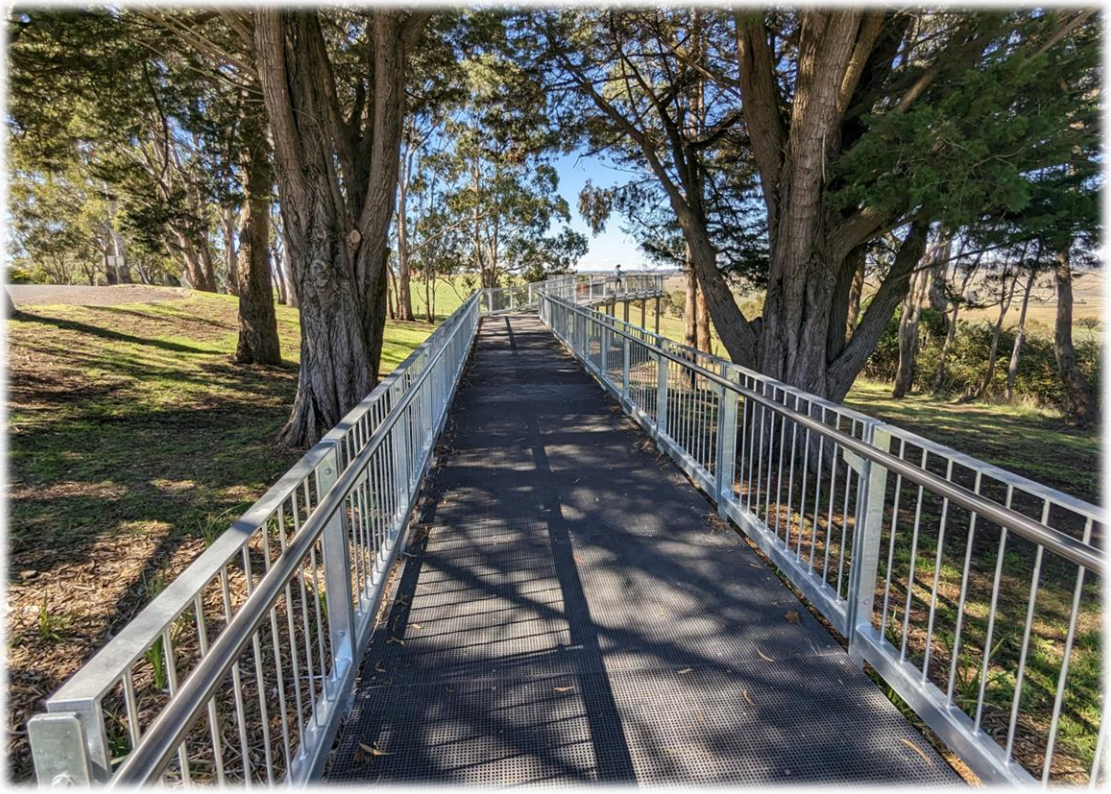
GLEN INNES

SEVERN COUNCIL



CORE ASSET MANAGEMENT PLAN 2025-2029

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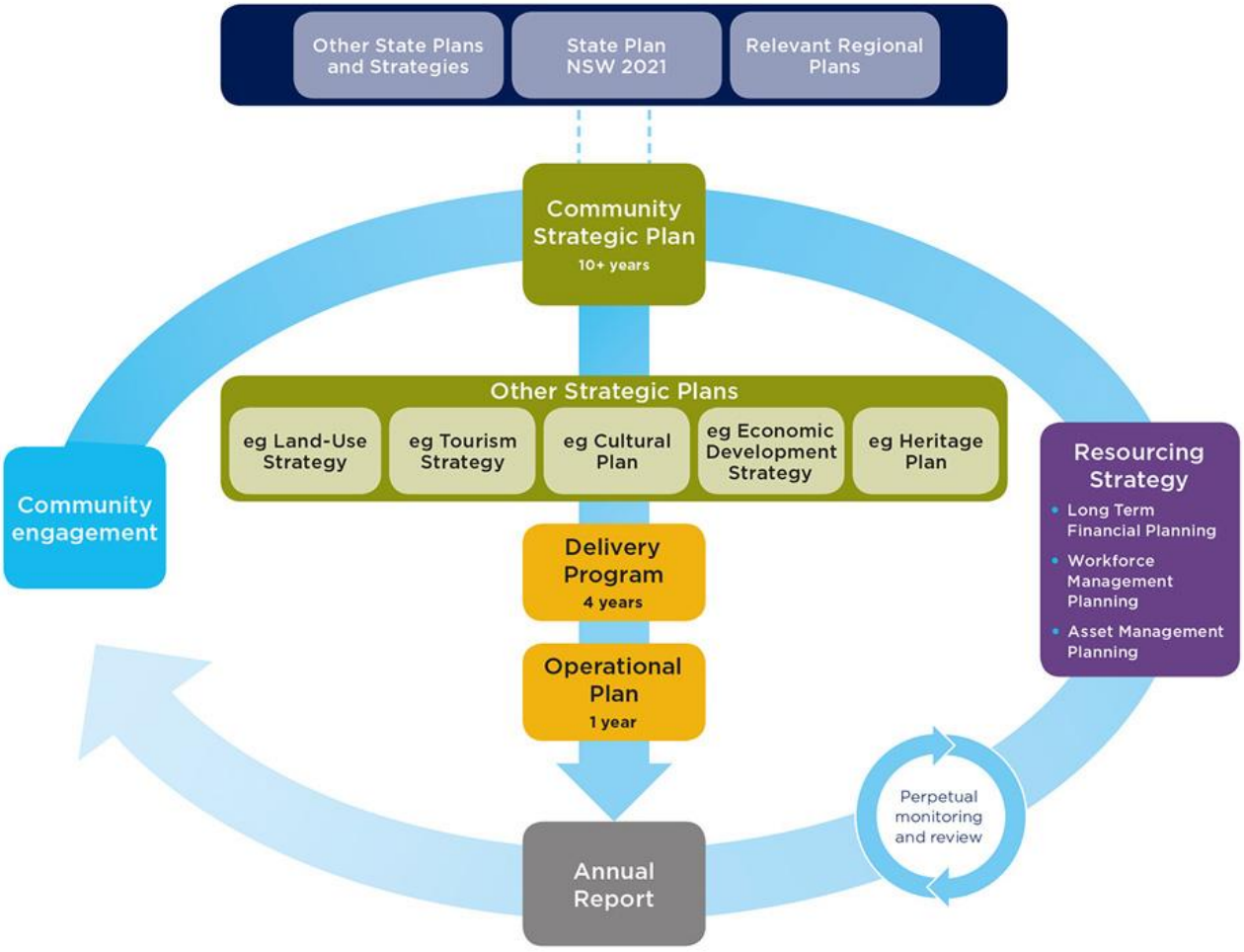
PART 1

GENERAL STATEMENT

This plan is a component of the Integrated Planning and Reporting Framework and provides the management philosophy for each asset class, in which the relevant sections of the Delivery plan are developed.



1. EXECUTIVE SUMMARY

1.1 WHAT COUNCIL PROVIDES

Glen Innes Severn Council owns and is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities to the community. Asset Management Plans have been developed to ensure that Council continues to provide effective and comprehensive management of its asset categories. plans have been completed for the following asset categories:

Asset Management Plans are reviewed during the annual budget preparation and amended to recognise any changes in service levels and / or resources available to provide those services as a result of the budget decision process. A major review will be completed for any asset classes that have been independently revalued during the year. This will align the asset management plan with the cycle of revaluation and will ensure that each asset class undergoes a complete review at intervals not exceeding five years.

ASSET CATEGORY	
PART 2	Roads
PART 3	Urban Drainage
PART 4	Water
PART 5	Sewerage
PART 6	Buildings, Structures and Land
PART 7	Bridges
PART 8	Plant and Fleet

Image *- Glen Innes Aggregates*

1.2 ASSET MANAGEMENT POLICY STATEMENT

Council has adopted the following to guide the development of asset management plans:

- Council will ensure that assets covered under this policy are planned, created, operated, maintained, renewed and disposed of in accordance with sustainability principles and Council's priorities for service delivery;
- Asset Management Plans will be developed for each asset class for long term strategic management of Council assets and will include financial plans;
- Council will implement systematic asset management methodology (Asset Management Strategy) to apply appropriate asset management best practices across all areas of Council. This will include establishment of service levels, inspections and condition audits to take informed decision on assets and to identify future funding needs;
- Asset management information systems will be further developed and will include data capture, asset register, programming of maintenance and inspections, whole of life costing, forecasting and financial reporting;
- All relevant legislative requirements together with political, social, environmental and economic considerations will be taken into account in asset management; and
- The Council will promote training and continuous improvement in asset management practices and processes in the Council so as to progressively improve asset management.

***Image** - Wytaliba Bridge*

1.3 WHAT DOES IT COST?

Infrastructure construction, maintenance and operations is a major cost to the community. Infrastructure is funded through rates revenue and grants from Federal and State governments. Without these grants, Council would be unable to continue to provide the wide range of services supported by infrastructure.

The following table indicates the total value of infrastructure that the Council is responsible for and how it is covered in the Asset Management Plan.

NOTE C1-7 CATEGORY	GROSS REPLACEMENT COST 23-24 $	AMP CLASS	REPLACEMENT COST COVERED IN AMP $
Bridges	83,261,044	Bridges	92,331,146
Roads *(Causeways)*	9,070,102		
Buildings	68,685,737	Buildings and structures	113,577,143
Furniture & Fittings	333,264		
Investment	2,332,912		
Library Books	958,743		
Office Equipment	304,961		
Other Open Space Recreational Assets *(General)*	8,374,218		
Other Structures	14,045,057		
Swimming Pools	3,674,907		
Community Land	3,177,300		
Crown Land	1,800,500		
Operational Land	9,889,543		
Leased Assets	1,637,296	Plant and equipment	15,120,609
Plant and Equipment	13,483,313		
Bulk Earthworks	83,597,851	Roads	287,193,406
Footpaths *(road related)*	6,355,869		
Other Infrastructure *(Kerb and Gutter)*	14,416,625		
Other Infrastructure *(Major Street Furniture)*	2,932,282		
Roads *(Carparks)*	2,563,294		
Roads *(General)*	177,327,486		
Sewerage Network	42,269,376	Sewerage	42,269,376
Stormwater Drainage	20,513,857	Urban drainage	20,513,857
Water Supply Network	56,341,647	Water	56,341,467
TOTAL	**$ 627,347,184**		**$ 627,347,184**

Table 1.3 *Total Value of Infrastructure Council is responsible for*

1.4 PLANS FOR THE FUTURE

This Asset Management Plan has been linked with Council's Community Strategic Plan. Therefore, the Asset Management Plan needs to reflect community expectations. This Asset Management Plan has been finalised in conjunction with the outcomes of the public consultation for the Community Strategic Plan and in conjunction with development of the Long-Term Financial Plan and Infrastructure Backlog Management Plan.

The ongoing message coming from community consultation is that the focus of Council's activities should revolve around the urban portion of the roads asset class until that portion is brought to an acceptable state. Given that the roads backlog issue has arisen due to decades of inadequate funding, it is not surprising that it will take many years of sustained effort to achieve a satisfactory condition rating.

1.5 MEASURING OUR PERFORMANCE

QUALITY

The assets will be maintained in a reasonably useable condition. Defects found or reported that are outside our service standard will be repaired. Defect prioritisation and response times will be detailed in Council's Maintenance Response Levels of Service.

FUNCTION

Council's intent is to provide an appropriate asset network which is maintained in partnership with other levels of government and stakeholders (including the community) to achieve the aforementioned objectives.

SAFETY

The assets will be maintained at a safe level and associated signage and equipment will be provided as needed to ensure public safety. Council will inspect assets regularly and prioritise and repair defects in accordance with the scheduled to ensure they are safe.

Generally, Council will utilise the State-wide Risk Management Best Practice directives in this regard.

1.6 THE NEXT STEPS

Council will build on these Asset Management Plans by enhancing the data and determining appropriate levels of service through engagement with the community. The principal objective of this is to provide agreed levels of service in a sustainable manner.

1.7 WANT TO KNOW MORE?

Copies of the complete Asset Management Plans are available for viewing at Council offices or on Council's website *www.gisc.nsw.gov.au*

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 required to provide the required levels of service. It is to be read with the following associated planning documents:

- Community Strategic Plan – Articulates the long-term strategic direction of Council.
- Delivery Program – outlines how the Council will deliver its objectives over a four-year program.
- Long-term Financial Plan – Outlines all aspects of the key financial strategic objectives and commitments.
- Operational Plan – Detailed action plan on projects and finances for each particular year. The works identified in the AMP form the basis on which future annual plans are prepared.
- Infrastructure Backlog Management Plan – Identifies assets that are overdue for renewal and provides the basis for infrastructure renewal funding.
- Service Level Agreements & Contracts – The service levels, strategies and information requirements contained in the AMP are translated into field staff work instructions, contract specifications and reporting requirements.
- Standards and Policies – Tools to assist in the management of, and to support, strategies.
- Business Plans – Levels of service, processes and budgets defined in the AMP are incorporated into business plans as activity budgets, management strategies and performance measures.

This Asset Management Plan covers the following assets: -

ASSET CATEGORY	REPLACEMENT VALUE $	CARRYING VALUE $	ANNUAL CONSUMPTION -$	BACKLOG VALUE $	BACKLOG %
BRIDGES	92,331,146	55,868,232	925,276	1,662,232	3.0
PLANT AND EQUIPMENT	15,120,609	6,646,642	1,162,059	Not	Applicable
ROADS	287,193,406	207,068,842	3,975,549	20,588,737	9.94
SEWER	42,269,376	23,206,847	537,012	-	0
URBAN DRAINAGE	20,516,857	11,603,061	208,768	122,728	1.06
WATER	56,341,647	29,311,338	717,756	-	0
BUILDINGS AND STRUCTURES	113,577,143	69,686,420	1,730,920	856,299	1.23
TOTAL	**$627,347,185**	**$403,391,383**	**-$9,257,340**	**$23,299,995**	**5.76%**

2.1.1 Key Stakeholders

Key stakeholders in the preparation and implementation of this Asset Management Plan are:

FEDERAL AND STATE GOVERNMENT AGENCIES	FUNDING ASSISTANCE AND STANDARDS DEVELOPMENT
ELECTED MEMBERS	Community Representation and administration
COMMUNITY	End-user involvement
VISITORS	End-user involvement
UTILITIES / DEVELOPERS	Providers of services and infrastructure facilities
EMPLOYEES / VOLUNTEERS	Operational and administration providers
CONTRACTORS / SUPPLIERS	Suppliers of goods and services
INSURERS	Remedy providers

2.2 GOALS AND OBJECTIVES OF ASSET MANAGEMNET

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.

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

Council chose to adopt the same vision statement for the next four (4) years as the one developed by the community for the next 10 years, namely:

"Glen Innes Severn will be recognised as a prosperous connected community that nurtures its people and places."

Further, Council has adopted the following mission statement through which it will achieve its vision:

"Together we focus on our customers and partners to deliver the best possible local government services and projects at the best possible value now and into our shared future."

These vision and mission statements are supported by the following noble set of values: Respect, Integrity, Courage, Honesty, and Transparency. Key Council goals and objectives and how these are addressed in this Asset Management Plan are advised in each plan. Generally, Council has adopted the following strategic objective:

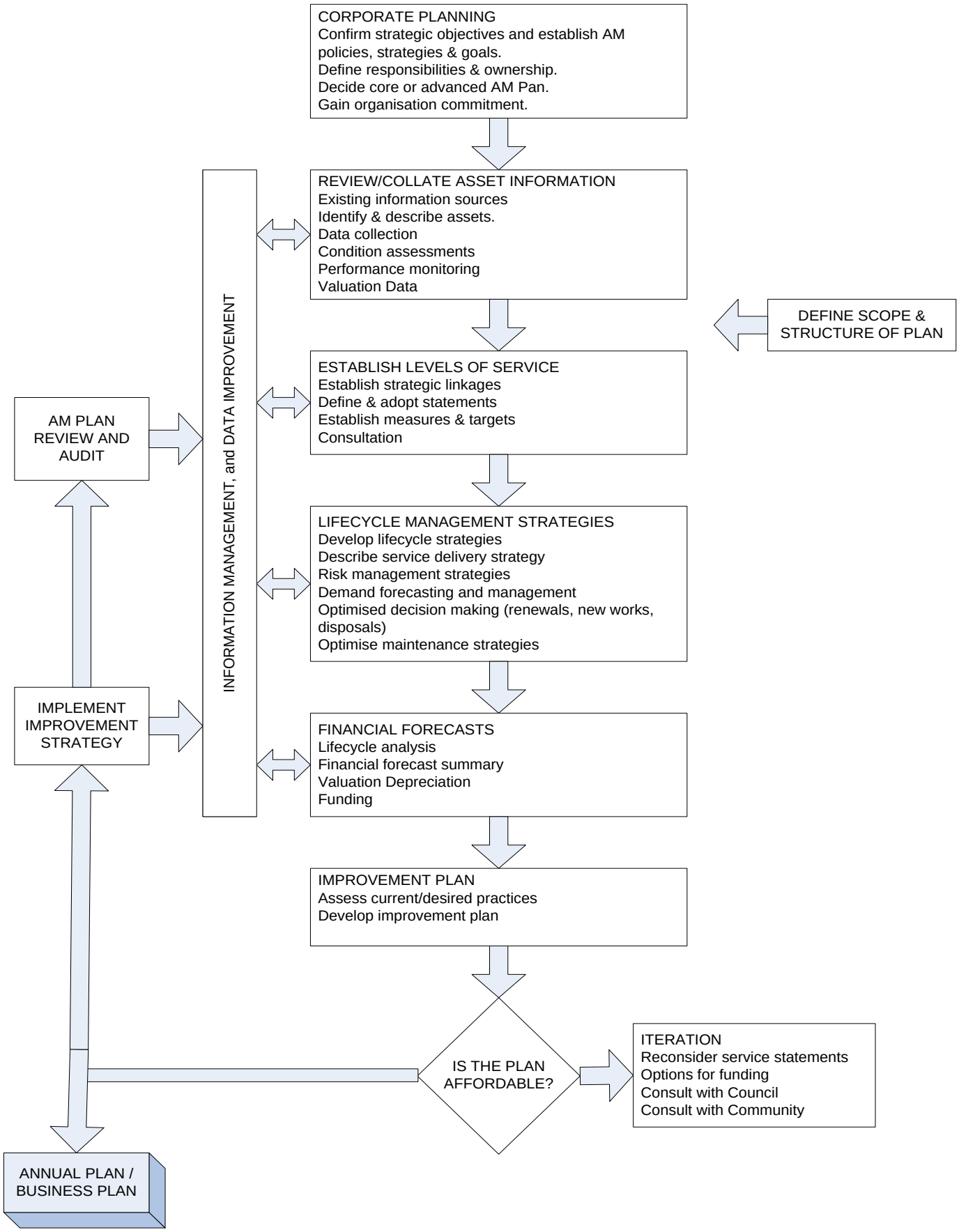
"Fit for Purpose Public Infrastructure – Designed, constructed, and appropriately maintained, to keep our community and visitors connected, safe and able to access the amenities and services they require."

2.3 PLAN FRAMEWORK

Key elements of the plan are:

- Levels of service – specifies the services and levels of service to be provided by Council.
- 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 the required services.
- Financial summary – what funds are required to provide the required services.
- Asset management practices.
- Monitoring – how the plan will be monitored to ensure it is meeting Council objectives.
- Asset management improvement plan.

A road map for preparing an Asset Management Plan is shown below.



2.4 CORE AND ADVANCED ASSET MANAGEMENT

This Asset Management Plan has moved from being a "core" AMP towards being an "advanced" plan.

Further revisions of this Asset Management Plan will continue to move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

2.4.1 Key Asset Assumptions and Data Limitations

Limitations on data quality and current analysis tools, applied over the diversity of assets in the AMP, have constrained the Plan outcomes.

ASSET CLASS	ASSUMPTION / LIMITATION
ROADS	Unsealed roads are subject to industry-wide condition rating uncertainties. A useful life of 30 years is assumed.
URBAN DRAINAGE	Urban drainage assets are inherently difficult to assess for condition due to the inability to access those assets that do not have ready access to an open end or pit. Many pits are poured in situ and cannot be accessed without breakage.
WATER AND WASTEWATER MANAGEMENT	Condition rating methodology for underground assets (e.g pipes) is expensive and in the case of water assets not available due to being a sealed system.
BUILDINGS	Limited data exists to enable building maintenance requirements to be calculated.
BRIDGES	Asset renewals in recent times have been performed in an environment of increased industry demand and future placement costs may not be accurately reflected if demand reduces.

3. LEVELS OF SERVICE

3.1 CUSTOMER RESEARCH AND EXPECTATIONS

Council's customer research into asset needs and satisfaction has included:

- Customer feedback surveys;
- Community requests to Council; and
- Community engagement sessions as part of the development of the Community Strategic Plan.

As part of the integrated planning & reporting framework, Council has conducted extensive community engagement. Council uses this information in developing the Community Plan and in allocation of resources in the budget.
The Community Strategic Plan outlines the desires and expectations of the community.

The most recent customer satisfaction survey demonstrated the following satisfaction rating for each asset class in this plan:

CLASS	SATISFACTION RATING
ROADS	18%
DRAINAGE	N/A
WATER	68%
SEWER	75%
BUILDINGS & STRUCTURES	84%
BRIDGES	61%
PLANT & FLEET	N/A

3.2 LEGISLATIVE REQUIREMENTS

Council has to meet many legislative requirements under State and Federal law. These include:

DOCUMENT TITLE	REQUIREMENT
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a resourcing plan supported by asset management plans for sustainable service delivery.
Local Government Act 1993 – Annual reporting Section 428 (2)(d)	(d) A report of the condition of the public works (including public buildings, public road and water sewerage and drainage works) under the control of council as at the end of that year; together with an estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and an estimate (at current values) of the annual expense of maintaining the works at that standard; and the Council's program for maintenance for that year in respect of the works.
The Protection of the Environment Operations Act 1997 (POEO Act)	Is the key piece of environment protection legislation administered by the Office of Environment and Heritage. The POEO Act enables the Government to set out explicit protection of the environment policies (PEPs) and adopt more innovative approaches to reducing pollution
Fisheries Management Act 1994	Requires approval from NSW fisheries before construction across a waterway. This is administered by NSW Department of Primary Industries.

DOCUMENT TITLE	REQUIREMENT
Work Health and Safety Regulation 2011	Explains conditions required for safety at work site and documentary evidence to be kept.
Environmental Planning and Assessment Act 1979	Considers the effect of a project on the local environment and provides exemption for completion of a full environmental impact study in certain circumstances.
Road Transport (Mass, Loading and Access) Regulation 2015	Provides for maximum loads that will be legally able to use the structure.
Roads Act 1993	Defines who the road authority is for an asset and provides a legal basis for ownership of road assets.
Land Acquisition (Just Terms Compensation) Act 1991	Provides for compensation to a landowner where land is compulsorily acquired by the road authority.
Disability Discrimination Act 1992	Sets out the responsibilities of Council and staff in dealing with access and use of public infrastructure.
Other relevant State and Federal Acts and Regulations	As appropriate.

3.3 CURRENT LEVELS OF SERVICE

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency, and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Service Criteria	Technical measures may relate to
Quality	Smoothness of roads
Quantity	Area of parks per resident
Availability	Distance from a dwelling to a sealed road
Safety	Number of injury accidents

Where table entries are shown as '#' data are unavailable. Future AMP revisions will include this information, as it becomes available.

3.4 DESIRED LEVELS OF SERVICE

At present, indications of desired levels of service are obtained from various sources including Customer Satisfaction surveys, residents' feedback to Councillors and staff, service requests and correspondence.

4. FUTURE DEMAND

4.1 DEMAND FORECAST

GISC continues to enjoy steady population dynamics with potential upside for population growth when the proposed economic development benefits of projects such as the New England Rail Trail eventuate. For the reporting period, increases in asset stock will be derived largely from donated assets or development, rather than new or expansion works undertaken by Council.

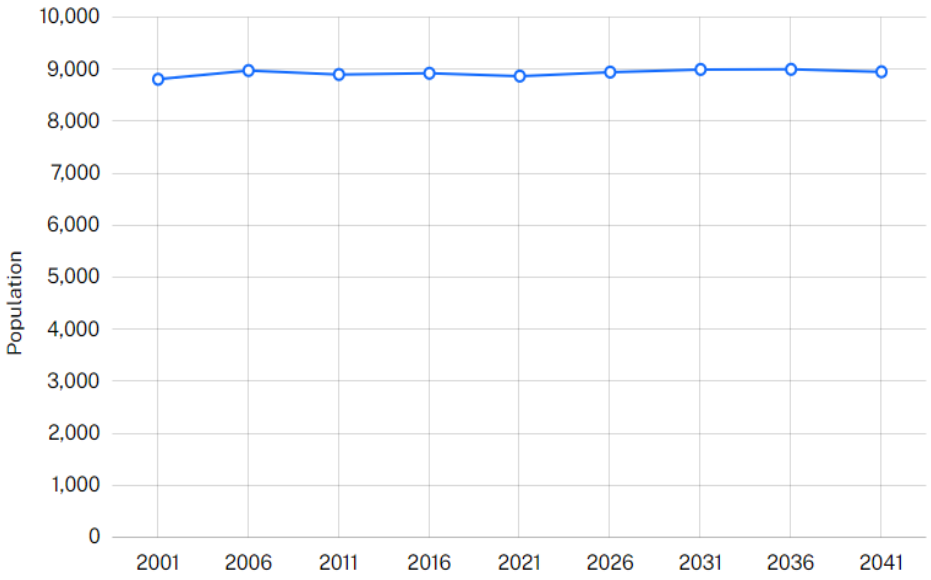


Table 4.1b: *Population Projection*

(Source: www.planning.nsw.gov.au accessed Aug 2024)

4.1.2 Demand Factors – Trends and Impacts

Refer to the relevant detailed Asset Management Plan for further discussion.

4.2 CHANGES IN TECHNOLOGY

Technological changes, more particularly those related to climate change, energy consumption patterns and water usage, are forecast to have some effect on service delivery.

Refer to the relevant detailed Asset Management Plan for further discussion.

4.3 DEMAND MANAGEMENT PLAN

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

Refer to the relevant detailed Asset Management Plan for further discussion.

4.4 NEW ASSETS FROM GROWTH

Refer to the relevant detailed Asset Management Plan for further discussion.

4.4.1 *Assumptions used in Projected Asset Growth*

There is a diminishing degree of confidence in the projected data from 'committed' for a one-year Operational Plan program, through to 'credible' in the 10 – year LTFP to 'plausible' for the balance of the period. Some attempts have been made to anticipate growth and expenditure 'peaks', rather than a linear extrapolation. It is recognised that projections are, at best, estimates based on current knowledge and will be subject to regular review.

The relationship between asset growth (Council-acquired and developer-contributed) and population growth / demographic changes varies across the asset categories and classes. For example, road pavement and seal assets will be created for most of the created allotments, whereas very few built-form assets will accrue in recreational open space. Thus, there is not a clear ratio of asset creation per created allotment, which is then made more complex when Council-acquired assets are considered.

4.4.2 *Contributed Assets*

Refer to relevant Asset Management Plans for further discussion.

5. LIFECYCLE MANAGEMENT PLAN

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

5.1 *BACKGROUND DATA*

All infrastructure assets, which are the responsibility of Council, are being managed with a long-term view and a whole-of-life approach. Assets are managed from installation, through various maintenance phases until renewal, disposal or upgrade is required.

This section reviews the processes required for the effective management, maintenance, renewal and upgrade of assets.

The lifecycle management plans outline for each asset class and the objectives for the asset class. Supporting data, includes:

- key lifecycle management issues;
- physical parameters and values;
- asset capacity / performance;
- asset condition; and
- historical expenditure.

The management strategies to achieve the levels of service in the following work categories:

- operations and maintenance;
- renewals; and
- new works.

Council as asset owner is committed to maintaining its assets to ensure stakeholders' desired levels of service are maintained at sustainable levels commensurate with affordable expectations.

To meet this requirement, Council seeks to match funding levels, condition and community expectations. Some of the key lifecycle issues are:

- There has been a significant shortfall in expenditure in the previous decade with respect to some assets including bitumen sealed roads. Provisions have been made to deal with demand for cyclical maintenance within the next 10 to 20 years.
- The research work on predictive modelling of deterioration needs to be continued, to enable understanding of asset component lives and justify planned increases in rehabilitation / expansion expenditure.

5.1.1 Physical Parameters

Refer to the relevant detailed Asset Management Plan for further discussion

5.1.2 Asset Capacity and Performance

Council's services are generally provided to meet design standards where these are available. Service deficiencies were identified from the results of condition rating surveys undertaken and through staff inspections.

5.1.3 Asset Condition

Profiles of network condition, remaining useful lives and asset age are illustrated for the asset category in the relevant Asset Management Plan.

Condition is generally measured using a 1-5 rating system.

RANK	DESCRIPTION OF CONDITION (NOTE 1)	RUFL (NOTE 2)	GISC INTERVAL (NOTE 3)
1	Very Good Condition	60% to 100%	60.0 - 100
2	Good Condition - Minor Defects Only	35 % to 60%	35.0 - 59.9
3	Fair or Moderate Condition - Maintenance Required to Return to Acceptable Level of Service	20% to 35%	20.0 - 34.9
4	Poor Condition - Consider Renewal	10% to 20%	10.0 - 19.9
5	Very Poor Condition - Approaching Unserviceable	0 to 10%	0 - 9.9

Table 5.1.3a *Condition Ratings*

Notes

1. Descriptions are sourced from IIMM 2020 and are generalised. More detail description, if required, will be detailed in each relevant part (asset plan).
2. Percentage Remaining Useful Life (RUFL): sourced from IPWEA Practice Note 9, para 9.2, table 4.
3. A specific numeral interval and threshold is often needed for revaluation calculations and financial reporting (e.g. 'Cost to Bring to Satisfactory'). Those listed above will be used by default, unless specified in a particular revaluation methodology.

The condition rating methods adopted vary across the asset categories.

- For sealed road pavements, an advanced condition assessment has been developed based on measured roughness and rutting values and modelled to determine predicted life expectancy for each individual asset.
- The condition of unsealed road pavements is assessed on observations of gravel depth, surface condition and crown height through subjective inspection, with inherent uncertainty due to human variability and the constant change of asset condition through the maintenance cycle.

- The condition of individual bridge components are rated to determine an average condition rating for each component. Component scores are then weighted to determine an overall Bridge Condition Number for each structure, based on the VicRoads methods outlined in the IPWEA Bridge and Inspection and Management Manual.
- A Causeway Condition Index is determined for each structure based on assessment of the slab, pipe, waterway, and approach conditions.
- Kerb and gutter is assessed based on observed cracking, misalignment, chipping and ponding.
- A score for the condition of footpaths is determined from trip size, unevenness, slipperiness, shadows, and lighting.
- Culverts in rural roads are assessed based on cracking, abrasion and sedimentation, while the condition of headwalls is averaged from one observed condition value of the headwalls at each end.

The systematic approach is in line with procedures outlined in IIMM (ref. 14).
Council's preferred practice is to re-rate assets every 3-5 years to ensure that those assets nearing the end of their life are not allowed to deteriorate beyond the intervention point at which relatively low-cost rehabilitation can be undertaken. For sealed road pavements this assessment is performed annually using vehicle mounted monitoring laser profiling.
With each subsequent survey, a better picture of asset conditions is developed. This enables the actual rate of deterioration to be observed over time and on pavements of varying condition, providing a high level of accuracy for modelling decay rates.

5.1.4 Asset Valuations

Council values assets for two different purposes: insurance and asset management. Significant savings can be made if an insurance valuation (paid for by Council's insurer) can be expanded (at Council cost) to cover an asset valuation of the same building or property. Council's insurer currently values plant, fleet, land, buildings, other structures, open space, and swimming pool asset including contents insurance. Ideally the insurer schedules its valuations every 5 years.

Australian Accounting Standards Boards AASB 116, stipulates that Council must revalue assets every 3-5 years provided that no significant change in Fair Value has occurred in the past FY. Local Government Code of Accounting 2021/22, Section 5, Appendix E recommends external valuations for buildings and land whilst investment properties must be independently valued.

ASSET TYPE	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Roads (including causeways and Bulk Earthworks)	Internal					Internal				
Footpaths	Internal					Internal				
Kerb and Gutter	Internal					Internal				
Major Street Furniture	Internal					Internal				
Carparks	Internal					Internal				
Water				External						External
Sewer										
Bridges		Internal					Internal	External		
Land				External						External
Buildings										
Other Structures				External						External
Swimming Pools										
Open Spaces										
Office Equipment				External						External
Furniture										
Rural Drainage	Internal				Internal					Internal
Urban Drainage	Internal				Internal					Internal
Plant & Fleet				Internal						Internal
Investment Properties	External	External	External	External	External	External	External	External	External	External

5.2 RISK MANAGEMENT PLAN

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. Future refinements will use these factors to develop risk ratings, incorporating a risk treatment plan for non-acceptable risks.
Critical risks are those assessed as:

- Very High (VH)- requiring immediate corrective action, and
- High (H) – requiring prioritised corrective action.

Refer to critical risks in each relevant part.

5.3 ROUTINE MAINTENANCE PLAN

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

5.3.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities. Historic maintenance expenditure patterns across each asset category are shown in the relevant Part.

Note that amounts shown have been extracted from Council's Annual Operational Plan and Budget for each year and are stated in that year's dollars. Thus, unless the maintenance expenditures show a progressive increase in line with construction inflation, then actual expenditures are not keeping pace.

Refer to the relevant detailed Asset Management Plan for further discussion.

5.3.2 Standards and Specifications

Maintenance work is carried out in carried out in accordance with the Standards and Specifications, outlined in each relevant Part and in Council's LTFP.

5.3.3 Summary of Future Maintenance Expenditures

Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded, are to be included in the risk assessment process in the infrastructure risk management plan in future revisions of this Asset Management Plan.

Maintenance is funded from Council's operating budget and grants where available. This is further discussed in Section 5 of each Part.

5.4 RENEWAL / REPLACEMENT PLAN

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register. Candidate proposals are inspected to verify the accuracy of the remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs.

Renewal will be undertaken using 'low-cost' renewal methods where practicable. The aim of these treatments is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Renewals will be funded from Council's Capital Works Program and grants where available. This is further discussed in Section 6 in each relevant part.

5.4.1 Selection Criteria

Selection criteria for asset renewal and replacement are noted in Section 5 in each relevant part.

5.4.2 Renewal Standards

Renewal work is carried out in accordance with the Standards and Specifications noted in Section 5 in each relevant part.

5.5 CREATION / ACQUISITION / UPGRADE PLAN

New works are those works that create a new asset that did not previously exist or works which upgrade, or improve, an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4 in each relevant Part.

Candidate new assets and upgrade / expansion of existing assets are identified from various sources such as Elected Member or community requests, proposals identified by strategic plans or partnerships with other organisations. Proposals are investigated to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs.

New assets contributed by land developers are discussed separately in Section 4 of each relevant Part.

5.5.1 Selection Criteria

Selection criteria for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2 in each relevant Part.

The decision on whether physical assets are treated as operational expenses or capitalised, and therefore added to asset plans and registers, are based on the following capitalisation thresholds:

ASSET CLASS	ASSET CAPITALISATION THRESHOLD $
Office and Equipment	2,000
Furniture and Fittings	2,000
Plant and Equipment	5,000
IWS Assets	5,000
Stormwater	5,000
Structures – Open Space assets, swimming pools and other structures	5,000
Buildings (including renovations and extensions)	10,000
Transport Assets	25,000
Land	100% cap
Library Resources	Operational

Table 5.5.1 *Asset Capitalisation Thresholds*

5.6 DISPOSAL PLAN

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

No plans exist to formalise a disposal schedule at present for the asset categories in the AMP.

Refer to the relevant detailed Asset Management Plan for further discussion.

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 FINANIAL STATEMENTS AND PROJECTIONS

Refer to the relevant detailed Asset Management Plan for further discussion.

6.1.1 Sustainability of Service Delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium-term costs over the 10-year financial planning period.

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 longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of each asset management plan is to identify levels of service that the community needs and can afford and develop the necessary long-term financial plans to provide the service in a sustainable manner.

Medium term – 10-year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20-year period for input into a 10-year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20-year period to identify any gap. In a core Asset Management Plan, a gap is generally due to increasing asset renewals.

One purpose of the AMP is to identify levels of service that the community needs and can afford and to develop the necessary LTFPs to provide the service in a sustainable manner.

The AMP identifies estimated maintenance and capital expenditures required to provide an agreed level of service to the community in a sustainable manner over a 10-year period. These are inputted into the 10-year Long Term Financial Plan. This may be compared to existing or planned (i.e. pre-AMP development) expenditures in the 10-year period to identify any funding shortfall.

The projected asset renewals are compared to the planned renewal expenditure in the capital works program and renewal expenditure in year one (1) of the planning period.

6.2 FUNDING STRATEGY

Refer to the relevant detailed Asset Management Plan for further discussion.

6.3 VALUATION FORECASTS

Refer to the relevant detailed Asset Management Plan for further discussion.

6.4 KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

Key assumptions made in presenting the information contained in the AMP and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expenses and carrying amount estimates, are detailed below. They are presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts. Key assumptions:

- Average useful lives and average remaining lives of the asset classes are based on current local knowledge and experience, historical trends and accepted industry practice. These need to be reviewed and the accuracy improved, based on regular re-assessment of asset deterioration.
- Reviews of the effective useful lives of assets and population / demographic changes have the potential for greatest variance in future cost predictions.
- Changes in development needs associated with the rate and location of growth and changes in the desired level of service and service standards from those identified in the AMP, will both impact on future funding.

Accuracy of future financial forecasts may be improved in future revisions of the AMP by the following actions:

- More refined condition rating data with more history for reference.
- Development of better degradation models through national research and development programs.
- Development of better financial models through collaborative processes.
- Improvements to the asset information system.

7. ASSET MANAGEMENT PRACTICES

7.1 ACCOUNTING / FINANCIAL SYSTEMS

Accounting Standards applicable to the AMP include:

- AAS27 (ref. 2);
- AASB116 (ref. 4); and
- AASB1031 (ref. 3).
-

Recommended changes resulting from the AMP are as follows:

- Inform Council of long-term financial plans through regular reviews; and
- Ongoing implementation of improved asset information software and systems.

7.2 ASSET MANAGEMENT SYSTEMS

The asset information systems adopted for the AMP include the following:

- Metrix Assets software for management of asset financial and spatial data.
- Microsoft Dynamics financial software

7.3 INFORMATION FLOW REQUIREMENTS AND PROCESSES

The key information flows *into* this Asset Management Plan are:

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

The key information flows *from* this asset Management Plan are:

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

These will impact the Long-Term Financial Plan, Community Strategic Plan, Delivery Program, Operational Plan and departmental business plans and budgets.

7.4 STANDARDS AND GUIDELINES

The relevant standards, guidelines, policies and the like, relevant to general asset management practices are noted in table 7.1.

7.5 DATA CONFIDENCE LEVEL

The level of confidence in the data used for financial forecasting has been graded by the system outlined in Table 7.2.

CONFIDENCE LEVEL		DESCRIPTION
A	**Highly Rateable**	Sound records, procedures, investigations and analysis that are documented to best appropriate practice
B	**Reliable**	Sound records, procedures, investigations and analysis that are documented to best appropriate practice. Contains minor shortcomings, e.g. some old data
C	**Uncertain**	Incomplete records, procedures, investigations and analysis, with some unsupported assumptions or extrapolations
D	**Very Uncertain**	Data based on unconfirmed, anecdotal evidence, or cursory inspection and analysis

Table: *Data Confidence Levels*

Refer to asset category and relevant part for specific data confidence levels.

8. PLAN IMPROVEMENT AND MONITORING

8.1 PERFORMANCE MEASURES

The effectiveness of the Asset Management Plan can be measured in the following ways:

- The degree to which the required cash flows identified in this Asset Management Plan are incorporated into Council's Long-Term Financial Plan and Strategic Management 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;

8.2 IMPROVEMENT PLAN

The asset management improvement plan generated from this Asset Management Plan is shown below.

TASK NO	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TARGET COMPLETION DATE
1	**Valuation Unit Costs** – review unit cost derivations on a 'brownfields' basis	Assets Officer	Staff	As assets are revalued
2	**Risk Management** – refine, expand and document the risk management plan	Manager of Governance /Director of Infrastructure Services	Staff	Incorporation of risks into Council's corporate risk register
3	**Create workflows for optimal EOFY reporting**	Chief Financial Officer/ Director of Infrastructure Services	Staff	For 2024/2025 EOFY process
4	**Document methodology and procedures** for asset useful lives, asset unit costs (rates), condition rating and scoring and depreciation calculations	Assets Officer	Staff	For 2024/2025 EOFY process
5	**Population Projections** – review projections based on latest available Census, or other, data	MANEX	Staff	Next Census
6	**Community Consultation** – undertake targeted engagement with the community to resolve acceptable and achievable levels of service	MANEX	Staff / Consultant	With preparation of each Community Strategic Plan
7	**Condition Rating** – refine data collection and analyse processes	Assets Officer	Staff	Continuous Improvement Pathway

8.3 MONITORING AND REVIEW PROCEDURES

This Asset Management Plan will be reviewed following annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services because of the budget decision process.

The Plan is a living document and is due for revision and updating annually, with a major review on the election of a new Council and after the revaluation of an asset class.

REFERENCES

- Glen Innes Severn Council, 'Community Strategic Plan 2025 - 2035'.
- Glen Innes Severn Council, 'Delivery Program 2025 - 2029'.
- Glen Innes Severn Council, 'Long -Term Financial Plan for the 10 Year period ending 30 June 2035'
- Glen Innes Severn Council, 'Operational Plan 2024/2025'.
- IPWEA, 2020, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au..

Appendix A Planned Capital Expenditure

Roads	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Depreciation	**$3,975,549**	**$4,114,693**	**$4,238,134**	**$4,344,087**	**$4,452,689**	**$4,564,007**	**$4,678,107**	**$4,795,059**	**$4,914,936**	**$5,037,809**	**$ 45,115,070**
RRTRP	$6,778,429	$6,778,429	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 13,556,858**
AGRN 1012 Natural Disaster Recovery (EPAR)	$1,036,089	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,036,089**
RTR Gravel Resheeting Program	$1,134,161	$1,395,891	$1,657,620	$1,744,864	$1,744,864	$1,535,480	$1,535,480	$1,535,480	$1,535,480	$1,535,480	**$ 15,354,800**
Bitumen Reseal Program	$ 944,228	$ 676,455	$ 682,494	$ 647,310	$ 1,088,015	$ 1,066,428	$ 1,130,062	$ 611,945	$ 1,277,331	$ 516,455	**$ 8,640,722**
Pavement Renewal Program	$ 2,531,321	$ 2,920,738	$ 3,022,615	$ 3,150,427	$ 2,804,665	$ 2,923,569	$ 2,959,685	$ 3,580,046	$ 3,019,460	$ 3,887,755	**$ 30,800,281**
Urban Roads Strategy	$ 500,000	$ 517,500	$ 533,025	$ 546,351	$ 560,009	$ 574,010	$ 588,360	$ 603,069	$ 618,146	$ 633,599	**$ 5,674,068**

Buildings	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 1,185,117	$ 146,717	$ 761,635	$ 222,660	$ 246,442	$ 363,322	$ 1,521,294	$ 1,586,750	$ 917,854	$ 207,803	$ 7,159,594
Planned New Assets	$ 600,000	$ 5,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,100,000
Depreciation	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 1,730,920	$ 13,259,594

Urban Drainage	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 208,768	$ 216,075	$ 222,557	$ 228,121	$ 233,824	$ 239,670	$ 245,662	$ 251,803	$ 258,098	$ 264,551	$ 2,369,130
Depreciation	$ 208,768	$ 216,075	$ 222,557	$ 228,121	$ 233,824	$ 239,670	$ 245,662	$ 251,803	$ 258,098	$ 264,551	$ 2,369,130

General Plant	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 1,517,700	$ 915,749	$ 1,002,705	$ 1,109,155	$ 1,442,185	$ 1,185,236	$ 1,144,000	$ 1,122,026	$ 1,542,636	$ 1,292,746	$ 12,274,140
Depreciation	$ 932,928	$ 965,581	$ 994,548	$ 1,019,412	$ 1,044,897	$ 1,071,020	$ 1,097,795	$ 1,125,240	$ 1,153,371	$ 1,182,205	$ 10,586,997

ASSET MANAGEMENT PLAN - CORE

Quarry Plant	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 560,000	$ 482,000	$ 415,000	$ 405,000	$ 338,700	$ -	$ 370,000	$ 643,500	$ 70,000	$ 405,000	$ 3,689,200
Depreciation	$ 207,494	$ 214,756	$ 221,198	$ 226,728	$ 232,397	$ 238,207	$ 244,162	$ 250,266	$ 256,522	$ 262,935	$ 2,354,665

Sewer	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 616,749	$ 734,628	$ 756,666	$ 775,583	$ 794,973	$ 814,847	$ 835,218	$ 856,099	$ 877,501	$ 899,439	$ 7,961,702
Depreciation	$ 545,989	$ 565,098	$ 582,051	$ 596,602	$ 611,517	$ 626,805	$ 642,475	$ 658,537	$ 675,001	$ 691,876	$ 6,195,952

Water	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 865,000	$ 965,740	$ 994,712	$ 1,019,580	$ 1,045,070	$ 1,071,197	$ 1,097,976	$ 1,125,426	$ 1,153,561	$ 1,182,401	$ 10,520,664
Depreciation	$ 748,670	$ 774,874	$ 798,120	$ 818,073	$ 838,525	$ 859,488	$ 880,975	$ 903,000	$ 925,575	$ 948,714	$ 8,496,015

Bridges	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10 Year Summary
Planned Renewals	$ 3,366,100	$ 912,000	$ -	$ 424,000	$ -	$ 424,000	$ -	$ 480,000	$ -	$ 424,000	$ 6,030,100
Depreciation	$ 925,276	$ 957,661	$ 986,391	$ 1,011,050	$ 1,036,327	$ 1,062,235	$ 1,088,791	$ 1,116,010	$ 1,143,911	$ 1,172,508	$ 10,500,159