Gwydir Shire Council

BUILDINGS ASSET MANAGEMENT PLAN

"To be the recognised leader in Local Government through continuous learning and sustainability"

Document Control	

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1. EXECUTIVE SUMMARY

Context

Gwydir Shire Council is the result of an amalgamation of Bingara Shire Council, Yallaroi Shire Council and part of Barraba Shire Council on the 17th of March 2004.

The Gwydir Shire encompasses a diverse landscape that is both picturesque and productive.

It is 9,122 square kilometres in size and is situated north of Tamworth Regional Council and continues almost to the Queensland border.

The southern boundary of the shire is the Nandewar Range where the Gwydir and Namoi Valleys meet. The Horton Valley and Cobbadah District are home to some Australia's most highly regarded beef cattle studs. These enterprising farmers use the latest artificial breeding and agronomic technology to produce beef of the highest quality. Meat Sheep and merinos that grow high quality wool are also grazed in this area.

The Gwydir River enters the Gwydir Shire where it spills from the Copeton Dam and meanders in a westerly direction through the towns of Bingara and Gravesend. The Gwydir Valley is well known for irrigated and dry land cropping as well as livestock production. In addition to the traditional crops of wheat, barley, oats and sorghum, there are olive groves, pecan nut plantations and freshwater fish farms in the Gravesend district.

Heading northwest from the timbered surrounds of the town of Warialda and the close-knit community of Coolatai, the countryside opens into an undulating vista of basalt farmland. This area, including the villages of Crooble, Croppa Creek and North Star, is Australia's 'Golden Triangle'. Farmers using advanced farming techniques, such as minimum tillage and satellite guidance systems, produce a variety of high yielding crops such as wheat, barley sorghum, maize, chick peas, canola and cotton to name just a few.

This area also has several cattle feedlots, which supply grain fed beef to the Australian domestic market and export markets throughout the world. Gwydir Shire residents enjoy excellent medical and health services with medical centres in both Warialda and Bingara. The Shire boasts two new hospitals and aged care facilities have been expanded and are of a very high standard.

Shire residents enjoy a quality and plentiful water supply. In fact the new Bingara Water Treatment Plant and Reservoir were officially opened on Friday 13th May 2011. As well, residents are provided with open, beautifully maintained streetscapes, parks and sporting facilities.

Our younger citizens enjoy a great range of services and educational opportunities. The Gwydir shire is a strong and socially minded community with many volunteers. Volunteering has taken on a whole new dimension with many manning the newly opened Warialda and Bingara Visitor Information Centres which has allowed the centres to be open over weekends and public holidays.

Living in Gwydir Shire has purpose and direction. What it means to live and work in our Shire is explained in the following five guiding themes. These themes form the basis of our strategic planning and direction for the next ten years.

The Council's guiding Themes:

1. A Healthy and Cohesive Community (Social)

Gwydir Shire has a staggering statistic: for an area of over 9,000 km² there are less than 6,000 residents- or one resident per 1.5 km².

Rather than being fragile as a consequence of this statistic, the Shire has a strong sense of community. Each of the Shire's communities shares a sense of pride in their place and are positive about their future.

This community pride and confidence is based on a commitment, a spirit of co-operative effort, and a belief that their community can achieve harmony, cohesion and positive results.

2. Building the Business Base (Economy)

Business in Gwydir Shire is predominately independently owned, demonstrating a commitment and attachment to the local community. Business owners do have a strong local clientele base and display a gritty determination to succeed. These characteristics show a confidence in their future that is not always reflected in official statistics and reports.

Current analysis of future trends in the Shire is still difficult due to lack of data. Data from the last Census, undertaken in 2011, does not necessarily reflect changes in the regional and local economy since that time. There is also a wealth of evidence

that small rural communities and townships have diminished in size, activity and economic importance over the last few decades.

This trend is acutely felt in towns such as Warialda and Bingara. Warialda, for example, was a centre for agricultural services and supplies catering for large agricultural enterprises which employed many staff. The business of agriculture has changed, and this has profoundly influenced Warialda's business landscape.

Gwydir Shire's economy is dependent on agriculture but that 'gritty determination' is bringing other newer businesses and opportunities to the Shire. Recent seasons have bought much needed rain which has led to resurgence in wealth and positivity.

There are also strong signs that tourism is bringing a new dimension to the Shire especially with the construction of the new Warialda Tourist Information Centre, and the refurbishment of the Roxy complex in Bingara.

For tourism to strive, however, it needs to be based on the development of a strong brand and marketing strategy. The Shire also has an opportunity to capitalise on the 'tree change' movement, or to target communities who are being affected by 'sea change' impacts.

Business 'infrastructure' is a priority for the future economic sustainability of the Shire. The 'infrastructure' priorities vary from facilitating increased participation by women in the workforce, through to leveraging of regional training opportunities and programs such as the Gwydir Learning Region.

In addition, the impending construction of the Hospitality, Primary Industries and Automotive Trade Training Centres will create new industry, employment and opportunities.

Mobile/internet service has been implemented and this has enabled businesses to operate effectively and for Gwydir Shire to project a professional image to the external business community.

The Shire is located at the centre of the North-West/New England Region and this has made Bingara a place to meet and to host conferences. The opportunity to increase the number of meetings and conferences to be held in our Shire will be enhanced when the Roxy complex is fully functional.

3. An Environmentally Responsible Shire (Environment)

Over the history of European settlement in the Gwydir Shire area, some of the past decisions were made without a complete understanding of their impact upon the landscape and the consequences of upsetting natural ecosystems. When the development of the land occurred at rates faster than the rate at which degradation became apparent, these less than desirable practices were repeated.

Extensive land clearing and extraction of water for agriculture are examples of practices that can over time, detrimentally impact the natural environment of this Shire. Possible consequences are species loss; both terrestrial and riverine flora and fauna, and physical and chemical degradation of soils and river systems.

Today there is a lot of activity, by State agencies, non-government organisations, farmers, the rural community, and the Council to enhance the sustainability of Gwydir's natural resources.

Looking into the future, the emphasis is on achieving both environmental sustainability as well as robust agricultural activity. In Gwydir Shire there are significant environmental assets that require special attention and care.

These features are also key attractions for a healthy tourism industry in the Shire. Gwydir River is one such example.

Council has a key role to play in furthering sustainable behaviour within the Gwydir community.

Education and provision of key information can help residents move towards more sustainable practices, and to help them understand how their actions can ameliorate a variety of environmental impacts.

Council can lead by example through good management and by demonstration. With limited resources, Council will prioritise water and waste as key environmental issues.

It is argued that human activity has interrupted the global carbon cycle and is beginning to have a profound impact on the Earth's climate. The changes that are required to address climate change can offer an opportunity for innovation and economic development.

The agricultural sector is the second biggest contributor to greenhouse gas emissions through the emission of methane and nitrous oxide by livestock. Being a major contributor to emissions, agriculture will be expected to reduce emissions, a challenge for a sector already confronted by other constraints.

However, with its large land base, climate change is a real opportunity for Gwydir Shire.

One such opportunity is in exploring the development of carbon sequestration opportunities, including commercial plantations, and Landcare plantings to offset greenhouse gas emissions.

These plantings would also provide benefits in addressing salinity impacts, and could be planned to complement biodiversity objectives by creating habitat corridors and links across the landscape.

4. A Proactive Consumer–Orientated Organisation

Council can only achieve the outcomes it seeks for the Shire by continuing to operate as a well managed organisation. The organisation must also have the community's respect and be dedicated to working innovatively and effectively in the Shire's interest.

The organisation will need to continue to adapt to important changes. For example, people affected by Council's decisions are expecting to participate and influence the conduct of those issues. Modern communication technology is facilitating closer involvement with and exposure of Council's processes. These trends will need to be managed with sensitivity and care if that legitimate community request is to be reflected. These processes also need to reflect the requirements of the Department's Integrated Planning and Reporting.

Council's workplace must adapt to these and other changes as they emerge so that it appeals to talented people. Council recognises the quality of the people it can attract and retain in its organisation is vital to its achieving its program. It values its people and appreciates their contribution. It will continue to recognise the obligation for them to be provided with a safe and satisfying workplace; to be treated equitably and with respect; and to be properly rewarded.

The functions and responsibilities of local government continue to increase. That provides Council with the challenges of selecting its activities wisely and of adequately resourcing its programs. Opportunities for new resources and increased effectiveness will be pursued. Council will also place an emphasis on improving alignment between employees and Council's values and goals.

The programs and services the Council selects must be carefully designed and delivered to equitably and cost effectively advance the well being of the Shire's people.

5. Regional and Local Leadership

Council is committed to leading the Shire in addressing the issues identified in this Strategy and moving towards the Vision it has defined for the Shire. This focus on leadership relates to both leadership within the Shire and that external to it.

The Shire has already demonstrated innovative responses through initiatives such as the Gwydir Learning Region.

This continued 'can do', innovative approach, and the enthusiasm and energy sets Gwydir Shire apart and allows the Shire to 'punch above its weight' in the region.

As an entity operating in the twenty first century, it is imperative that the Council demonstrate best practice corporate governance behaviour. In time, sustainability and governance will be managed as a single holistic approach to the management of an organisation. Gwydir Shire recognises this trend and is striving to give the most accurate reporting possible within it's Integrated Planning and Reporting requirements.

The Buildings Service

The Buildings Asset Portfolio comprises:

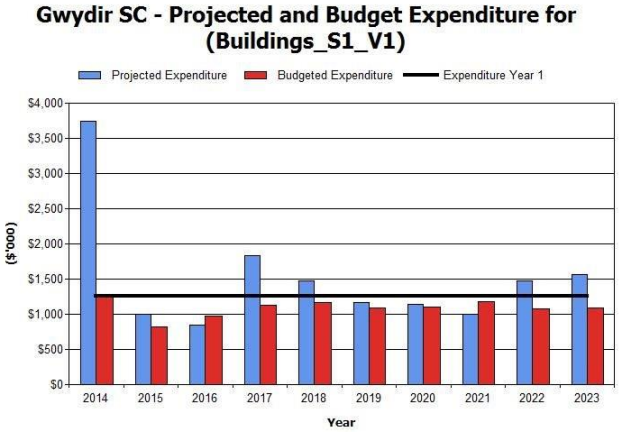
- Public Buildings
- Residential Buildings
- Amenities
- Housing
- Other non-classified buildings

These infrastructure assets have a replacement value of $49,797,000.

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 $1,588,000 on average per year.

Estimated available funding for this period is $1,089,000 on average per year which is 69% of the cost to provide the service. This is a funding shortfall of $500,000 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.



What we will do

We plan to provide Building services for the following:

- Operation, maintenance, renewal and upgrade of Council Buildings to meet service levels set in annual budgets.

What we cannot do

We do **not** have enough funding to provide all services at the desired service levels or provide new services.

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:

- Fire
- Storm
- Access

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

- Fire Safety Audits
- Maintain essential fire hazards
- Consider access with upgrade works

Confidence Levels

This AM Plan is based on high level of confidence information.

The Next Steps

The actions resulting from this asset management plan are:

- Improve asset information and knowledge.
- Improve integration between AM Plan and LTFP.
- Seek additional funding.
- Engage the community on desired service levels.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Gwydir Shire Council community's building needs. These assets include administration, amenities, public buildings, aged care, social services, medical services and housing throughout the community area that enable people to access Council staff, utilise public buildings, provide aged care, medical and social service facilities as well as low income and staff housing.

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?

Most of the organisation's building assets were constructed by developers and from government grants, often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

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

Our present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

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 saving in future operations and maintenance costs,
6. Consulting with the community to ensure that building 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 buildings, the service level reduction may include the sale of buildings, buildings being closed to the public due to insufficient funding to keep them a safe standard for their use.

What can we do?

We can develop options, costs and priorities for future building 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 the building assets 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 organisation's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

Gwydir Shire Council Long Term Financial Plan
Gwydir Shire Council Management Plan
Gwydir Shire Council Delivery and Operational Plan
Gwydir Shire Council Strategic Plan

The infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to provide administration, medical, aged care, housing, public and social services to its community.

Table 2.1: Assets covered by this Plan

Asset category	Replacement Value
Non - Specialised	$ 3,216,000
Specialised	$46,581,000
TOTAL	$49,797,000

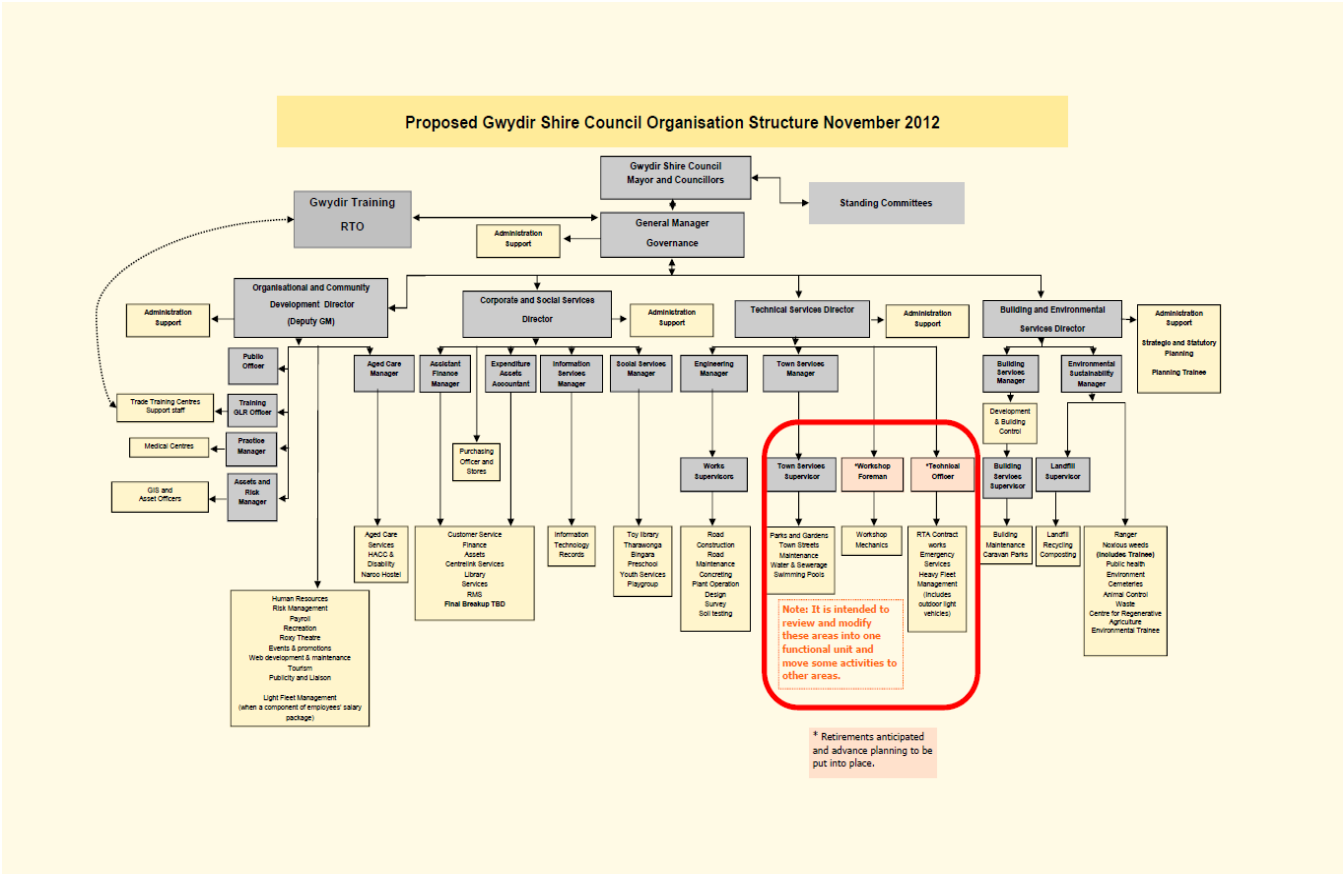
Key stakeholders in the preparation and implementation of this asset management plan are: Shown in Table 2.1.1.

Table 2.1.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Councillors/Board Members	• Represent needs of community/shareholders, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
CEO/General Manager	Overall management of assets
Environmental Director	Strategic and operational management of building assets
Environmental and Building Manager	Operational and budgetary management of building assets
Corporate Asset Manager	Strategic management and planning of building assets

Our organisation's organisational structure for service delivery from infrastructure assets is detailed below:

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


Proposed Gwydir Shire Council Organisation Structure November 2012
Gwydir Shire Council
Mayor and Councillors
Standing Committees
Gwydir Training
RTO
Administration Support
General Manager
Governance
Organisational and Community Development Director (Deputy GM)
Corporate and Social Services Director
Technical Services Director
Building and Environmental Services Director
Administration Support
Strategic and Statutory Planning
Planning Trainee
Public Officer
Trade Training Centres Support staff
Training GLR Officer
Medical Centres
Practice Manager
GIS and Asset Officers
Assets and Risk Manager
Aged Care Manager
Assistant Finance Manager
Expenditure Assets Accountant
Information Services Manager
Social Services Manager
Engineering Manager
Town Services Manager
Building Services Manager
Environmental Sustainability Manager
Development & Building Control
Purchasing Officer and Stores
Works Supervisors
Town Services Supervisor
*Workshop Foreman
*Technical Officer
Building Services Supervisor
Landfill Supervisor
Aged Care Services HACC & Disability Naroo Hostel
Customer Service Finance Assets Centrelink Services Library Services RMS Final Breakup TBD
Information Technology Records
Toy library Tharawonga Bingara Preschool Youth Services Playgroup
Road Construction Road Maintenance Concreting Plant Operation Design Survey Soil testing
Parks and Gardens Town Streets Maintenance Water & Sewerage Swimming Pools
Workshop Mechanics
RTA Contract works Emergency Services Heavy Fleet Management (Includes outdoor light vehicles)
Building Maintenance Caravan Parks
Landfil Recycling Composting
Ranger Noxious weeds (Includes Trainee) Public health Environment Cemeteries Animal Control Waste Centre for Regenerative Agriculture Environmental Trainee
Human Resources Risk Management Payroll Recreation Roxy Theatre Events & promotions Web development & maintenance Tourism Publicity and Liaison
Light Fleet Management (when a component of employees' salary package)
Note: It is intended to review and modify these areas into one functional unit and move some activities to other areas.
* Retirements anticipated and advance planning to be put into place.

2.2 Goals and Objectives of Asset Management

The organisation 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

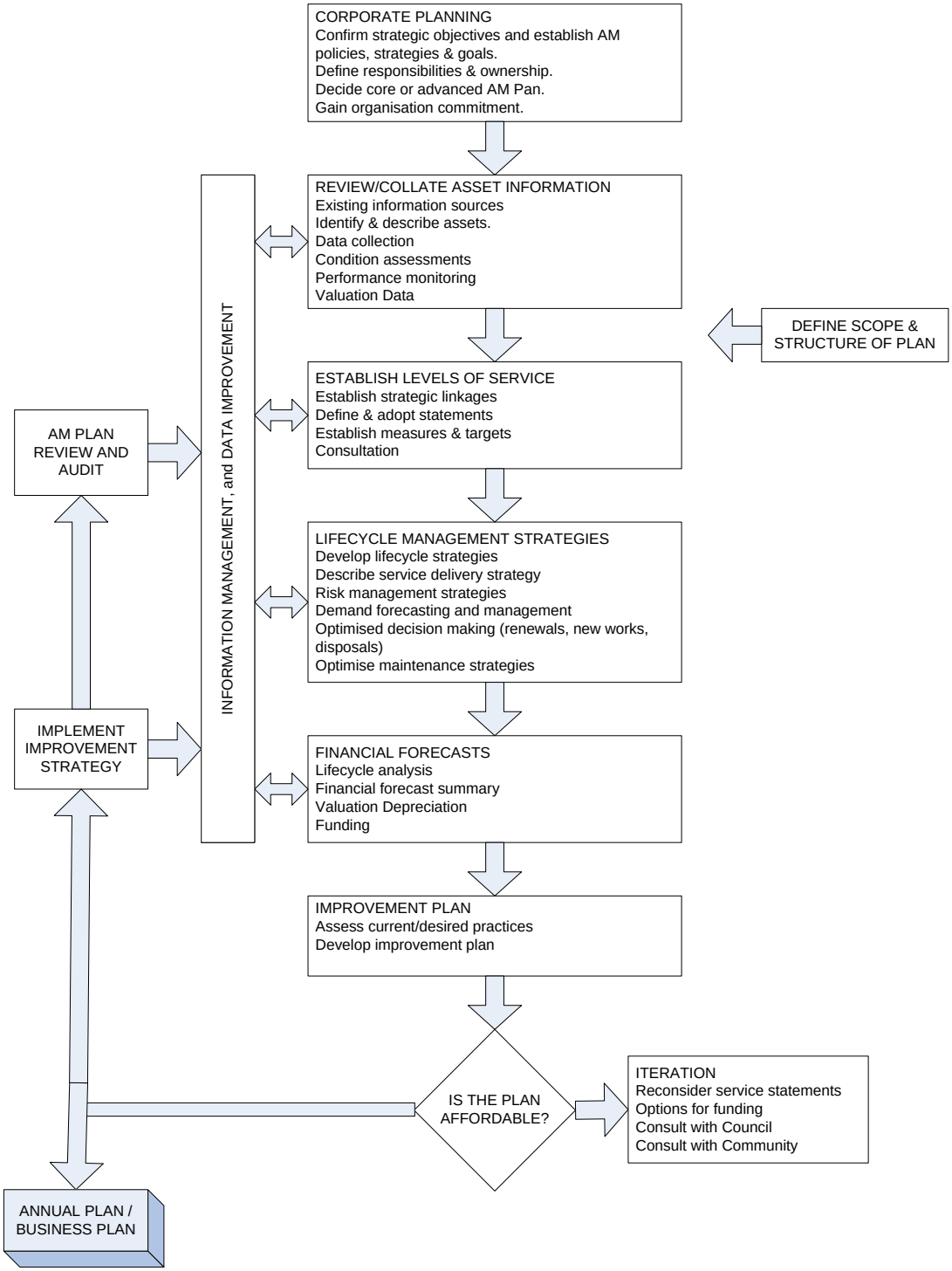
Levels of service – specifies the services and levels of service to be provided by the organisation,
Future demand – how this will impact on future service delivery and how this is to be met,
Life cycle management – how we will manage our existing and future assets to provide defined levels of service,
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 the 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.

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/Board. 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/Board 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. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has carried research into community satisfaction by way of community meetings, mail survey, customer request management system and also direct access to Council staff. The overall consensus in the community is that the community is fairly satisfied with the sewerage network.

The organisation uses this information in developing its Strategic Plan and in allocation of resources in the budget.

3.2 Strategic and Corporate Goals

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

Our vision is:

"To be a recognised leader in Local Government through continuous learning and sustainability"

Our mission is:

"To ensure that the Council's long term role is viable and sustainable by meeting the needs of our residents in a responsible caring way, attract sustainable development while maintaining the traditional rural values, character and culture of our people"

[3] IPWEA, 2011, IIMM.

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

Table 3.2: Organisation Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in AM Plan
Ensure Councils long term role is viable and sustainable by providing appropriate infrastructure that's supports economic development.	Ensure effective and efficient management of Council owned infrastructure to support economic development	Development of an integrated asset management plan covering buildings. Minimise life cycle costs of infrastructure for asset users and ensure the AMP forecast will identify the public infrastructure to be managed in a sustainable manner.
Provide safe, clean and healthy environment in which all people have the opportunity to utilise and share in Council's facilities and services.	Maintain and develop Council's buildings to the needs of tenants, users and public.	- Building inspections. - Development of maintenance programs. - Integrated capital works program. - Continue to seek external funding and grants.

3.3 Legislative Requirements

We have 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	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.
Building Code of Australia 2012	Provides acceptable standards for construction, fire safety, health and access to buildings.
WHS Act 2011	Council has the responsibility to provide a healthy and safe workplace for employees and the public.
Australian Accounting Standards	Requires assets to be valued and reported including depreciation in the annual accounts.
Environmental Planning and Assessment Act 2008	LEP's and DCP's Service approvals
Australian Standards	Guide for building asset managers in the construction and maintenance of buildings.

3.4 Current Levels of Service

We have defined service levels in two terms.

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?

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 frequency, mowing frequency, etc.

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

Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

- Upgrade – the activities to provide an higher level of service (eg widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new library).

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

Our current service levels are detailed in Table 3.4.

Table 3.4: Current and Desired Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Provide clean and accessible facilities	Customer Service requests/complaints, customer surveys	<2 complaints per year	<4 complaints per building per year
Function	Facilities are fit for purpose, meet users requirements & industry standards	Customer Service requests/complaints, customer surveys	<2 complaints per year	<4 complaints per building per year
Safety	Ensure facilities are safe	Reported incidents	Measured by submitted incident reports	Zero reported incidents
TECHNICAL LEVELS OF SERVICE				
Operations	Building functionality is not compromised by condition	Regular building inspections	Each building inspected every 12 months.	Each building inspected every 6 months.
		Budget		Increased resources
Maintenance	Legislative Compliance	Provide access and service for all user groups	80% compliance	100% compliance
		Budget		Funding and resources

[4] IPWEA, 2011, IIMM, p 2.22

3.5 Desired Levels of Service

Indications of desired levels of service are obtained from community consultation/engagement to Councillors and staff. Currently Council is yet to collate and quantify these desired levels of service. This will be undertaken for future revision of the AM Plan

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
Changes in building construction,maintenance and materials used.	Use current up to date methods	Methods and materials will improve	May increase the life of building components, reducing the susceptibility to damage, or by reducing the cost of construction or maintenance and operations (eg energy use)
Management Technology	More condition based than intervention point planning.	Better understanding of useful lives and projected costs.	Knowledge of buildings, component, service lives and costs is continually being improved

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 failures5. 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.

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

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.4: Demand Management Plan Summary

Service Activity	Demand Management Plan
Building Maintenance and Upgrades	Upgrades to meet customer and community expectations.
Reduction in number of buildings	Determine usage rates and encourage multi use of buildings/

5. LIFECYCLE MANAGEMENT PLAN

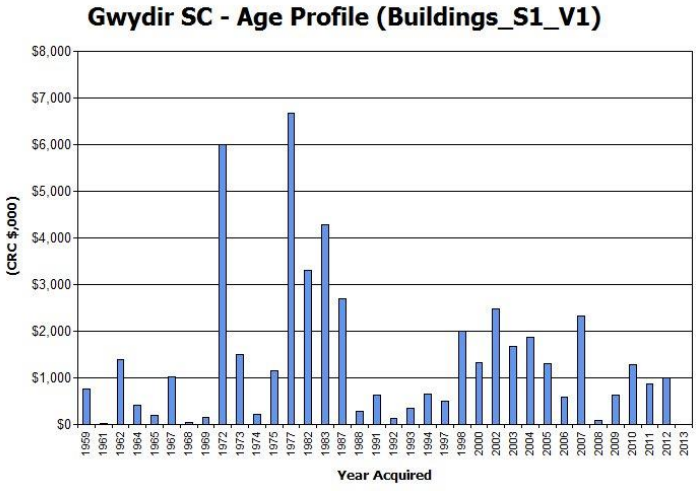
The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

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

Figure 2: Asset Age Profile

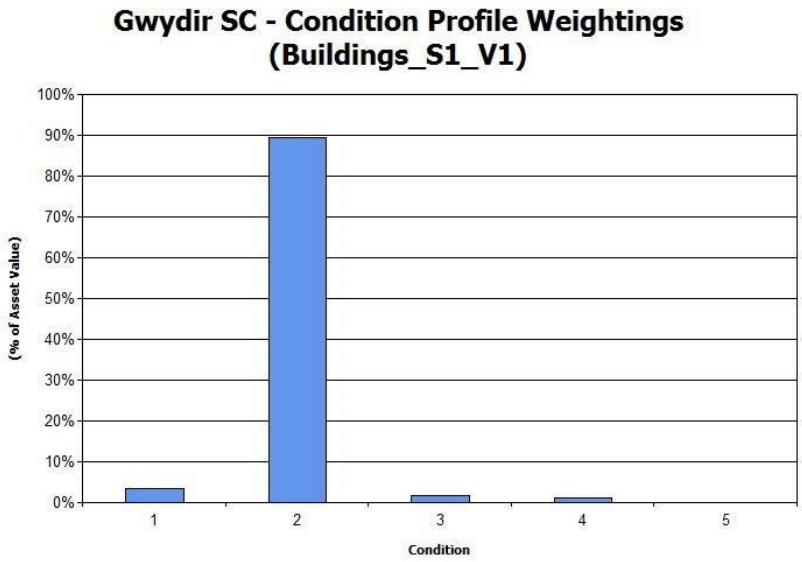


5.1.3 Asset condition

Condition is monitored by regular inspections of buildings by relevant qualified staff.

The condition profile of our assets is shown in Figure 3.

Fig 3: Asset Condition Profile



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

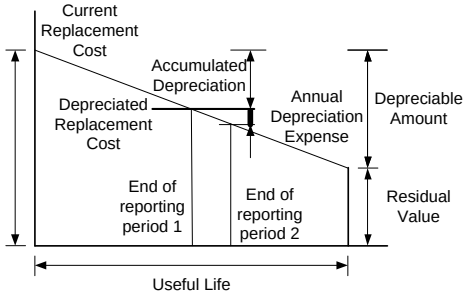
Table 5.1.3: Simple Condition Grading Model

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

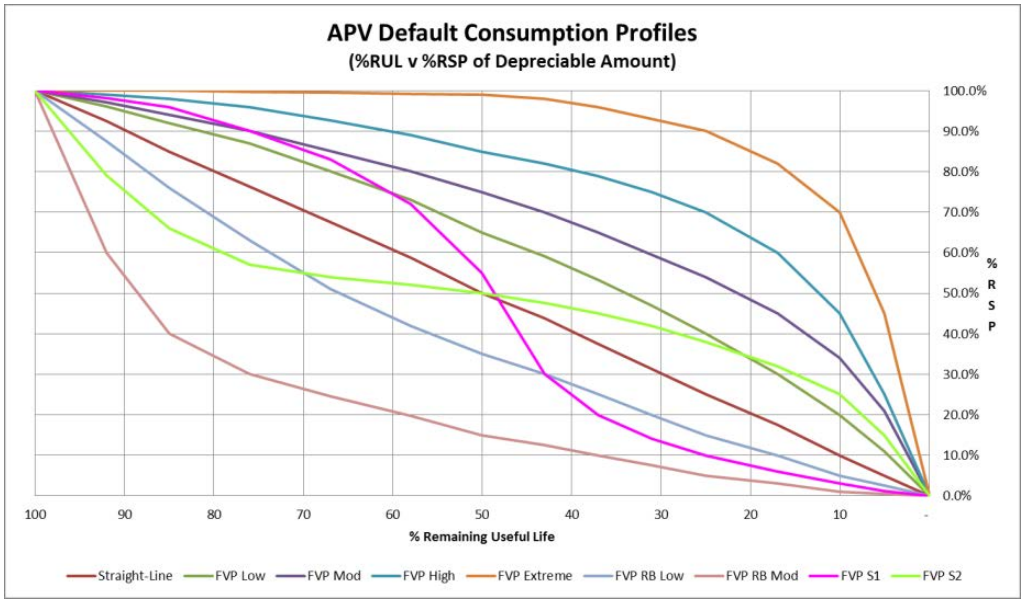
The value of assets recorded in the asset register as at 20th January 2014 covered by this asset management plan is shown below. Assets were last revalued at 30th June 2013.

Current Replacement Cost	$49,797,000
Depreciable Amount	$28,229,000
Depreciated Replacement Cost[7]	$39,279,000
Annual Depreciation Expense	$ 489,000



Useful lives were reviewed in 30th June 2013 by APV Valuers and Asset Management using the table below.

[6] IPWEA, 2011, IIMM, Sec 2.5.4, p 2|79.
[7] Also reported as Written Down Current Replacement Cost (WDCRC).



Key assumptions made in preparing the valuations were:

Asset (Sub)Category	Type	Assumptions
Floor	Timber - STD	The major reason for problems with the floors would be subsidence and the appropriate treatment would be underpinning. It is estimated that this would be done well before the floor reached a stage requiring complete reconstruction and the cost of doing such work would equate to roughly 50% of the Gross cost of the floor. The total life of a Concrete floor (given normal wear and tear) is estimated at approximately 100 years whereas for timber floors it is expected that the total life (under normal conditions) would only be 60 years.
Floor	Timber - Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the timber starts to deteriorate at a quicker pace due to environmental factors.
Floor	Concrete - STD	The major reason for problems with the floors would be subsidence and the appropriate treatment would be underpinning. It is estimated that this would be done well before the floor reached a stage requiring complete reconstruction and the cost of doing such work would equate to roughly 50% of the Gross cost of the floor. The total life of a Concrete floor (given normal wear and tear) is estimated at approximately 100 years whereas for timber floors it is expected that the total life (under

		normal conditions) would only be 60 years.
Floor	Concrete - Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the floor starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted as slightly greater than for timber floors.
Envelope	Concrete-STD	Consistent with Floors, the major cause of a problem with the Envelope would most likely be subsidence with the appropriate treatment being under-pinning. In the case of concrete envelopes this would normally be carried out well before the asset reached condition 5 and the cost to undertake such work is estimated at 50% of total cost to construct in cases where the damage was significant (cond 5). Accordingly RV has been set at 50%. Useful Life for a concrete shell is also considered very long with 80 - 100 years often adopted.
Envelope	Concrete-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Timber-STD	Consistent with Floors, the major cause of a problem with the Envelope would most likely be subsidence. For timber buildings the cause of the issue would be fixed either through under-pinning or strengthening of the frame with timber boards replaced in the affected areas. Accordingly RV has been set at 65%. Generally such work would be carried well before the major intervention point at minimal cost. Useful Life for a timber structure is considered to be approximately 50 - 70 years. However, providing there is adequate maintenance and obsolescence is not an issue the useful life could be extended indefinitely.
Envelope	Timber-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the timber starts to deteriorate at a quicker pace due to environmental factors.
Envelope	Conc Block - STD	Consistent with Floors, the major cause of a problem with the Envelope would most likely be subsidence with the appropriate treatment being under-pinning. In the case of Block Walls, the mortar is produced at a lower

		strength to the blocks so that any cracks appear on the joins. The problems would be fixed by under-pinning and re-sealing the cracks which is worst case scenario is likely to be less than 35% of the total cost of construction. Accordingly RV has been set relatively high at 65%. The total life for Block is estimated at 75 years and it is expected that Brick would have a slightly lower total life (65 years) with timber slightly less again (60 years). This is due to the extra strength afforded by block walls and increased effect of environmental factors on brick and timber.
Envelope	Conc Block-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Cavity Brick-STD	Consistent with Floors, the major cause of a problem with the Envelope would most likely be subsidence. For brick envelopes, under-pinning would also be performed with individual effected bricks removed and replaced with new mortar. The problems would be fixed by under-pinning and re-sealing the cracks which is worst case scenario is likely to be less than 35% of the total cost of construction. Accordingly RV has been set relatively high at 65%. The total life for Block is estimated at 65 years consistent with standard Design Life predictions.
Envelope	Cavity Brick-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Brick Vaneer-STD	Considered same as Cavity Brick
Envelope	C/Bond M/Deck-STD	The major cause of a problems with the Envelope would most likely be subsidence or corrosion. Treatments would normally included either under-pinning or replacement of affected sheeting. The structure is unlikely to be affected significantly and therefore when in condition 5 replacement would normally only be replacement of sheeting. Accordingly a high residual value (65%) has been set. The total life for steel envelopes is estimated at 45 years consistent with standard Design Life predictions.
Envelope	Fibre Cement-STD	Similar lifecycle to cavity brick but a slightly lower Residual Vale as more cost involved in replacing panels when reaches condition 5.

		Structure of building unlikely to affected from wear and tear and therefore RV set at 50%.
Envelope	Corr Galv Iron-STD	The major cause of a problems with the Envelope would most likely be subsidence or corrosion. Treatments would normally included either under-pinning or replacement of affected sheeting. The structure is unlikely to be affected significantly and therefore when in condition 5 replacement would normally only be replacement of sheeting. Accordingly a high residual value (65%) has been set. The total life for steel envelopes is estimated at 45 years consistent with standard Design Life predictions.
Envelope	Corr Galv Iron-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Corr Asbestos-STD	Similar physical wear and tear to fibre cement but reduced lifecycle due to health risks associated with product. Once deterioration of the produce commences the replacements of it is considered a high priority. There is also significant additional cost in removal of product resulting in a lower RV (35%). Lifecycle has been set at 40 years which is consistent with standard practice.
Fit Out (Floors)	Carpet	Includes : Carpet & Vinyl. Life varies significantly depending upon situation. However pattern is consistent. Generally no residual value as fully replaced at end of life
Fit Out (Floors)	Vinyl	Includes : Carpet & Vinyl. Life varies significantly depending upon situation. However pattern is consistent. Generally no residual value as fully replaced at end of life
Fit Out (Floors)	Ceramic Tiles	Includes Tiles and Floating floor. Life may vary depending upon situation. However pattern is consistent. Generally no residual value as fully replaced at end of life
Fit Out (Floors)	Polished Timber	Timber floors are generally repaired well before the intervention point by fixing problems before they become a major issue. Even if allowed to deteriorate to very poor condition significant sections of the floor will remain. Hence RV = 50%
Fit Out (Internal Screens)	Fibre Cement-STD	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle. However, the renewal tends to

		be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. The cost of the renewal over the cycle is estimated to be approximately 40% of the total cost of the fit-out. Accordingly the Residual Value has been set at 60%. The drivers of renewal tend to also be related to obsolescence or changing fashion and therefore the consumption tends to be greater as the asset nears the intervention point.
Fit Out (Internal Screens)	Glass	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle. However, the renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. The cost of the renewal over the cycle is estimated to be approximately 40% of the total cost of the fit-out. Accordingly the Residual Value has been set at 60%. The drivers of renewal tend to also be related to obsolescence or changing fashion and therefore the consumption tends to be greater as the asset nears the intervention point.
Fit Out (Internal Screens)	Plaster Board	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle. However, the renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. The cost of the renewal over the cycle is estimated to be approximately 40% of the total cost of the fit-out. Accordingly the Residual Value has been set a 60%. The drivers of renewal tend to also be related to obsolescence or changing fashion and therefore the consumption tends to be greater as the asset nears the intervention point.
Fit Out (Internal Screens)	Hardboard	This typically includes lower profile buildings with timber or hardboard panels where renewal is less often and not driven by aesthetics. The renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. The cost of the renewal over the cycle is estimated to be approximately 40% of the total cost of the fit-out. Accordingly the Residual Value has been set a 60%. Similar to short life fit-outs the consumption tends to be greater as the asset nears the intervention point and a

		decision is made to undertake renewal.
Fit Out (Internal Screens)	Timber Panel	This typically includes lower profile buildings with timber or hardboard panels where renewal is less often and not driven by aesthetics. The renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. The cost of the renewal over the cycle is estimated to be approximately 40% of the total cost of the fit-out. Accordingly the Residual Value has been set at 60%. Similar to short life fit-outs the consumption tends to be greater as the asset nears the intervention point and a decision is made to undertake renewal.
Roof	Colour Bonded Metal Decking	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets. Full renewal only replaces the sheeting and not the trusses. Hence RV = 50%
Roof	Corrugated Galv Iron	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets. Full renewal only replaces the sheeting and not the trusses. Hence RV = 50%
Roof	Metal Decking (no colour)	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets. Full renewal only replaces the sheeting and not the trusses. Hence RV = 50%
Roof	Corrugated Asbestos	Generally a longer life than a metal roof but a similar pattern of maintenance processes and full renewal only replaces tiles/sheeting and not trusses. Hence RV = 50%
Roof	Concrete Tile	Generally a longer life than a metal roof but a similar pattern of maintenance processes and full renewal only replaces tiles/sheeting and not trusses. Hence RV = 50%
Roof	Clay Tile	Generally a longer life than a metal roof but a similar pattern of maintenance processes and full renewal only replaces tiles/sheeting and not trusses. Hence RV = 50%
Roof	Reinforced Concrete	Very long life. Repairs are generally made when problems first appear and therefore it is unlikely the asset will progress much beyond condition 1 or 2. If however it does

		deteriorate to condition 5 the major renewal repairs are expected to be no more than 50% of the cost of constructing as new. Hence RV = 50%
Roof	Shadecloth	Very short life but can vary from 10 years to 25 years. Fully replaced at end with no residual value.
Roof	Timber-STD	Typically used for park pergolas and similar structures. General have a relatively short life but longer than shadecloth. Residual is generally about 50% representing that timber roofing material is completely replaced but roof structure remains.
Mechanical Services	Air Con (Ducted)	The total life of services tend to vary ranging anywhere between 15 and 45 years with ducted air-conditioning tending to have a slightly longer life. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the intervention point. With ducted there is normally a residual value associated with the ducting as normally only the motors and units are replaced. Accordingly a Residual Value of 25% has been set.
Mechanical Services	Air Con (Split)	Includes air conditioning and similar items. The total life of services tend to vary ranging anywhere between 15 and 40 years. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the intervention point. The services tend to be completely replaced and therefore the Residual Value is considered to be Nil.
Mechanical Services	Air Con (Wall)	Includes air conditioning and similar items. The total life of services tend to vary ranging anywhere between 15 and 40 years. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the

		intervention point. The services tend to be completely replaced and therefore the Residual Value is considered to be Nil.
Mechanical Services	Ventilation	Considered same as Ducted Air-Conditioning but with higher Residual Value as less cost involved in replacement of motors. RV set at 40%
Other Services	Emer Gen	Life can range anywhere from 10 - 20 years depending on use, location and maintenance practices. Consumption increases as it nears the intervention point due to deterioration and resulting diminishing performance.
Other Services	Transportation	Includes lifts and elevators. Lifecycle considered to require major renewal after about 20 years but this tends to only work out at about 30% the cost of construction as new as mainly relates to electrical components and wearing parts.
Other Services	Fire Services	Includes extinguishers, detectors, hydrants and sprinklers. Regularly tested and small components replaced. Major components have very long design life. Major renewal after about 40 years is expected to be no more than 30% of total cost. Hence RV = 70%

Major changes from previous valuations are

- An increase of $9,000,000 in Replacement Cost.
- An increase of $17,000,000 in fair value.
- A decrease of $490,000 in annual depreciation.

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/Board.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H,M,L)	Risk Treatment Plan
All buildings	Deterioration of building asstes	H	- 6 monthly condition inspections. - Improved allocation of appropriate funding. - Improvement of Buildings AM practices
All buildings	Significant loss from disaster	M	Keep insurances current with correct valuations. Undertake and implement Business Interuption Plan.
All buildings	Injury to staff or community member	M	- Prioritise capital and renewal works based on condition. - Allocate applicable funding and resources. - Ensure staff and community are notified and aware of specific dangers.
All buildings	Non compliance with legislation or regulations	L	- Undertake regular inspections and maintenance. - Non-Compliance works to be given priority.

5.3 Routine Operations and Maintenance Plan

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

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

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 classifies into reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Table 5.3.1.

Table 5.3.1: Maintenance Expenditure Trends

Year	Maintenance Expenditure
2012/13	$650,000
2011/12	$447,000
2010/11	$67,000

Planned maintenance work is currently 88% of total maintenance expenditure.

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 the organisation's 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/Board,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure the organisation 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.

The organisation's service hierarchy is shown is Table 5.3.2.

Table 5.3.2: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Structural	BCA
Roof	BCA
Walls	BCA
Floor	BCA
Services	BCA

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 refines investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure modes and required operations and maintenance activities are detailed in Table 5.3.2.1.

Table 5.3.2.1: Critical Assets and Service Level Objectives

Critical Assets	Operations & Maintenance Activities
Administration Buildings	Regular risk and maintenance assessments
Depots	Regular risk and maintenance assessments
Naroo Hostel	Monthly maintenance of A/C, fire systems, security

Standards and specifications

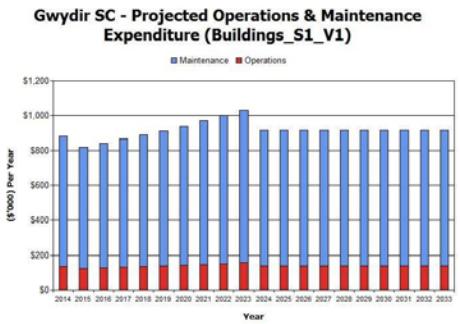
Maintenance work is carried out in accordance with the following Standards and Specifications.

Building Code of Australia
Relevant Australian Standards and Codes
Material and Product Specifications

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 2013/14 dollar values (ie 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 30th June 2013.

Table 5.4.1: Useful Lives of Assets

Asset (Sub)Category	Type	Useful Life
Floor	Timber - STD	The total life of a Concrete floor (given normal wear and tear) is estimated at approximately 100 years whereas for timber floors it is expected that the total life (under normal conditions) would only be 60 years.
Floor	Timber - Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the timber starts to deteriorate at a quicker pace due to environmental factors.
Floor	Concrete - STD	The total life of a Concrete floor (given normal wear and tear) is estimated at approximately 100 years whereas for timber floors it is expected that the total life (under normal conditions) would only be 60 years.
Floor	Concrete - Heritage	Useful life of 150 years adopted as slightly greater than for timber floors.

Envelope	Concrete-STD	Useful Life for a concrete shell is also considered very long with 80 - 100 years often adopted.
Envelope	Concrete-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Timber-STD	Generally such work would be carried well before the major intervention point at minimal cost. Useful Life for a timber structure is considered to be approximately 50 - 70 years. However, providing there is adequate maintenance and obsolescence is not an issue the useful life could be extended indefinitely.
Envelope	Timber-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the timber starts to deteriorate at a quicker pace due to environmental factors.
Envelope	Conc Block - STD	The total life for Block is estimated at 75 years and it is expected that Brick would have a slightly lower total life (65 years) with timber slightly less again (60 years). This is due to the extra strength afforded by block walls and increased effect of environmental factors on brick and timber.
Envelope	Conc Block-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Cavity Brick-STD	The total life for Block is estimated at 65 years consistent with standard Design Life predictions.
Envelope	Cavity Brick-Heritage	Significantly longer life as physical condition not as important and often are

		unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Brick Vaneer-STD	Considered same as Cavity Brick
Envelope	C/Bond M/Deck-STD	The total life for steel envelopes is estimated at 45 years consistent with standard Design Life predictions.
Envelope	Fibre Cement-STD	Similar lifecycle to cavity brick but a slightly lower Residual Vale as more cost involved in replacing panels when reaches condition 5.
Envelope	Corr Galv Iron-STD	The total life for steel envelopes is estimated at 45 years consistent with standard Design Life predictions.
Envelope	Corr Galv Iron-Heritage	Significantly longer life as physical condition not as important and often are unable to be repaired due to historical factors. The service potential tends to diminish more significantly towards end of life as the structure starts to deteriorate at a quicker pace due to environmental factors. Useful life of 150 years adopted.
Envelope	Corr Asbestos-STD	Lifecycle has been set at 40 years which is consistent with standard practice.
Fit Out (Floors)	Carpet	Includes : Carpet & Vinyl. Life varies significantly depending upon situation. However pattern is consistent.
Fit Out (Floors)	Vinyl	Includes : Carpet & Vinyl. Life varies significantly depending upon situation. However pattern is consistent. replaced at end of life
Fit Out (Floors)	Ceramic Tiles	Includes Tiles and Floating floor. Life may vary depending upon situation. However pattern is consistent.
Fit Out (Floors)	Polished Timber	Timber floors are generally repaired well before the intervention point by fixing problems before they become a major issue. Even if allowed to deteriorate to very poor condition significant sections of the floor will remain.

Fit Out (Internal Screens)	Fibre Cement-STD	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle.
Fit Out (Internal Screens)	Glass	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle.
Fit Out (Internal Screens)	Plaster Board	This typically includes high profile buildings with Plasterboard, Glass and Fibre Cement fit-outs. The history of these buildings indicates a pattern of gradual and constant renewal and upgrade of the fit-out over a 10 - 15 year cycle.
Fit Out (Internal Screens)	Hardboard	This typically includes lower profile buildings with timber or hardboard panels where renewal is less often and not driven by aesthetics. The renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. Similar to short life fit-outs the consumption tends to be greater as the asset nears the intervention point and a decision is made to undertake renewal.
Fit Out (Internal Screens)	Timber Panel	This typically includes lower profile buildings with timber or hardboard panels where renewal is less often and not driven by aesthetics. The renewal tends to be on wearing and some aesthetic aspects of the fit-out and not in relation to all aspects such as internal walls and wall cladding. Similar to short life fit-outs the consumption tends to be greater as the asset nears the intervention point and a decision is made to undertake renewal.
Roof	Colour Bonded Metal Decking	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets.

Roof	Corrugated Galv Iron	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets.
Roof	Metal Decking (no colour)	The lifecycle of a metal roof is highly dependent on environmental factors and a as consequence it can range anywhere from 20 years to 50 or more. Repairs are generally done when still in condition 1 or 2 as only need to replace a few sheets.
Roof	Corrugated Asbestos	Generally a longer life than a metal roof but a similar pattern of maintenance processes.
Roof	Concrete Tile	Generally a longer life than a metal roof but a similar pattern of maintenance processes.
Roof	Clay Tile	Generally a longer life than a metal roof but a similar pattern of maintenance processes.
Roof	Reinforced Concrete	Very long life. Repairs are generally made when problems first appear and therefore it is unlikely the asset will progress much beyond condition 1 or 2.
Roof	Shadecloth	Very short life but can vary from 10 years to 25 years.
Roof	Timber-STD	Typically used for park pergolas and similar structures. General have a relatively short life but longer than shadecloth.
Mechanical Services	Air Con (Ducted)	The total life of services tend to vary ranging anywhere between 15 and 45 years with ducted air-conditioning tending to have a slightly longer life. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the interventionpoint.

Mechanical Services	Air Con (Split)	Includes air conditioning and similar items. The total life of services tend to vary ranging anywhere between 15 and 40 years. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the intervention point.
Mechanical Services	Air Con (Wall)	Includes air conditioning and similar items. The total life of services tend to vary ranging anywhere between 15 and 40 years. The drivers for intervention vary but are often linked to either changing expectations of the level of service, technical obsolescence, changing safety requirements or decreased performance. The time to intervention tends to become only clear very close to when the intervention undertaken and the pattern of consumption is considered to increase significantly as the services approach the intervention point.
Mechanical Services	Ventilation	Considered same as Ducted Air-Conditioning but with higher
Other Services	Emer Gen	Life can range anywhere from 10 - 20 years depending on use, location and maintenance practices. Consumption increases as it nears the intervention point due to deterioration and resulting diminishing performance.
Other Services	Transportation	Includes lifts and elevators. Lifecycle considered to require major renewal after about 20 years but this tends to only work out at about 30% the cost of construction as new as mainly relates to electrical components and wearing parts.
Other Services	Fire Services	Includes extinguishers, detectors, hydrants and sprinklers. Regularly tested and small components replaced. Major components have very long

		design life. Major renewal after about 40 years is expected.

5.4.2 Renewal and Replacement Strategies

The organisation 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 the 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 the organisation 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 (eg replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (eg roughness of a road).[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]

[9] IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.
[10] Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

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
Safety	30%
Condition	25%
Percentage of useful life	25%
No. of service requests	20%
Total	**100%**

Renewal and replacement standards

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

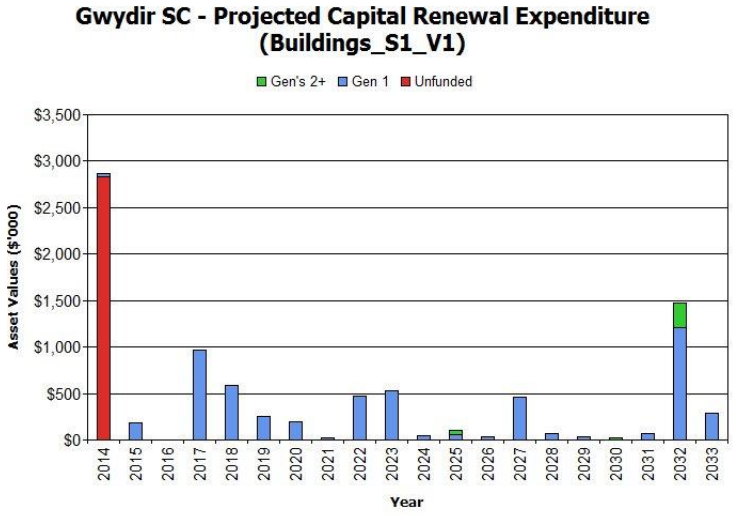
- Local Government Act
- Building Code of Australia 2012
- WHS Act 2011
- Australian Accounting Standards
- Environmental Planning and Assessment Act 2008
- Relevant Australian Standards and Codes

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.

Fig 5: Projected Capital Renewal and Replacement Expenditure



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

Renewals and replacement expenditure in the organisation's capital works program will be accommodated in the long term financial plan. 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 organisation 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 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
Safety	30%
Condition	25%
Percentage of useful life	25%
No. of service requests	20%
Total	**100%**

5.5.2 Capital Investment Strategies

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

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:
  - 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/Board, 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 the organisation 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

Expenditure on new assets and services in the organisation's capital works program will be accommodated in the long term financial plan. 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 the organisation's long term financial plan.

Table 5.6: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Revenue	Operations & Maintenance Annual Savings
3 Bowen St Bingara	Fund new residential asset	2014/15	$280,000	$7,000
84 Finch St Bingara	Fund new residential asset	2014/15	$260,000	$7,000
5 Holden St Warialda	Fund new residential asset	2014/15	$190,000	$7,000
11 Holden St Warialda	Fund new residential asset	2014/15	$180,000	$7,000

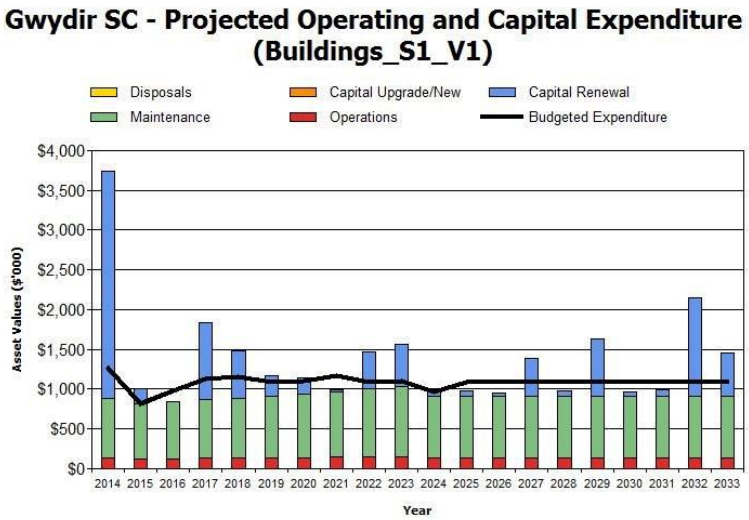
6. FINANCIAL SUMMARY

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 Fig 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

Fig 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] 27%

The Asset Renewal Funding Ratio is the most important indicator and reveals that over the next 10 years, the organisation is forecasting that it will have 27% 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 $1,470,000per 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 $1,089,000 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 $381,000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 74% of life cycle costs.

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

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

Medium term – 10 year financial planning period

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

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

The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is $1,588,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $1,089,000 on average per year giving a 10 year funding shortfall of $500,000 per year. This indicates that the organisation expects to have

[11] AIFMG, 2009, Financial Sustainability Indicator 8, Sec 2.6, p 2.18

69% of the projected expenditures needed to provide the services documented in the asset management plan.

Medium Term – 5 year financial planning period

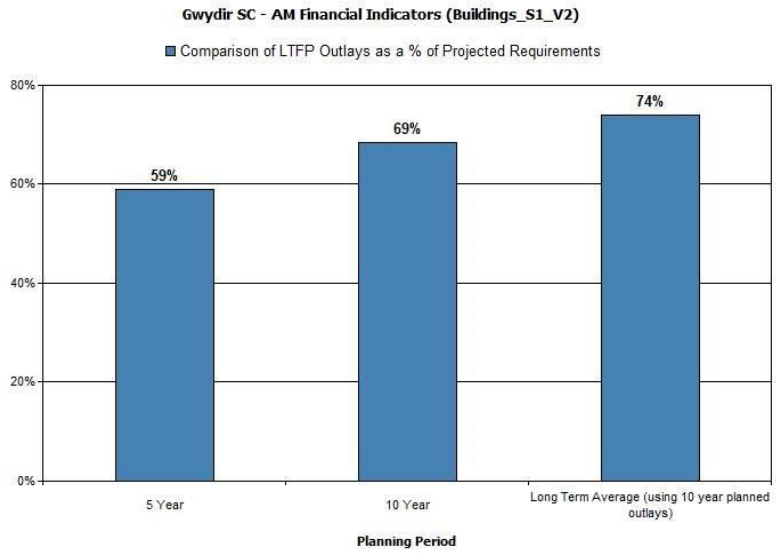
The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is $1,809,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is $1,089,000 on average per year giving a 5 year funding shortfall of $741,000. This indicates that the organisation expects to have 59% 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

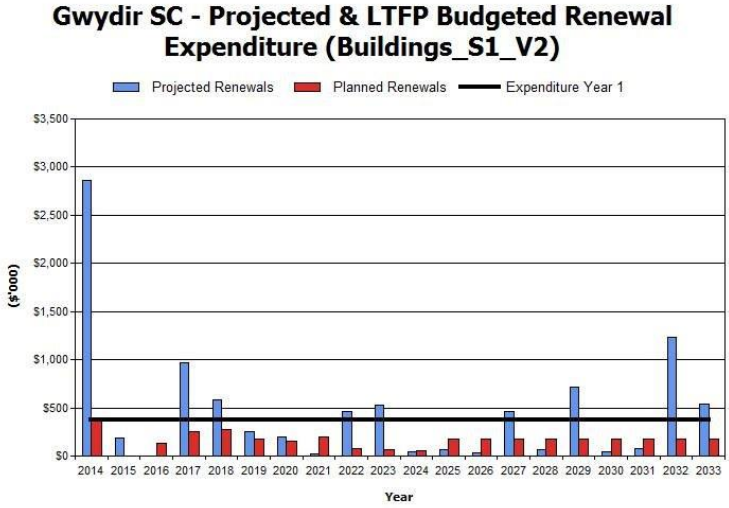


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

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)
2014	$2,863	$377	-$2,486	-$2,486
2015	$186	$0	-$186	-$2,672
2016	$0	$133	$133	-$2,539
2017	$967	$256	-$711	-$3,251
2018	$588	$274	-$314	-$3,565
2019	$253	$179	-$74	-$3,639
2020	$196	$159	-$37	-$3,676
2021	$25	$202	$177	-$3,500
2022	$467	$81	-$386	-$3,885
2023	$533	$65	-$468	-$4,353
2024	$48	$54	$6	-$4,347
2025	$61	$173	$112	-$4,235
2026	$30	$173	$143	-$4,092
2027	$466	$173	-$294	-$4,386
2028	$65	$173	$107	-$4,279
2029	$717	$173	-$544	-$4,823
2030	$46	$173	$127	-$4,697
2031	$73	$173	$100	-$4,597
2032	$1,228	$173	-$1,055	-$5,652
2033	$545	$173	-$372	-$6,024

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 2014 real values.

Table 6.1.2: Projected Expenditures for Long Term Financial Plan ($000)

Year	Operations ($000)	Maintenance ($000)	Projected Capital Renewal ($000)
2014	$133.00	$751.00	$2,863.21
2015	$123.00	$696.00	$186.25
2016	$126.00	$716.00	$0.00
2017	$130.00	$737.00	$967.33
2018	$133.00	$756.00	$588.17
2019	$137.00	$777.00	$253.05
2020	$141.00	$801.00	$196.48
2021	$146.00	$826.00	$25.31
2022	$150.00	$852.00	$466.56
2023	$155.00	$876.00	$532.74
2024	$137.40	$778.80	$47.66
2025	$137.40	$778.80	$60.60
2026	$137.40	$778.80	$30.09
2027	$137.40	$778.80	$466.16
2028	$137.40	$778.80	$65.50
2029	$137.40	$778.80	$717.04
2030	$137.40	$778.80	$45.97
2031	$137.40	$778.80	$73.01
2032	$137.40	$778.80	$1,227.71
2033	$137.40	$778.80	$544.73

6.2 Funding Strategy

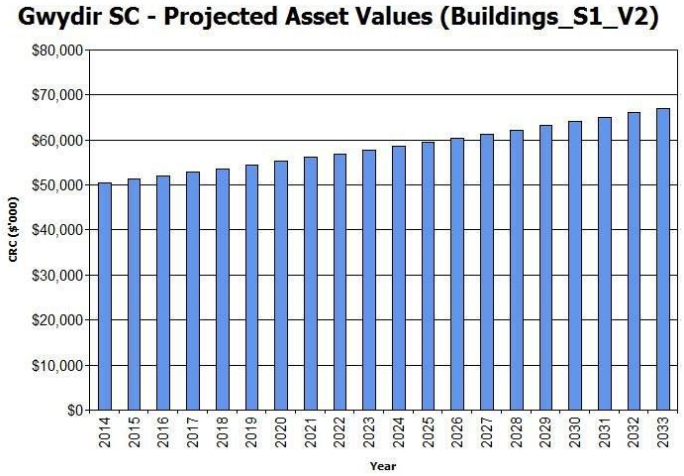
After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in the organisation's 10 year long term financial plan.

6.3 Valuation Forecasts

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

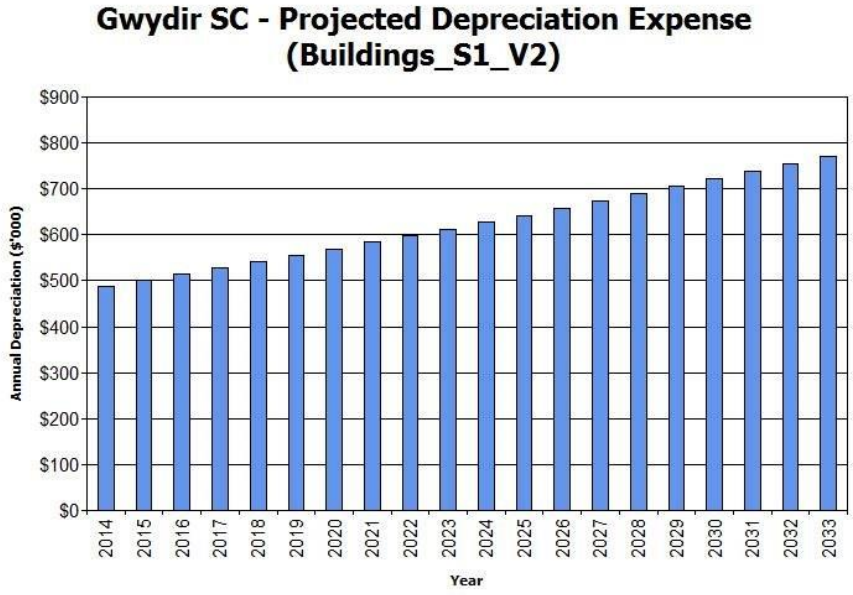
the organisation. Figure 9 shows the projected replacement cost asset values over the planning period in real values.

Figure 9: Projected Asset Values



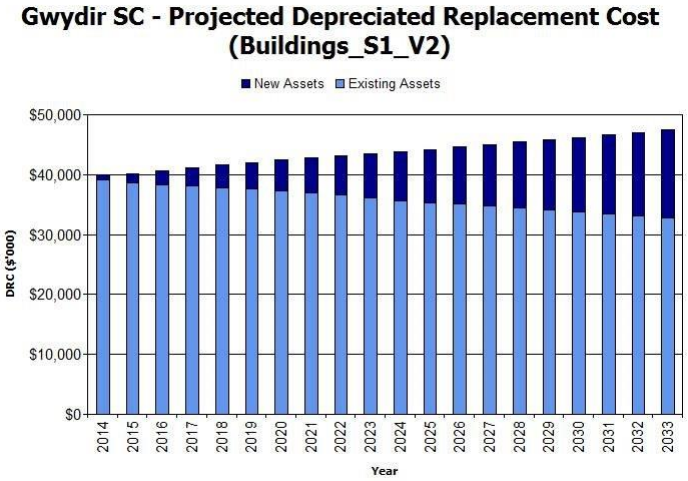
Depreciation expense values are forecast in line with asset values as shown in Figure 10.

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
Percentage increase in asset values of 1.5%	Could be higher, 1.5% is conservative.
Useful life of assets	Could change with technology and work practices

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.

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

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 6.5.

Table 6.5.1: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Growth projections	B	Sourced from census
Operations expenditures	B	Sourced from audited financial report
Maintenance expenditures	B	Sourced from audited financial report
Projected Renewal exps. - Asset values	B	Sourced from adopted LTFP
- Asset residual values	A	Sourced from audited APV Valuers revaluation of Building Assets for 30th June 2013
- Asset useful lives	A	Sourced from audited APV Valuers revaluation of Building Assets for 30th June 2013
- Condition modelling	B	Based on visual inspection and department knowledge.
- Network renewals	B	Based on condition inspection and LTFP forecasts
- Defect repairs	C	Based on work completed
Disposal revenue	B	Based on qualified valuers report

Over all data sources, the data confidence is assessed as high 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

Council currently uses Civica's finance system to record and report financial transactions.

Accountabilities for financial systems

Council's Corporate Services Director is responsible for the financial systems of Council.

Accounting standards and regulations

Council is required to prepare their financial statements in accordance with all relevant Australian Accounting Standards, these include but are not limited to;

- AASB 116 Property, Plant and Equipment.
- AASB 136 Impairment of Assets.
- AASB 1021 Depreciation of Non-Current Assets.
- AASB 1041 Accounting Policies.
- AAS 27 Financial Reporting by Local Government.
- AAS 1010 Recoverable Amounts of Non-Current Assets.
- AAS 1015 Accounting for Acquisition of Assets

Required changes to accounting financial systems arising from this AM Plan

No changes to Council's financial system is required.

7.1.2 Asset management system

Council currently uses Civica's Asset Management module as the Asset management system.

Asset registers

Asset registers are recorded within the Civica AM module.

Linkage from asset management to financial system

The Asset and Financial systems are both linked through the use of Civica modules.

Accountabilities for asset management system and data maintenance

Accountability for the asset management system is the responsibility of the Corporate Asset and Risk Manager.

Required changes to asset management system arising from this AM Plan

- Full utilisation of all components of the AM module.

- GIS links for easier asset location which improves rates of information reliability.

- Link customer requests with specific assets to give a better service indicator.

7.2 Improvement Program

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	Fully utilise AM module	CARM	Internal	Jan 2015
2	Improve maintenance and renewal reporting back to AM Department	CARM/MBS	Internal	June 2014
3	Link Assets with GIS System for better mapping	CARM/GIS	Internal	Jan 2015
4	Implement documented procedure for capitilisation	DCS/CARM/MBS	Internal	July 2014

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 of 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 the organisation's long term financial plan,
The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan,
The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans,
The Asset Renewal Funding Ratio achieving the target of 1.0.

8. REFERENCES

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

IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus.

IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.

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

Organisation, 'Strategic Plan 20XX – 20XX',

Organisation, 'Annual Plan and Budget'.

9. APPENDICES

Appendix A Maintenance Response Levels of Service

Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Appendix C Budgeted Expenditures Accommodated in LTFP

Appendix D Abbreviations

Appendix E Glossary

Appendix A Maintenance Response Levels of Service

To be developed

Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost ($)	Useful Life (Years)
8293		Crooble Public Hall - Floor Coverings			-37	1977	$54,087	15
						Subtotal	**$54,087**	
8436		Bingara Hatchery Main Building And Shed - Floor Co			-34	1980	$10,897	15
						Subtotal	**$10,897**	
8398		Bingara Staff Amenities And Store Keepers Office			-32	1982	$6,311	15
8294		Crooble Public Hall - Internal Structures			-32	1982	$3,818	20
						Subtotal	**$10,129**	
8399		Bingara Staff Amenities And Store Keepers Office			-27	1987	$386	20
8524		Bingara Caretakers Residence - Floor Coverings			-27	1987	$3,654	15
8385		Bingara Central Garage (Offices And Storage) - Flo			-27	1987	$64,976	15
8545		Bingara St Marys School Complex Incl. Hall & Tucks			-27	1987	$27,925	15
8302		Gravesend Rsl Hall - Internal Structures			-27	1987	$2,410	20
8280		North Star Depot/Store - Internal Structures			-27	1987	$261	20
8283		North Star Public Hall - Floor Coverings			-27	1987	$65,312	15
8265		Warialda Aged Units 1, 2 - Floor Coverings			-27	1987	$5,527	15
8686		Warialda Aged Units 3, 4 - Floor Coverings			-27	1987	$4,761	15
8681		Warialda Aged Units 5, 6 - Floor Coverings			-27	1987	$5,527	15
						Subtotal	**$180,739**	
8516		Bingara Administration Building - Bingara Showgrou			-25	1989	$1,546	20
						Subtotal	**$1,546**	
8401		Bingara Staff Amenities And Store Keepers Office			-22	1992	$24,601	25
8525		Bingara Caretakers Residence - Internal Structures			-22	1992	$526	20
8386		Bingara Central Garage (Offices And Storage) - Int			-22	1992	$2,872	20
8390		Bingara Court House - Floor Coverings			-22	1992	$100,532	15

8394	Bingara Court House - Other Services	-22	1992	$3,705	15
8419	Bingara Hacc Offices - Floor Coverings	-22	1992	$23,271	15
8423	Bingara Hacc Offices - Other Services	-22	1992	$858	15
8462	Bingara National Bank And Residence - Floor Coveri	-22	1992	$89,804	15
8466	Bingara National Bank And Residence - Other Servic	-22	1992	$3,308	15
8477	Bingara Pre School Main Building - Floor Coverings	-22	1992	$34,086	15
8487	Bingara Senior Citizens Centre - Floor Coverings	-22	1992	$25,422	15
8546	Bingara St Marys School Complex Incl. Hall & Tucks	-22	1992	$1,235	20
8528	Bingara Whitfeld Place Aged Care Units (X 6) - Fl	-22	1992	$14,536	15
8305	Coolatai Public Hall - Internal Structures	-22	1992	$6,479	20
8290	Croppa Ck Public Hall - Golf Club Road - Internal	-22	1992	$11,285	20
8284	North Star Public Hall - Internal Structures	-22	1992	$4,610	20
8266	Warialda Aged Units 1, 2 - Internal Structures	-22	1992	$795	20
8687	Warialda Aged Units 3, 4 - Internal Structures	-22	1992	$685	20
8682	Warialda Aged Units 5, 6 - Internal Structures	-22	1992	$795	20
8250	Warialda Staff Amenities(Adjacent To Office) - Int	-22	1992	$850	20
			Subtotal	**$350,255**	
8439	Bingara Bingara Arts Centre Building - Floor Cove	-17	1997	$50,450	15
8388	Bingara Central Garage (Offices And Storage) - Mec	-17	1997	$31,462	25
8391	Bingara Court House - Internal Structures	-17	1997	$4,445	20
8337	Bingara Disabled Amenities Block - Floor Coverings	-17	1997	$2,003	25
8420	Bingara Hacc Offices - Internal Structures	-17	1997	$1,028	20
8463	Bingara National Bank And Residence - Internal Str	-17	1997	$3,970	20
8478	Bingara Pre School Main Building - Internal Struct	-17	1997	$1,507	20
8488	Bingara Senior Citizens Centre - Internal Structur	-17	1997	$1,124	20
8529	Bingara Whitfeld Place Aged Care Units (X 6) - In	-17	1997	$2,276	20
8268	Warialda Aged Units 1, 2 - Mechanical Services	-17	1997	$6,633	25

8689	Warialda Aged Units 3, 4 - Mechanical Services	-17	1997	$5,713	25
8684	Warialda Aged Units 5, 6 - Mechanical Services	-17	1997	$6,633	25
8255	Warialda Fire Station - Floor Coverings	-17	1997	$5,324	15
8225	Warialda Public Hall - Internal Structures	-17	1997	$16,472	20
			Subtotal	**$139,040**	
8562	Tennis Courts/Pavilion - Floor Coverings	-16	1998	$18,768	15
8191	War CCL Chamber - Other Services	-16	1998	$9,080	15
			Subtotal	**$27,848**	
8299	Gravesend Public Hall - Roof	-15	1999	$63,798	40
8320	Warialda Shop & Sheds (Leased Building) Bradburn	-15	1999	$20,293	40
			Subtotal	**$84,090**	
8452	Bingara Sulky Shed - Roof	-13	2001	$7,698	40
			Subtotal	**$7,698**	
8440	Bingara Bingara Arts Centre Building - Internal S	-12	2002	$3,561	20
8495	Bingara Bull Stand - Bingara Showground - Roof	-12	2002	$38,621	40
8393	Bingara Court House - Mechanical Services	-12	2002	$48,679	25
8470	Bingara Cunningham Park Public Privy - Floor Cover	-12	2002	$3,279	25
8407	Bingara Fuel Store - Roof	-12	2002	$3,308	40
8454	Bingara Old Blacksmiths Shop - Roof	-12	2002	$15,553	40
8480	Bingara Pre School Main Building - Mechanical Serv	-12	2002	$16,505	25
8456	Bingara School Building - Roof	-12	2002	$6,068	40
8490	Bingara Senior Citizens Centre - Mechanical Servic	-12	2002	$12,310	25
8501	Bingara Shed 1 - Bingara Showground - Roof	-12	2002	$36,437	40
8500	Bingara Shed 2 - Bingara Showground - Roof	-12	2002	$27,169	40
8498	Bingara Shed 3 - Bingara Showground - Roof	-12	2002	$32,698	40
8497	Bingara Shed 4 - Bingara Showground - Roof	-12	2002	$22,036	40
8494	Bingara Shed 6 - Bingara Showground - Roof	-12	2002	$28,276	40
8709	Bingara Shed 7 - Bingara Showground - Roof	-12	2002	$21,554	40
8531	Bingara Whitfeld Place Aged Care Units (X 6) - Me	-12	2002	$18,961	25

8295	Crooble Public Hall - Roof	-12	2002	$54,883	40
8635	Historical School House - Roof	-12	2002	$13,268	40
8312	North Star Tharawonga Mobile Preschool Office & St	-12	2002	$1,072	20
8260	Warialda Aged Unit 1 - Floor Coverings	-12	2002	$2,490	15
8698	Warialda Aged Unit 5 - Floor Coverings	-12	2002	$2,490	15
8703	Warialda Aged Unit 6 - Floor Coverings	-12	2002	$2,490	15
8746	Warialda Aged Unit 7 - Floor Coverings	-12	2002	$2,715	15
8668	Warialda Aged Units 2,3 and 4 - Floor Coverings	-12	2002	$7,217	15
8195	Warialda Caravan Park Amenities Block - Floor Cove	-12	2002	$4,736	15
8315	Warialda Caretaker'S Residence - Floor Coverings	-12	2002	$6,204	15
8256	Warialda Fire Station - Internal Structures	-12	2002	$833	20
			Subtotal	**$433,413**	
8189	Bing CCL Chamber - Fitout Internal Screens	-11	2003	$6,868	20
8190	Roxy - Fitout Internal Screens	-11	2003	$47,312	20
8563	Tennis Courts/Pavilion - Internal Structures	-11	2003	$1,325	20
8185	War CCL Chamber - Fitout Internal Screens	-11	2003	$38,138	20
			Subtotal	**$93,643**	
8405	Bingara Garages (13 Bay) - Roof	-10	2004	$20,088	40
8432	Bingara Grandstand - Roof	-10	2004	$34,076	40
8298	Gravesend Public Hall - Internal Structures	-10	2004	$4,438	45
724	Warialda Shop & Sheds (Leased Building) Bradburn	-10	2004	$28,588	45
			Subtotal	**$87,190**	
8719	Bingara Hatchery Double Garage - Roof	-9	2005	$2,694	40
8437	Bingara Hatchery Main Building And Shed - Roof	-9	2005	$10,737	40
8717	Bingara Hatchery Store Shed - Roof	-9	2005	$3,970	40
8409	Bingara Pipe Shed - Roof	-9	2005	$6,781	40
			Subtotal	**$24,181**	
8334	Bingara Caravan Park Main Amenities Block - Floo	-7	2007	$13,936	25
8400	Bingara Staff Amenities And Store Keepers Office	-7	2007	$11,141	40

8503	Bingara Announcement And Judges Block - Bingara Sh	-7	2007	$1,981	40
8485	Bingara Bingara Sale Yards Kiosk And Toilets - Roo	-7	2007	$5,119	40
8403	Bingara Fire Equipment Shed - Roof	-7	2007	$6,223	40
750	Bingara Fuel Store - Envelope	-7	2007	$4,661	45
8425	Bingara Glacial Area Public Privy: Male And Female	-7	2007	$943	40
8449	Bingara Museum Main Building - Roof	-7	2007	$33,035	40
8451	Bingara Preparation Building - Roof	-7	2007	$6,945	40
8460	Bingara Public Privy Myall Creek - Roof	-7	2007	$660	40
795	Bingara Shed 6 - Bingara Showground - Envelope	-7	2007	$22,621	45
8548	Bingara St Marys School Complex Incl. Hall & Tucks	-7	2007	$10,141	35
8552	Bingara St Mary's Three Storage Sheds - Roof	-7	2007	$2,395	40
8507	Bingara Wool Pavilion - Bingara Showground - Roof	-7	2007	$7,634	40
8413	Bingara Works Office (Old S.E.S. Building) - Floor	-7	2007	$4,255	15
708	Crooble Public Hall - Envelope	-7	2007	$117,188	45
8303	Gravesend Rsl Hall - Roof	-7	2007	$34,637	40
8281	North Star Depot/Store - Roof	-7	2007	$3,236	40
8261	Warialda Aged Unit 1 - Internal Services	-7	2007	$390	20
8699	Warialda Aged Unit 5 - Internal Structures	-7	2007	$390	20
8704	Warialda Aged Unit 6 - Internal Structures	-7	2007	$390	20
8747	Warialda Aged Unit 7 - Internal Screens	-7	2007	$426	20
8669	Warialda Aged Units 2,3 and 4 - Internal Structure	-7	2007	$1,130	20
8196	Warialda Caravan Park Amenities Block -Internal St	-7	2007	$5,682	20
8316	Warialda Caretaker'S Residence - Internal Structur	-7	2007	$893	20
8258	Warialda Fire Station - Mechanical Services	-7	2007	$6,945	25
8270	Warialda Pre-School - Floor Coverings	-7	2007	$16,850	15
8287	Yallaroi Public Hall - Internal Structures	-7	2007	$5,968	20
			Subtotal	**$325,814**	
8574	Driver Reviver Station - Roof	-6	2008	$6,073	40
8193	Roxy - Other Services	-6	2008	$14,869	25
			Subtotal	**$20,942**	

8515	Bingara Administration Building - Bingara Showgrou	-5	2009	$15,778	40
749	Bingara Garages (13 Bay) - Envelope	-5	2009	$28,298	45
767	Bingara Grandstand - Envelope	-5	2009	$66,212	45
8411	Bingara Truck Park Bay No 2 - Roof	-5	2009	$6,080	40
			Subtotal	**$116,368**	
8214	Bingara Hatchery Double Garage - Envelope	-4	2010	$3,796	45
769	Bingara Hatchery Main Building And Shed - Envelope	-4	2010	$23,184	45
8213	Bingara Hatchery Store Shed - Envelope	-4	2010	$5,594	45
752	Bingara Pipe Shed - Envelope	-4	2010	$9,713	45
			Subtotal	**$42,286**	
8505	Bingara Amenities Block - Bingara Showground - Roo	-2	2012	$3,169	40
801	Bingara Announcement And Judges Block - Bingara Sh	-2	2012	$3,848	45
8526	Bingara Caretakers Residence - Roof	-2	2012	$15,128	40
8387	Bingara Central Garage (Offices And Storage) - Roo	-2	2012	$67,370	40
8338	Bingara Disabled Amenities Block - Roof	-2	2012	$2,050	40
748	Bingara Fire Equipment Shed - Envelope	-2	2012	$8,767	45
8518	Bingara Grandstand - Bingara Showground - Roof	-2	2012	$50,794	40
755	Bingara Gravel Gangers Office - Envelope	-2	2012	$0	50
8679	Bingara Gwydir Oval Scout Hall - Roof	-2	2012	$26,548	40
8427	Bingara Gwydir Oval Toilet Block And Ammenities -	-2	2012	$10,185	40
8422	Bingara Hacc Offices - Mechanical Services	-2	2012	$8,451	35
8448	Bingara Museum Main Building - Internal Structures	-2	2012	$3,237	45
8468	Bingara NAB Garage - Roof	-2	2012	$4,187	40
8465	Bingara National Bank And Residence - Mechanical S	-2	2012	$32,612	35
8482	Bingara Public Privy Maitland Street - Floor Cover	-2	2012	$4,007	25
8675	Bingara St Marys School Complex Hall & Tuckshop -	-2	2012	$27,477	40
8410	Bingara Truck Park Bay No 1 - Roof	-2	2012	$13,197	40
8414	Bingara Works Office (Old S.E.S. Building) - Inter	-2	2012	$616	20
8219	Caravan Park Cabins X 3 - Floor Coverings	-2	2012	$3,882	15

8306	Coolatai Public Hall - Roof	-2	2012	$66,140	40
8291	Croppa Ck Public Hall - Golf Club Road - Roof	-2	2012	$115,208	40
704	North Star Depot/Store - Envelope	-2	2012	$4,589	45
8285	North Star Public Hall - Roof	-2	2012	$66,273	40
8759	Store Shed - Roof	-2	2012	$2,268	40
8263	Warialda Aged Unit 1 - Mechanical Services	-2	2012	$3,248	25
8701	Warialda Aged Unit 5 - Mechanical Services	-2	2012	$3,248	25
8706	Warialda Aged Unit 6 - Mechanical Services	-2	2012	$3,248	25
8749	Warialda Aged Unit 7 - Mechanical Services	-2	2012	$3,542	25
8267	Warialda Aged Units 1, 2 - Roof	-2	2012	$22,882	40
8671	Warialda Aged Units 2,3 and 4 - Mechanical Service	-2	2012	$9,413	25
8688	Warialda Aged Units 3, 4 - Roof	-2	2012	$19,711	40
8683	Warialda Aged Units 5, 6 - Roof	-2	2012	$22,882	40
8318	Warialda Caretaker'S Residence - Mechanical Servic	-2	2012	$7,445	25
8731	Warialda Plant/Store - Roof	-2	2012	$6,712	40
8271	Warialda Pre-School - Internal Structures	-2	2012	$4,044	20
8251	Warialda Staff Amenities(Adjacent To Office) - Roo	-2	2012	$8,678	40
8276	Warialda Swimming Pool Office/Dressing Sheds - Roo	-2	2012	$21,755	40
			Subtotal	**$676,812**	
8569	Amenities/Basketball & Indoor Cricket Stadium - Ro	-1	2013	$150,774	40
			Subtotal	**$150,774**	
8492	Bingara Showgrounds Food Pavilion - Roof	0	2014	$25,461	40
			Subtotal	**$25,461**	
8383	Bingara Civic Centre One Storey Building - Roof	1	2015	$135,747	40
8578	RFS Bangheet Shed - Roof	1	2015	$6,633	40
668	Roxy Cafe - Floor Coverings	1	2015	$0	10
8228	Warialda Depot Office And Store - Floor Coverings	1	2015	$16,046	15
8234	Warialda Workshop And Amenities - Floor Coverings	1	2015	$27,827	15
			Subtotal	**$186,253**	
8396	Bingara Shire Depot And Workshop Workshop And Sto	3	2017	$82,319	40
744	Bingara Central Garage (Offices And Storage) - Env	3	2017	$146,368	45

8392	Bingara Court House - Roof	3	2017	$103,706	40
8471	Bingara Cunningham Park Public Privy - Roof	3	2017	$3,354	40
8678	Bingara Gwydir Oval Scout Hall - Internal Structur	3	2017	$1,847	45
8421	Bingara Hacc Offices - Roof	3	2017	$24,005	40
8479	Bingara Pre School Main Building - Roof	3	2017	$35,342	40
8489	Bingara Senior Citizens Centre - Roof	3	2017	$26,359	40
8674	Bingara St Marys School Complex Hall & Tuckshop -	3	2017	$1,912	45
8530	Bingara Whitfeld Place Aged Care Units (X 6) - Ro	3	2017	$56,568	40
8220	Caravan Park Cabins X 3 - Internal Structures	3	2017	$558	20
707	Croppa Ck Public Hall - Golf Club Road - Envelope	3	2017	$218,659	45
8217	Store Shed - Envelope	3	2017	$3,196	45
727	Warialda Noxious Weeds Storage Depot - 124 Stephen	3	2017	$0	50
702	Warialda Plant/Store - Envelope	3	2017	$9,456	45
8273	Warialda Pre-School - Mechanical Services	3	2017	$1,498	25
8226	Warialda Public Hall - Roof	3	2017	$236,777	40
8244	Warialda Ses Shed - Floor Coverings	3	2017	$15,407	15
			Subtotal	**$967,331**	
3464	Amenities/Basketball & Indoor Cricket Stadium - En	4	2018	$325,551	45
8183	Bing CCL Chamber - Floor Coverings	4	2018	$155,360	15
8179	War CCL Chamber - Floor Coverings	4	2018	$57,077	15
8181	War HACC - Floor Coverings	4	2018	$17,250	15
8662	Warialda Library - Floor Coverings	4	2018	$32,933	15
			Subtotal	**$588,171**	
8443	Bingara Medical Centre Building - Floor Coverings	5	2019	$29,172	15
709	Gravesend Public Hall - Envelope	5	2019	$136,225	60
8296	Gravesend Public Hall - Floor	5	2019	$87,652	60
			Subtotal	**$253,049**	
8382	Bingara Civic Centre One Storey Building - Interna	6	2020	$13,297	45
3581	RFS Bangheet Shed - Envelope	6	2020	$9,344	45
8184	Roxy - Floor Coverings	6	2020	$168,969	15
8229	Warialda Depot Office And Store - Internal Struct	6	2020	$1,782	20

8235	Warialda Workshop And Amenities - Internal Struct	6	2020	$3,092	20
			Subtotal	**$196,484**	
8533	Bingara R.F.S. Headquarters - Floor Coverings	7	2021	$14,858	15
8539	Bingara S.E.S. Building - Floor Coverings	7	2021	$10,449	15
			Subtotal	**$25,307**	
8335	Bingara Caravan Park Main Amenities Block - Roof	8	2022	$14,252	40
746	Bingara Shire Depot And Workshop Workshop And Sto	8	2022	$115,968	45
8441	Bingara Bingara Arts Centre Building - Roof	8	2022	$51,193	40
8511	Bingara Cattle Pavilion - Bingara Showground - Roo	8	2022	$12,340	40
776	Bingara Old Blacksmiths Shop - Envelope	8	2022	$12,443	60
777	Bingara School Building - Envelope	8	2022	$11,791	60
8455	Bingara School Building - Floor	8	2022	$8,170	60
751	Bingara Service Area And Cement Shed - Envelope	8	2022	$0	50
799	Bingara Shed 2 - Bingara Showground - Envelope	8	2022	$21,735	60
797	Bingara Shed 4 - Bingara Showground - Envelope	8	2022	$17,630	60
756	Bingara Time Sheet Shed - Envelope	8	2022	$0	50
8522	Bingara Toiletblock 2 - Bingara Showground - Roof	8	2022	$10,410	40
8222	Caravan Park Cabins X 3 - Mechanical Services	8	2022	$4,657	25
8292	Crooble Public Hall - Floor	8	2022	$75,404	60
8062	Historical School House - Envelope	8	2022	$25,780	60
8634	Historical School House - Floor	8	2022	$17,863	60
8637	Medical Centre Building - Floor Coverings	8	2022	$26,561	15
8642	Medical Centre Building - Other Services	8	2022	$2,066	15
8278	North Star Caravan Park Amenities - Roof	8	2022	$4,923	40
8313	North Star Tharawonga Mobile Preschool Office & St	8	2022	$10,946	40
8257	Warialda Fire Station - Roof	8	2022	$20,718	40
8245	Warialda Ses Shed - Internal Structures	8	2022	$1,712	20
			Subtotal	**$466,561**	
8651	Council Archive Building - Roof	9	2023	$7,179	40
8182	NAROO - Floor Coverings	9	2023	$219,238	15

8192	NAROO - Other Services	9	2023	$8,163	15
8572	Nicholson Oval - Kiosk/Amenities - Roof	9	2023	$47,329	40
8729	Roxy - Roof	9	2023	$214,027	40
8564	Tennis Courts/Pavilion - Roof	9	2023	$19,044	40
8188	War HACC - Fitout Internal Screens	9	2023	$763	20
671	War Squash Ctr - Mech Service	9	2023	$0	25
8663	Warialda Library - Internal Structures	9	2023	$17,003	20
			Subtotal	**$532,745**	
			Program Total	**$6,079,116**	

Appendix C Budgeted Expenditures Accommodated in LTFP

NAMS.PLUS2 Asset Management **Gwydir SC**

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Buildings_S1_V2 Asset Management Plan

IPWEA INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA

First year of expenditure projections **2014** (financial yr ending)

Buildings

Asset values as at end financial year 2013

Current replacement cost	$49,797	(000)	$49,797 (000) Calc CRC from Asset Register
Depreciable amount	$28,229	(000)	This is a check for you.
Depreciated replacement cost	$39,279	(000)	
Annual depreciation expense	$489	(000)	

Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.28%
Additional maintenance	1.56%
Additional depreciation	1.73%

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 **2014** values

Financial year ending	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Expenditure Outlays included in Long Term Financial Plan (in current $ values)										
Operations										
Operations **budget**	$133	$123	$126	$130	$133	$137	$141	$146	$150	$155
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	$133	$123	$126	$130	$133	$137	$141	$146	$150	$155
Maintenance										
Reactive maintenance **budget**	$88	$82	$84	$87	$89	$91	$94	$97	$100	$103
Planned maintenance **budget**	$663	$614	$632	$650	$667	$686	$707	$729	$752	$773
Specific maintenance items **budget**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total maintenance	$751	$696	$716	$737	$756	$777	$801	$826	$852	$876
Capital										
Planned renewal **budget**	$377	$0	$133	$256	$274	$179	$159	$202	$81	$65
Planned upgrade/new **budget**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Non-growth contributed asset value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Disposals										
Est Cost to dispose of assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Carrying value (DRC) of disposed assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Appendix E Abbreviations

AAAC	Average annual asset consumption
AM	Asset management
AM Plan	Asset management plan
ARI	Average recurrence interval
ASC	Annual service cost
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DRC	Depreciated replacement cost
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
LTFP	Long term financial plan
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SoA	State of the Assets
SS	Suspended solids
vph	Vehicles per hour
WDCRD	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:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of business.

Key performance indicator
A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of service
The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Life Cycle Cost *
1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure
The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

Loans / borrowings
See borrowings.

Maintenance
All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- **Planned maintenance**
  Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.
- **Reactive maintenance**
  Unplanned repair work that is carried out in response to service requests and management/ supervisory directions.
- **Specific maintenance**
  Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.
- **Unplanned maintenance**
  Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance expenditure *
Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality
The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset
Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)
The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Non-revenue generating investments
Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the organisation, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations
Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

Operating expenditure
Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense
The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Operating expenses
Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

Operations, maintenance and renewal financing ratio
Ratio of estimated budget to projected expenditure for operations, maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

Operations, maintenance and renewal gap
Difference between budgeted expenditures in a long term financial plan (or estimated future budgets in absence of a long term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Pavement management system (PMS)
A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score
A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption *
The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal *
The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *
A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Recoverable amount
The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure
Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding
Funding to pay for recurrent expenditure.

Rehabilitation
See capital renewal expenditure definition above.

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

Renewal
See capital renewal expenditure definition above.

Residual value
The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue generating investments
Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management
The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment
A self-contained part or piece of an infrastructure asset.

Service potential
The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit

sector/public sector to value assets, particularly those not producing a cash flow.

Service potential remaining
A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

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

Strategic Longer-Term Plan
A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Sub-component
Smaller individual parts that make up a component part.

Useful life
Either:
(a) the period over which an asset is expected to be available for use by an entity, or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the organisation.

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, AIFMG Glossary

Additional and modified glossary items shown *