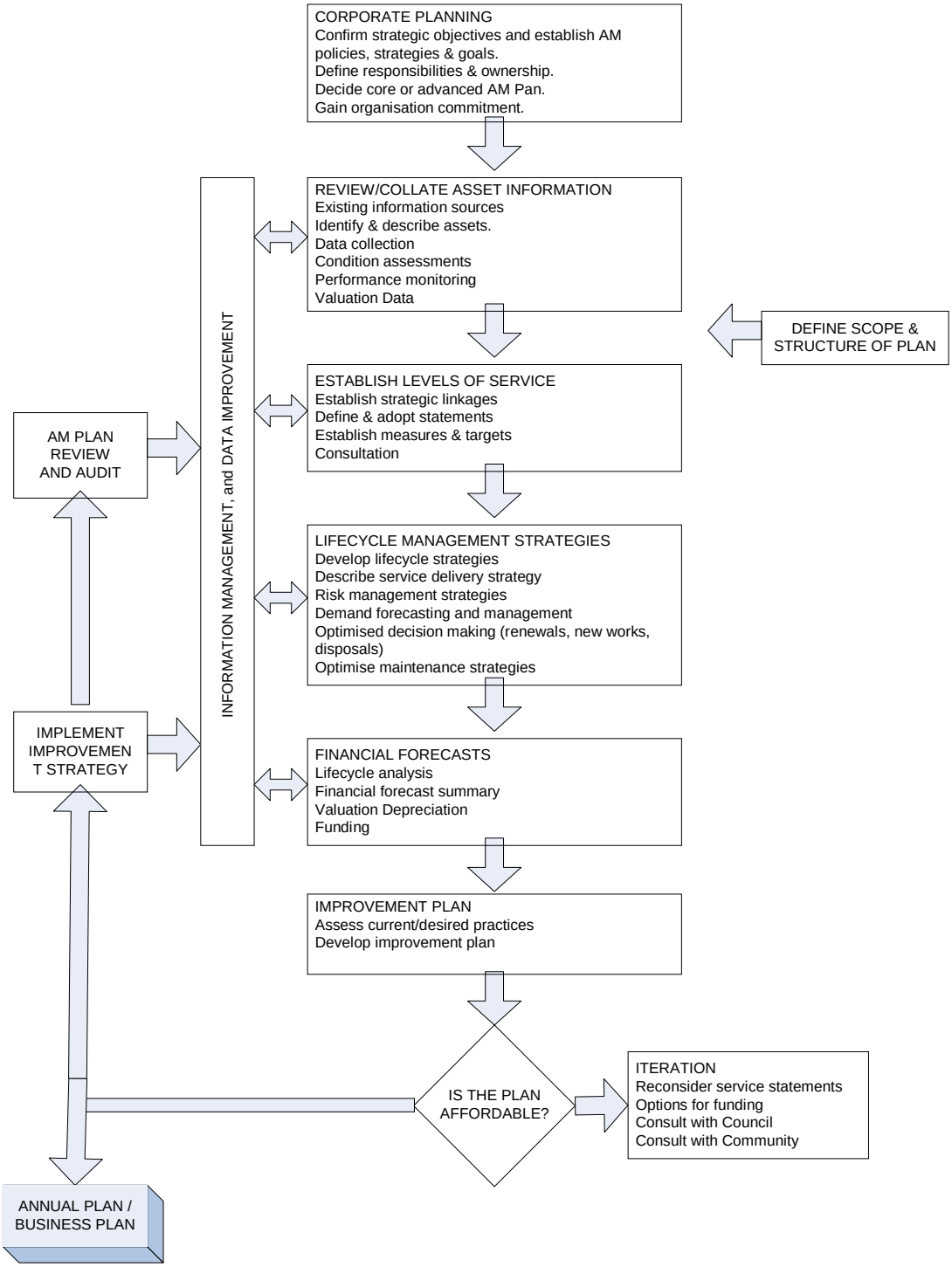
Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by the organisation,
- Future demand – how this will impact on future service delivery and how this is to be met,
- 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 asset management plan is shown below.

[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.

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan over a 20 year planning period in accordance with the International Infrastructure Management Manual[3]. 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.

Future revisions of this asset management plan 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 in a financially sustainable manner.

2.5 Community Consultation

This 'core' asset management plan is prepared to facilitate community consultation initially through feedback on public display of draft asset management plans prior to adoption by the Council. Future revisions of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist the 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. Levels of Service

3.1 Customer Research and Expectations

Mid-Western Regional Council has carried out customer research through commissioning Micromex to conduct community consultation to examine community attitudes and perceptions towards current and future services and facilities provided by Council. Interviewing was conducted in accordance with the AMSRS (Australian Market and Social Research Society) Code of Professional Behaviour. A total of 400 resident interviews were completed in 2016.

The survey indicates a high level of satisfaction from the community in relation to the measures related to this Asset Management Plan. The four relevant measures are town centre and public spaces, sporting ovals and facilities, local parks and gardens and swimming pools. These measures are the four highest scoring measures when compared to local government benchmarks.

Council will continue to consult with the community for future open space assets and updates of the asset management plan. The community were consulted when preparing the most recent version of the Mid-Western Regional Councils Towards 2030 Community Strategic Plan that was adopted in June 2017.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of Council's vision, goals and objectives.

Our vision is:

A prosperous and progressive community that we are proud to call home

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

TABLE 3.2: ORGANISATIONAL GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN

Goal	Objective	How Goal and Objectives are addressed in AM Plan
Looking after our community	Safe and healthy community Vibrant towns and villages Effective and efficient delivery of infrastructure	Identifies a requirement for safe and healthy living in maintained and aesthetic townships
Protecting our natural environment	Protect and enhance our natural environment	Working towards combining natural environments and publically used parks and open space

Council will exercise its duty of care to ensure public safety is in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan.

Management of infrastructure risks is covered in Section 5.2.

3.3 Legislative Requirements

The organisation has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

TABLE 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act 1993	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.
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, transparent 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 asset management plans and requires the plan to integrate with community plans an resourcing strategy
Environmental Planning and Assessment Act 1979	Sets out assessment and approval processes of community services and facilities
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

Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan linked to this AM Plan. Management of risks is discussed in Section 5.2.

3.4 Community Levels of Service

Service levels are defined service levels in two terms, customer levels of service and technical levels of service.

Community Levels of Service measure how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the asset management plan are:

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

Council's current and expected community service levels are detailed in Tables 3.4 and 3.5. Table 3.4 shows the agreed expected community levels of service based on

resource levels in the current long-term financial plan and community consultation/engagement.

TABLE 3.4: COMMUNITY LEVEL OF SERVICE

Service Attribute	Service Objective	Performance Measure Process	Current Performance	Expected position in 10 years based on current LTFP
COMMUNITY OUTCOMES				
A community that has access to a wide range of open space to use for a variety of activities				
COMMUNITY LEVELS OF SERVICE				
Quality	Use of Open Space by all members of the public for various activities	Customer requests relating to all open space	Not measured	<5/yr
Function	All open Space utilised and maintained to high standard	Customer requests relating to all open space	Not measured	<5/yr
Capacity/ Utilisation	Increased usage	Increased usage and fees paid	Fees paid	<5/yr

3.5 Technical Levels of Service

Technical Levels of Service - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing, mowing grass, energy, inspections, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. streetscapes, playgrounds, irrigation),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost irrigation replacement or playground replacement),
- Upgrade – the activities to provide a higher level of service (e.g. landscaping of parks and gardens) or a new service that did not exist previously (e.g. new playground).

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.[4]

Table 3.5 shows the technical level of service expected to be provided under this AM Plan.

The agreed sustainable position in the table documents the position agreed by the Council following community consultation and trade-off of service levels performance, costs and risk within resources available in the long-term financial plan.

[4] IPWEA, 2011, IIMM, p 2.22

TABLE 3.5: TECHNICAL LEVELS OF SERVICE

Service Attribute	Service Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **	Agreed Sustainable Position ***
TECHNICAL LEVELS OF SERVICE					
Operations	Inspection and servicing	Regular inspections	Reactive with systems, parts replaced when reported	Replacement at end of useful life	All aspects of open space inspected and mapped
Maintenance	Maintenance is performed on a proactive rather than reactive approach	Regular inspections	Reactive with systems, parts replaced when reported	Complies	All aspects of open space inspected and mapped
Renewal/ Upgrade	All standards are adhered to and all assets are replaced in timely manner	Upgrading and replacing assets as required to ensure safety and ability to function	Capital budget allocated	Replacement at end of useful life	All assets replaced and included in asset data

Note: * Current activities and costs (currently funded).
** Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded).
*** Activities and costs communicated and agreed with the community as being sustainable (funded position following trade-offs, managing risks and delivering agreed service levels).

4. Future Demand

4.1 Demand Drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4.3.

TABLE 4.3: DEMAND DRIVERS, PROJECTIONS AND IMPACT ON SERVICES

Demand drivers	Present position	Projection	Impact on services
Population growth	24,076 (2016 Census)	30,016 (2031)	Increased housing and demand for open space usage
Release of future subdivisions to cater for growth	Council's Development Control Plan requires new subdivisions to provide a local park or playground within 400m	Increase in parks and reserves	Increase of areas to maintain, increase demand on usage

4.4 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures[5]. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified to date for demand management are shown in Table 4.4. Further

5 IPWEA, 2011, IIMM, Table 3.4.1, p 3|58.

opportunities will be developed in future revisions of this asset management plan.

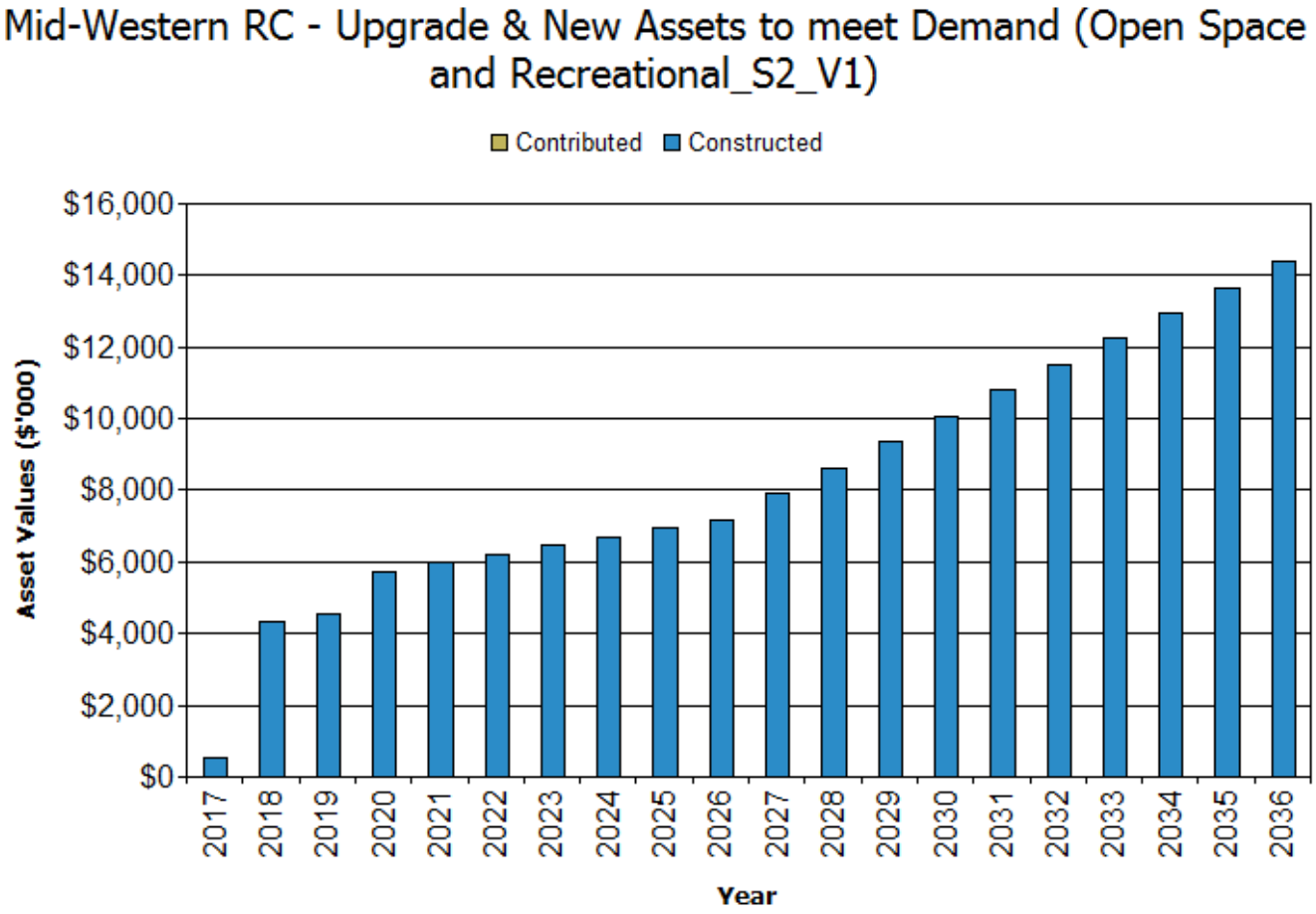
TABLE 4.4: DEMAND MANAGEMENT PLAN SUMMARY

Demand Driver	Impact on Services	Demand Management Plan
Preventative action vs reactive actions	Increased maintenance budget for inspection and proactive works	Initiate regular inspection program
Demand vs Supply	Increase in population and expectations of standards	Ensure future developments not only provide sufficient open space to cater for demand but maintenance budgets reflect the increase in areas to maintain to the standard expected

4.5 Asset Programs to meet Demand

The new assets required to meet growth will be acquired free of cost from land developments and constructed/acquired by the organisation. New assets constructed/acquired by the organisation are discussed in Section 5.5. The cumulative value of new contributed and constructed asset values are summarised in Figure 1.

FIGURE 1: UPGRADE AND NEW ASSETS TO MEET DEMAND



Acquiring these new assets will commit the organisation to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 5.

5. Lifecycle Management Plan

The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Table 2.1.

Council's assets are provided to the community at a level which ensures Australian design standards are met and that they are fit for purpose

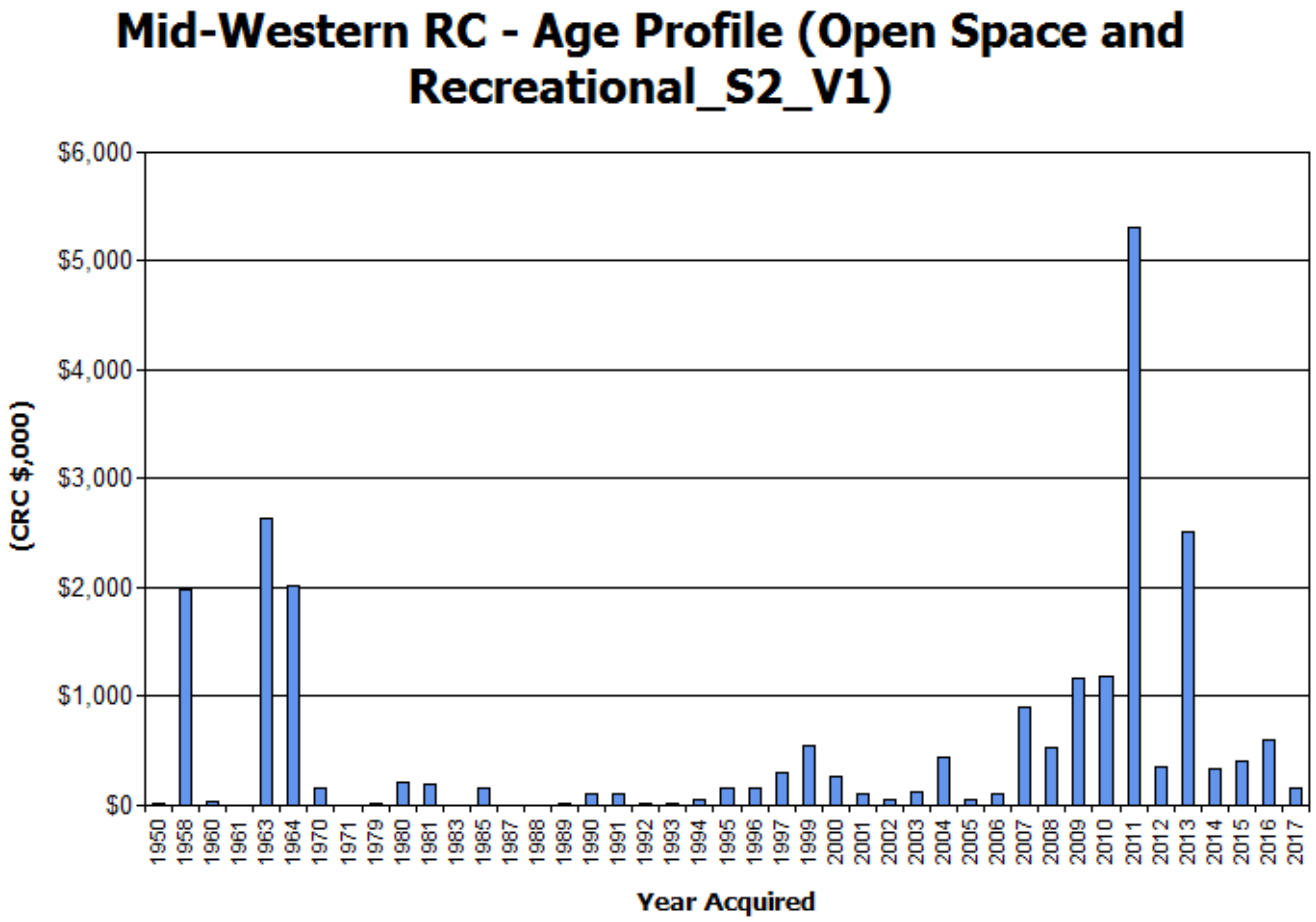
Council maintains 69 parks, gardens and playing field areas, 64 separate sections of road reserves and other reserves, 3 swimming pool facilities and 11 cemeteries (eight rural cemeteries and three town cemeteries). These recreational and open spaces are spread across Mudgee, Gulgong, Rylstone and Kandos, and also the villages of Windeyer, Hargraves, Ilford, Goolma, Wollar, Ulan and Lue. Street trees are a significant natural asset in the Mid-Western region, and a tree-planting scheme includes appropriate varieties for consistency throughout the region.

MWRC manages many recreational facilities, such as the regional sporting facility at Glen Willow, which was opened in 2012. The facility caters for a range of sports including soccer, touch football, netball, cricket and rugby league. Despite the improvements undertaken to date, the complex cannot cater for all sporting groups and further stages of the facility are planned.

MWRC manages 3 pool facilities across the region with upgrades completed in the 2012/13 financial year but with each pool 50+ years old these facilities will require additional works to continue to provide adequate facilities compliant to Australian and NSW health standards.

The age profile of the assets include in this AM Plan is shown in Figure 2.

FIGURE 2: ASSET AGE PROFILE



Plans showing the Open Space assets are:

- ☐ MWRC GIS System
- ☐ GIS Irrigation Layer

5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available. Parks and pool usage fees are captured to provide a base level of capacity to assist with future asset planning.

5.1.3 Asset condition

Condition is monitored by routine maintenance and inspections and reactive works are carried out after receiving customer complaints.

Condition is measured using a 1 – 5 grading system[6] as detailed in Table 5.1.3.

[6] IPWEA, 2011, IIMM, Sec 2.5.4, p 2|79.

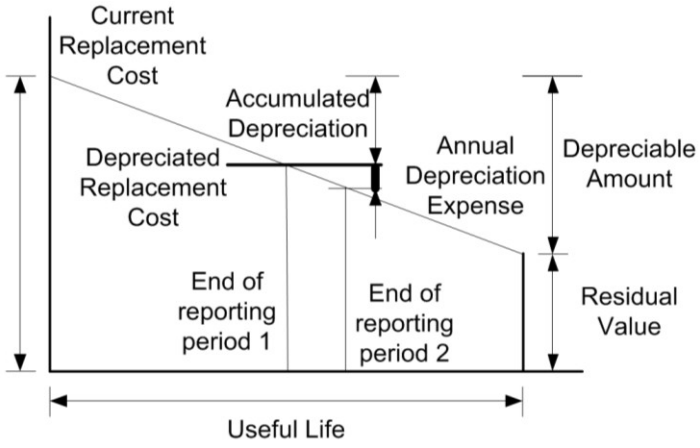
TABLE 5.1.3: SIMPLE CONDITION GRADING MODEL

Condition Grading	Description of Condition
1	**Very Good**: only planned maintenance required
2	**Good**: minor maintenance required plus planned maintenance
3	**Fair**: significant maintenance required
4	**Poor**: significant renewal/rehabilitation required
5	**Very Poor**: physically unsound and/or beyond rehabilitation

5.1.4 Asset valuations

The value of assets recorded in the asset register as at 30 June 2016 covered by this asset management plan is shown below. Assets were last revalued at 30 June 2016. Assets are valued at fair value replacement cost

Current Replacement Cost	$23,493,000
Depreciable Amount	$23,493,000
Depreciated Replacement Cost[7]	$14,554,000
Annual Depreciation Expense	$640,000



Key assumptions made in preparing the valuations were:

- Useful life are not stated and are dependent on usage and/or vandalism
- Depreciation and wear will need to be considered

There are no major changes from previous valuations

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
2.72% (Depreciation/Depreciable Amount)

[7] Also reported as Written Down Current Replacement Cost (WDCRC).

Rate of Annual Asset Renewal
2.31% (Capital renewal exp/Depreciable amount)

In 2017 the organisation plans to renew assets at 84.8% of the rate they are being consumed and will be increasing its asset stock by 1.2% in the year.

5.1.5 Historical Data

Over the past 5 years Council have built and replaced playgrounds, upgraded pool plant and amenities, and increased open space requiring maintenance.

Further works are required to develop a more accurate maintenance schedule which will assist in future asset planning.

5.2 Infrastructure Risk Management Plan

An assessment of risks[8] 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 5.2. These risks are reported to management and Council.

TABLE 5.2: CRITICAL RISKS AND TREATMENT PLANS

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Parks and playgrounds	Personal Injury	H	Regular inspections and replacement of infrastructure	Low	Minimal
Pools	Personal Injury through water contamination, trips, falls or drownings	VH	Regular testing, inspections, chemical handling and storage	Medium	Minimal
Streetscape	Tree or tree limb falls	H	Regular inspections and replacement	Medium	Miminal

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

8 MWRC Infrastructure Risk Management Plan as footnote

5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, e.g. grass mowing and water testing.

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.

5.3.1 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.

Planned and unplanned maintenance works are not separated in current budgets. Unplanned works are reactive and are resulted from customer complaints and requests.

Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

5.3.2 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,
- 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.

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's service hierarchy is shown is Table 5.3.2.

TABLE 5.3.2: ASSET SERVICE HIERARCHY

Service Hierarchy	Service Level Objective
Level 1 (Critical, high priority) Streetscape	CBD streetscapes need to be inspected with estimate life spans of trees recorded to draft maintenance schedules, removal / replacement programs and associated costs to ensure the public safety

Level 2 (critical) Playgrounds	To adhere to playground standards, all older playgrounds will need to be replaced and regular checks undertaken to ensure safety and replacement requirements
Level 3 (Non critical, high priority) Pool infrastructure	The pools are all over 50 years old and whilst we can upgrade surrounding infrastructure the concrete pool will require replacement to ensure continued life
Level 3 (Non critical, low priority) Passive and Active Parks	Regular inspections with replacement of infrastructure to ensure public safety and eliminate risk of injury by park users.

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, organisations 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.

STANDARDS AND SPECIFICATIONS

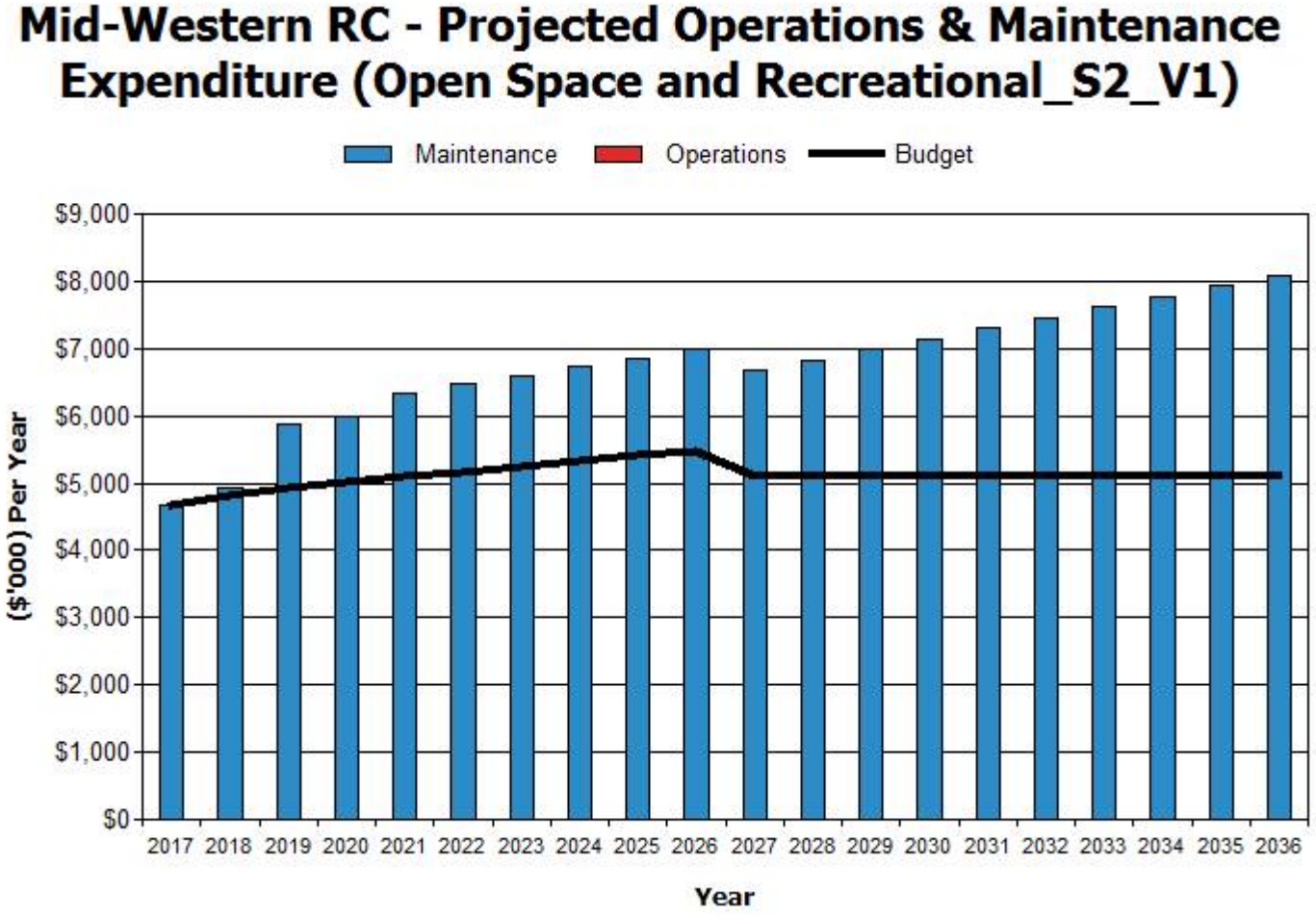
Maintenance work is carried out in accordance with the following Standards and Specifications.

- Playground Australian Standard AS4685:2014
- Cemeteries and Crematoria Act *2013*
- National Guidelines for NSW Swimming and Spa Code of Practice

5.3.3 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 4. Note that all costs are shown in current 2017 dollar values (i.e. real values).

FIGURE 4: PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURE



Deferred maintenance, ie 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. This is further discussed in Section 6.2.

5.4 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.

5.4.1 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'.

Method 1 was used for this asset management plan.

The useful lives of assets used to develop projected asset renewal expenditures are shown in Table 5.4.1. Asset useful lives were last reviewed on 30 June 2016.

TABLE 5.4.1: USEFUL LIVES OF ASSETS

Asset (Sub)Category	Useful life
Pools	Between 8 and 100 depending on asset
Parks & Showground	Between 10 and 80 depending on asset
Irrigation	Between 10 and 50 depending on asset
Cemeteries & Monuments	Between 10 and 150 depending on asset

5.4.2 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.

RENEWAL RANKING CRITERIA

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. irrigation watering the ground), or
- Ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. quality of turf at sporting fields).[9]

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have a high utilisation and subsequent impact on users would be greatest,
- The total value represents the greatest net value to the organisation,
- Have the highest average age relative to their expected lives,
- Are identified in the AM Plan as key cost factors,
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.[10]

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in Table 5.4.2.

TABLE 5.4.2: RENEWAL AND REPLACEMENT PRIORITY RANKING CRITERIA

Criteria	Weighting
Utilisation	30%
Condition	30%
Quality	15%
Maintenance	15%
Age	10%
Total	**100%**

[9] IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.

[10] Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

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

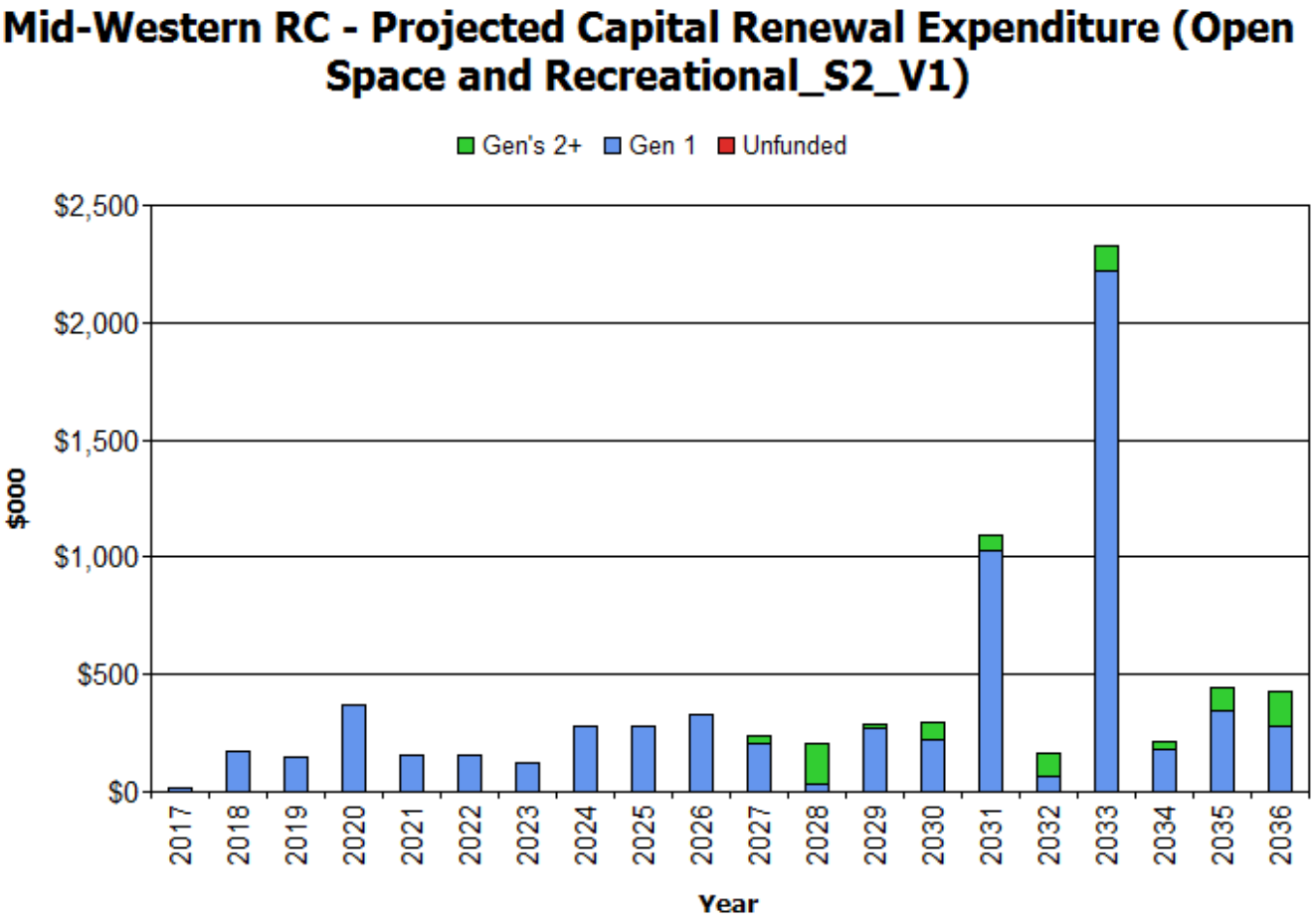
- Playground Australian Standard AS4685:2014
- the Cemeteries and Crematoria Act 2013.
- National Guidelines for NSW Swimming and Spa Code of Practice

5.4.3 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 5. Note that all amounts are shown in real values.

The projected capital renewal and replacement program is shown in Appendix B.

FIGURE 5: PROJECTED CAPITAL RENEWAL AND REPLACEMENT EXPENDITURE



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 Council's capital works program will be accommodated in the long term financial plan. This is further discussed in Section 6.2.

5.5 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 Council from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor/director or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

TABLE 5.5.1: NEW ASSETS PRIORITY RANKING CRITERIA

Criteria	Weighting
Upgrade/new assets as identified in the Delivery Program/Operational Plan	100%
Total	100%

5.5.2 Capital Investment Strategies

Council 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:
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
  - the project objectives to rectify the deficiency including value management for major projects,

- the range of options, estimated capital and life cycle costs for each options that could address the service deficiency,
- management of risks associated with alternative options,
- and evaluate the options against evaluation criteria adopted by Council, and
- select the best option to be included in capital upgrade/new programs,

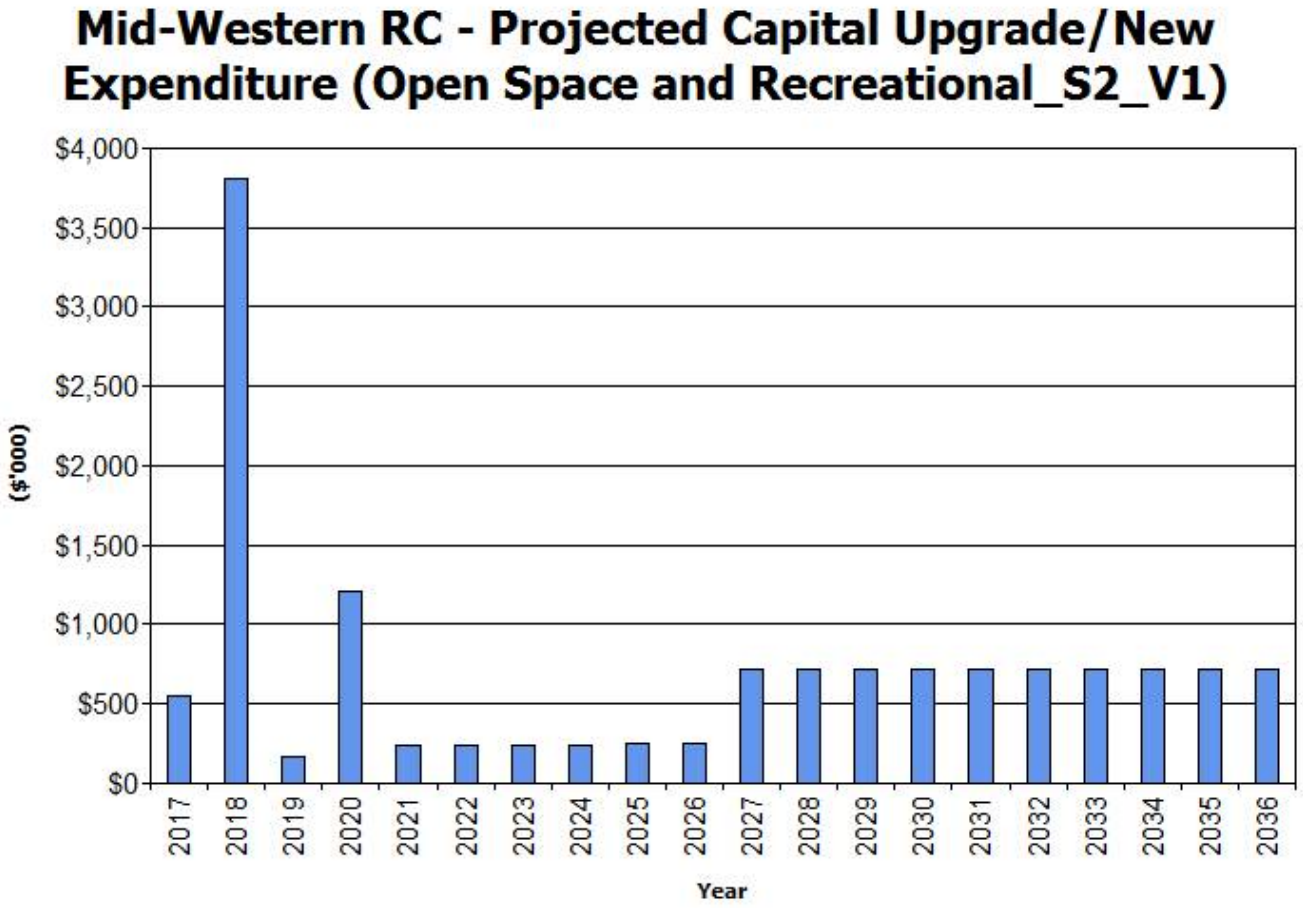
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 6. The projected upgrade/new capital works program is shown in Appendix C. All amounts are shown in real values.

FIGURE 6: PROJECTED CAPITAL UPGRADE/NEW ASSET EXPENDITURE



Expenditure on new assets and services in Council's capital works program will be accommodated in the long term financial plan. Specific mention is made of future proposed works at the Glen Willow Sporting Complex. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in Council's long term financial plan.

Where cashflow projections from asset disposals are not available, these will be developed in future revisions of this asset management plan.

TABLE 5.6: ASSETS IDENTIFIED FOR DISPOSAL

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
NIL	N/A	N/A	N/A	N/A

5.7 Service Consequences and Risks

The organisation has prioritised decisions made in adopting this AM Plan to obtain the optimum benefits from its available resources. Decisions were made based on the development of 3 scenarios of AM Plans.

Scenario 1 – What we would like to do based on asset register data

Scenario 2 – What we should do with existing budgets and identifying level of service and risk consequences (ie what are the operations and maintenance and capital projects we are unable to do, what is the service and risk consequences associated with this position). This may require several versions of the AM Plan.

Scenario 3 – What we can do and be financially sustainable with AM Plans matching long-term financial plans.

The development of scenario 1 and scenario 2 AM Plans provides the tools for discussion with the Council and community on trade-offs between what we would like to do (scenario 1) and what we should be doing with existing budgets (scenario 2) by balancing changes in services and service levels with affordability and acceptance of the service and risk consequences of the trade-off position (scenario 3).

5.7.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- replacement of aged items that are performing adequately
- increase the volume of open space and associated assets and maintain service levels

5.7.2 Service consequences

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Reduced levels of service
- Reduced number of inspections
- Increased damaged / worn open space assets

5.7.3 Risk consequences

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences for Council. These include:

- Exposure to claims against Council
- Political pressure for improved service and maintenance levels
- Less usage therefore decreased income

These risks have been included with the Infrastructure Risk Management Plan summarised in Section 5.2 and risk management plans actions and expenditures included within projected expenditures.

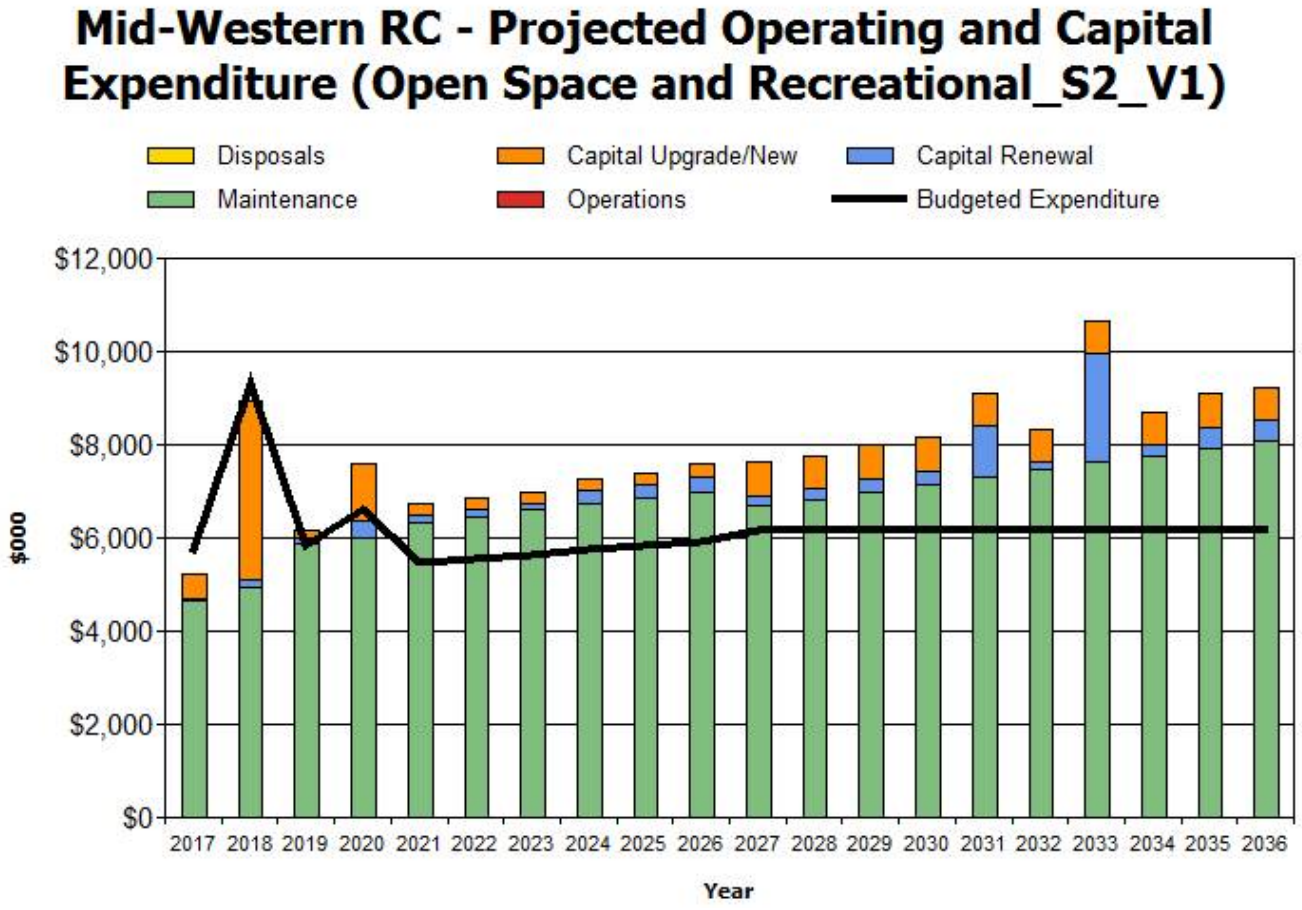
6. Financial Summary

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.

6.1 Financial Statements and Projections

The financial projections are shown in Figure 7 for projected operating (maintenance expenditure is inclusive of operations expenditures) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

FIGURE 7: PROJECTED OPERATING AND CAPITAL EXPENDITURE



6.1.1 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 Ratio[11] 180%

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 180% 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 $6,785,000 per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

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 $5,449,000 per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. The life cycle gap for services covered by this asset management plan is $1,336,000 per year. Life cycle expenditure is 80% 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

[11] AIFMG, 2012, Version 1.3, Financial Sustainability Indicator 4, Sec 2.6, p 2.16

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 $6,350,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $5,449,000 on average per year giving a 10 year funding shortfall of $901,000 per year. This indicates that Council expects to have 86% of the projected expenditures needed to provide the services documented in the asset management plan.

MEDIUM TERM – 5 YEAR FINANCIAL PLANNING PERIOD

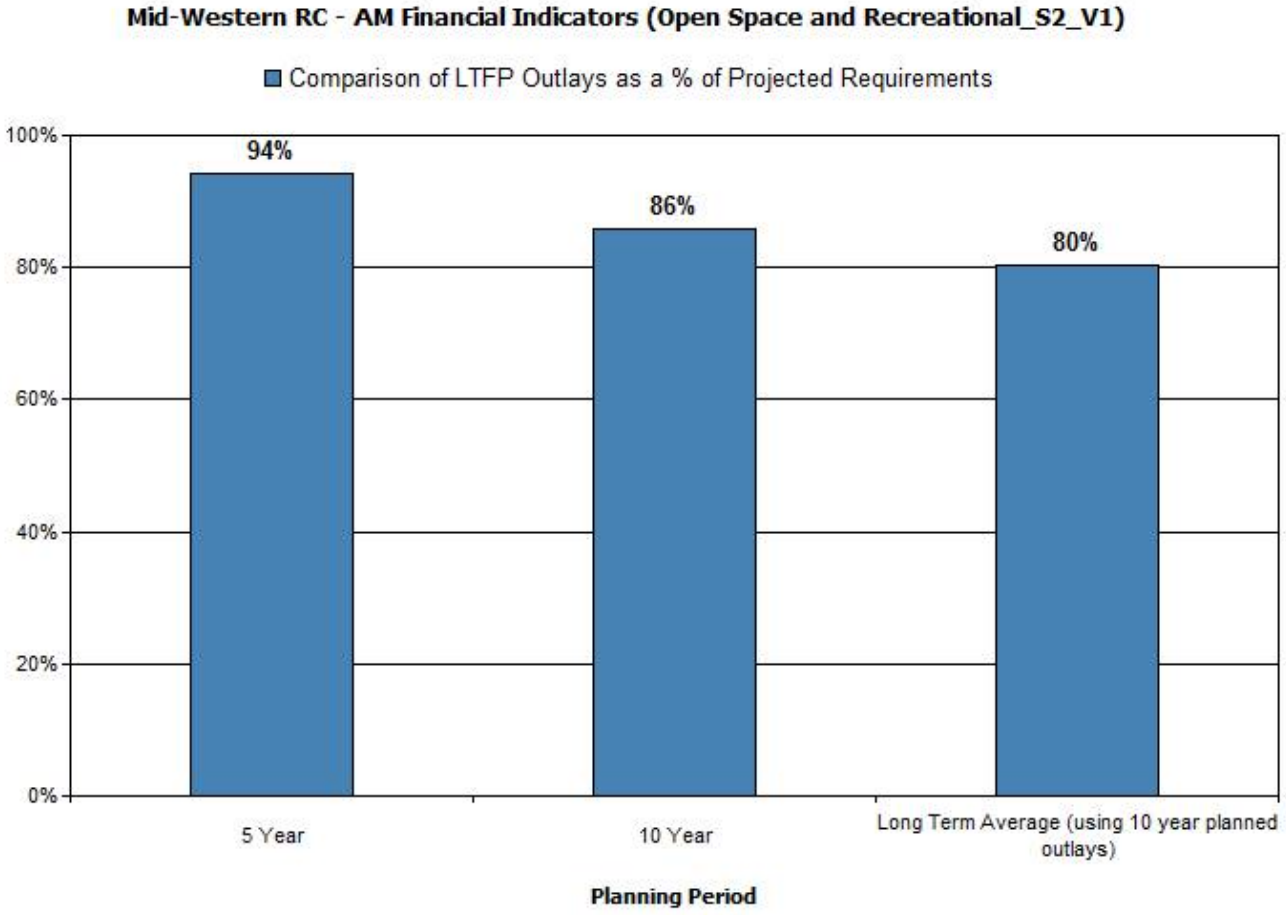
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is $5,737,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $5,406,000 on average per year giving a 5 year funding shortfall of $330,000. This indicates that Council expects to have 94% of projected expenditures required to provide the services shown in this asset management plan.

ASSET MANAGEMENT FINANCIAL INDICATORS

Figure 7A shows the asset management financial indicators over the 10 year planning period and for the long term life cycle.

FIGURE 7A: 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 8 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 8: PROJECTED AND LTFP BUDGETED RENEWAL EXPENDITURE

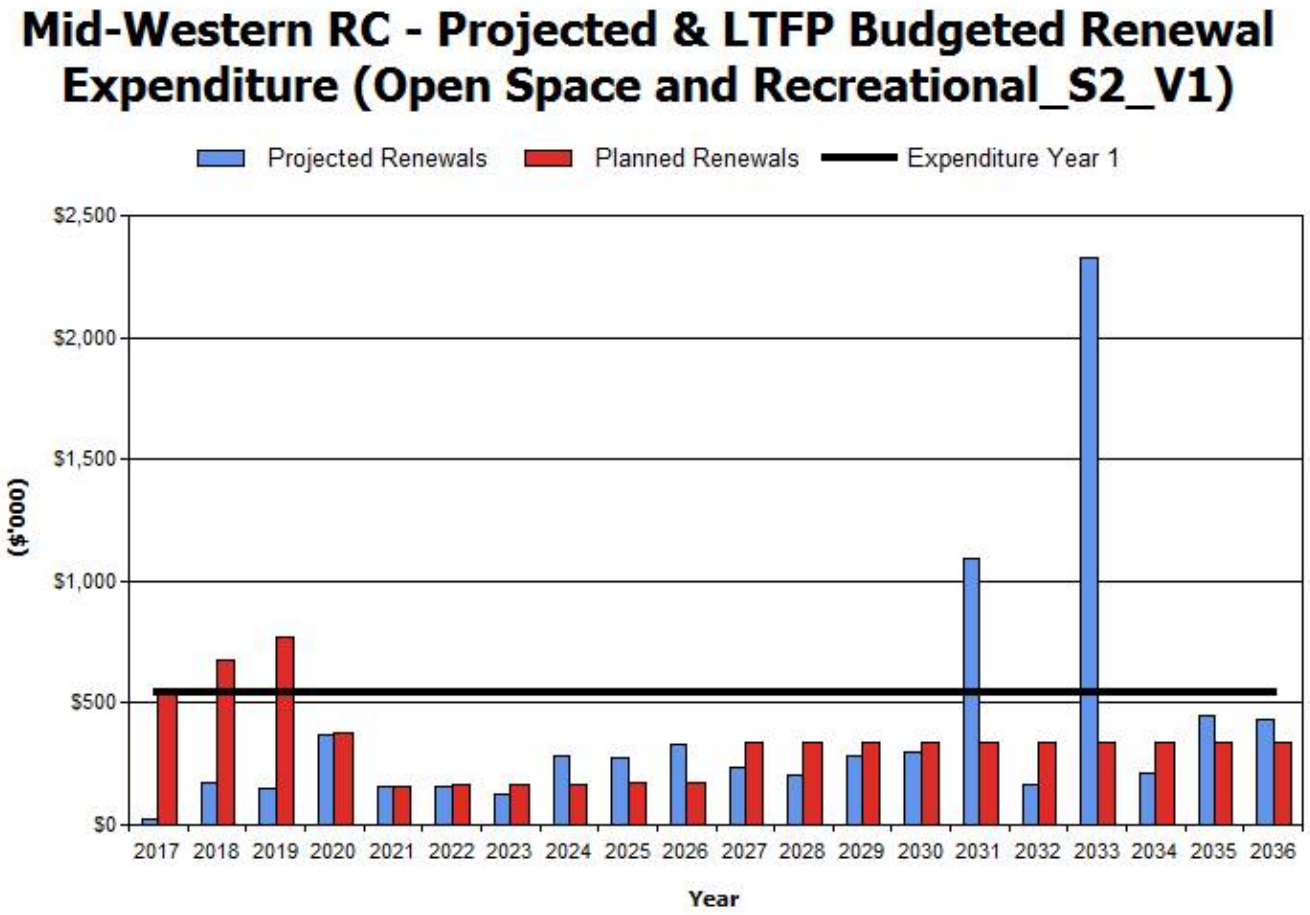


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

TABLE 6.1.1: PROJECTED AND LTFP BUDGETED RENEWALS AND FINANCING SHORTFALL

Year	Projected Renewals ($000)	LTFP Renewal Budget ($000)	Renewal Financing Shortfall ($000) (-ve Gap, +ve Surplus)	Cumulative Shortfall ($000) (-ve Gap, +ve Surplus)
2017	$20	$542	$523	$523
2018	$174	$675	$501	$1,023
2019	$152	$768	$616	$1,639
2020	$372	$380	$8	$1,648
2021	$158	$160	$2	$1,649
2022	$160	$162	$2	$1,652
2023	$126	$165	$39	$1,690
2024	$279	$167	$-112	$1,578
2025	$277	$170	$-108	$1,470
2026	$327	$172	$-155	$1,315
2027	$237	$336	$99	$1,414
2028	$206	$336	$130	$1,544
2029	$287	$336	$49	$1,594
2030	$299	$336	$37	$1,630
2031	$1,096	$336	$-760	$871
2032	$164	$336	$172	$1,042
2033	$2,325	$336	$-1,989	$-946
2034	$216	$336	$120	$-826
2035	$445	$336	$-109	$-935
2036	$430	$336	$-94	$-1,029

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with **the corresponding** capital works program accommodated in the long term financial plan.

A gap between **projected asset renewal/replacement expenditure and amounts accommodated in the LTFP** indicates that **further work is required on reviewing service levels in the AM Plan (including possibly revising the LTFP)** before finalising the asset management plan to manage required service levels and funding **to eliminate any funding gap**.

We will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2017 real values.

TABLE 6.1.2: PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN ($000)

Year	Operation & Maintenance ($000)	Projected Capital Renewal ($000)	Capital Upgrade/ New ($000)	Disposals ($000)
2017	$4,669	$20	$553	0
2018	$4,940	$174	$3,807	0
2019	$5,867	$152	$163	0
2020	$5,992	$372	$1,211	0
2021	$6,339	$158	$235	0
2022	$6,466	$160	$238	0
2023	$6,596	$126	$242	0
2024	$6,727	$279	$245	0
2025	$6,860	$277	$249	0
2026	$6,995	$327	$253	0
2027	$6,679	$237	$720	0
2028	$6,835	$206	$720	0
2029	$6,992	$287	$720	0
2030	$7,149	$299	$720	0
2031	$7,305	$1,096	$720	0
2032	$7,462	$164	$720	0
2033	$7,618	$2,325	$720	0
2034	$7,775	$216	$720	0
2035	$7,932	$445	$720	0
2036	$8,088	$430	$720	0

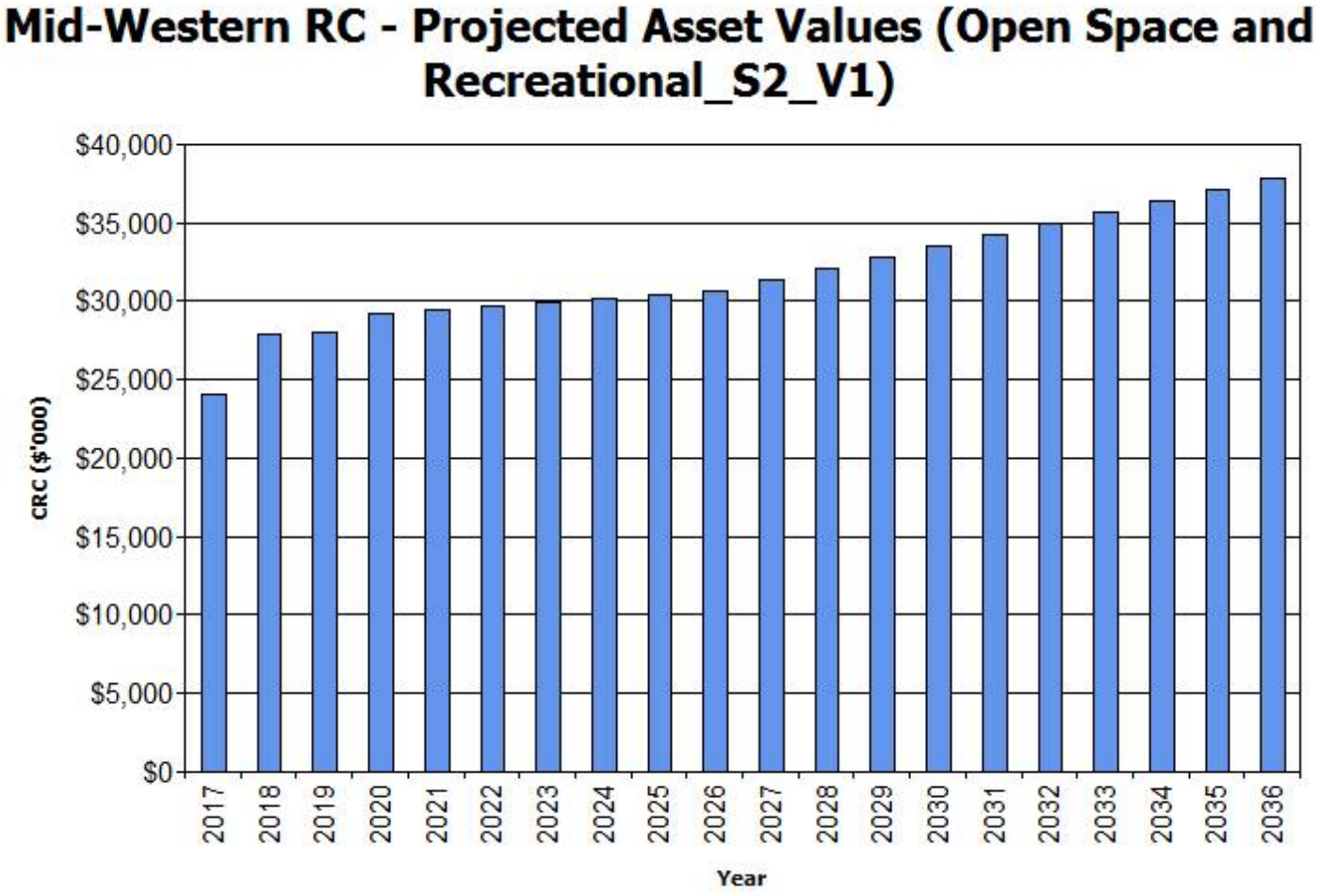
6.2 Funding Strategy

After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in the Council's 10 year long term financial plan.

6.3 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. Figure 9 shows the projected replacement cost asset values over the planning period in real values.

FIGURE 9: PROJECTED ASSET VALUES



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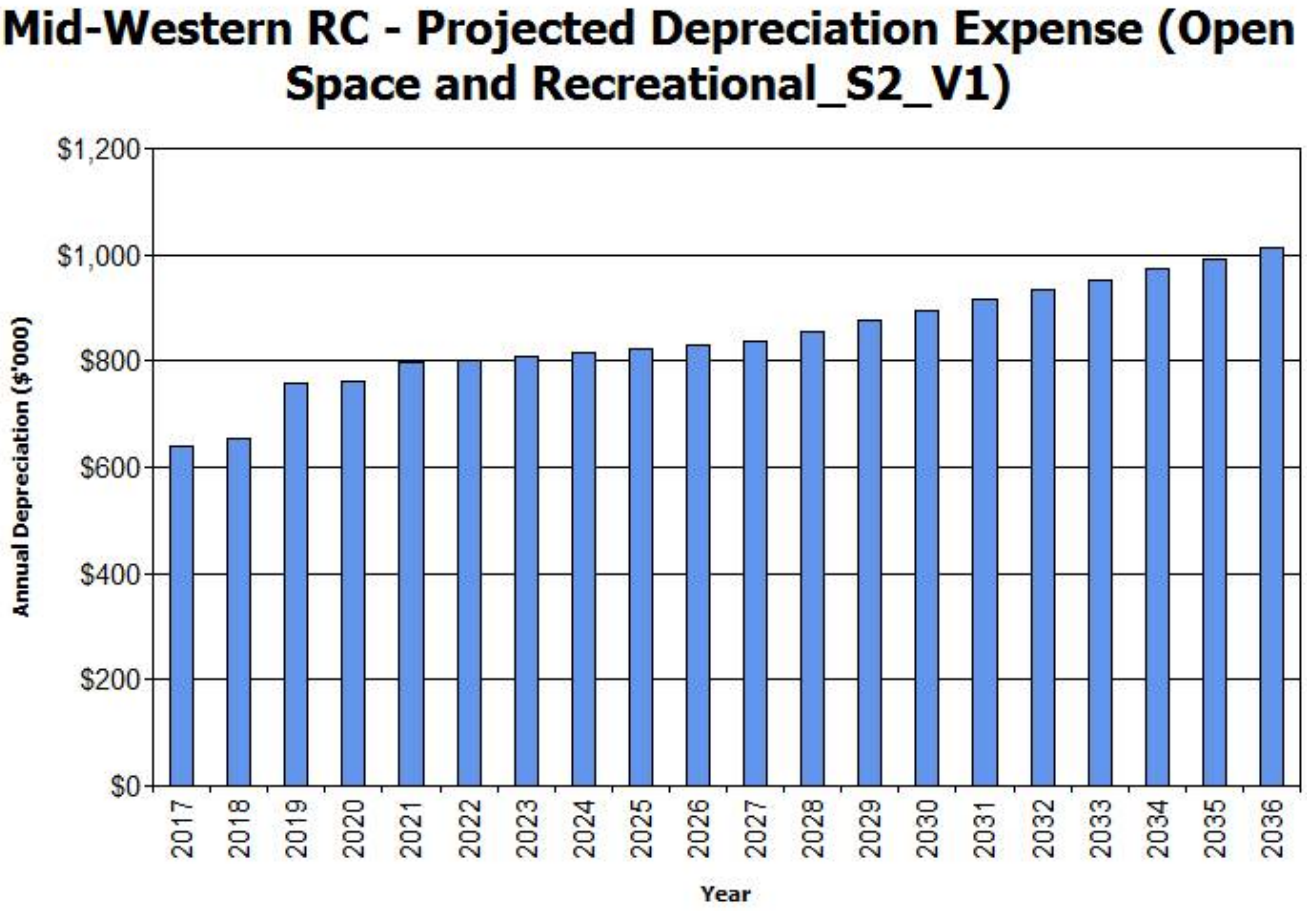
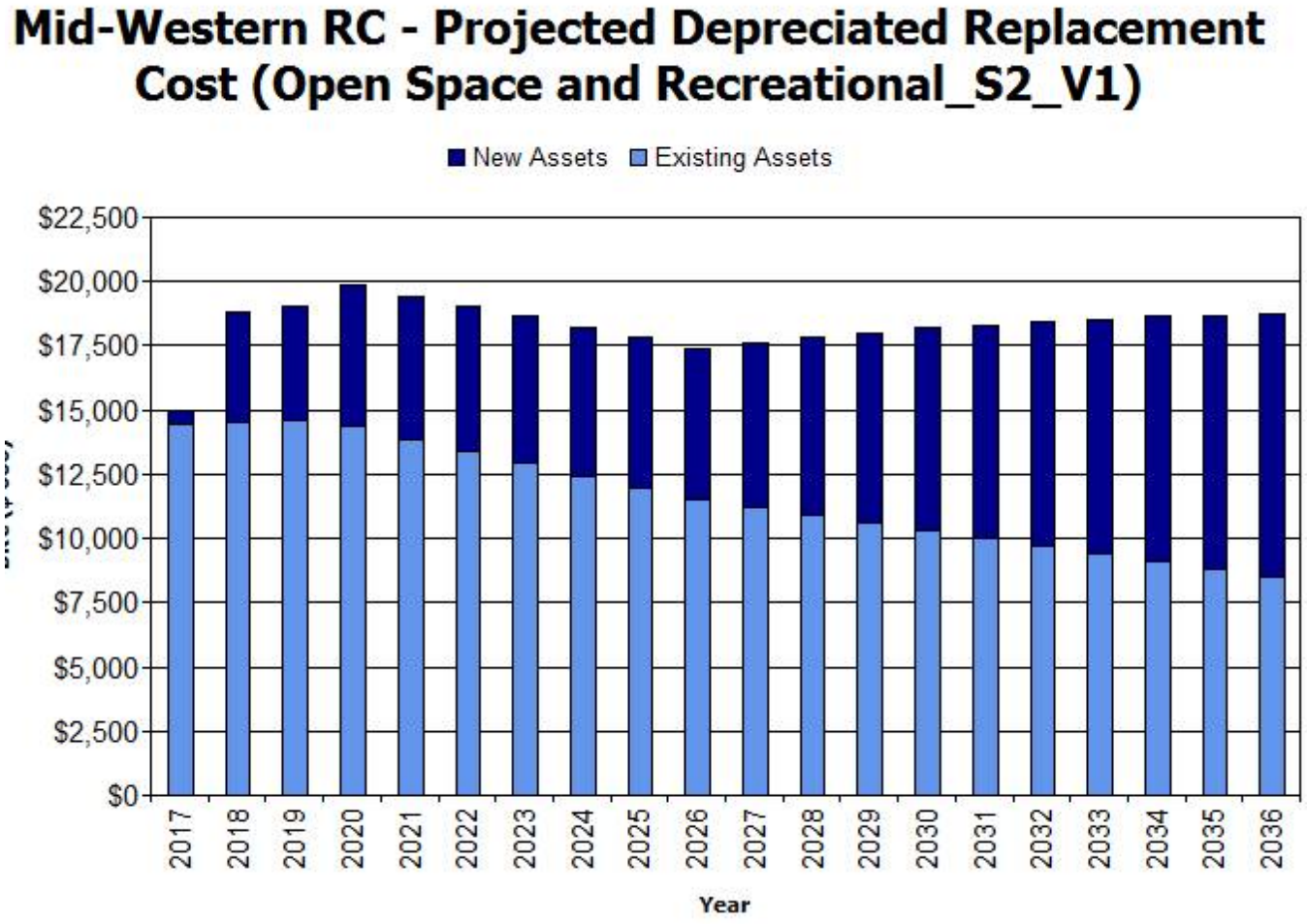
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

FIGURE 10: PROJECTED DEPRECIATION EXPENSE



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. Forecast of the assets' depreciated replacement cost is shown in Figure 11. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.

FIGURE 11: PROJECTED DEPRECIATED REPLACEMENT COST



6.4 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 6.4.

TABLE 6.4: KEY ASSUMPTIONS MADE IN AM PLAN AND RISKS OF CHANGE

Key Assumptions	Risks of Change to Assumptions
Forecasts based on maintaining present levels of service	Current levels of service cannot be maintained
Data in asset register accurate	Change in asset data may affect financial forecasts
Expenditure projections very preliminary	Actual replacement costs may increase due to the increase in supplier / material costs

6.5 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 scale[12] in accordance with Table 6.5.

TABLE 6.5: 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 ± 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 ± 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 ± 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 ± 40%
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 6.5.1.

[12] IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

TABLE 6.5.1: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN AM PLAN

Data	Confidence Assessment	Comment
Demand drivers	B	Rise in population will require accessibility of more Open Space
Growth projections	C	Fluctuates
Operations expenditures	C	Individual asset data not captured
Maintenance expenditures	C	Individual asset data not captured
Projected Renewal exps. - Asset values	C	Low confidence in reliability of data
- Asset residual values	C	Low confidence in reliability of data
- Asset useful lives	C	Little information on some of the assets other information unreliable
- Network renewals	C	Only limited data available
- Defect repairs	C	Inspections carried out but not on a regular basis
Upgrade/New expenditures	C	Limited annual Budget
Disposal expenditures	B	Old systems requiring replacement

Over all data sources the data confidence is assessed as medium confidence level for data used in the preparation of this AM Plan.

7. Plan Improvement and Monitoring

7.1 Status of Asset Management Practices

7.1.1 Accounting and financial systems

Mid-Western Regional Council uses Technology One for financials and asset management. Council's Open Space and Recreation infrastructure was revalued 30th June 2011 in accordance with the Fair Value accounting standards and Office of Local Government requirements and compiled into a single asset register

ACCOUNTABILITIES FOR FINANCIAL SYSTEMS

The Finance Department is responsible for the financial systems operating at Mid-Western regional Council

ACCOUNTING STANDARDS AND REGULATIONS

- Australian Accounting Standards
- NSW Office of Local Government Accounting Code

CAPITAL/MAINTENANCE THRESHOLD

Presently capital budget is defined but maintenance for Open Space is defined within a budget for overall parks i.e. Passive Parks, Active Parks with assets included in these budgets

REQUIRED CHANGES TO ACCOUNTING FINANCIAL SYSTEMS ARISING FROM THIS AM PLAN

Required assets data captured within each overall budget

7.1.2 Asset management system

Technology One

ASSET REGISTERS

MWRC Asset Register

LINKAGE FROM ASSET MANAGEMENT TO FINANCIAL SYSTEM

The depreciation and asset capitalisation are linked to the finance system. Operation and maintenance are not presently linked to the asset system

ACCOUNTABILITIES FOR ASSET MANAGEMENT SYSTEM AND DATA MAINTENANCE

Primary accountability for asset management lies with the Plant and Facilities Department within the Operations Directorate. This is supported by the Finance Department within the Corporate Directorate which is responsible for the management of the asset management systems.

REQUIRED CHANGES TO ASSET MANAGEMENT SYSTEM ARISING FROM THIS AM PLAN

- Restructure of hierarchy and asset attributes
- Utilisation of works orders for scheduling maintenance activities and recording reactive maintenance
- Improved accuracy if asset data necessary ,

7.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 7.2.

TABLE 7.2: IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1	Condition assessments and inspections	Open space coordinator	Staff resources	Prior to AMP review
2	Capture all asset data	Open Space Coordinator	Staff resources	Prior to AMP review
3	Ensure all assets are functional and within current standards	Open Space Coordinator	Budget	Prior to AMP review
4	Consult with community to ascertain acceptable levels of service	Open Space Coordinator	Staff Resources	Prior to AMP review
5	Complete required Plans of Management for Council managed land	Open Space Coordinator	Staff Resources	Prior to AMP review

7.3 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, capital

upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the organisation's long term financial plan.

The AM Plan has a life of 4 years (Council election cycle) and is due for complete revision and updating within 6 months each Council election.

7.4 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 Council'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 Council's Strategic Plan and associated plans,
- **The Asset Renewal Funding Ratio achieving the target of 1.0.**

8. References

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM

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9. Appendices

Appendix A Maintenance Response Levels of Service

Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Appendix C Projected 10 year Capital Upgrade/New Works Program

Appendix D LTFP Budgeted Expenditures Accommodated in AM Plan

Appendix E Abbreviations

Appendix F Glossary

Appendix A Maintenance Response Levels of Service

Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Asset ID	Asset Name	Rem Life (Years)	Planned Renewal Year	Renewal Cost $0	Useful Life (Years)
PA00859	Lawson Park, Mudgee - Softfall	0	2017	$14,661	10
PA00986	Apex Park, Gulgong - softfall	0	2017	$5,221	10
	Subtotal			$19,882	
PA01012	Mudgee Swimming Pools (Lawson Park) - Pool Blanketsx3-Elite Pool covers, Roller Frame	1	2018	$23,000	10
PA01013	Mudgee Swimming Pools (Lawson Park) - Blanket Rollers x3- Elite Pool Covers, Stainless Steel	1	2018	$17,150	10
PA01036	Gulgong Swimming Pool (Billy Dunn Park)- Heat Pump, Metal	1	2018	$111,020	10
PA01037	Gulgong Swimming Pool (Billy Dunn Park)- Pool Blanketsx3- Elite Pool Covers,	1	2018	$23,000	10
	Subtotal			$174,170	
PA01020	Mudgee Swimming Pools (Lawson Park) - Inflatable Pool,	2	2019	$13,292	8
PA01058	Kandos Pool Residence (Rotary Park) - Lighting Poles, Steel	2	2019	$8,591	55
PA01059	Kandos Pool Residence (Rotary Park) - Lighting , Steel & Glass	2	2019	$8,650	55
PA01035	Gulgong Swimming Pool (Billy Dunn Park)- Water Testing Equipment-Palintest, Plastic	2	2019	$995	10
PA00966	Bylong Recreation Ground, Mulch, Exponare, Owner Bylong Hall Committee, Agent Bylong General Store	2	2019	$3,770	10
PA00788	Bellevue Playground, Mudgee - Softfall	2	2019	$13,195	10
PI00102	Irrigation, Administration Centre (MWRC), Market St, 86 Market Street, NSW2850 MUDGEE	2	2019	$10,280	30
PA00504	Lions Park, Mudgee - Play Equipment - Integrated Structure	2	2019	$59,995	20
PA00505	Lions Park, Mudgee - Play Equipment - Other	2	2019	$6,200	20
PA00547	Williams Park, Kandos - Swingset - 2 Swings	2	2019	$2,143	20
PA00549	Coomber Park, Kandos - Play Equipment - Integrated Structure	2	2019	$20,000	20
PA00554	Rotary Park, Kandos - Play Equipment - Slide	2	2019	$4,500	20
	Subtotal			$151,611	
PA00534	Tennis Court/Golf Club verges, Rylstone - Swingset - 2 Swings	3	2020	$2,800	25
PA00535	Tennis Court/Golf Club verges, Rylstone - Play Equipment - Other	3	2020	$6,200	25
PA00439	Walkers Oval, Mudgee - Cricket Pitch	3	2020	$6,700	15
PI00071	Irrigation, Westend Complex, (Jubilee Park area), Cnr Menchin & Lang Street, Mudgee, Lang Street, NSW2850 MUDGEE	3	2020	$162,683	40

PI00083	Mudgee Showground - Irrigation Cnr Nicholson and Atkinson St	3	2020	$76,000	10
PA00792	Billy Dunn Oval, Gulgong - softfall	3	2020	$5,155	15
PA00807	Coomber Park, Kandos - softfall	3	2020	$3,216	15
PA01181	Rylstone Showground (Rodeo Yard) - Loading Ramp	3	2020	$1,014	70
PA01182	Rylstone Showground (Rodeo Yard) - Loading Race	3	2020	$3,703	70
PA01184	Rylstone Showground (Rodeo Yard) - Gates A	3	2020	$3,306	70
PA01185	Rylstone Showground (Rodeo Yard) - Gates B	3	2020	$2,336	70
PA01186	Rylstone Showground (Rodeo Yard) - Holding Pens	3	2020	$2,997	70
PA01187	Rylstone Showground (Rodeo Yard) - Round Yard	3	2020	$5,201	70
PA01188	Rylstone Showground (Rodeo Yard) - Dividing Yards	3	2020	$2,997	70
PA01071	Mudgee Swimming Pools (Lawson Park) - Lighting , Steel & Glass	3	2020	$8,650	20
PA01054	Kandos Pool Residence (Rotary Park) - Pool Blankets/ Elite Pool Covers, Plastic	3	2020	$23,000	20
PA01055	Kandos Pool Residence (Rotary Park) - Blanket Rollers, Stainless Steel Plastic	3	2020	$17,150	20
PA01056	Kandos Pool Residence (Rotary Park) - Pool Blankets / Toddlers Pool/ Elite Pool Covers, Plastic	3	2020	$5,716	20
PA01057	Kandos Pool Residence (Rotary Park) - Blanket Rollers/ Pool Covers, Stainless Steel & Plastic	3	2020	$15,333	20
PA00963	Hargraves Park, Mulch, Road Reserve, Land Crown, Agent MWRC	3	2020	$4,265	10
PA00739	Kandos Pool Residence (Rotary Park) - Bench Seats, Timber & Steel	3	2020	$12,320	20
PA01005	Mudgee Swimming Pools (Lawson Park) - Water Testing Equipment-(Palintest), n/a	3	2020	$995	15
	Subtotal			$371,738	
PA01010	Mudgee Swimming Pools (Lawson Park) - Chlorine Control Unit2 -Chemigm(toddlers Plant), n/a	4	2021	$7,592	20
PA01063	Kandos Pool Residence (Rotary Park) - Chemical dosing,	4	2021	$59,799	20
PA00975	Harry Harvey Park, Wollar, Mulch, Land Crown, Agent MWRC	4	2021	$4,638	10
PA00923	Rylstone Showground, Rylstone - Mulch	4	2021	$20,944	10
PA00808	Coomber Park, Kandos - Rubber Softfall	4	2021	$18,904	10
PA00861	Lions Park, Mudgee - Softfall	4	2021	$4,136	10
PA00801	Blackman Park, Mudgee - Softfall	4	2021	$7,660	10
PA00908	Pioneer Park, Rylstone - Softfall	4	2021	$6,582	10
PA00060	Memorial Park, Gulgong - Outdoor Furniture - Bench	4	2021	$1,600	50
PA00276	Weemaran Reserve, Mudgee - Sign	4	2021	$850	60
PA00514	Anzac Park, Gulgong - Play Equipment - Integrated Structure	4	2021	$14,220	30
PA00531	Rylstone Showground, Rylstone - Play Equipment - Other	4	2021	$4,400	20
PA00532	Rylstone Showground, Rylstone - Play Equipment - Other	4	2021	$1,800	20
PA00779	Anzac Park, Gulgong - Softfall	4	2021	$4,825	10
	Subtotal			$157,950	

PA00630	Goolma Playground, Play Equipment - Integrated Structure,	5	2022	$8,700	20
PA00631	Goolma Playground, Play Equipment - Digger,	5	2022	$5,075	20
PA00632	Goolma Playground, Play Equipment - Rocker,	5	2022	$1,331	20
PA00633	Goolma Playground, Play Equipment - Monkey bars,	5	2022	$1,920	20
PA00636	Goolma Playground, Swingset - 2 Swings,	5	2022	$2,143	20
PI00010	Irrigation, Memorial Park, Cnr Douro & Mortimer, 22 Douro Street, NSW2850 MUDGEE	5	2022	$14,125	30
PA00931	Victoria Oval, Gulgong - Mulch	5	2022	$6,247	10
PA00746	Gulgong Skate Park, Billy Dunn Oval Nandoura St	5	2022	$92,000	10
OS00341	Mudgee Cemetery, Scroll top Bins, Steel	5	2022	$3,500	25
OS00349	Mudgee Lawn, Scroll top Bins, steel	5	2022	$1,750	25
OS00352	Gulgong Cemetery, Bin, Plastic/Steel	5	2022	$1,750	25
OS00356	Gulgong Lawn, Park seats, Steel with concrete slab	5	2022	$4,360	15
PA01038	Gulgong Swimming Pool (Billy Dunn Park)- Blanket Rollers x 3, Stailess Steel & Plastic	5	2022	$17,150	15
	Subtotal			$160,052	
PA01021	Mudgee Swimming Pools (Lawson Park) - Pool Heaters,	6	2023	$61,684	10
PA01025	Mudgee Swimming Pools (Lawson Park) - Security cameras,	6	2023	$11,343	10
OS00359	Rylstone Cemetery, Bin, Plastic/Steel	6	2023	$1,750	30
PA00911	Redbank Park, Mudgee - Softfall	6	2023	$4,308	10
PA00899	Pearls Park, Gulgong, Gulgong - Softfall	6	2023	$3,447	10
PA00816	Darton Park, Kandos - Softfall	6	2023	$5,898	10
PA00521	Unnamed Park Robinson St, Gulgong - Swingset - 2 Swings	6	2023	$2,143	20
PA00523	Billy Dunn Oval, Gulgong - Swingset - 2 Swings	6	2023	$2,143	20
PA00529	Billy Dunn Oval, Gulgong - Play Equipment - Integrated Structure	6	2023	$20,000	20
PA00496	Apex Park, Mudgee - Mulch	6	2023	$3,447	10
PA00555	Rotary Park, Kandos - Swingset - 2 Swings	6	2023	$2,143	20
PA00556	Rotary Park, Kandos - Play Equipment - Double Rocker	6	2023	$3,400	20
PA00553	Coomber Park, Kandos - Play Equipment -Rocker	6	2023	$1,800	20
PA00548	Coomber Park, Kandos - Swingset - 2 Swings	6	2023	$2,413	20
	Subtotal			$125,919	
PA00545	Noyce Park, Kandos - Softfall	7	2024	$4,265	10
PI00046	Irrigation, Robertson Park, Cnr Market & Douro, 97A Market Street, NSW2850 MUDGEE	7	2024	$47,887	30
PA00747	Mudgee Skate Park, Victoria Park, Cnr Perry & Horatio St	7	2024	$182,000	25
PA00937	Victoria Park, Mudgee - Mulch Softfall	7	2024	$5,429	10
PA00954	Lue Playground, Softfall,	7	2024	$4,608	10
PA00980	Dewhurst Reserve, Mudgee - softfall	7	2024	$4,524	10
PA00983	Apex Park, Mudgee - Softfall	7	2024	$6,089	10

PA01011	Mudgee Swimming Pools (Lawson Park) - Solar Heating(Learners Plant), Rubber Tubbing / Control Box	7	2024	$10,483	10
PA01015	Mudgee Swimming Pools (Lawson Park) - Automatic Cleaner 1 - Dolphin x 2, Stainless Steel & Plastic	7	2024	$14,000	20
	Subtotal			$279,285	
PA01014	Mudgee Swimming Pools (Lawson Park) - Poolie Pal, Stainless Steel	8	2025	$9,500	20
PA01007	Mudgee Swimming Pools (Lawson Park) - Toddlers Plant- Filters, n/a	8	2025	$17,354	20
PA01029	Mudgee Swimming Pools (Lawson Park) - CCTV,	8	2025	$8,012	10
PA01039	Gulgong Swimming Pool (Billy Dunn Park)- Automatic Cleaner - Winch, Metal	8	2025	$9,500	15
PA01049	Gulgong Swimming Pool (Billy Dunn Park)- CCTV Security,	8	2025	$5,024	10
OS00360	Rylstone Cemetery, Security Cameras, Various	8	2025	$10,242	10
PA01216	Gulgong Swimming Pool (Billy Dunn Park)- Ultramax Pool Cleaner with 45m cable and remote control /Serial No: 1602000568/	8	2025	$14,196	8
PA01068	Kandos Pool Residence (Rotary Park) - Kandos Pool Cleaner Ultramax,	8	2025	$14,000	10
PA01070	Kandos Pool Residence (Rotary Park) - CCTV Security,	8	2025	$6,048	10
PA00732	Mudgee Swimming Pools (Lawson Park) - Shade Sail , Steel & Shade Cloth	8	2025	$4,851	20
PA00891	Norm King Park - Softfall	8	2025	$10,652	10
PA00892	Norm King Park - Wetpour rubber softfall	8	2025	$17,963	10
PI00069	Irrigation, Victoria Park, Cnr Church & Horatio (RHS gate off Perry St entrance), 75 Denison Street, NSW2850 MUDGEE	8	2025	$149,694	30
PI00027	Irrigation, Frank Halloran Park, Cnr Medley & Castlereagh, 85 Mealey Street, NSW2852 GULGONG	8	2025	$286	40
	Subtotal			$277,322	
PI00070	Irrigation, Walkers Oval, Cnr Douro & Short (LHS toilets), 24-34 Short Street, NSW2850 MUDGEE	9	2026	$153,126	30
PA00449	Darton Park, Kandos - Cricket Pitch	9	2026	$6,700	15
PA00509	Gilbey Park,Mudgee - Softfall	9	2026	$11,069	10
PA00797	Billy Dunn Oval, Gulgong - Syntheitc circket pitches	9	2026	$20,100	15
PA00827	George Campbell - Softfall	9	2026	$2,799	10
PA00874	Matilda Park - Rubber softfall	9	2026	$28,638	10
PA00875	Matilda Park - Softfall	9	2026	$105,057	10
	Subtotal			$327,490	
	TOTAL			$2,045,418	

Appendix C Projected Upgrade/Exp/New 10 year Capital Works Program

NAMS.PLUS3 Asset Management Form 2C Upgrade/New Plan

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Mid-Western RC

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2017

Year	Item No.	Capital Upgrade and New Projects	Estimate ($000)	Running total ($000)
2017	1	35824 - GPS Cemetery Sites	$41	$41
2017	2	50401 - GULGONG POOL - DISABLED ACCESS	$222	$263
2017	3	50632 - GLEN WILLOW CARPARK	$63	$326
2017	4	50922 - SCULPTURES ACROSS THE REGION	$50	$376
2017	5	50937 - PLAYGROUND SHADING PROGRAM	$30	$407
2017	6	50941 - PLAYGROUND RUBBER SOFTFALL PROGRAM	$59	$465
2017	7	Other	$87.67	$553
2017	8			
2017	9			
2017	10			
2017	**Total Projected Capital Upgrade/New Plan**		**$553**	

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2018

2018	1	35824 - GPS CEMETERY SITES	$40	$40
2018	2	35826 - GULGONG LAWN CEMETERY EXTENSION	$25	$65
2018	3	50608 - GLENWILLOW SPORTS GROUND UPGRADES	$3,000	$3,065
2018	4	50623 - GLEN WILLOW CRICKET WICKET	$139	$3,204
2018	5	50664 - VICTORIA PARK GULGONG - DISABLED AMENITIES	$52	$3,256
2018	6	50665 - MUDGEE TENNIS COURTS - CAPITAL UPGRADE	$20	$3,276
2018	7	50922 - SCULPTURES ACROSS THE REGION	$31	$3,307
2018	8	50940 - PATH BINS AND BAG DISPENSERS	$11	$3,317
2018	9	50945 - YOUTH INFRASTRUCTURE	$500	$3,817
2018	10	Other	-$10.00	$3,807
2018	**Total Projected Capital Upgrade/New Plan**		**$3,807**	

Mid-Western RC
Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2019

Year	Item No.	Capital Upgrade and New Projects	Estimate ($000)	Running total ($000)
2019	1	35826 - GULGONG LAWN CEMETERY EXTENSION	$25	$25
2019	2	50922 - SCULPTURES ACROSS THE REGION	$32	$57
2019	3	50937 - PLAYGROUND SHADING PROGRAM	$16	$72
2019	4	50940 - PATH BINS AND BAG DISPENSERS	$11	$83
2019	5	50941 - PLAYGROUND RUBBER SOFTFALL PROGRAM	$65	$148
2019	6	50955 - APEX PARK GULGONG CAPITAL UPGRADES	$16	$163
2019	7			
2019	8			
2019	9			
2019	10			
2019	**Total Projected Capital Upgrade/New Plan**		**$163**	

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2020

2020	1	50666 - VICTORIA PARK GULGONG - LIGHTING CAP UPGRADE	$500	$500
2020	2	50922 - SCULPTURES ACROSS THE REGION	$32	$532
2020	3	50937 - PLAYGROUND SHADING PROGRAM	$32	$564
2020	4	50940 - PATH BINS AND BAG DISPENSERS	$11	$575
2020	5	50941 - PLAYGROUND RUBBER SOFTFALL PROGRAM	$66	$641
2020	6	50950 - DISTRICT ADVENTURE PLAYGROUND	$480	$1,121
2020	7	50956 - PLAYGROUND EQUIPMENT - WHEELCHAIR ACCESSIBLE SWING	$40	$1,161
2020	8	50957 - PITTS LANE - LIGHTING	$50	$1,211
2020	9			
2020	10			
2020	**Total Projected Capital Upgrade/New Plan**		**$1,211**	

Mid-Western RC
Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2021

Year	Item No.	Capital Upgrade and New Projects	Estimate ($000)	Running total ($000)
2021	1	35824 - GPS CEMETERY SITES	$42	$42
2021	2	50922 - SCULPTURES ACROSS THE REGION	$32	$74
2021	3	50937 - PLAYGROUND SHADING PROGRAM	$32	$106
2021	4	50940 - PATH BINS AND BAG DISPENSERS	$11	$117
2021	5	50941 - PLAYGROUND RUBBER SOFTFALL PROGRAM	$67	$185
2021	6	50957 - PITTS LANE - LIGHTING	$50	$235
2021	7			
2021	8			
2021	9			
2021	10			
2021	**Total Projected Capital Upgrade/New Plan**		**$235**	

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2022

2022	1	New & Upgrade	$238	$238
2022	2			
2022	3			
2022	4			
2022	5			
2022	6			
2022	7			
2022	8			
2022	9			
2022	10			
2022	**Total Projected Capital Upgrade/New Plan**		**$238**	

Mid-Western RC
Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2023

Year	Item No.	Capital Upgrade and New Projects	Estimate ($000)	Running total ($000)
2023	1	New & Upgrade	$242	$242
2023	2			
2023	3			
2023	4			
2023	5			
2023	6			
2023	7			
2023	8			
2023	9			
2023	10			
2023	**Total Projected Capital Upgrade/New Plan**		**$242**	

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2024

2024	1	New & Upgrade	$245	$245
2024	2			
2024	3			
2024	4			
2024	5			
2024	6			
2024	7			
2024	8			
2024	9			
2024	10			
2024	**Total Projected Capital Upgrade/New Plan**		**$245**	

Mid-Western RC
Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2025

Year	Item No.	Capital Upgrade and New Projects	Estimate ($000)	Running total ($000)
2025	1	New & Upgrade	$249	$249
2025	2			
2025	3			
2025	4			
2025	5			
2025	6			
2025	7			
2025	8			
2025	9			
2025	10			
2025	**Total Projected Capital Upgrade/New Plan**		**$249**	

Open Space and Recreational_S1_V1 Projected Capital Upgrade/New Plan 2026

2026	1	New & Upgrade	$253	$253
2026	2			
2026	3			
2026	4			
2026	5			
2026	6			
2026	7			
2026	8			
2026	9			
2026	10			
2026	**Total Projected Capital Upgrade/New Plan**		**$253**	
				Average/yr
	Total 10 year program		**$7,196**	$720

Appendix D Budgeted Expenditures Accommodated in LTFP

First year of expenditure projections **2017** (financial yr ending)

Open Space and Recreational

Asset values at start of planning period

			Calc CRC from Asset Register
Current replacement cost	$23,493	(000)	$23,493 (000)
Depreciable amount	$23,493	(000)	This is a check for you.
Depreciated replacement cost	$14,554	(000)	
Annual depreciation expense	$640	(000)	

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.00%
Additional maintenance	21.76%
Additional depreciation	2.72%

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 **2017** values

Financial year ending	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
	$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**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance										
Reactive maintenance **budget**	$4,669	$4,820	$4,918	$5,007	$5,091	$5,167	$5,245	$5,323	$5,403	$5,484
Planned maintenance **budget**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Specific maintenance items **budget**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total maintenance	$4,669	$4,820	$4,918	$5,007	$5,091	$5,167	$5,245	$5,323	$5,403	$5,484
Capital										
Planned renewal **budget**	$542	$675	$768	$380	$160	$162	$165	$167	$170	$172
Planned upgrade/new **budget**	$553	$3,807	$163	$1,211	$235	$238	$242	$245	$249	$253
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	2017 $000	2018 $000	2019 $000	2020 $000	2021 $000	2022 $000	2023 $000	2024 $000	2025 $000	2026 $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)

	2017 $000	2018 $000	2019 $000	2020 $000	2021 $000	2022 $000	2023 $000	2024 $000	2025 $000	2026 $000
Forecast Capital Renewal from Forms 2A & 2B	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Forecast Capital Upgrade from Form 2C	$553	$3,807	$163	$1,211	$235	$238	$242	$245	$249	$253

Appendix E Abbreviations

Abbrev	Description
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 F 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:

- use in the production or supply of goods or services or for administrative purposes; or
- 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:

- the period over which an asset is expected to be available for use by an entity, or
- 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 *