



# ASSET MANAGEMENT PLAN

## FOOTWAYS (Sealed, Unsealed & Unformed)



**Document Control**

Document ID: amp - footways - draft1.0

Rev No	Date	Revision Details	Author	Reviewer	Approver
Draft1.0	April 2017	Issued for review by Steering Committee	KLB	PEH	
Draft1.1	April 2017	Issued for Public Consultation	KLB	PEH	Council
V1.0	June 2017	Adopted by Council	KLB	PEH	Council

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# 1. EXECUTIVE SUMMARY

## Statement

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement, often with relatively lean budgets

The Footways asset class presents its own set of particular challenges. Footways or footpaths provide numerous benefits to the broader community. They can be a means of transportation without the need for a car, or provide infrastructure for recreational purposes. Children can safely walk to school and the elderly can access nearby health facilities independently without the need of a vehicle. Providing and maintaining infrastructure for this service can be a fine balancing act. Existing services need to be maintained and renewed, whilst new services must be provided to fill gaps in the network, all within a limited funding pool.

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers Council (LGPMC) require councils to adopt a longer-term approach to service delivery.

## Introduction

Wattle Range Council was formed on 1 July 1997 following the amalgamation of the former District Councils of Beachport, Millicent and Penola. The WRC region is home to around 12,000 residents and stretches from the Victorian border to the South Australian coastline, producing a huge array of products for both local and export markets. With such a diverse region spread over a large area, it becomes a complex exercise to ensure all community services are funded and maintained to a high level of service.

The asset management process commenced a number of years ago with the adoption of the Asset Management Policy in 2013 and the Asset Management Strategy in 2014. WRC staff are now working towards generating asset management plans for each individual asset class.

WRC have approximately 60km of footways, including sealed, unsealed and naturally formed. A recent mapping exercise has revealed various gaps in the networks, with staff working towards closing these gaps as detailed further in this plan.

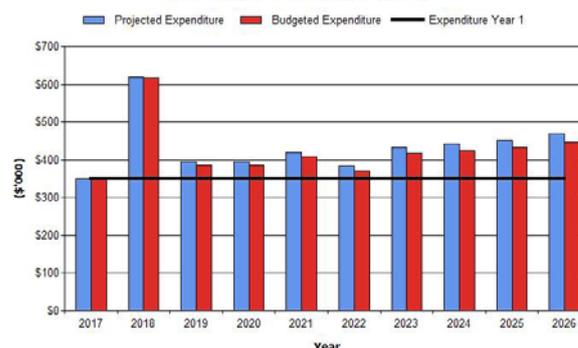
These infrastructure assets have a replacement value of \$7,775,505.

## 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 \$4,360,000 or \$436,000 on average per year.

Estimated available funding for this period is \$4,239,000 or \$424,000 on average per year which is 97% of the cost to provide the service. This is a funding shortfall of \$12,000 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.

Wattle Range - Projected and Budget Expenditure for (2017\_Footways\_S2\_V1)



## What we will do

We plan to provide Footways services for the following:

- Operation, maintenance, renewal and upgrade of footways to meet service levels set by Council in annual budgets.
- An average of \$100,000 per year to be allocated to new/upgrade footways within the 10 year planning period.

## What we cannot do

We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Urban CBD renewal across the three main townships of Beachport, Millicent and Penola in a short time frame
- Close all the existing network gaps

## 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:

- Long term funding shortfalls
- Material availability
- Customer dissatisfaction with new/upgrade prioritisation
- 100% compliance with the Disability Discrimination Act (ie pram ramps) within the timing of this plan

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

- Regular condition assessments to ensure renewal works are targeted
- Allowing for the provision of DDA complaint pram ramps within the renewal scope of works
- Identifying and prioritising construction of DDA compliant pram ramps outside renewal schedules, especially for high use areas
- Undertake a follow-up community survey in approximately 4 years to further determine community priorities

## Confidence Levels

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

The data available for this Asset Management Plan was collected and collated by existing Wattle Range Council staff in 2016, by physically walking the network, recording physical parameters and the various defects.

## The Next Steps

The actions resulting from this asset management plan are:

- Establish annual budget targets to ensure future sustainability for footways renewals, for inclusion into the Long Term Financial Plan
- Progressing towards closing network gaps by providing new infrastructure to link to the existing infrastructure
- Review maintenance and operations activities and budgets in the aim to achieve a planned maintenance program, and reducing reactive maintenance



## Questions you may have

### What is this plan about?

This asset management plan covers the infrastructure assets that serve the Wattle Range Council community's Footway needs. These assets include sealed, unsealed and naturally formed footways throughout the community area. These assets enable people to move safely about the area without the need for a road vehicle. It should be noted that naturally formed footways are unfunded and do not contribute to any financial data detailed in this plan.

### 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 would there be a funding shortfall?

Most of the Council's Footways network was constructed primarily from council funds, supplemented by 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.

### What options do we have?

Resolving a 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 footway 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 a shortfall?

If a funding shortfall is identified, it is likely that we would have to reduce service levels in some areas, unless new sources of revenue are found. For footways, the service level reduction may include sealed paths reverting to unsealed paths, poorly maintained infrastructure or paths that become overgrown and unsightly.

### What can we do?

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

### What can you do?

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

If you wish to raise any issues, concerns, questions or comments about this plan, please submit them into writing to:

Manager Assets  
Wattle Range Council  
PO Box 27  
Millicent SA 5280

Or via email to:  
[engineering@wattlerange.sa.gov.au](mailto:engineering@wattlerange.sa.gov.au)

### Where to from here?

As our footways maintenance planning is undertaken and formalised, Council are demonstrating their efforts in achieving a wholly sustainable asset class that meets the community's needs. The proposed 10yr renewal plan attached to this document is the initial step in achieving this goal.

## 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<sup>1</sup>.

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

- Wattle Range Council Asset Management Strategy
- Infrastructure Assets Useful Lives – Tonkin Report Ref: 20010640FRIC
- Community Plan 2009-2014 (new revision due FY1718)
- Wattle Range Council Footways Business Process Manual

The infrastructure assets covered by this asset management plan are shown in Table 2.1. These assets are used to provide footways services to the community.

**Table 2.1: Assets covered by this Plan**

Asset category	Dimension	Replacement Value ('000)
Sealed Footways	26.4km	\$ 6,537
Unsealed Footways	29.7km	\$ 1,239
Naturally Formed Footways	1.9km	-
<b>TOTAL</b>		<b>\$ 7,776</b>

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

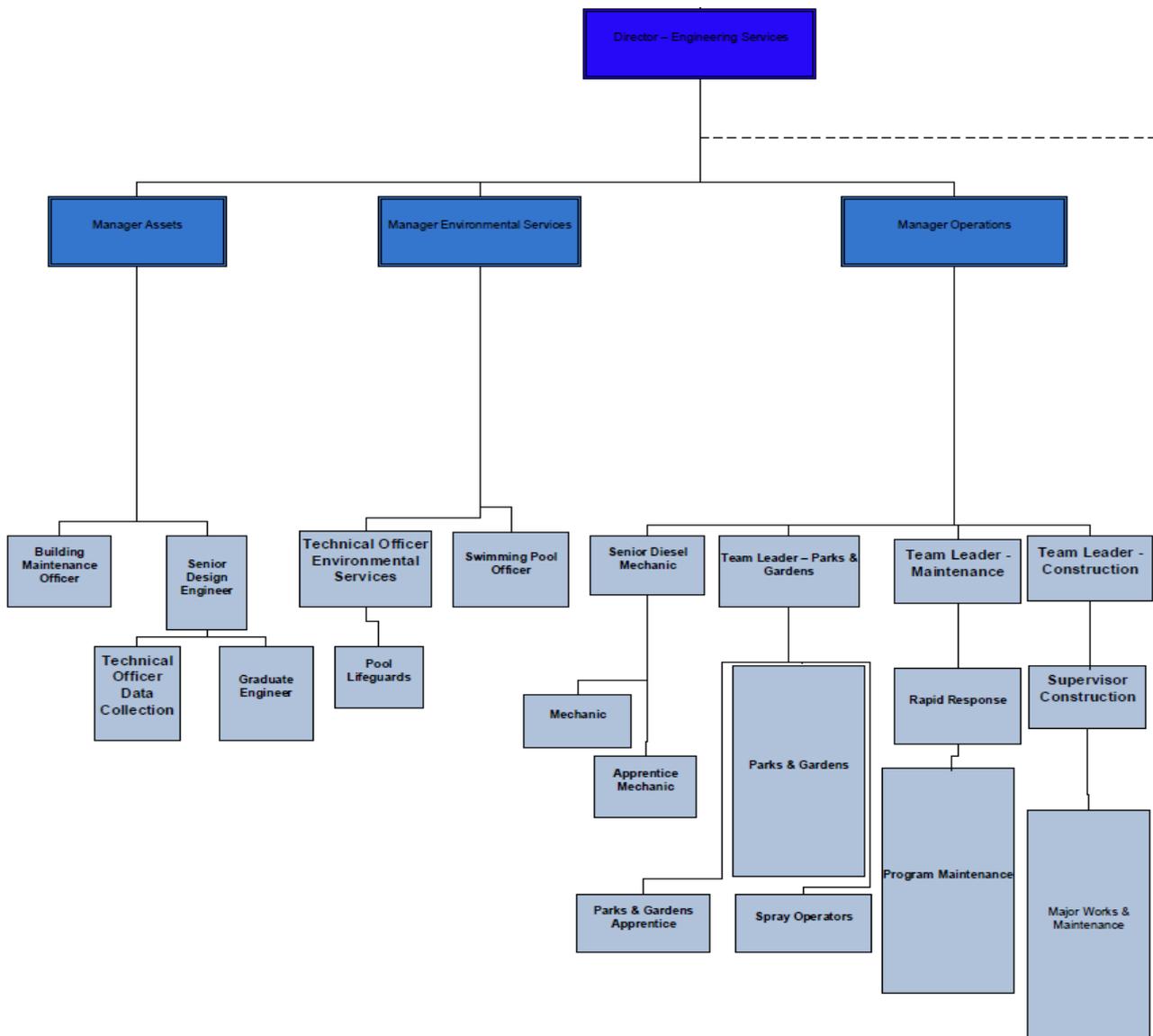
**Table 2.1.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Councillors	<ul style="list-style-type: none"> <li>• Represent needs of community/shareholders,</li> <li>• Allocate resources to meet the organisation's objectives in providing services while managing risks,</li> <li>• Ensure organisation is financial sustainable.</li> </ul>
CEO	<ul style="list-style-type: none"> <li>• Allocate resources to meet the organisations objectives in providing services while managing risks</li> <li>• Ensure organisation is financially sustainable</li> <li>• Provide leadership in influencing decision making processes related to Asset Management</li> </ul>
Director Engineering Services	<ul style="list-style-type: none"> <li>• Overall responsibility for Asset Management</li> <li>• Manage resources and delivery of the organisations objectives in providing services while managing risks</li> <li>• Provide leadership in influencing decision making processes related to Asset Management</li> </ul>

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

Key Stakeholder	Role in Asset Management Plan
Manager Assets	<ul style="list-style-type: none"> <li>• Provide leadership for effective Asset Management</li> <li>• Deliver services in a cost effective and sustainable manner</li> <li>• Improve asset management and risk management performance</li> <li>• Coordinate with Engineers and Data Collection Officers to identify areas of need and process improvement</li> <li>• Deliver nominated renewal and upgrade projects</li> </ul>
Senior Design Engineer	<ul style="list-style-type: none"> <li>• Collate available data and produce Asset Management Plans</li> <li>• Liaise between Manager Assets and Engineer / Data Collection Officers</li> <li>• Report and manage actions resulting from the preparation of Asset Management Plans</li> </ul>
Engineer / Data Collection Officer	<ul style="list-style-type: none"> <li>• Collection and collation of raw data</li> <li>• Data input into collection system</li> <li>• Work towards an overall process improvement in the data management of asset classes</li> </ul>

Our organisational structure for service delivery from infrastructure assets is detailed below;



## 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.<sup>2</sup>

## 2.3 Plan Framework

Key elements of the plan are

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

A road map for preparing an asset management plan is shown below.

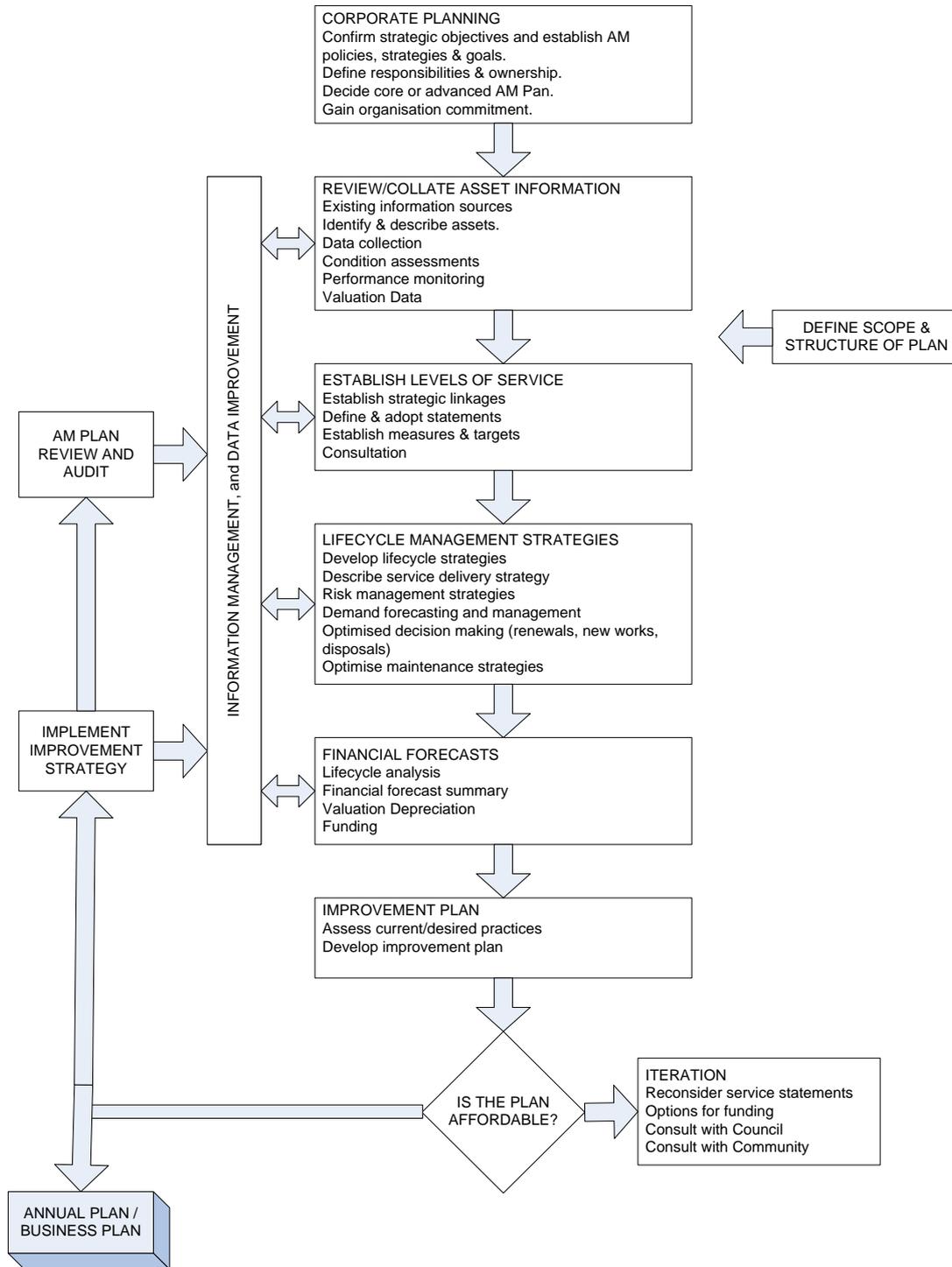
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<sup>2</sup> Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.



**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<sup>3</sup>. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

Future revisions of this asset management plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels in a financially sustainable manner.

## 2.5 Community Consultation

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

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<sup>3</sup> IPWEA, 2011, IIMM.

### 3. LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

A community survey was undertaken in April/May 2016, seeking general feedback about the footpath network in the different townships. The survey was issued directly to the CBD business groups in Beachport, Millicent and Penola, as well as the education and health facilities across the district. It was also advertised in the local newspapers inviting the general public to respond. A total of 253 responses were received, with most coming from the three townships of Millicent, Beachport and Penola.

Specific questions were asked which included frequency, location, availability and perceived safety. General comments and thoughts were also sought regarding where they would like to see footway infrastructure. A summary of the survey is attached in Appendix E of this document.

The general consensus of survey responses indicate there are holes within the network, particularly around recreation and education areas. Another common theme to the responses indicates that the footpaths are perceived as hazardous, being uneven and poorly maintained. Council will use this information to develop new and upgraded infrastructure plans across the region. It will also enable staff to develop more comprehensive maintenance plans to assist in the general upkeep of the existing infrastructure.

#### 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:

*Wattle Range a Great Place to Live and Work*

Our mission is:

*Wattle Range Council in partnership with our community will provide leadership to achieve sustainable management, the provision of appropriate services to our diverse communities, and development opportunities in a responsible manner.*

The mission underpins the vision and also addresses the quadruple bottom line being:

**Social:** *well-being – quality of life*

**Environment:** *the natural character of the region*

**Economic:** *the economic potential and sustainable development opportunities – prosperity*

**Governance:** *financial management and service delivery - leadership*

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



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

Goal	Objective	How Goal and Objectives are addressed in AM Plan
Conduct a review of all Council Assets	Complete and update asset registers and condition ratings on all major classes of assets	<ul style="list-style-type: none"> <li>The plan highlights the importance of quality data, including the regular updating as renewals and upgrades are undertaken. This provides confidence in the data.</li> <li>The spatial data generated prior to the drafting of this plan highlighted how effective mapping tools can be in providing a big picture snapshot of the infrastructure</li> </ul>
Sustainably manage Council's infrastructure	Produce asset management plans for all major classes of assets that are practical and reflect actual conditions and maintenance requirements	<ul style="list-style-type: none"> <li>Recent condition assessment indicates the existing network is in relatively good condition, however also indicates that much of the network is unsealed – not ideal for the community</li> <li>Gaps within the network are apparent, and staff are working to link up the existing network through new and upgrade expenditure.</li> </ul>
Ensure the organisation is financially accountable and sustainable	Utilise asset management plans and perform asset condition assessments and revaluations on a 4 yearly basis	<ul style="list-style-type: none"> <li>Up-to-date revaluations ensure the infrastructure is appropriately valued and costed for future renewals, tying into depreciation rates, ensuring council can adequately fund the full life cycle cost of the infrastructure</li> <li>Differentials in forecast renewal expenditure and forecast budget indicate a need to properly prepare and implement a maintenance, renewal and upgrade plan to ensure future sustainability</li> </ul>
Rationalisation of community assets	Provide only the required level of service and infrastructure to be wholly sustainable as an organisation	<ul style="list-style-type: none"> <li>Identification of network gaps in the infrastructure, plan and formalise maintenance, renewals and upgrades over the long term.</li> </ul>

The organisation will exercise its duty of care to ensure public safety, in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 5.2

### 3.3 Legislative Requirements

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

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Local Government Act	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.
Australian Standards	Various Standards which give the necessary guidelines and specifications for construction requirements
Work Place Health & Safety Act and Regulations	Prescribes the organisational responsibility for work health and safety including individual responsibilities, systems, reporting incidents and non-conformities and corrective actions
Road Traffic Act	An Act to consolidate and amend enactments relating to road traffic; and for any other purpose. Application of Act to vehicle and road users on road.
Australian Road Rules	The Australian Road Rules have been made into Regulations under the Road Traffic Act (SA)
Disability Discrimination Act	An Act to ensure that persons with disabilities are not discriminated against, including the provision for providing suitable public access

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

### 3.4 Community Levels of Service

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

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

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

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

The organisation's current and expected community service levels are detailed in Tables 3.4 and 3.5. Table 3.4 shows the agreed expected community levels of service based on resource levels in the current long-term financial plan and community consultation.

**Table 3.4: Community Level of Service**

Service Attribute	Service Objective	Performance Measure Process	Current Performance	Expected position in 10 years based on current LTFP
<b>COMMUNITY OUTCOMES</b>				
Sustainable – a community that appreciates its natural environment and its physical resources in planning, delivery and protection				
Vibrant – a community that provides high quality infrastructure matched to demand				
<b>COMMUNITY LEVELS OF SERVICE</b>				
Quality	Provide quality footway services	Service requests relating to condition and quality of footways	45 / year	Service requests will remain relatively stable
Quality	Condition measure	Percentage of footway segments in very good/good condition (1,2), average (3) and poor/very poor condition (4,5)	78% good/very good 17% average 5% poor/very poor  High confidence data	Condition will improve as maintenance plans are formalised, and spending is increased
Function	Ensure that footways meet user requirements for travel, time and availability	Customer satisfaction surveys	Refer to Appendix E  General consensus is the footpaths are hazardous and non-existent	Capital new/upgrade expenditure increasing to close network gaps, return unsealed footways to sealed footways. Overall improvement in customer satisfaction
Capacity/ Utilisation	Provide a linked network to enable pedestrian access to the major education, health and CBD areas	Customer satisfaction surveys	Refer to Appendix E  General consensus is the footpaths are hazardous and non-existent	Capital new/upgrade expenditure increasing to close network gaps, return unsealed footways to sealed footways. Overall improvement in customer satisfaction

### 3.5 Technical Levels of Service

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

Technical service measures are linked to annual budgets covering:

- Operations and Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (eg patching and repairing, sweeping etc)
- 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 a 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).

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.<sup>4</sup>

Table 3.5 shows the technical level of service expected to be provided under this AM Plan. The agreed sustainable position in the table documents the position agreed by the Council following community consultation and trade-off of service levels performance, costs and risk within resources available in the long-term financial plan.

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<sup>4</sup> IPWEA, 2011, IIMM, p 2.22



**Table 3.5: Technical Levels of Service**

Service Attribute	Service Objective	Activity Measure Process	Current Performance *	Desired for Optimum Lifecycle Cost **	Agreed Sustainable Position ***
<b>TECHNICAL LEVELS OF SERVICE</b>					
Operations and Maintenance	Footways are safe for users' needs	Regular condition and defect surveys	4 yearly condition assessment	4 yearly condition assessment	
	Maintenance footways	Budget: Patching, spraying, weeding, etc	\$ 168,000	\$ 168,000	
Renewal	Infrastructure meets users' needs	Rate of asset renewal	1.3%	1.5% (forecast to increase if asset stock increases)	
		Budget	Renewal \$ 76,000	Renewal budget increasing over the next 10 years as per forecast expenditure within this document	
Upgrade/New	Upgrade unsealed footways to sealed footways	Prioritisation	To be determined Some upgrade works are included/offset within renewal budget	To be determined	
	Provide new infrastructure to close network gaps	Prioritisation	Upgrade \$ 291,000	Estimated \$ 100,000 on average per year over the next 10 years	

Note: \* Current activities and costs (currently funded).

\*\* Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded).

\*\*\* Activities and costs communicated and agreed with the community as being sustainable (funded position following trade-offs, managing risks and delivering agreed service levels).

## 4. FUTURE DEMAND

### 4.1 Demand Drivers

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

### 4.2 Demand Forecast

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

### 4.3 Demand Impact on Assets

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

**Table 4.3: Demand Drivers, Projections and Impact on Services**

Demand drivers	Present position	Projection	Impact on services
Population number	Decline of approximately 1%	Decline of approximately 1%	Minor decrease in usage of footways
Ageing population	Increase in older demographic population	Increase in older demographics population	Increase in footway usage, higher level of service required
Asset age and renewal schedules	Assets will start to deteriorate at a faster rate	Assets will continue to deteriorate if maintenance is not continued	Reduction in customer service levels
Environmental Awareness	Unknown	General awareness increasing	Increase use of non-motorised transportation methods such as walking
Economic Factors	Motorised transportation costs fluctuate, generally increasing over time	Continual increase in costs	Higher demand for pedestrian/non-motorised transportation routes

### 4.4 Demand Management Plan

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

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

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

<sup>5</sup> IPWEA, 2011, IIMM, Table 3.4.1, p 3|58.

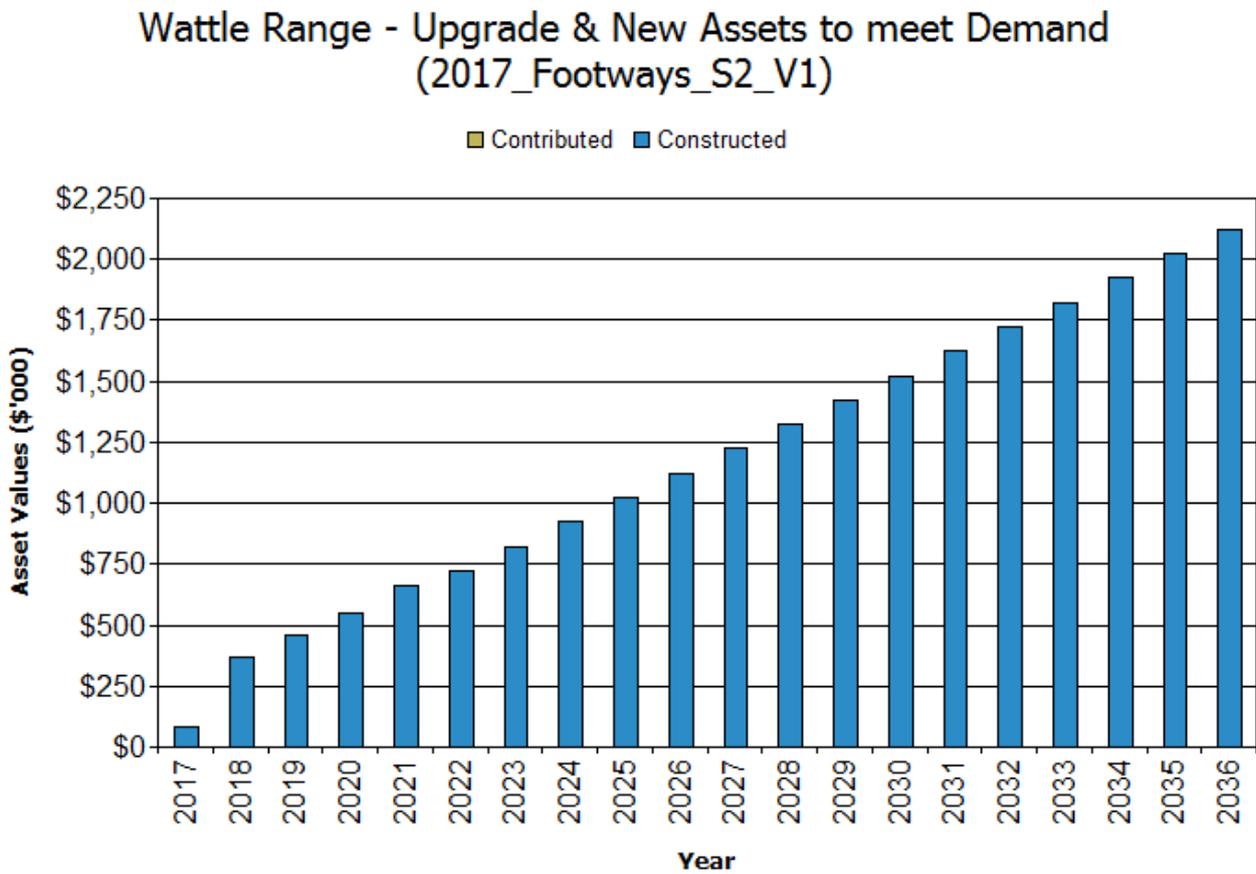
**Table 4.4: Demand Management Plan Summary**

Demand Driver	Impact on Services	Demand Management Plan
Asset age and renewal schedules	Reduction in customer service levels	<ul style="list-style-type: none"> <li>• Develop renewal and/or upgrade plans identifying main footway thoroughfares</li> <li>• Develop routine maintenance plans that include periodic inspections, to ensure any defects are addressed in a timely manner</li> </ul>

### 4.5 Asset Programs to meet Demand

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

**Figure 1: Upgrade and New Assets to meet Demand**



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

For the purposes of this plan, forecast of new/upgrade infrastructure is an estimate only. Council have proposed a number of new and upgrade works for FY1718 based on the feedback provided via the community survey in 2016. Council staff will be working towards an additional new/upgrade footway infrastructure plan for future revisions of this document.

## 5. LIFECYCLE MANAGEMENT PLAN

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

### 5.1 Background Data

#### 5.1.1 Physical parameters

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

There is approximately 60km of footways across the region, with a mix of sealed, unsealed and natural tracks.

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

**Figure 2: Asset Age Profile**

Age profile information is not currently available. An age profile will be developed in future revisions of the asset management plan.

#### 5.1.2 Asset capacity and performance

The organisation's services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Various	Gaps in the footways network, non-continuous footways

The above service deficiencies were identified from feedback provided by community survey responses in 2016.

#### 5.1.3 Asset condition

Condition assessments are undertaken every 4-5 years, with the most recent occurring in 2016. The assessment was undertaken by Council Staff following the Footways Business Process Manual referenced in Section 2.1 of this plan. The defects reported include areas of deformation (trip hazards) and cracking (aesthetics), as an overall percentage of the total segment area. A higher weighting to deformation defects was applied in calculating the overall condition of the segment.

Condition is measured using a 1 – 5 grading system<sup>6</sup> as detailed in Table 5.1.3.

**Table 5.1.3.1: Simple Condition Grading Model**

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

<sup>6</sup> IPWEA, 2011, IIMM, Sec 2.5.4, p 2|79.

**Table 5.1.3.2: Condition Index Summary**

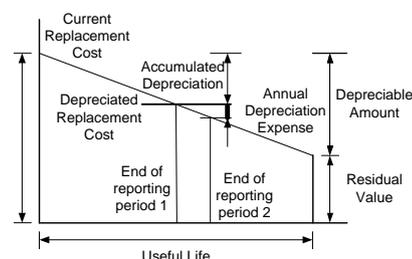
Condition Grading	Description	Percentage of Footway Segments
1	Very Good	64%
2	Good	14%
3	Fair	17%
4	Poor	4%
5	Very Poor	1%

Whilst the overall condition of the footways is generally good or better, feedback from the community indicated otherwise, as seen in Appendix E. Many comments relate to trip hazards or obstacles as the main thoughts behind safety concerns. Some of these can be controlled by regular and ongoing maintenance (i.e. trip hazards), however many of the obstacles relate to other infrastructure such as power and communications. Further investigation into the perceived hazardous conditions is required and will be sought during the next community survey.

#### 5.1.4 Asset valuations

The value of assets recorded in the asset register as at 30 June 2017 covered by this asset management plan is shown below. Assets were last revalued at 30 June 2016. Assets are valued at a fair value cost to replace service capacity.

Current Replacement Cost	\$7,776,000
Depreciable Amount	\$7,776,000
Depreciated Replacement Cost <sup>7</sup>	\$5,966,000
Annual Depreciation Expense	\$ 113,000



Key assumptions made in preparing the valuations were:

- A known supply rate of materials
- Recent historical expenditure data is accurate

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

Rate of Annual Asset Consumption (Depreciation/Depreciable Amount)	1.5%
Rate of Annual Asset Renewal (Capital renewal exp/Depreciable amount)	1.3%

In 2017 the organisation plans to renew assets at 89.4% of the rate they are being consumed and will be increasing its asset stock by 1% in the year.

#### 5.1.5 Historical Data

**Table 5.1.5.1: Historical Annual Expenditure**

Annual Expenditure	Year		
	15/16	14/15	13/14
Annual Depreciation	\$ 123,000	\$ 121,000	\$ 121,000
Annual Maintenance	\$ 109,000	\$ 135,000	\$ 111,000
Asset Renewal	\$ 37,000	\$ 140,000	\$ 111,000
Asset Upgrade/New	\$ 91,000	\$ 0	\$ 0

<sup>7</sup> Also reported as Written Down Current Replacement Cost (WDCRC).

**Table 5.1.5.2: Historical Asset Consumption**

Annual Consumption & Renewal (% of asset value)	Year		
	15/16	14/15	13/14
Asset Consumption	3.14%	3.75%	3.75%
Asset Renewal	0.94%	4.34%	3.44%
Asset Upgrade/New	2.32%	-	-

## 5.2 Infrastructure Risk Management Plan

An assessment of risks 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.

At the time of this plan, Council currently maintain a risk register rather than a Risk Management Plan. The critical risks identified with the Risk Register for footways are listed below.

**Table 5.2: Critical Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk *	Treatment Costs
All footways	Failure to maintain to appropriate standards	H	Develop Asset Management Plan 10 year renewal plan Condition assessments Customer service requests	M	As per renewal costs for specific segments of footway

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

## 5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, eg cleansing, sweeping, spraying and patching.

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.

For the purpose of this plan, Operations and Maintenance falls under the one category.

### 5.3.1 Operations and Maintenance Plan

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

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

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

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

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

Actual past maintenance expenditure is shown in Table 5.3.1.

**Table 5.3.1: Maintenance Expenditure Trends**

Year	Maintenance Expenditure	
	Planned and Specific	Unplanned
2015/2016	-	\$ 109,000
2014/2015	-	\$ 135,000
2013/2014	-	\$ 111,000
2012/2013	-	\$ 118,000

Reactive maintenance will be carried out in accordance with the response levels of service detailed in Appendix A.

At the time of this plan, maintenance crews work on an 'as required' program based on historical experience for ongoing and regular maintenance. WRC are currently working towards a more defined maintenance plan which will include periodic inspections.

### 5.3.2 Operations and Maintenance Strategies

The organisation will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost),
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council,
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs,
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options,
- Maintain a current hierarchy of critical assets and required operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used.

#### Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

At the time of the plan, Council staff are working towards allocating an asset hierarchy for footways. This may include categories such as CBD, education, recreation and residential. A hierarchy may be included in future revisions of this plan.



**Critical Assets**

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. 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	Critical Failure Mode	Operations & Maintenance Activities
All footways	Loss of surface integrity leading to an increase in trip hazards or unpassable footways	Maintenance and repairs within an agreed timeframe to predetermined service levels.

**Standards and specifications**

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

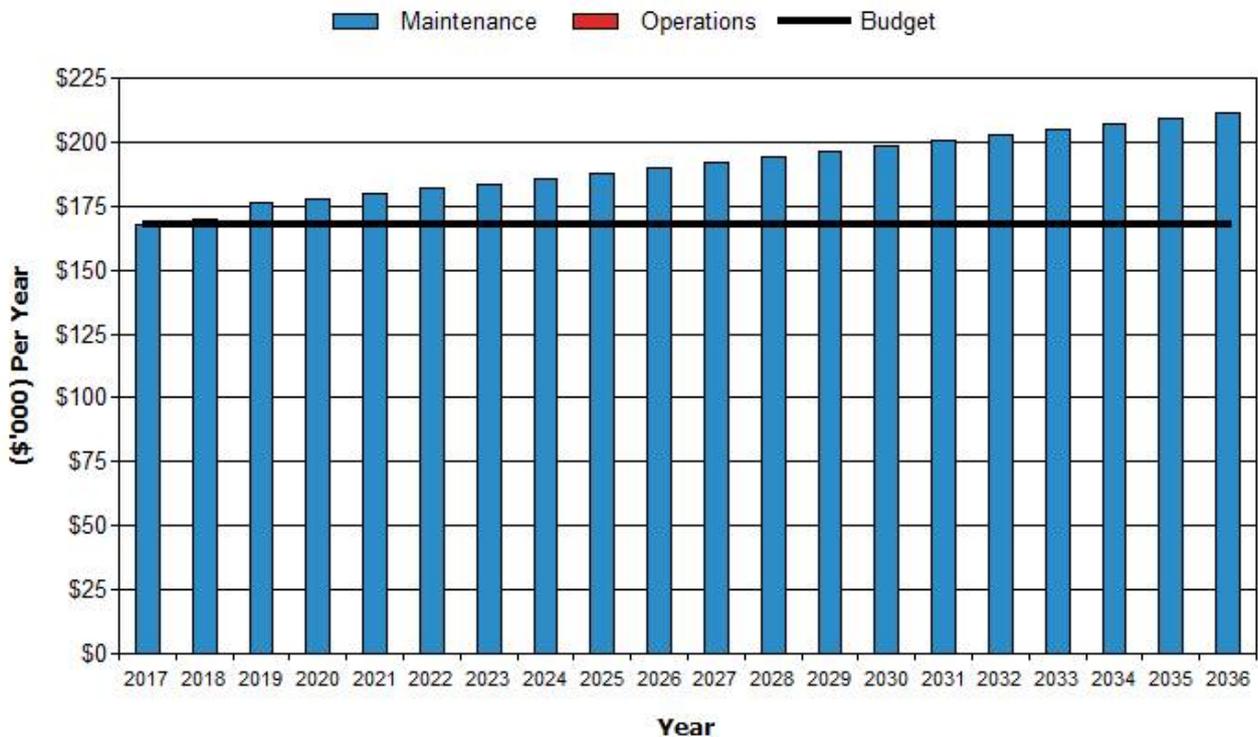
- To be confirmed as part of maintenance planning works

**5.3.3 Summary of future operations and maintenance expenditures**

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. Note that all costs are shown in current 2017 dollar values (ie real values).

**Figure 4: Projected Operations and Maintenance Expenditure**

**Wattle Range - Projected Operations & Maintenance Expenditure (2017\_Footways\_S2\_V1)**



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, for example resealing an existing footway. 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 2 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.

**Table 5.4.1: Useful Lives of Assets**

Asset (Sub)Category	Useful life (years)
<b>Surfaces</b>	
Spray Seal	25
Gravel	30
Asphalt	35
Asphalt/Paver Decorative	35
Concrete	50
Paver	50
<b>Pavement (material under surfaces)</b>	
Spray Seal (gravel)	100
Gravel	60
All other	200

### 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 Council,
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required ,
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

#### Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (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).<sup>8</sup>

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.<sup>9</sup>

#### Renewal and replacement standards

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

- Council internal standards

#### 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.

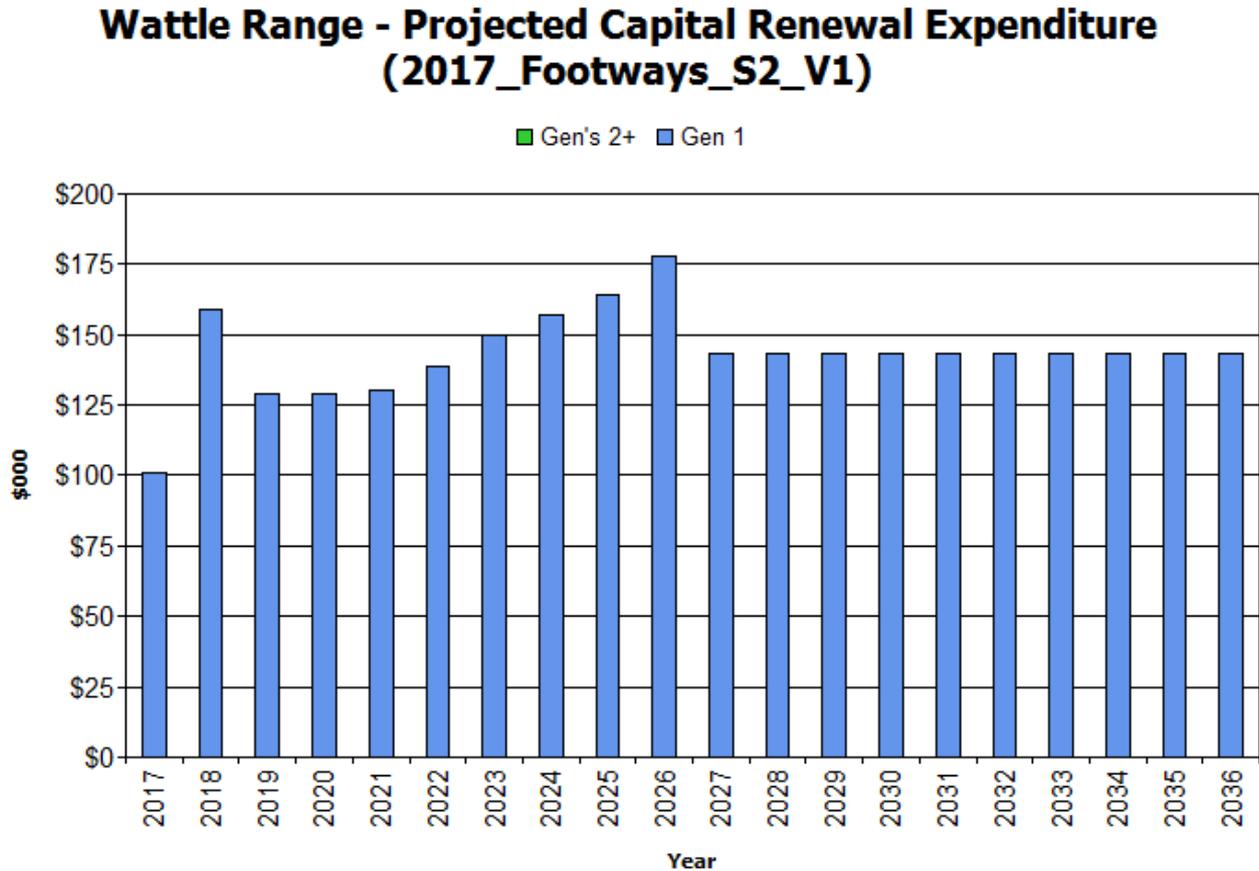
The projected capital renewal and replacement program is shown in Appendix B.

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<sup>8</sup> IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.

<sup>9</sup> Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

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.

Where renewal works are undertaken, DDA compliant pram ramps will also be constructed, linking existing footways across roads or other access points.

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/director or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

### 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,

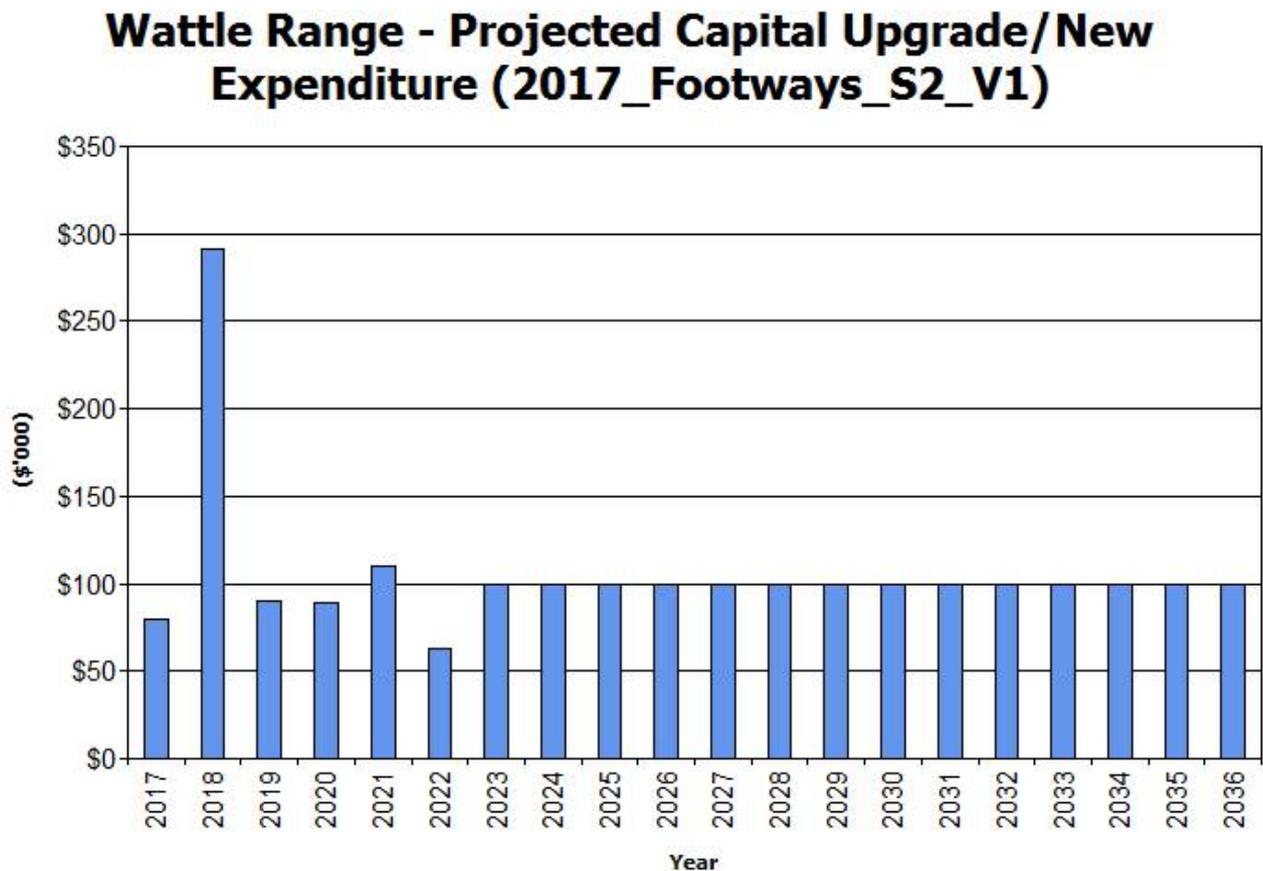
- Undertake project scoping for all capital upgrade/new projects to identify:
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
  - the project objectives to rectify the deficiency including value management for major projects,
  - the range 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, and
  - select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

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

### 5.5.3 Summary of future upgrade/new assets expenditure

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

**Fig 6: Projected Capital Upgrade/New Asset 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.

It has been proposed to consider three areas of urban renewal – the central business districts of Beachport, Millicent and Penola. Whilst these three individual projects have not been costed at the time of this plan, it is estimated to be in the order of millions of dollars and would include the provision of new and improved outdoor paving for the footway

areas in each business district. Council staff will be working on these projects and further information may be provided in future revisions of this plan.

## 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Wattle Range Council have no forecast disposals in this asset category at the present time.

## 5.7 Service Consequences and Risks

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

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

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

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

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

### 5.7.1 What we cannot do

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

Provide all residential streets with footway infrastructure  
Undertake a CBD footway renewal of all three main townships

### 5.7.2 Service consequences

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

Reduced level of service  
Reduced frequency of maintenance to minimise and remove hazards

### 5.7.3 Risk consequences

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

Lower customer satisfaction  
Network gaps

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

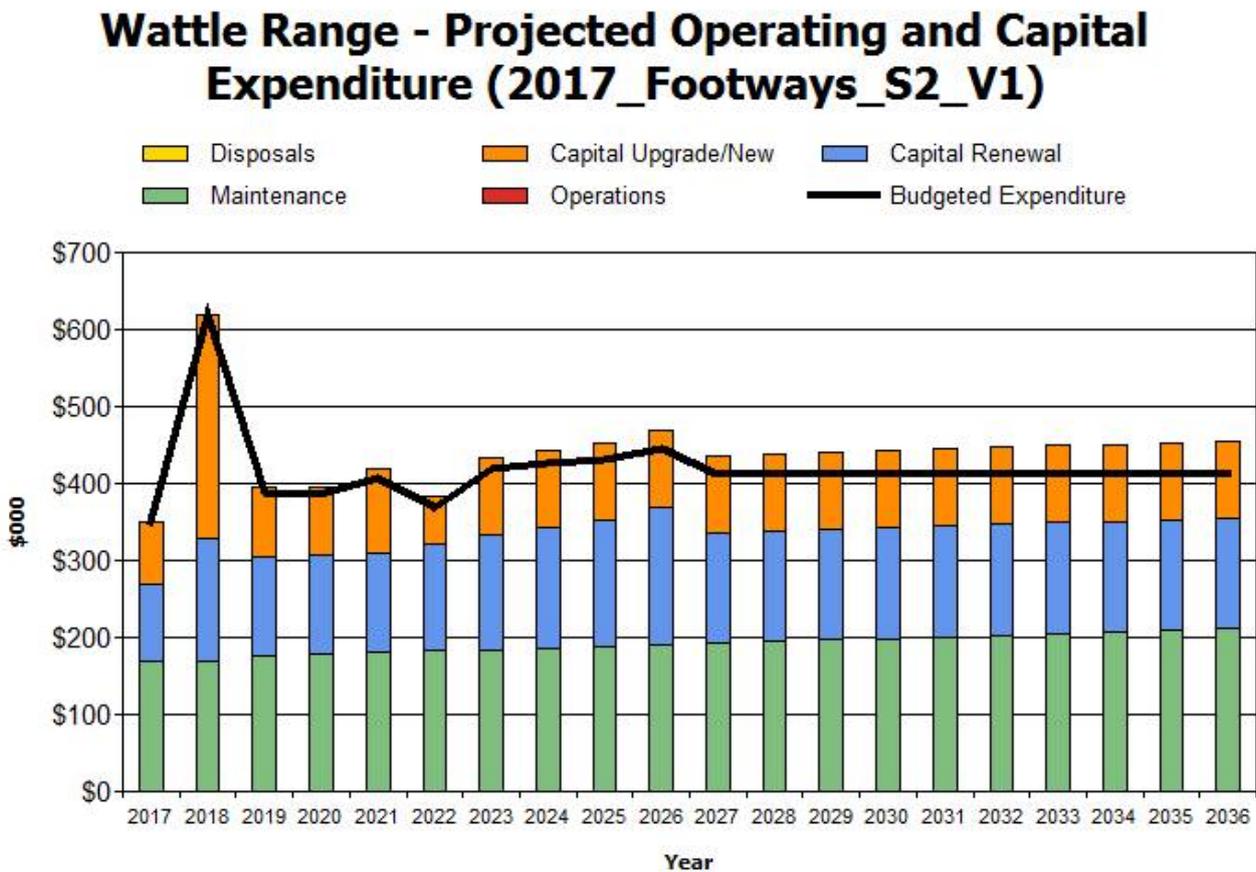
## 6. FINANCIAL SUMMARY

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

### 6.1 Financial Statements and Projections

The financial projections are shown in 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<sup>10</sup> 100%

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

<sup>10</sup> AIFMG, 2012, Version 1.3, Financial Sustainability Indicator 4, Sec 2.6, p 2.16

### 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 \$293,000 per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is \$312,000 per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years).

A shortfall or surplus 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 \$18,000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 106% 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 \$324,000 on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$312,000 on average per year giving a 10 year funding shortfall of \$12,000 per year. This indicates that Council expects to have 96% 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 \$304,000 on average per year.

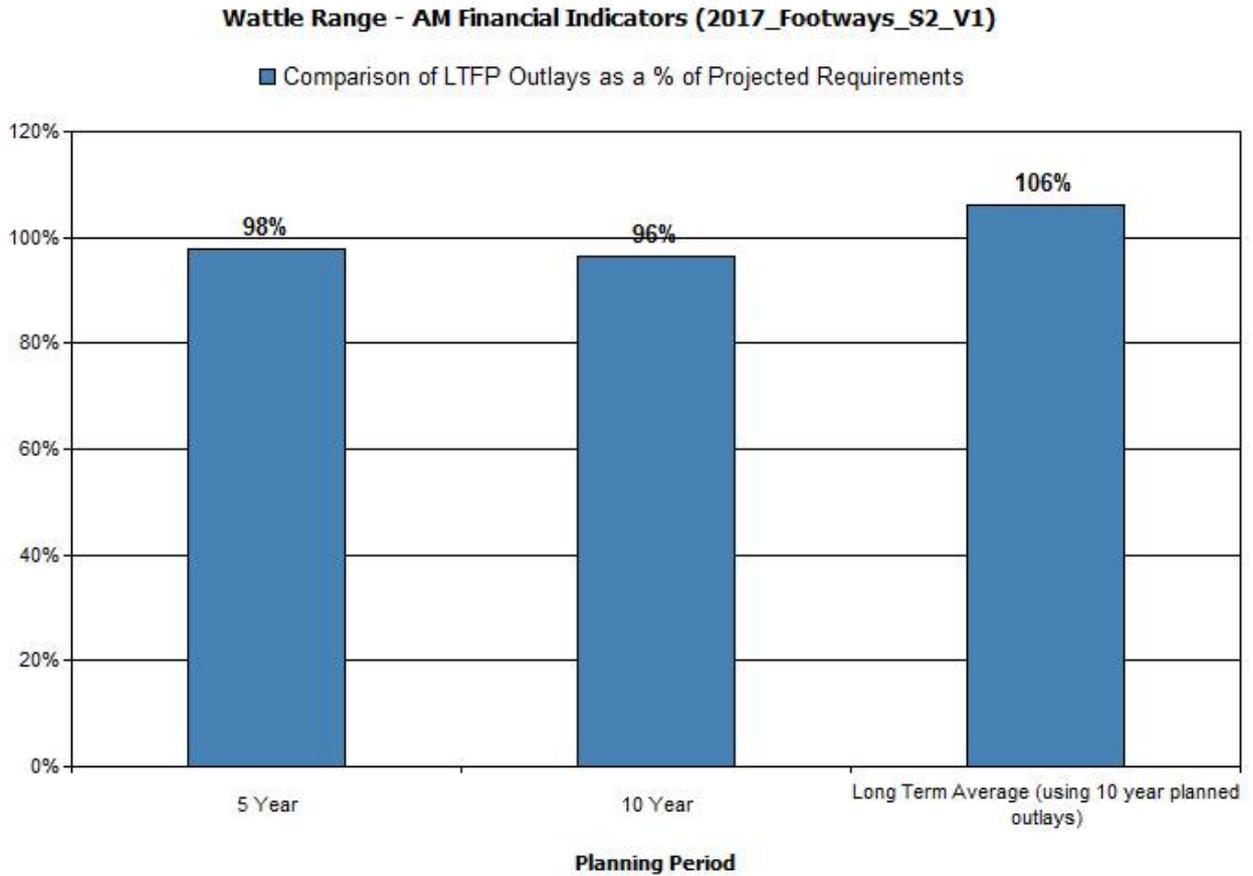
Estimated (budget) operations, maintenance and capital renewal funding is \$296,000 on average per year giving a 5 year funding shortfall of \$6,000. This indicates that Council expects to have 98% of projected expenditures required to provide the services shown in this asset management plan.

### 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

## Wattle Range - Projected & LTFP Budgeted Renewal Expenditure (2017\_Footways\_S2\_V1)

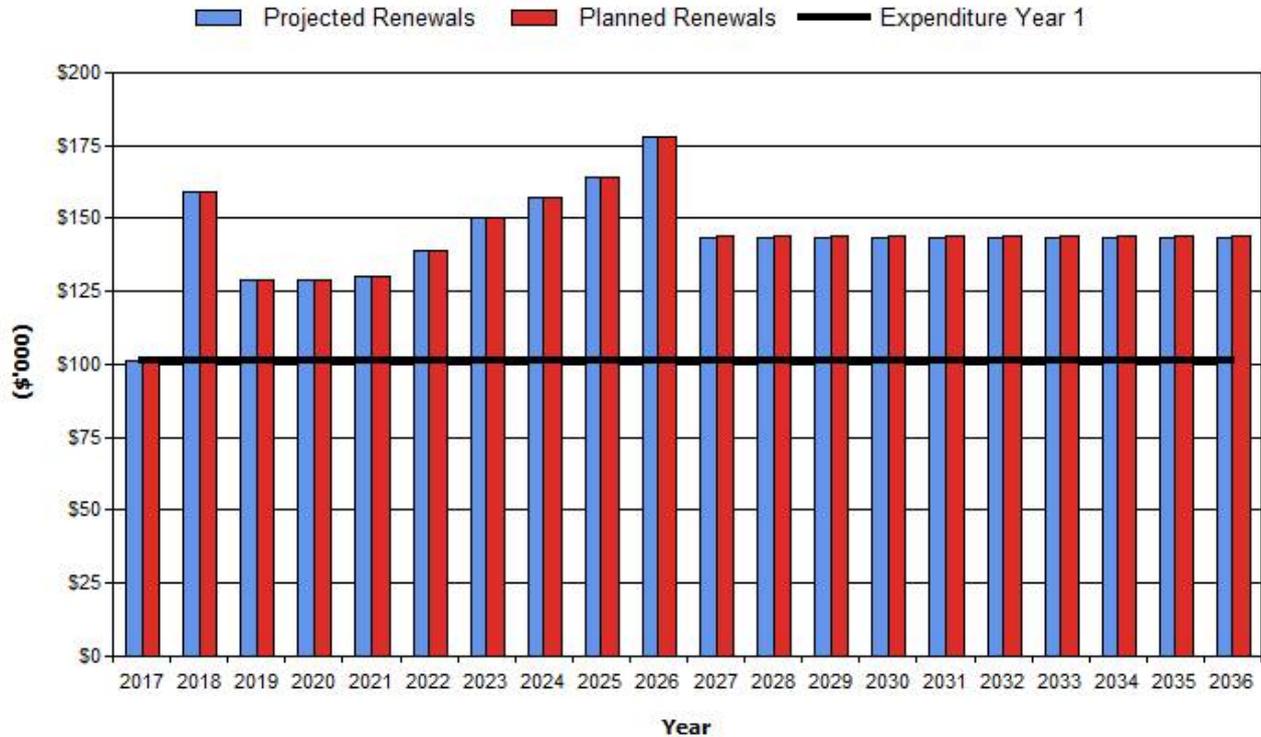


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in the long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall

Year	Projected Renewals (\$000)	LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2017	\$101	\$101	\$0	\$0
2018	\$159	\$159	\$0	\$0
2019	\$129	\$129	\$0	\$0
2020	\$129	\$129	\$0	\$0
2021	\$130	\$130	\$0	\$0
2022	\$139	\$139	\$0	\$0
2023	\$150	\$150	\$0	\$0
2024	\$157	\$157	\$0	\$0
2025	\$164	\$164	\$0	\$0
2026	\$178	\$178	\$0	\$0
2027	\$144	\$144	\$0	\$0
2028	\$144	\$144	\$0	\$1
2029	\$144	\$144	\$0	\$1
2030	\$144	\$144	\$0	\$2
2031	\$144	\$144	\$0	\$2

Year	Projected Renewals (\$000)	LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2032	\$144	\$144	\$0	\$2
2033	\$144	\$144	\$0	\$3
2034	\$144	\$144	\$0	\$3
2035	\$144	\$144	\$0	\$4
2036	\$144	\$144	\$0	\$4

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.

### 6.1.2 Projected expenditures for long term financial plan

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

Expenditure projections are in 2017 real values.

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

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2017	\$0	\$168	\$101	\$80	\$0
2018	\$0	\$170	\$159	\$291	\$0
2019	\$0	\$176	\$129	\$90	\$0
2020	\$0	\$178	\$129	\$89	\$0
2021	\$0	\$180	\$130	\$110	\$0
2022	\$0	\$182	\$139	\$63	\$0
2023	\$0	\$184	\$150	\$100	\$0
2024	\$0	\$186	\$157	\$100	\$0
2025	\$0	\$188	\$164	\$100	\$0
2026	\$0	\$190	\$178	\$100	\$0
2027	\$0	\$192	\$144	\$100	\$0
2028	\$0	\$194	\$144	\$100	\$0
2029	\$0	\$197	\$144	\$100	\$0
2030	\$0	\$199	\$144	\$100	\$0
2031	\$0	\$201	\$144	\$100	\$0
2032	\$0	\$203	\$144	\$100	\$0
2033	\$0	\$205	\$144	\$100	\$0
2034	\$0	\$207	\$144	\$100	\$0
2035	\$0	\$210	\$144	\$100	\$0
2036	\$0	\$212	\$144	\$100	\$0

## 6.2 Funding Strategy

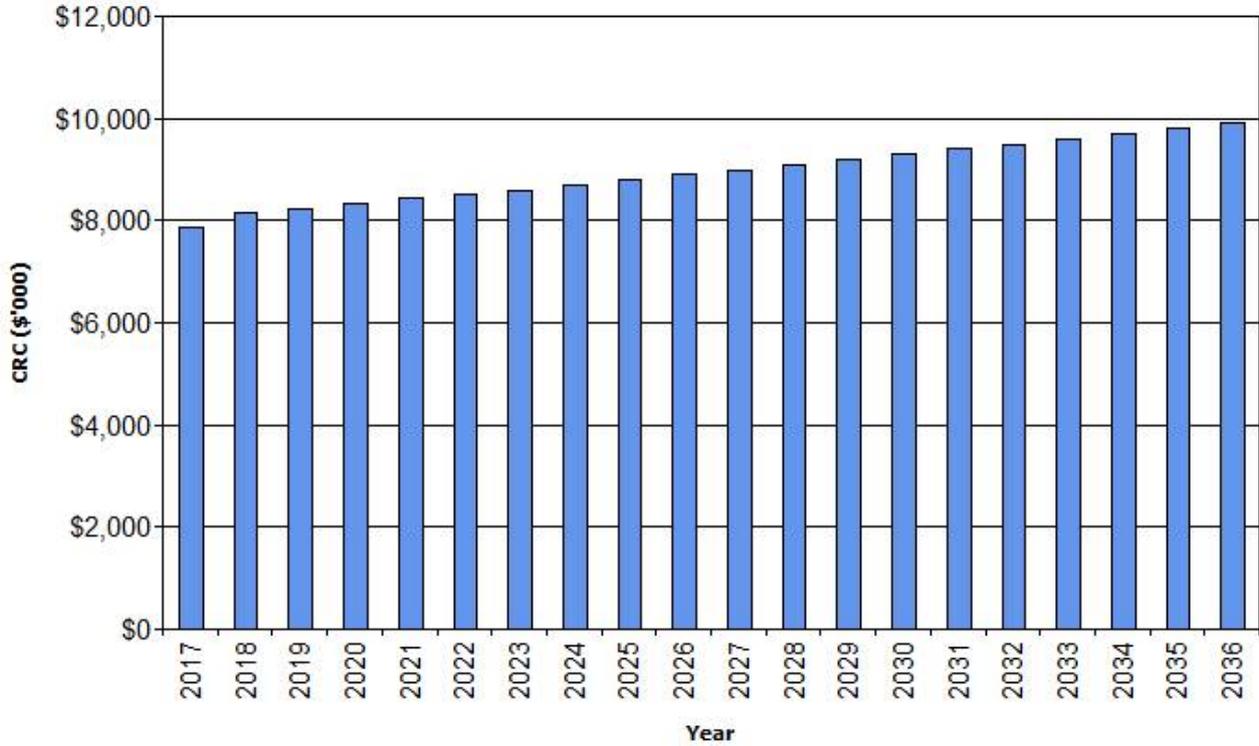
After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 6.1.2 will be accommodated in the Council's 10 year long term financial plan.

## 6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Figure 9 shows the projected replacement cost asset values over the planning period in real values.

Figure 9: Projected Asset Values

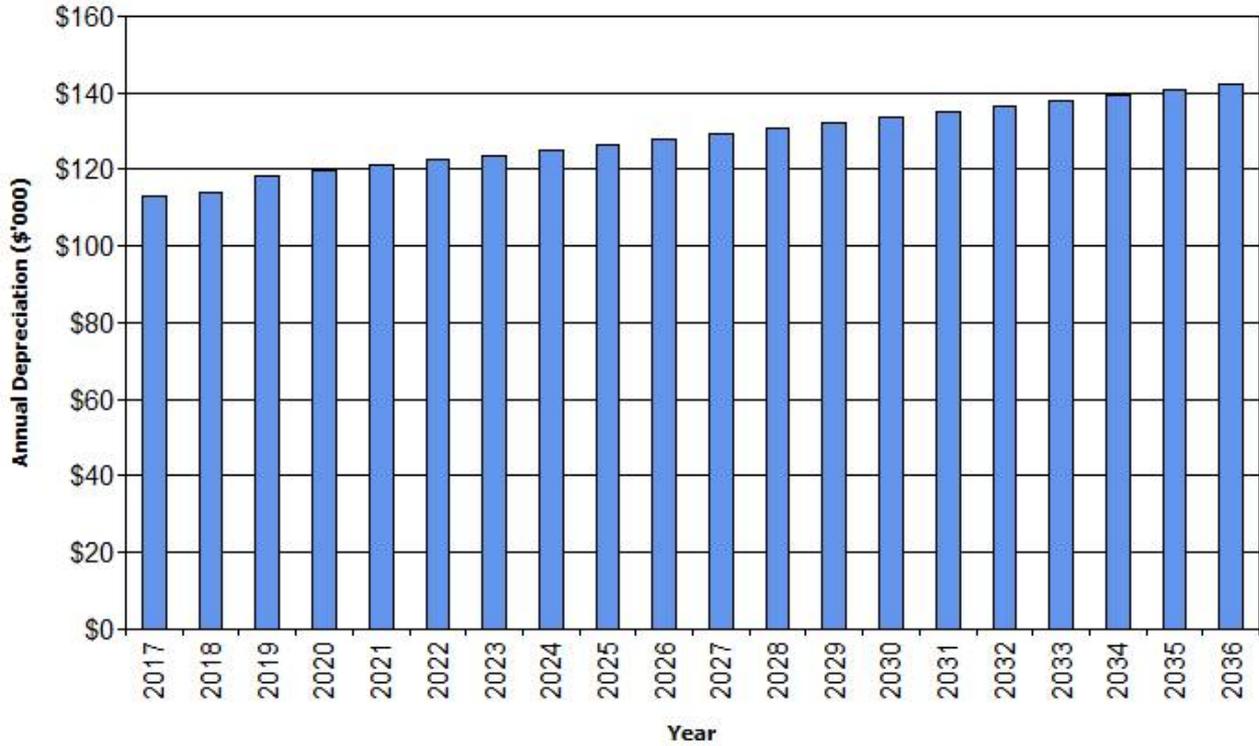
### Wattle Range - Projected Asset Values (2017\_Footways\_S2\_V1)



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

Figure 10: Projected Depreciation Expense

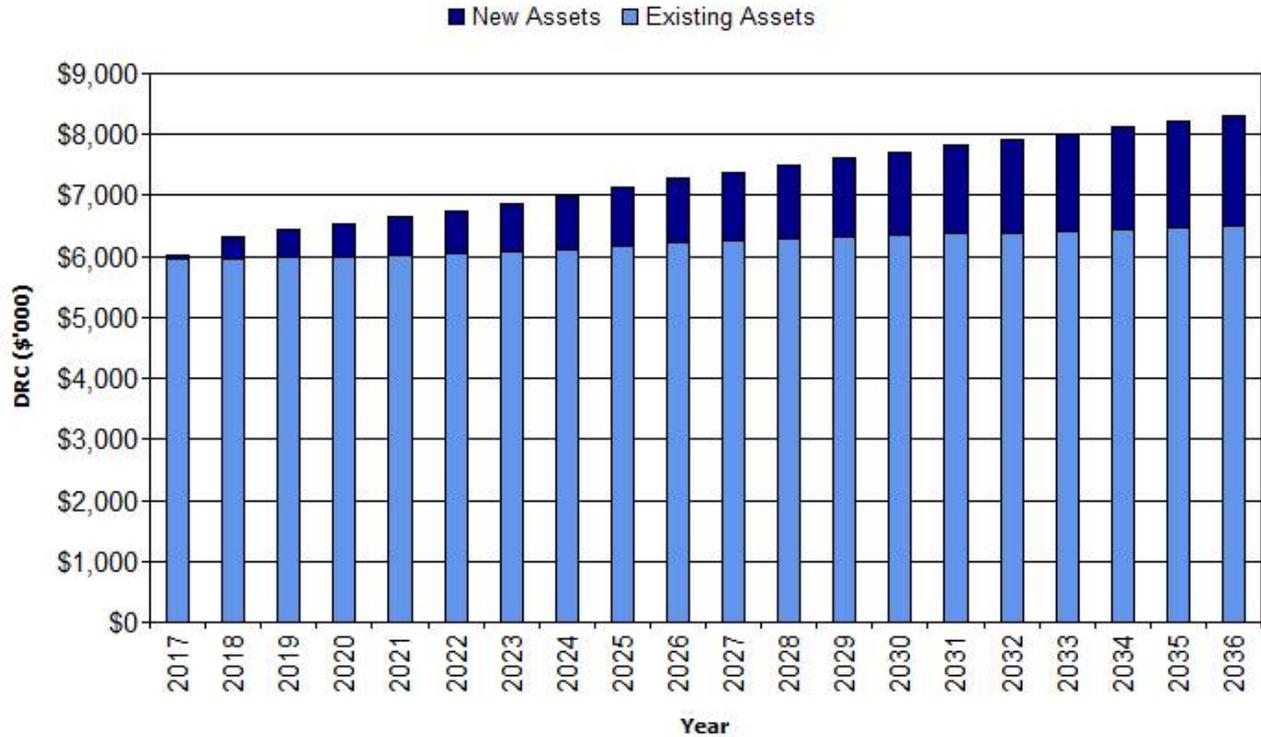
### Wattle Range - Projected Depreciation Expense (2017\_Footways\_S2\_V1)



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

## Wattle Range - Projected Depreciated Replacement Cost (2017\_Footways\_S2\_V1)



### 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
Financial projections are based on historical expenditure averages and revenue trends with little or no change in the future	Expenditure and budget forecasts will change as long term planning is improved for operations and maintenance, renewals and upgrades
Legislative requirements will remain the same	Changes in legislation may affect ongoing maintenance and operations costs

### 6.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale<sup>11</sup> in accordance with Table 6.5.

<sup>11</sup> IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

**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 $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E Unknown	None or very little data held.

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

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

Data	Confidence Assessment	Comment
Demand drivers	B	Based on sound procedures and data analysis
Growth projections	B	Based on State Government projections
Operations and Maintenance expenditures	C	Currently undertaken on a 'reactive' basis with little formal planning
Projected Renewal exp. - Asset values	B	Values reassessed based on actual expenditure in 2015/16
- Asset residual values	A	Zero residuals applied, asset split into long life and short life components
- Asset useful lives	B	Based on historical knowledge and benchmarked against other Councils
- Condition modelling	B	Condition report undertaken in-house utilising documented guidelines for defect assessment
- Network renewals	B	10yr renewal plan drafted and attached to this plan
- Defect repairs	E	Repair expenditure not currently separated from reactive maintenance
Upgrade/New expenditures	D	New/upgrade plan not formalised beyond Year 1 of this plan
Disposal expenditures	A	Disposals as required, no forecasts to date

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

The financial systems are operated through the following programs:

- Synergy Soft
- Assetic - myData

#### Accountabilities for financial systems

The financial systems are managed by the Financial Services Team under the Corporate Services Division.

#### Accounting standards and regulations

The standards and regulations relating to Asset Management are:

- Local Government Act
- AASB 116 Property, Plant and Equipment
- AASB 13 Fair Value Measurement
- AASB 136 Impairments of Assets
- AASB 1021 Depreciation

#### Capital/maintenance threshold

Policy 1.43 Asset Accounting Policy details all capital/maintenance threshold amounts. The current threshold for footways is \$1,000.

#### Required changes to accounting financial systems arising from this AM Plan

There are currently no changes required to the financial systems associated with this plan.

#### 7.1.2 Asset management system

Council formalised an Asset Management Strategy in early 2014. Some of the main components included moving from annual budgeting to long term financial planning, the development of robust asset registers and the development of asset management plans covering 10 years, incorporating expenditure projections and sustainable funding outcomes. This plan is the first revision for this specific asset class.

#### Asset registers

Asset data relating to the Footways Asset Management Plan are stored in Assetic – myData.

#### Linkage from asset management to financial system

The asset database contains all required financial indicators relating to each identified asset. Assetic – myData is the primary storage for the footway assets and Synergy Soft produces the final reports. Reconciliation between the two is undertaken on an annual basis after the end of the financial year.

#### Accountabilities for asset management system and data maintenance

The asset management systems and data maintenance is carried out by:

- Engineering Services
- Financial Services

#### Required changes to asset management system arising from this AM Plan

Not applicable to this revision. Any recommendations may be referenced in future revisions.

## 7.2 Improvement Plan

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

**Table 7.2: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	<i>Technical Levels of Service</i> Review maintenance and operational activities, incorporating historical knowledge into planned maintenance programs for footways to optimise expenditure, reduce reactive maintenance and extend useful life	Asset Team	Existing Staff	May 2018
2	<i>Technical Levels of Service</i> Develop a maintenance response levels of service	Asset Team	Existing Staff	June 2018
3	<i>Asset Register</i> Maintain and update asset register as renewal and upgrade works are undertaken	Asset Team	Existing Staff	Ongoing
4	<i>Asset Register</i> Generate a GIS dataset for the footways asset class	Asset Team	Existing Staff	Mar 2017
5	<i>Customer Service Levels</i> Undertake a follow-up customer satisfaction survey prior to next revision of this plan	Asset Team	Existing Staff	Jan 2021

## 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 and is due for complete revision and updating in 2021.

## 7.4 Performance Measures

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

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

## 8. REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/namsplus](http://www.ipwea.org/namsplus).
- IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/AIFMG](http://www.ipwea.org/AIFMG).
- IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)
- Wattle Range Council, Asset Management Strategy
- Wattle Range Council, Assetic Mapping Business Process Manual
- Wattle Range Council, Asset Valuation Methodology Business Process Manual
- Wattle Range Council, Strategic Footway Asset Management Business Process Manual
- Wattle Range Council, Annual Business Plan and Budget 2016/2017

## 9. APPENDICES

- Appendix A Maintenance Response Levels of Service
- Appendix B Projected 10 year Capital Renewal and Replacement Works Program
- Appendix C Projected 10 year Capital Upgrade/New Works Program
- Appendix D LTFP Budgeted Expenditures Accommodated in AM Plan
- Appendix E Community Survey Summary
- Appendix F Abbreviations
- Appendix G Glossary



## Appendix A Maintenance Response Levels of Service

To be developed.



## Appendix B Projected 10 year Capital Renewal and Replacement Works Program

Description	Estimate (\$000)
<b>2017 Network Renewals</b>	
2016/2017 Footways Renewals	\$101
<b>Total</b>	<b>\$101</b>
<b>2018 Network Renewals</b>	
Adelaide Street (Kalangadoo) – Ann Street to George Street (right)	\$12
George Street (Kalangadoo) – Adelaide Street to Crouch Lane (both sides)	\$14
Alfred Street (Penola) – Arthur Street to Young Street (both sides)	\$16
Ridge Terrace (Millicent) – Williams Road to Domain Playground	\$78
Davenport Street/Glen Street Intersection (Millicent) – Footways Component	\$39
<b>Total</b>	<b>\$159</b>
<b>2019 Network Renewals</b>	
Mount Gambier Road (Millicent) – pram ramps at Bridges Drive crossing	\$5
Mount Gambier Road (Millicent) – Bridges Drive crossing to Bridges Drive	\$18
Young Street (Penola) – Church Street to Queen Street (both)	\$26
Young Street (Penola) – Penola Primary School to Riddoch Street (right)	\$13
White Street (Millicent) – Mount Gambier Road to Williams Road (right)	\$47
Bryant Street (Millicent) – Mount Gambier Road to end of path (right)	\$9
Ireland Street (Millicent) – Mount Gambier Road to end of path (right)	\$11
<b>Total</b>	<b>\$129</b>
<b>2020 Network Renewals</b>	
Holzgreffe Street (Millicent) – Williams Road to Brooks Street (right)	\$25
Kentish Place (Millicent) – Davenport Street to carpark exit (left)	\$13
Arthur Street (Penola) – Queen Street to Church Street (both sides)	\$17
Alfred Street (Penola) – Arthur Street to Young Street (left)	\$18
Playford Street (Millicent) – Wylie Road to Nitschke Street (right)	\$24
Giddings Street (Millicent) – Playford Street to end of path (both sides)	\$11
Nitschke Street (Millicent) – Playford Street to end of path (right)	\$6
Various Pram Ramp Renewals	\$15
<b>Total</b>	<b>\$129</b>
<b>2021 Network Renewals</b>	
Mount Gambier Road (Millicent) – Ireland Street to Campbell Street (left)	\$44
Holzgreffe Street (Millicent) – Brooks Street to Stark Avenue (right)	\$43
Kentish Place (Millicent) – Davenport Street to Hardware Store (right)	\$18
Somerville Street, Centennial Park (Beachport) – Shared walkway through park	\$25
<b>Total</b>	<b>\$130</b>
<b>2022 Network Renewals</b>	
Adelaide Road (Millicent) – Cattle Bridge Road to Mount Burr Road (right)	\$34
Arthur Street (Penola) – Church Street to Portland Street (right)	\$33
Campbell Street (Millicent) – Mount Gambier Road to end of path (left)	\$9
Academy Drive (Millicent) – Cattle Bridge Road to History Avenue (left)	\$38
Railway Terrace West (Tantanoola) – Edgecumbe Street to Chant Street	\$25

Description	Estimate (\$'000)
<b>Total</b>	<b>\$139</b>
<b>2023 Network Renewals</b>	
Cameron Street (Penola) – McCorquindale Park entrance to Gordon Street (left)	\$47
Ridge Terrace (Millicent) – Main Street to Fifth Street (left)	\$45
Adelaide Road (Millicent) – Fifth Street to Belt Road (left)	\$20
Bridges Street (Millicent) – Playford Street to Mount Gambier Road (left)	\$23
Playford Street (Millicent) – Bridges Street to end of path (right)	\$15
<b>Total</b>	<b>\$150</b>
<b>2024 Network Renewals</b>	
Bridges Street (Millicent) – Ramsay Street to Playford Street (left)	\$19
Ridge Terrace (Millicent) – Fourth Street to Main Street (left)	\$42
Riddoch Street (Penola) – Queen Street to Church Street (left)	\$29
Church Street (Penola) – Robe Road to Bowden Street (left)	\$30
Park Terrace (Millicent) – Williams Road to end of path (right)	\$21
Mount Burr Road (Mount Burr) – Along western most service road	\$16
<b>Total</b>	<b>\$157</b>
<b>2025 Network Renewals</b>	
Mount Gambier Road (Millicent) – Elizabeth Street to Grigg Terrace (left)	\$10
Mount Gambier Road (Millicent) – Campbell Street to Dean Street (left)	\$17
Dean Street (Millicent) – Mount Gambier Road to end of path (left)	\$3
Ridge Terrace (Millicent) – Third Street to Fourth Street ( left)	\$35
Williams Road (Millicent) – Short Street to Stuckey Street (right)	\$15
Millicent Road (Beachport) – Beachport Surf Beach to drain (shared path)	\$35
Railway Terrace (Kalangadoo) – Ann Street to John Street (right)	\$36
Alfred Street (Penola) – Young Street to Riddoch Street (left)	\$13
<b>Total</b>	<b>\$164</b>
<b>2026 Network Renewals</b>	
Mount Gambier Road (Millicent) – McRostie Street to Bryant Street (left)	\$18
Williams Road (Millicent) – Stuckey Street to North Terrace (right)	\$50
Alexander Square (Millicent) – North Terrace to end of path (left)	\$8
McRostie Street (Millicent) – Mount Gambier Road to end of path (left)	\$21
Scott Street (Penola) – Clarke Street to Riddoch Street (both sides)	\$25
Wyrie Road (Millicent) – Mount Gambier Road to Playford Street (both sides)	\$37
Holzgreffe Street (Millicent) – Scanlon Avenue to Walker Street (right)	\$19
<b>Total</b>	<b>\$178</b>



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

New/Upgrade plan for years 2023 onwards to be developed after the next round of community consultation.

Description	Estimate (\$000)
<b>2017 Upgrade/New</b>	
Belt Road (Millicent)	\$14
Nangwarry Shared Path (Nangwarry)	\$35
Mount Gambier Road/Williams Road (Millicent)	\$45
<b>Total</b>	<b>\$80</b>
<b>2018 Upgrade/New</b>	
Millicent High School – Academy Drive / Science Avenue	\$39
Main Street (Millicent) – Ridge Terrace to Swimming Lake (left)	\$101
Millicent North Primary School – Seventh Street	\$32
Penola Primary School – Young Street	\$18
Bowden Street (Penola) – Church Street to Queen Street	\$35
Railway Terrace (Beachport) – Police Station to Golf Course Road (left)	\$66
<b>Total</b>	<b>\$291</b>
<b>2019 Upgrade/New</b>	
Park Terrace (Millicent) – Southern Ports Highway to Belt Road shared path (right)	\$45
Church Street (Penola) – Darwent Street to Jessie Street (left)	\$65
Giles Street (Southend) – Eliza Street to playground (right)	\$25
<b>Total</b>	<b>\$90</b>
<b>2020 Upgrade/New</b>	
Park Terrace (Millicent) – Williams Road to swimming lake carpark entrance (right)	\$30
Jessie Street (Penola) – Church Street to Clarke Street (left)	\$33
Clarke Street (Penola) – Clayfield Street to Jessie Street (right)	\$26
<b>Total</b>	<b>\$89</b>
<b>2021 Upgrade/New</b>	
Thomas Drive (Mount Burr) – through reserve linking western houses	\$45
Williams Road (Millicent) – Park Terrace to Ridge Terrace (left)	\$65
<b>Total</b>	<b>\$110</b>
<b>2022 Upgrade/New</b>	
Bridges Drive (Southend) – drain crossing to beach access	\$35
Eyre Street (Southend) – Eliza Street to foreshore	\$10
Lagoon Road (Beachport) – Foster Street to Centennial Park	\$18
<b>Total</b>	<b>\$63</b>
<b>2023 Upgrade/New</b>	
Estimated new/upgraded footways infrastructure	\$100
<b>Total</b>	<b>\$100</b>
<b>2024 Upgrade/New</b>	
Estimated new/upgraded footways infrastructure	\$100
<b>Total</b>	<b>\$100</b>

Description	Estimate (\$000)
<b>2025 Upgrade/New</b>	
Estimated new/upgraded footways infrastructure	\$100
<b>Total</b>	<b>\$100</b>
<b>2026 Upgrade/New</b>	
Estimated new/upgraded footways infrastructure	\$100
<b>Total</b>	<b>\$100</b>



## Appendix D Budgeted Expenditures Accommodated in LTFP

### NAMS.PLUS3 Asset Management Wattle Range

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#### 2017\_Footways\_S2\_V1

#### Asset Management Plan

First year of expenditure projections 2017 (financial yr ending)

#### 2017\_Footways

##### Asset values at start of planning period

Current replacement cost	\$7,776 (000)
Depreciable amount	\$7,776 (000)
Depreciated replacement cost	\$5,966 (000)
Annual depreciation expense	\$113 (000)

Calc CRC from Asset Register

\$0 (000)

This is a check for you.

##### Operations and Maintenance Costs for New Assets

	% of asset value
Additional operations costs	0.00%
Additional maintenance	2.16%
Additional depreciation	1.45%
Planned renewal budget (information only)	

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

##### Planned Expenditures from LTFP

20 Year Expenditure Projections Note: Enter all values in current 2017 values

Financial year ending	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Expenditure Outlays included in Long Term Financial Plan (in current \$ values)</b>										

#### Operations

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

**Total operations** \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

#### Maintenance

Reactive maintenance budget	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168
Planned maintenance budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specific maintenance items budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Total maintenance** \$168 \$168 \$168 \$168 \$168 \$168 \$168 \$168 \$168 \$168 \$168

#### Capital

Planned renewal budget \$101 \$159 \$129 \$129 \$130 \$139 \$150 \$157 \$164 \$178

Planned upgrade/new budget \$80 \$291 \$90 \$89 \$110 \$63 \$100 \$100 \$100 \$100

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

Carrying value (DRC) of disposed assets \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

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

Additional Expenditure Outlays required and not included above	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Capital Upgrade \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

User Comments #2

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

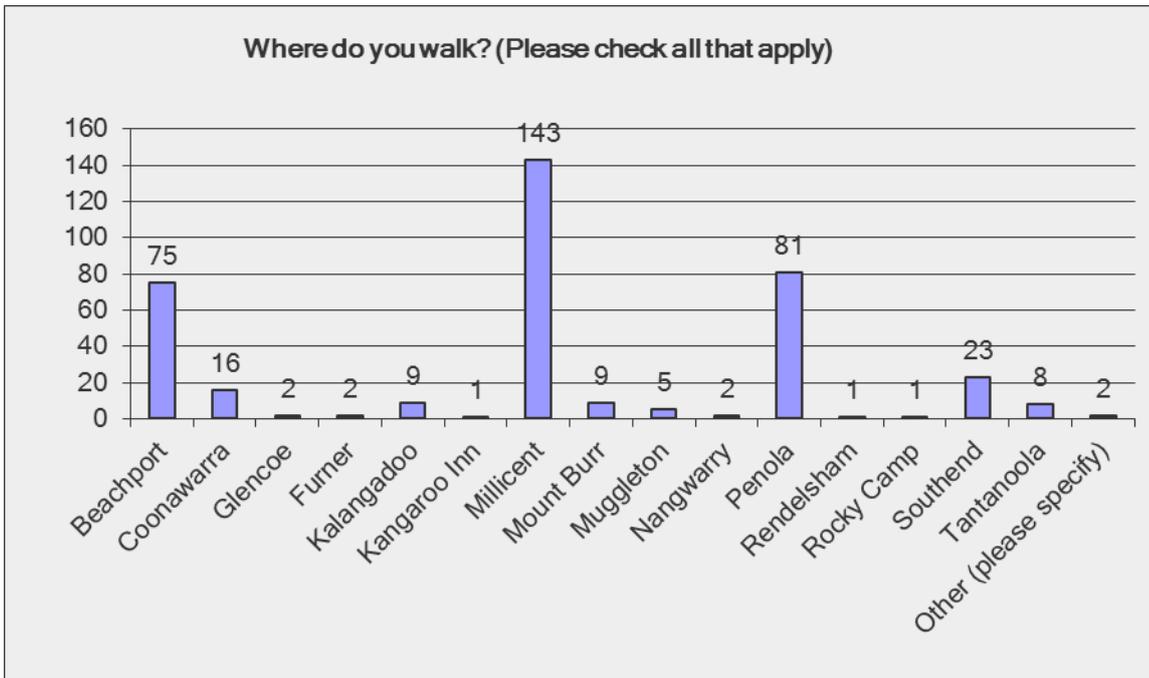
Forecast Capital Renewal from Forms 2A & 2B	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Forecast Capital Upgrade from Form 2C	\$101	\$159	\$129	\$129	\$130	\$139	\$150	\$157	\$164	\$178
	\$80	\$291	\$90	\$89	\$110	\$63	\$100	\$100	\$100	\$100

## Appendix E Community Survey Summary

### Response Statistics

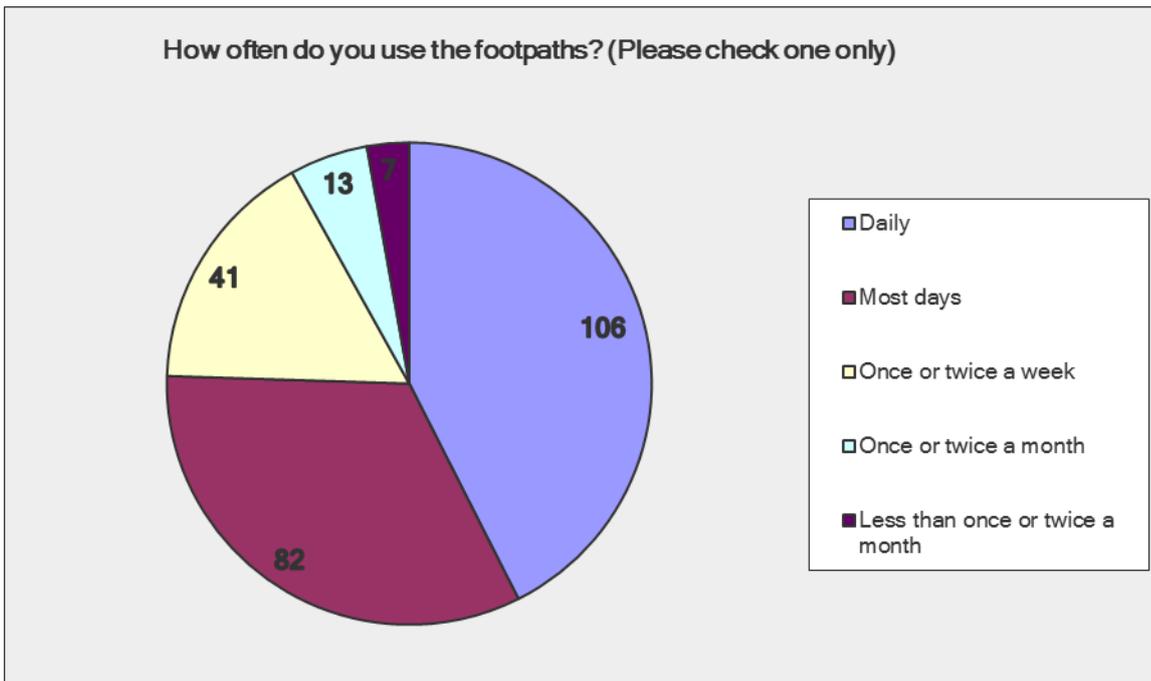
Collector Summary:	Advertising/Webpage	114
	Target Email	24
	Signature	13
	Web Link I	0
	Facebook Post I	61
	Facebook Reminder	32
	<u>Hard Copies</u>	<u>9</u>
	Total responses	253

### Question 1 – Where do you walk?



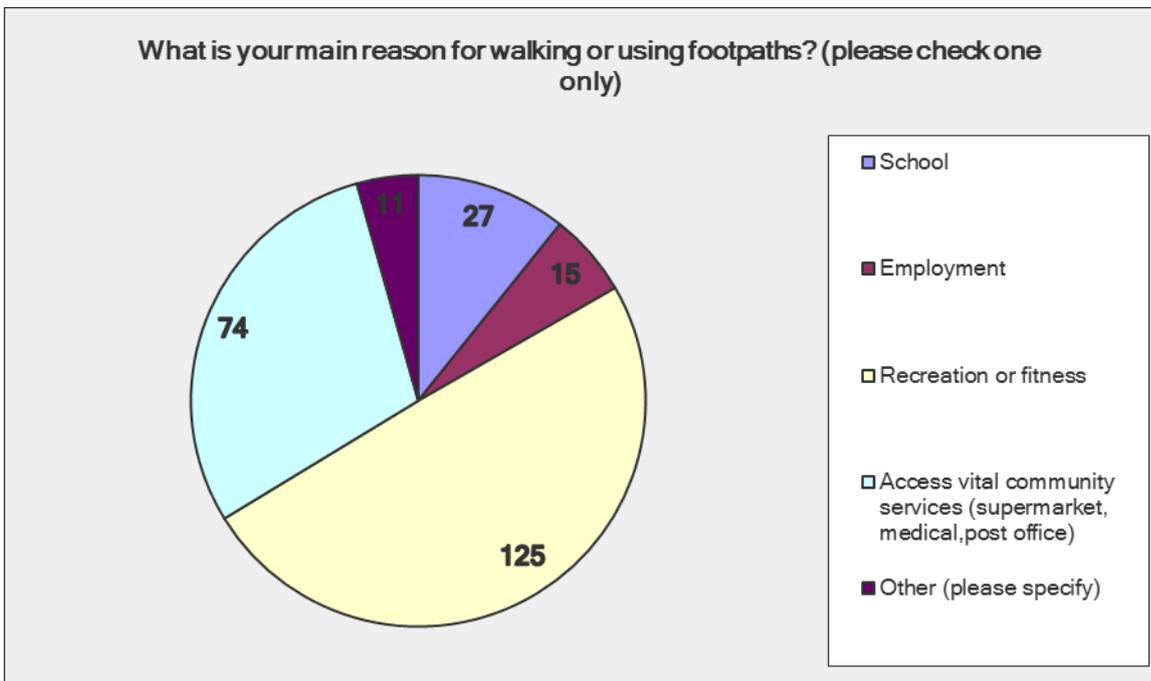
Answered Question – 252

Question 2 – How often do you use the footpaths?



Total Responses – 249

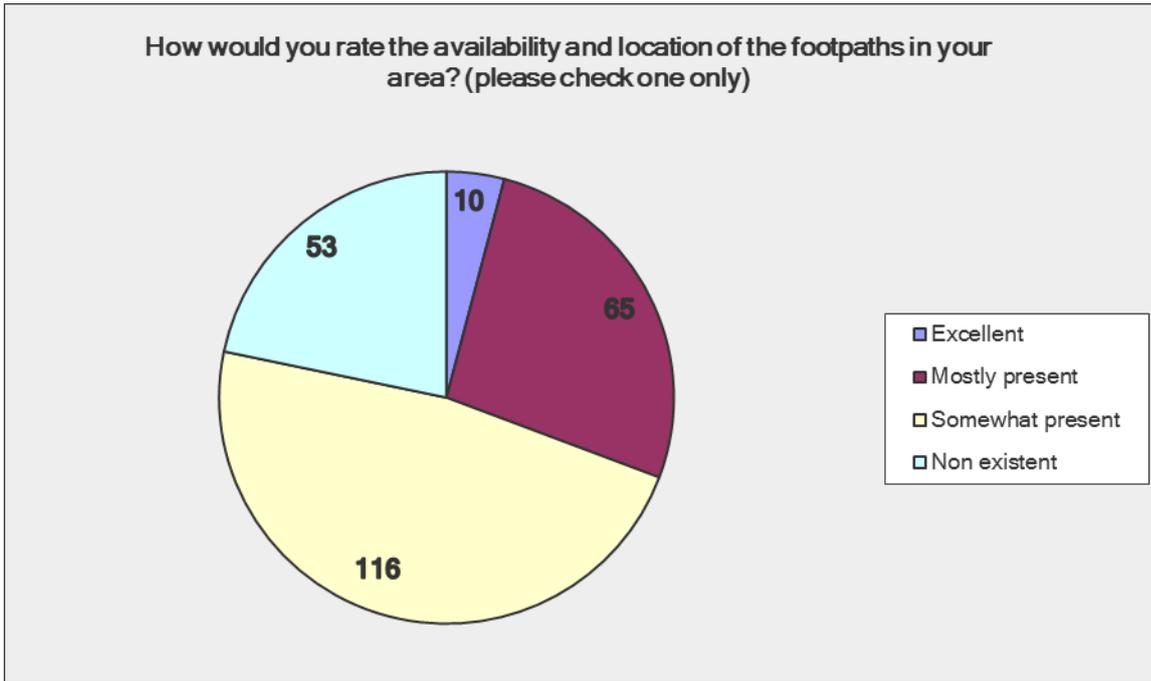
Question 3 – What is your main reason for walking or using footpaths?



Other – all fall in to one of the above categories, or all of the above categories

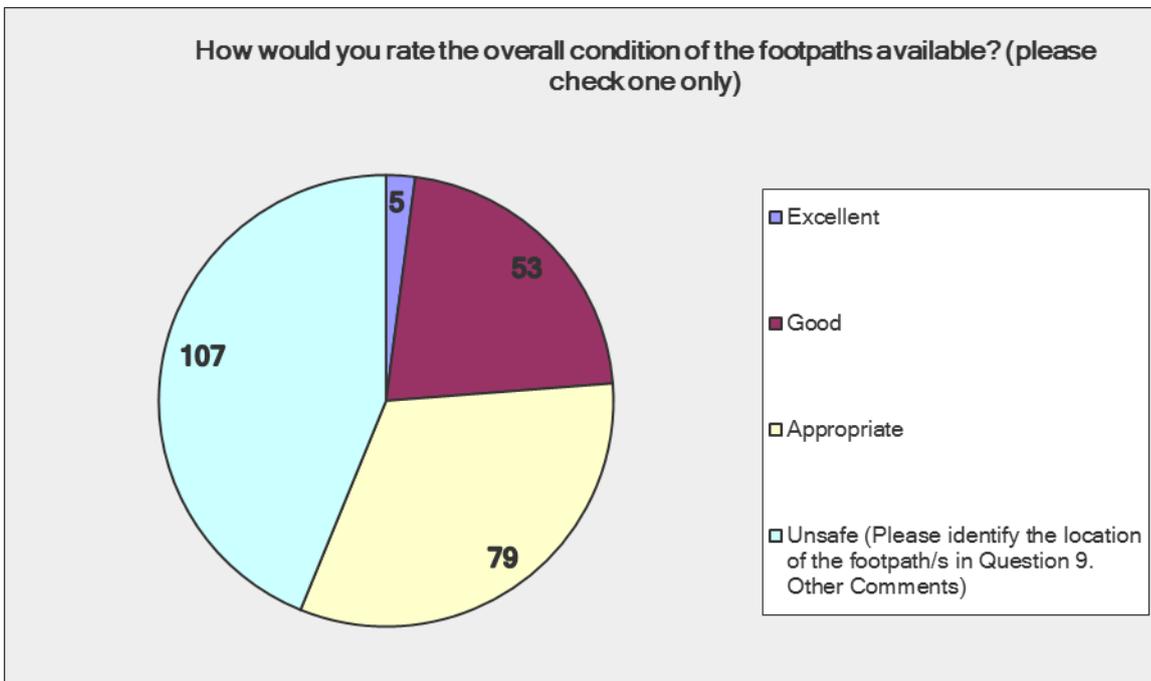
Total Responses – 252

Question 4 – How would you rate the availability and location of the footpaths in your area?



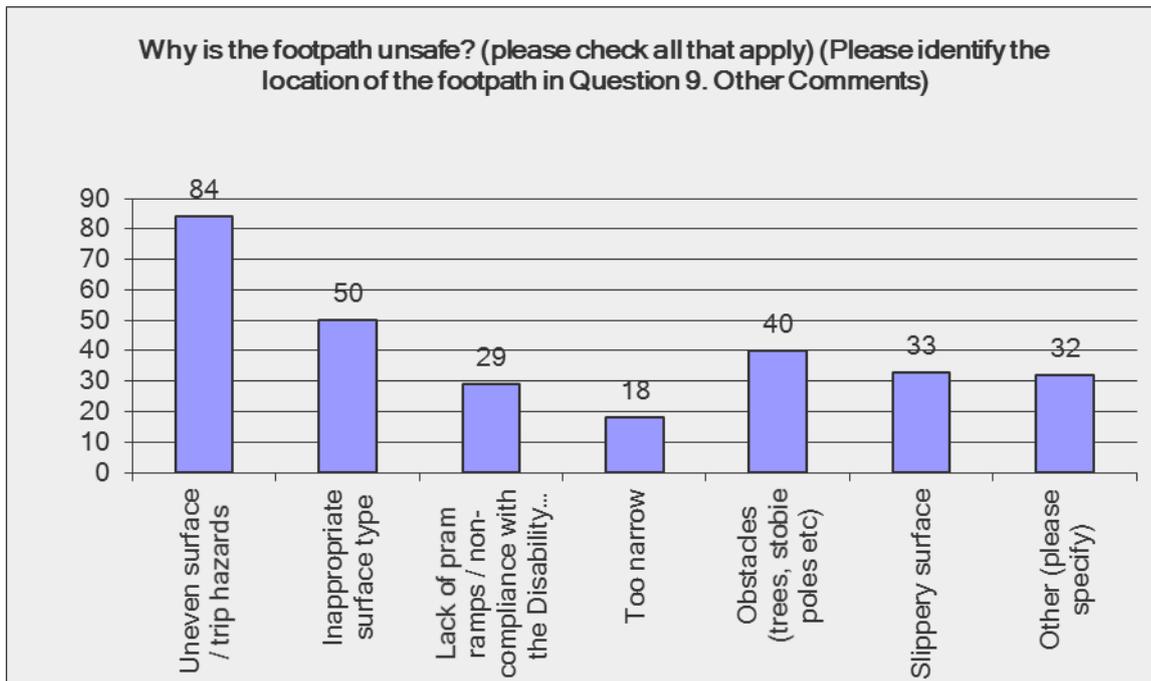
Answered Question - 244

Question 5 – How would you rate the overall condition of the footpaths available?



Answered Question - 244

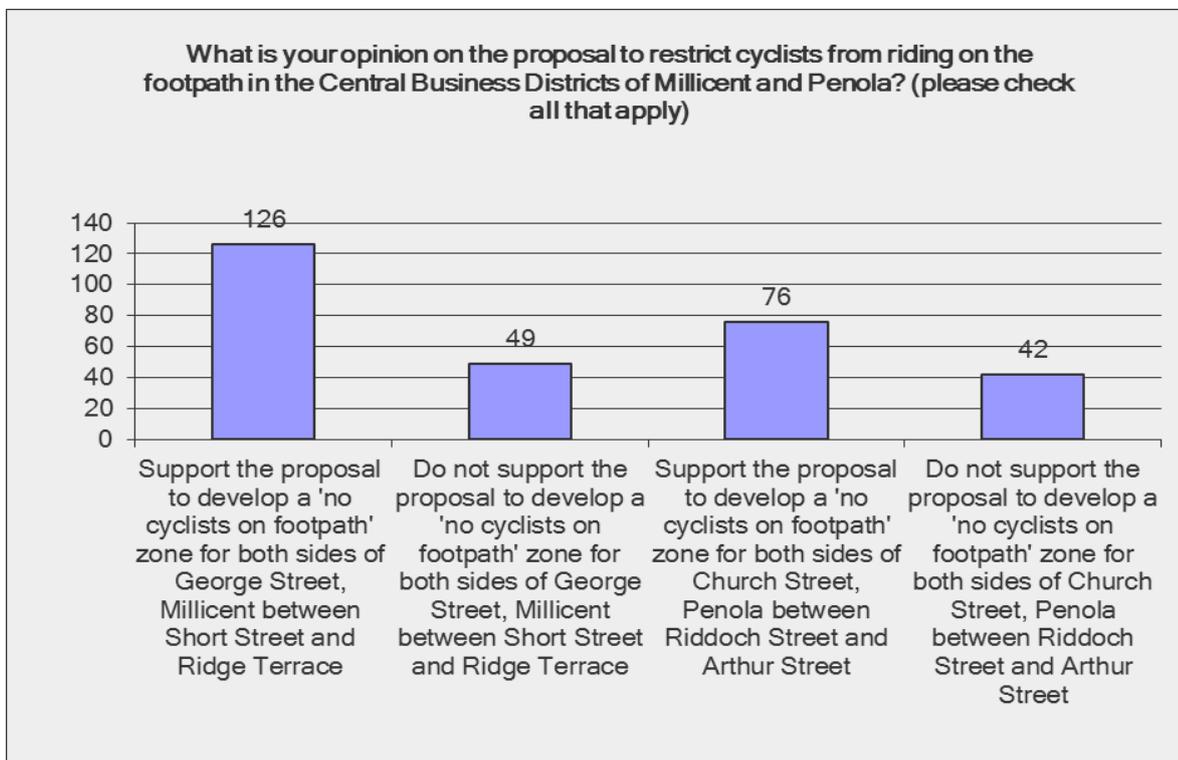
**Question 6 – Why is the footpath unsafe?**



Other – Non-existent, slippery when wet, tree debris, muddy when wet, lack of maintenance

Answered Question – 110

**Question 7 – What is your opinion on the proposal to restrict cyclists from riding on the footpath in the Central Business Districts of Millicent and Penola?**



Answered Question – 230

Question 8 – Are there any areas where you believe there should be a footpath where there currently isn't one?

Beachport:

- Railway Terrace – complete the path towards the school, the current path ends at the Police Station, linking in to the Medical Clinic and Visitor Information Centre
- General Comments – there are no footpaths outside the main street, wheelchair access to beach and lookouts
- Beach Road – continuation of the existing boardwalk past boatramp
- Foster Street / Somerville Street – linking the caravan park with Railway Terrace and the beach
- Wendy's Walk / Lanky's Well / Jack & Hilda McArthur Walk – overgrown, unmaintained
- Scenic Drive – coastal walk
- McCourt Street / Lagoon Road – links to Pool of Siloam

Coonawarra:

- General – rail trail to link Penola with Coonawarra

Glencoe:

- Kirip Road / Lake Edward Road – from the two housing areas to the school

Kalangadoo:

- General – around the school area

Millicent:

- General / Plunket Terrace / Main Street – linking up activity areas; swimming lake, Belt Road shared path, McLaughlin Park, business district
- Williams Road – both sides of the road, sports precinct area
- General – High School / TAFE / Community Learning area, link to network
- General / Railway Terrace / Towers Road – rail trail, linking the east side of town to the schools, link to Belt Road shared path
- Grey Terrace area – link to high school TAFE area, Belt Road shared path
- The Domain – complete path to Williams Road, around playground fence line
- St Anthony's School area – general area around the school
- Mount Gambier Road – southern/eastern end
- Short Street – aged care facility access to medical clinic and business district
- Holzgreffe Street area – none present in general area
- Fourth Street area – around the school
- Other general streets across Millicent had one comment

Mount Burr:

- Thomas Drive – links missing to school, shop, sports oval

Muggleton:

- Southern Ports Highway / Millicent Road – link residential area to surf beach path and Beachport
- General – non-existent



Penola:

- General – loop walk around the township, non-existent, school areas, incorporating many of the roads listed below, linking places of interest
- Clarke Street
- Gordon Street – through the reserve on the eastern side
- Queen Street
- McArthur Street
- South Terrace
- Julian Street West
- Riddoch Street
- Davis Crescent
- Robe Road
- Jessie Street
- Neilson Street
- John Street
- Arthur Street
- Portland Street
- Church Street (north and south of the business district)
- Petticoat Lane

Southend:

- General – non-existent, scenic walk from General Store to the point

Tantanoola:

- General – non-existent

Townships in General:

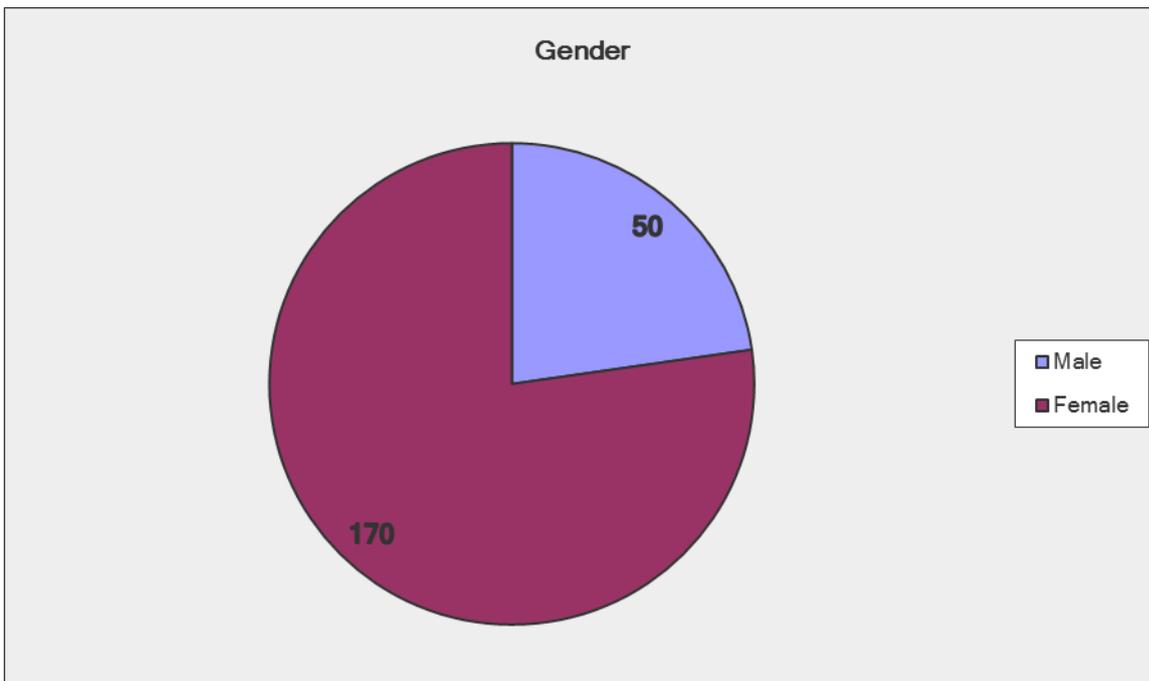
- Footpath on at least one side of the road for main roads
- Utilising the old railway lines to create longer paths between township areas



Question 9 – Do you have any other comments about the footpath network?

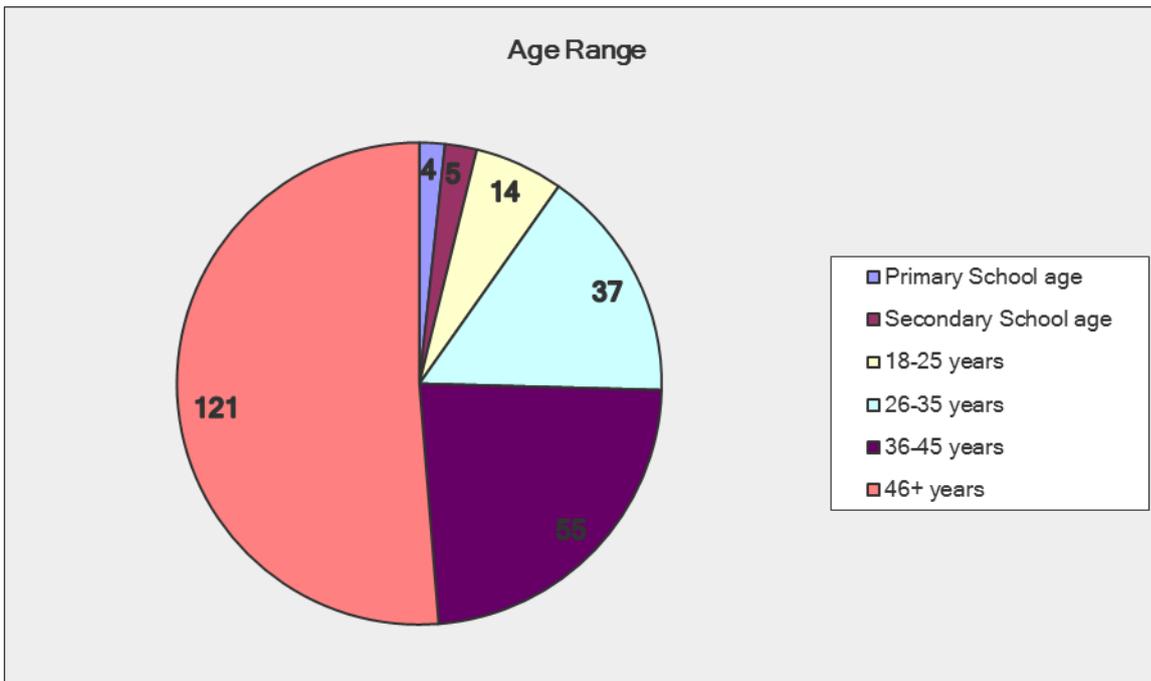
- Listed in order of highest number of comments
- Pram Ramps – All areas, not suitable, non-existent, non-compliant
- Penola Hazards – Church Street pavers slippery, tree roots, uneven surfaces, obstacles, lack of maintenance
- Materials – sealed footpaths preferred, gravel hard to navigate, slippery/muddy when wet
- Beachport Accessibility – lack of footpaths, wheelchair access to beach/lookouts
- Penola Accessibility – lack of paths, disjointed
- Williams Road, Millicent – utilised by Boneham Aged Care residents for town access and daily exercise, uneven, too narrow
- Trees – root damage to paths
- Beachport Hazards (Railway Terrace) – trip hazards in footpath (art pieces), uneven
- North Terrace, Millicent – too narrow in areas, trip hazards
- Millicent Accessibility – footpaths on every road in town, at least on one side,
- Short Street, Millicent – muddy, uneven, difficult to navigate
- Mount Gambier Road, Millicent – southern end, uneven, difficult to navigate
- George Street, Millicent – bricks slippery when wet, slopes not ideal for gophers
- Clarke Street, Penola – overgrown, degraded
- Other general comments related to areas around schools being uneven and degraded, general availability in townships, disjointed network, overgrown and unmaintained

Question 10 – Gender



Answered Question – 220

Questions 11 – Age Range



Answered Question – 236

## Appendix F Abbreviations

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



## Appendix G Glossary

### Annual service cost (ASC)

- 1) Reporting actual cost  
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting  
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

### Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

### Asset category

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

### Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

### Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### Asset hierarchy

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

### Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### Asset renewal funding ratio

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

### Average annual asset consumption (AAAC)\*

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

### Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

### Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

### Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the organisation's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

### **Capital expenditure - new**

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

### **Capital expenditure - renewal**

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

### **Capital expenditure - upgrade**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

### **Capital funding**

Funding to pay for capital expenditure.

### **Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

### **Capital investment expenditure**

See capital expenditure definition

### **Capitalisation threshold**

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

### **Carrying amount**

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

### **Class of assets**

See asset class definition

### **Component**

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

### **Core asset management**

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

### **Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

### **Critical assets**

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

### **Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

### **Deferred maintenance**

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

### **Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value.

### **Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

### **Depreciation / amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

### **Economic life**

See useful life definition.

### **Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

### **Expenses**

Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or increases in liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

### **Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

### **Financing gap**

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

### **Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

### **Impairment Loss**

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

### **Infrastructure assets**

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

### **Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

### **Key performance indicator**

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

### **Level of service**

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

### **Life Cycle Cost \***

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

### **Life Cycle Expenditure**

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

### **Loans / borrowings**

See borrowings.

### **Maintenance**

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

- **Planned maintenance**

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

- **Reactive maintenance**

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

- **Specific maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

- **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

### **Maintenance expenditure \***

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

### **Materiality**

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

### **Modern equivalent asset**

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

### **Net present value (NPV)**

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

### **Non-revenue generating investments**

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

### **Operations**

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

### **Operating expenditure**

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

### **Operating expense**

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

### **Operating expenses**

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

### **Operations, maintenance and renewal financing ratio**

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

### **Operations, maintenance and renewal gap**

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

### **Pavement management system (PMS)**

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

### **PMS Score**

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

### **Rate of annual asset consumption \***

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

### **Rate of annual asset renewal \***

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

### **Rate of annual asset upgrade/new \***

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

### **Recoverable amount**

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

### **Recurrent expenditure**

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

### **Recurrent funding**

Funding to pay for recurrent expenditure.

### **Rehabilitation**

See capital renewal expenditure definition above.

### **Remaining useful life**

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

### **Renewal**

See capital renewal expenditure definition above.

### **Residual value**

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

### **Revenue generating investments**

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

### **Risk management**

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

### **Section or segment**

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

### **Service potential**

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

### **Service potential remaining**

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

### **Specific Maintenance**

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

### **Strategic Longer-Term Plan**

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

### **Sub-component**

Smaller individual parts that make up a component part.

### **Useful life**

Either:

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

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

### **Value in Use**

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Additional and modified glossary items shown \*

