

Blayney Shire Council



Parks and Gardens



Asset Management Plan



Version V1.2

December 2013



Document Control		Asset Management for Small, Rural or Remote Communities				 
Document ID: 59_280_110805 am4srrc amp word template v10.4						
Rev No	Date	Revision Details	Author	Reviewer	Approver	
1.0	Feb 2012	Initial draft	GP	GB	Council	
1.1	March 2013	Revised Renewal & Upgrade / New Assets Plan	GP	GB	Council	
1.2	December 2013	Executive Summary – Addendum added	GP	GB	Council	

Asset Management for Small, Rural or Remote Communities Practice Note

The Institute of Public Works Engineering Australia.

www.ipwea.org.au/AM4SRRC

© Copyright 2011 – All rights reserved.

TABLE OF CONTENTS

EXECUTIVE SUMMARY - ADDENDUM	iii
1. EXECUTIVE SUMMARY	iv
2. INTRODUCTION	1
2.1 Background	1
2.2 Goals and Objectives of Asset Management	1
2.3 Plan Framework	4
2.4 Core and Advanced Asset Management	4
2.5 Community Consultation	4
3. LEVELS OF SERVICE	5
3.1 Customer Research and Expectations	5
3.2 Legislative Requirements	5
3.3 Current Levels of Service	6
3.4 Desired Levels of Service	7
4. FUTURE DEMAND	8
4.1 Demand Forecast	8
4.2 Changes in Technology	8
4.3 Demand Management Plan	8
4.4 New Assets for Growth	9
5. LIFECYCLE MANAGEMENT PLAN	10
5.1 Background Data	10
5.2 Risk Management Plan	12
5.3 Routine Maintenance Plan	13
5.4 Renewal/Replacement Plan	15
5.5 Creation/Acquisition/Upgrade Plan	16
5.6 Disposal Plan	18
* Disposals have not been included in the calculation of the 10 year plan for this revision of the AMP, as a decision to dispose of these assets would need to be made by the elected council in the first instance	18
6. FINANCIAL SUMMARY	18
6.1 Financial Statements and Projections	18
6.2 Funding Strategy	23
6.3 Valuation Forecasts	23
6.4 Key Assumptions made in Financial Forecasts	26
7. ASSET MANAGEMENT PRACTICES	27
7.1 Accounting/Financial Systems	27
7.3 Information Flow Requirements and Processes	29
7.4 Standards and Guidelines	29
8. PLAN IMPROVEMENT AND MONITORING	30
8.1 Performance Measures	30
8.2 Improvement Plan	30
8.3 Monitoring and Review Procedures	31
REFERENCES	31
APPENDICES	32
Appendix A Maintenance Response Levels of Service	33
Appendix B Projected 10 year Capital Renewal Works Program	34
Appendix C Planned Upgrade/Exp/New 10 year Capital Works Program	36
Appendix D Abbreviations	38
Appendix E Glossary	39

This page is left intentionally blank.

EXECUTIVE SUMMARY - ADDENDUM

This Asset management Plan was developed based on the level of funding necessary for the long term renewal, maintenance and operation of Councils assets in a sustainable manner. It also allowed for a gradual reduction in the asset renewal back log.

At its Ordinary meeting held 11 November 2013 Council resolved the following:

- 1. That Council apply to IPART for a Special Rate Variation of 6% across all rating categories for 2 years starting 2014/2015 financial year excluding existing Special Rate Variations in place;*
- 2. That Council modifies its Long Term Financial Plan to project rate increases of 6% for Farmland rate category and 10% for all other categories, excluding existing Special Rate Variations in place, for 4 years starting financial year 2016/2017;*
- 3. That Council undertake a review of the rating structure to combine rate groups and review the base rate for the new rate descriptions;*
- 4. That Council provide advice through the local media and councils newsletters as to the decision of Council on the special rate variation; and*
- 5. That Council work with Village committees and NSW Farmers to consider, review and develop the future special rate variation from 2016/2017.*

In line with the resolution, the projected funding available in the Long Term Financial Plan has decreased. As a result of this the expenditure levels (for operations, maintenance, renewal and new asset spending) contained within this Asset Management Plan will be reviewed. The revised planned funding levels will not be adequate and will require levels of service from these assets to be reduced to align with available funding.

While reading this document, the reader should be aware that all of the expenditure levels contained in this document will be reduced to reflect the adopted funding model, as per resolution(s) of Council for Special Variation(s) to General Income. This will impact on the reported sustainability indices for these assets and result in a growing asset renewal gap.

1. EXECUTIVE SUMMARY

Context

Blayney Shire Council has an area of 1,618 square kilometres, with a population of 6,364 (2006 Census). The main administrative centre of Blayney is located approximately 32 km south of Orange, or 235 km west of Sydney.

It is predominantly rural in nature, supporting primary industries such as dairying, beef, lamb, wool, viticulture, orchards, potatoes, canola and other grains. The Local Government Area (LGA) also supports industrial activities including mining, manufacturing, transportation and food processing.

Council owns and maintains a Parks and Gardens portfolio to enable the effective delivery of services to the Blayney Shire Council area. Council's recreation assets range from Heritage Park and the Showground, through to a range of sporting and recreation grounds, local reserves, parks and street gardens within Blayney and the surrounding Villages. Many of these assets showcase Blayney Shire to visitors and the wider community. To project the desired image requires high levels of maintenance and presentation which is difficult to provide for a council of Blayney's size.

The Parks and Gardens Service

The Parks and Gardens network comprises:

- 7 Barbeques
- 80 Community Facility assets,
- 9.3 km of Fencing
- 116 Garbage Bins
- 145 Garden / Landscaping features
- 16 Memorial elements
- 16 Park features
- 2.3 km of Pathways
- 79 items of Play Equipment
- 201 Seats / Picnic Tables
- 49 Signs
- 1 Skate Park
- 43 Sporting facilities, and
- 1 Trotting track

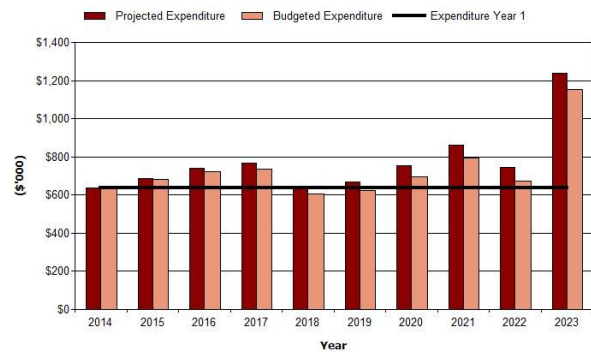
These infrastructure assets have a replacement value of \$8.9M.

What does it Cost?

The projected cost to provide the services covered by this Asset Management Plan including operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period is \$6,667,000 or \$667,000 per year.

Council's estimated available funding for this period is \$6,245,000 or \$625,000 per year which is 94% of the cost to provide the service. This is a funding shortfall of \$42,000 per year. Projected and budgeted expenditure are shown in the graph below.

Blayney SC - Projected and Budget Expenditure for (Parks and Gardens)



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

What we will do

Council plans to provide Parks and Gardens services for the following:

- Operation, maintenance, renewal and upgrade of Parks, Gardens, Reserves, showgrounds, sportsgrounds and other recreational assets to meet service levels set by council in annual budgets.
- Upgrade or renew Parks and Gardens assets that can't provide the levels of service required by council within the 10 year planning period.

What we cannot do

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

- Duplication of 'all' sporting facilities for each Village,
- Provision of lighting for all Sporting ovals and courts

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:

- Reduced levels of service due to inadequate maintenance funding,
- Closure or removal of facilities due to lack of renewal funding.

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

- determining priorities based on service level and risk management,
- applying asset management principles to the financial management of all asset classes,
- Improving data collection and analysis.

The Next Steps

The actions resulting from this asset management plan are:

- Engage the community on service delivery, and funding issues raised in this AM Plan,
- Improve asset register information, knowledge and use in managing risk,
- develop a second generation AM Plan and Long Term Financial Plan for Parks and Gardens.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Blayney Shire Community's Parks and Garden's needs. These assets include parks,

gardens, sporting facilities and cemeteries throughout the shire that enable people to participate in educational, cultural, sporting and recreational activities.

What is an Asset Management Plan?

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

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

Why is there a funding shortfall?

A large number of Council's Parks and Gardens assets were constructed from government grants, or contributed by the community or other benefactors. Often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

While many of Blayney Shires parks and gardens assets are relatively new, there are a number of significant parks and gardens assets that are approaching the later years of their life and require replacement. Services from the assets are decreasing and maintenance costs are increasing.

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

What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving information on the operational and maintenance costs of parks and gardens assets to improve our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,
4. Making tradeoffs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make savings in future operations and maintenance costs

6. Consulting with the community to ensure that parks and gardens services and costs meet community needs and are affordable,
7. Developing partnerships with other bodies, where available to provide services;
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

It is likely that council will have to reduce service levels in some areas, unless new sources of revenue are found. For parks and gardens, the service level reduction may include the loss of serviceability or closure of parks or sporting facilities.



What can we do?

Council can develop costed options and priorities for future parks and gardens services. These options can form the basis for consulting with the community to plan future services that match community needs, at the lowest long term cost to the community.

What can you do?

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

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service.

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

- Blayney Shire Council Community Strategic Plan; 2012,
- Blayney Shire Council 2011-12 Management Plan, and
- Blayney Shire Council policies and procedures relating to Parks, Gardens, Open Spaces and Sporting facilities.

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

Table 2.1: Assets covered by this Plan

Asset category	Dimension	Replacement Value
Barbeques	7 items	\$86,716
Community Facilities (Lighting, Water etc)	80 items	\$440,159
Fences & Gates	9.3 kms	\$836,700
Garbage Bins / Recycling Centres	116 locations	\$105,887
Garden & Landscape features (Gardens, Paved areas, Irrigation systems etc)	145 features / areas	\$3,778,124
Memorials	16 elements	\$114,000
Park Features (Amphitheatre, Wetlands, Flagpoles etc)	16 Items	\$372,183
Footpaths in parks & Serviceways	2.3 kms	\$357,984
Play Equipment	79 items	\$678,882
Seats (Park benches, Picnic Table & Chairs etc)	201	\$450,354
Signs	49	\$27,447
Skate Park	1	\$164,310
Sporting Facilities (Courts, Netball / Basketball nets, Ovals etc)	43 items	\$1,041,070
Trotting Track	1	\$397,581
TOTAL		\$8,851,398

2.2 Goals and Objectives of Asset Management

The 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.¹

The goal of this asset management plan is to:

- Document the services/service levels to be provided and the costs of providing the service,
- Communicate the consequences for service levels and risk, where desired funding is not available, and
- Provide information to assist decision makers in trading off service levels, costs and risks to provide services in a financially sustainable manner.

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

Council's vision is:

Our Shire of welcoming communities

The many communities of the Shire's town, villages and settlements are supportive and welcoming to those who live here and also those who visit.

Beautiful and productive landscapes

The landscape in which we live is both beautiful and productive.

Rural and mining heritage

Our heritage of rural living amidst agricultural and mining production has taught us much about the nature of these activities and how they can exist in harmony.

Showing the world how agriculture, mining and industry can work together for the greatest good

We are eager to share these lessons and learnings with other communities around the world.

A place to live your dreams

In Blayney Shire there is both space and time to make and live your dreams!

Council's values are:

With a generosity of spirit we will:

Be inclusive and united

Act honestly and respect each other

Have a "can do" attitude

Think outside the square and

Back ourselves

Relevant goals and objectives and how these are addressed in this asset management plan are shown in Table 2.2.

¹ IPWEA, 2006, *IIMM* Sec 1.1.3, p 1.3.

Table 2.2: Organisation Goals and how these are addressed in this Plan²

Goal	Objective	How Goal and Objectives are addressed in AMP
Grow the wealth of the Shire	CSP 1.3 – A well established, connected and prosperous tourism industry.	To be developed.
	CSP 1.4 - Internationally recognised brand for Blayney Shire.	
A centre for sports and culture	CSP 2.2 – Strong participation in sporting events and competitors.	
	CSP 2.3 - Blayney Shire - a centre for arts, performance and entertainment.	
Preserve and enhance our heritage and rural landscapes	CSP 3.1 - Retention of native vegetation with linking corridors	
	CSP 3.2 - Biodiversity of waterways.	
	CSP 3.3 – Heritage items in the natural and built environment are identified and understood.	
Develop and maintain shire infrastructure	CSP 4.1 - Adequate provision of transport, roads, rail, information and communication technologies and community social assets.	
	CSP 4.2 - Sustainable waste management.	
Develop strong and connected communities	CSP 5.1 - A diverse and sustainable population in our communities and villages.	
	CSP 5.2 - Fit and healthy community members.	
	CSP 5.3 - Capable, self-sufficient communities engaged in decision making about issues that affect them.	
Leadership	CSP 6.2 - Meaningful communication between the Shires communities and Council.	

² The above themes and objectives are from **Blayney 2025; All the pieces together; The strategic plan of the Blayney Shire Community**, 2025. Initiatives to address these themes and objectives will be developed in future iterations of this Asset Management Plan.

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 the organisation 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 the organisation’s objectives.
- Asset management improvement plan

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a first cut ‘core’ asset management plan in accordance with the International Infrastructure Management Manual³. 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.

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 Council. Future revisions of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences with the community’s ability to pay for the service.

³ IPWEA, 2006.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any research on customer expectations. This will be investigated for future updates of the asset management plan.

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 3.2.

Table 3.2: 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.
Disability Discrimination Act	Sets out the responsibilities of Council and staff in dealing with access and use of public infrastructure
Child Protection Act	Provides requirements in relation to the protection of children in public spaces
Work Health and Safety Act 2011	Sets out the responsibilities of Council to secure and promote the health, safety and welfare of people at work
Heritage Act 1977	To promote understanding of heritage issues and conservation of items of heritage significance.
Crown Lands Act 1989	Sets out the objectives and principles for Crown Land management
Local Environmental Plans	Sets out the zoning of lands within the Council area and what development can be achieved on the land.
Protection of the Environment Operations Act 1998	Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment.
Noxious Weeds Act 1993	Sets out to reduce the negative impacts of weeds on the economy, community and environment
Threatened Species Act 1995	Sets out to conserve biodiversity and promote ecologically sustainable development
Native Vegetation Act 2003	To manage and protect native vegetation, to prevent broad scale clearing, to improve native vegetation and to encourage revegetation of land
Other relevant State and Federal Acts and Regulations including:- - Flora and Fauna Guarantee Act 1988 - Pesticides Act 1999 - Environmentally Hazardous Chemicals Act 1985 - Water Management Act 2000 - River and Foreshores Improvement Act 1948	Set out the responsibilities and constraints for Council and staff in dealing with and managing operations, access and use of public infrastructure

3.3 Current Levels of Service

Council has defined service levels in two terms.

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

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

Quality	How good is the service?
Function	Does it meet users' needs?
Safety	Is the service safe?

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 council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (eg road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (eg widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new library).

Council's current service levels are detailed in Table 3.3.

Table 3.3: Current Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Provide parks, gardens and sporting facilities that are appropriately maintained (& cleaned)	Customer request system	<ul style="list-style-type: none"> • <10 Requests for rubbish removal / year • <5 Requests for maintenance of sporting facilities / year 	Not currently measured
Function	Recreation facilities meet user requirements	Customer request system	<ul style="list-style-type: none"> • Zero requests relating to function of play equipment & Sporting facilities / year 	Not currently measured
Safety	Provide safe suitable facilities, free from hazards	Customer request system Injury reports Insurance claims	<ul style="list-style-type: none"> • Action in accordance with risk management plan • Zero requests relating to safety 	Not currently measured

			of parks or gardens assets / year	
--	--	--	-----------------------------------	--

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
TECHNICAL LEVELS OF SERVICE – <i>TO BE DEVELOPED</i>				
Operations				
		Budget		
Maintenance				
		Budget		
Renewal				
		Budget		
Upgrade/New				
		Budget		

3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including residents’ feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan.

4. FUTURE DEMAND

4.1 Demand Forecast

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

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

Table 4.1: Demand Factors, Projections and Impact on Services

Demand factor	Present position (2006)	Projection (2026)	Impact on services
Population	6,900	7,200	Minimal increase in demand for services
Demographics	0 – 14 years of age = 22%	0-14 years of age = 19%	Slight reduction in demand for play equipment
Demographics	65+ years of age = 15%	65+ years of age = 23%	Shift in demand toward more passive recreation

4.2 Changes in Technology

Technology changes forecast to affect the delivery of services covered by this plan are detailed in Table 4.2.

Table 4.2: Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Irrigation technology	More efficient use of water, less servicing of systems
Management Technology	Knowledge of parks and recreational assets, component, lives and costs is continually being improved
Playground equipment	More complex requiring higher levels of inspections and maintenance
Turf and sportsfield management	Increase level of service to user expectations

4.3 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 council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another council area or public toilets provided in commercial premises.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.3: Demand Management Plan Summary

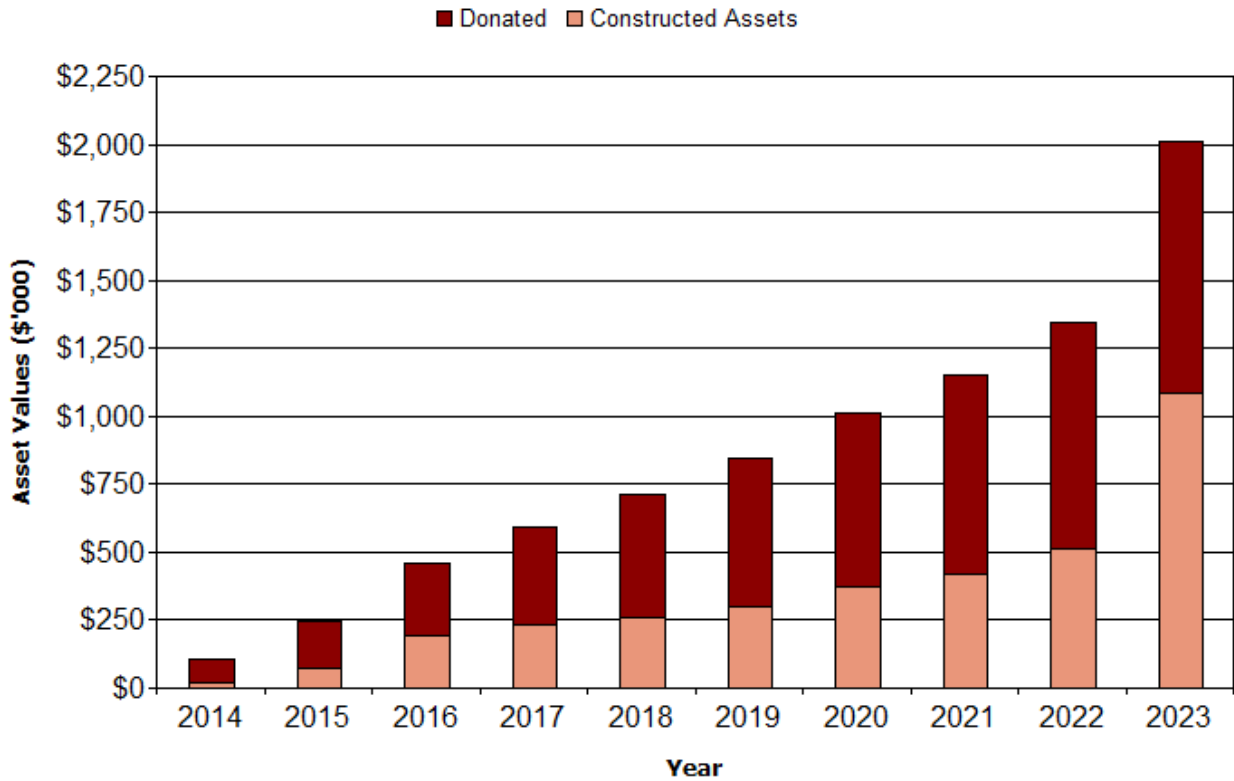
Service Activity	Demand Management Plan
Pricing	Consider new and existing pricing structures and levels for new and existing Council provided parks and gardens infrastructure, such as sports ovals and courts.
Additional measures to be developed	Additional measures to be developed

4.4 New Assets for Growth

The new assets required to meet growth will be acquired free of cost from land developments and constructed/acquired by Council. The new contributed and constructed asset values are summarised in Figure 1.

Figure 1: New Assets for Growth

Blayney SC - New Assets for Growth (Parks and Gardens)



Acquiring these new assets will commit council to fund ongoing operations and maintenance 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 and maintenance costs.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council 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.

Parks and Gardens assets covered by this Plan include all infrastructure assets in Parks and Gardens areas owned and managed by Council across the Council area with the exception of buildings in parks and the CentrePoint Sport and Leisure Centre which are covered in Council’s Buildings and Other Structures Asset Management Plan. At this stage significant park trees, landscaping and plantings are not included in this Asset Management Plan however data collection is currently underway for trees and a decision about their inclusion in future editions of this or other Plans will be made in the future.

A brief description of the different asset sub-groups that make up the parks and gardens assets are provided below:

- **Parks and Reserves:** Infrastructure associated with recreation parks and reserves in Blayney and villages, including Millthorpe Skate Park, play equipment, barbeques, gardens, seating, signage, irrigation systems, monuments, paths, lawns and fencing.
- **Blayney and village showgrounds:** Includes trotting track, roadways, paths, seating, turf, irrigation system, signage and fencing.
- **Sportsgrounds:** Infrastructure associated with sporting activities, including ovals, pitches, courts, lighting, irrigation and fencing.
- **Street gardens and furniture:** Gardens, street furniture, signs and bins located in Blayney and villages.
- **Council Buildings:** Gardens, lawns, irrigation systems and car parks etc. associated with council buildings, including Councils Works Depot.
- **Cemeteries:** Landscaping, roadways, public monuments, bins and fencing in Council owned cemeteries.

Age profile information is currently based on the assessed condition of assets relative to the assumed useful life of the asset type. An age profile based on actual ages is being developed and will be included in future revisions of the asset management plan.

Plans and maps of parks and gardens assets are maintained in Councils BizeAsset GIS Asset Management System.

5.1.2 Asset capacity and performance

Council’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
Newbridge Showground	Tennis court surface of low standard.
Newbridge Showground	Post and Rail fence collapsing.
Blayney Showground	Trotting track post and rail fence nearing end of useful life
Carcoar Sporting Field, Naylor Street	Tennis court surface of low standard.
Blayney, Stillingfleet Netball Courts	3 Court surfaces of low standard.
Blayney, Dakers Oval	Upgrade of Cricket facilities, including lighting, fencing and turf pitch

Lyndhurst, Sportsground	Lack of covered seating.
Millthorpe, Redmond Oval	Surface level and flooding issues.
Multiple sporting facilities	Lack of formal parking facilities at Lyndhurst sportsground, Napier and Dakers Ovals and King George Oval / Stillingfleet Netball Courts, Blayney.

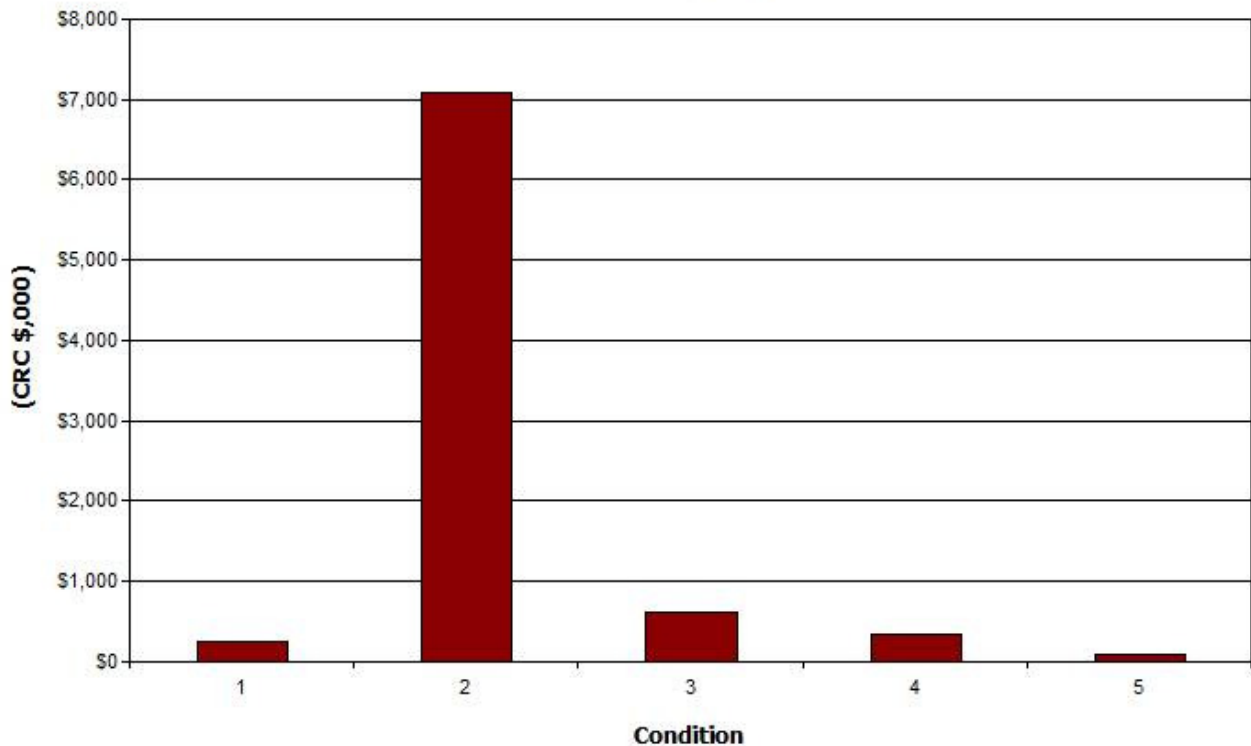
The above service deficiencies were identified from maintenance and asset condition inspections and feedback from community and sporting groups.

5.1.3 Asset condition

The condition profile of assets included within this AM Plan is shown in Figure 3.

Figure 3: Asset Condition Profile

Blayney SC - Fig3 Asset Condition Profile (Parks and Gardens v1.0)



Condition is measured using a 1 – 5 rating system⁴ as detailed in Table 5.1.3.

Table 5.1.3: IIMM Description of Condition

Condition Rating	Description
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Fair: Significant renewal/upgrade required.
5	Poor: Unserviceable.

⁴ IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned', 'average' changed to 'fair')

5.1.4 Asset valuations

The value of assets recorded in the asset register as at June 2012 covered by this asset management plan is shown below. Assets were last revalued at the end of June, 2012.

Current Replacement Cost	\$8,851,398
Depreciable Amount	\$8,851,398
Depreciated Replacement Cost	\$6,192,208
Annual Depreciation Expense	\$459,388

Council’s sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption (Depreciation/Depreciable Amount)	5.2%
Asset renewal (Capital renewal exp/Depreciable amount)	0.5%
Annual Upgrade/New (Capital upgrade exp/Depreciable amount)	0.2%
Annual Upgrade/New (including contributed assets)	1.2%

Council is currently renewing assets at 9.2% of the rate they are being consumed and increasing its asset stock by 1.2% each year.

To provide services in a financially sustainable manner, Council will need to ensure that it is renewing assets at the rate they are being consumed over the medium-long term and funding the life cycle costs for all new assets and services in its long term financial plan.

5.1.5 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.

While no formal hierarchy has been developed to date, a range of key maintenance standards and inspection regimes are in place to address risk for a range of asset categories including play equipment and sporting facilities. There are also standards of presentation and maintenance for parks with high tourist or cultural value such as Heritage and Carrington parks and major CBD areas.

Council’s service hierarchy will be shown in Table 5.1.5.

Table 5.1.5: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
To be developed	To be developed

5.2 Risk Management Plan

While Blayney Shire Council does not have an adopted Infrastructure Risk Management Plan at this point in time, one is being developed in line with the development and adoption of a Corporate Risk Strategy. Key asset sub-categories, such as play equipment and sporting ovals and courts have been risk assessed and have appropriate, risk based inspection and maintenance programs in place.

An assessment of risks associated with service delivery from infrastructure assets identifies critical risks that would 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 will be summarised in Table 5.2.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Associated Costs
To be developed				

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 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, building roof replacement, etc. This work generally 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	Operations Expenditure	Total Operations & Maintenance
2006/07	\$715,201	\$187,362	\$902,563
2007/08	\$609,410	\$215,699	\$825,109
2008/09	\$513,364	\$202,891	\$716,255
2009/10	\$456,171	\$187,629	\$643,800
2010/11	\$594,370	\$135,177	\$729,547
Average	\$577,370	\$185,752	\$763,455

The figures shown in Table 5.3.1 are not considered to be an accurate reflection of the actual split between maintenance and operational expenditure for parks and gardens. Expenditure such as Mowing of parks and sporting facilities is currently reported as a maintenance expense; however, it should be captured as an ongoing operational cost. Council has recently implemented a new corporate financial system, which over time will allow for a more accurate assessment of maintenance and operational costs.

However, current maintenance expenditure levels are considered to be inadequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.3.2 Standards and specifications

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

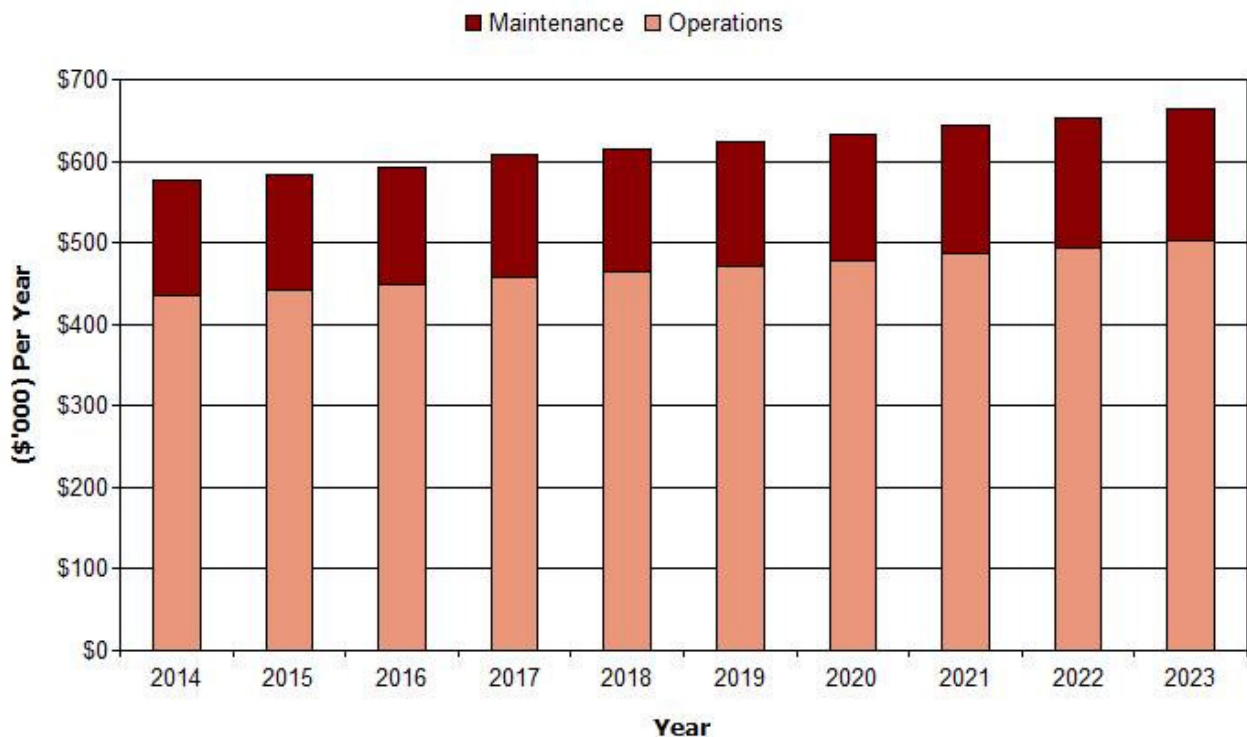
- Playgrounds and Playground equipment: Development, Installation, Inspection, Maintenance and Operation (AS/NZS 4486.1: 1997)
- Playground Surfacing; Specifications Requirements and Test Methods (AS/NZS 4422: 1996)

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 2013 dollar values.

Figure 4: Projected Operations and Maintenance Expenditure

Blayney SC - Projected Operations and Maintenance Expenditure (Parks and Gardens)



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.

Maintenance is funded from the operating budget and grants where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal 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 service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from one of three methods provided in the ‘Expenditure Template’.

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, 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’.

This version of the Asset Management Plan uses Method 2. Blayney Shire Council does not have any formal ranking system for renewal, currently staff knowledge and experience are used to assess a range of factors detailed in Table 5.4.1. It is envisaged that a more formalised ranking system, with weightings will feature as an improvement in future revisions of this plan. The Criteria below will be considered in this development.

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.4.1.

Table 5.4.1: Renewal Priority Ranking Criteria

DRAFT Criteria	Weighting
Any risk to staff or public requiring closure of the facility	Ranking/ Weighting to be determined
Level of service being provided by the facility (e.g. Does the play equipment function?)	Ranking/ Weighting to be determined
Demand for that asset in the shire and within the actual locality	Ranking/ Weighting to be determined
Alignment with any Council Plans or Strategies.	Ranking/ Weighting to be determined
Total	100%

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

Examples of low cost renewal include replacement of components rather than the whole asset e.g. Replacement of tennis court playing surfaces.

5.4.2 Renewal standards

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

- Councils Work Health and Safety policies and procedures, including:
 - Safe Work Method Statements,
 - Material Safety Data Sheets, and
 - Any site specific safety plans.
- Manufacturers specifications,
- Contractor specifications, where relevant, and
- Relevant Australian and other standards, including:
 - Playgrounds and Playground equipment: Development, Installation, Inspection, Maintenance and Operation (AS/NZS 4486.1: 1997)
 - Playground Surfacing; Specifications Requirements and Test Methods (AS/NZS 4422: 1996)

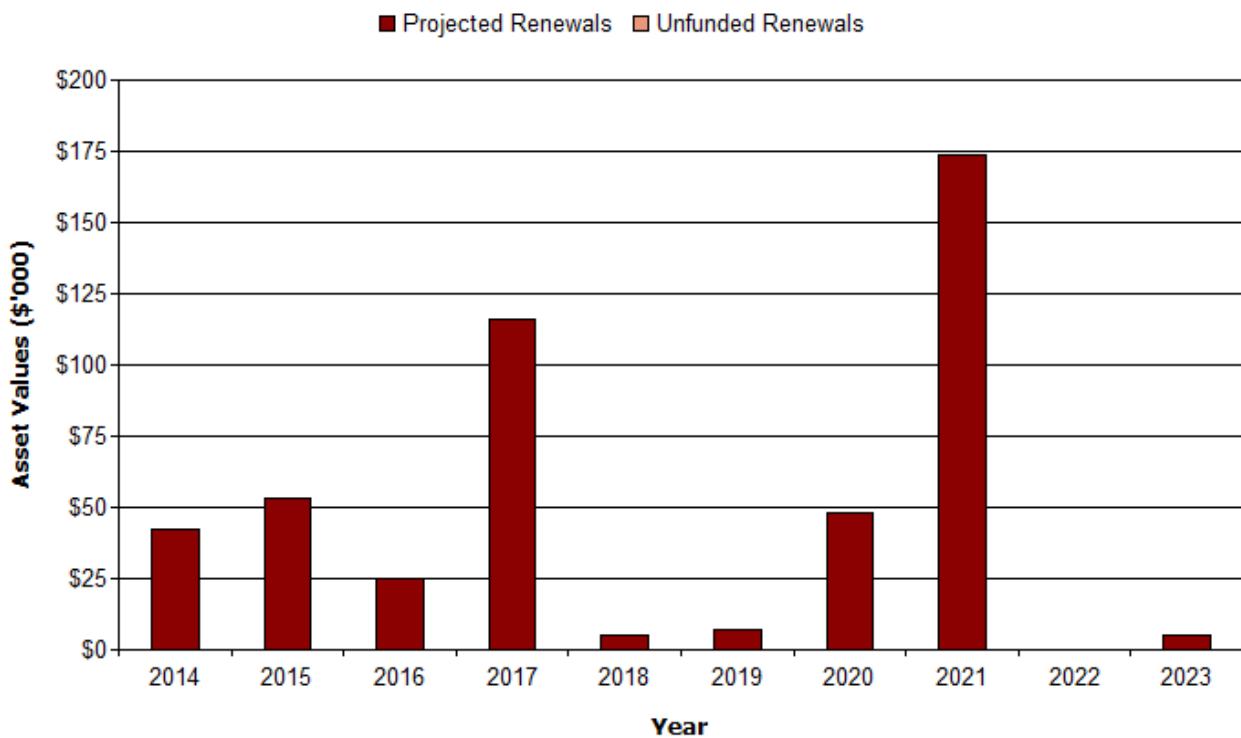
5.4.3 Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5. Note that all costs are shown in 2013 dollar values.

The projected capital renewal program is shown in Appendix B.

Figure 5: Projected Capital Renewal Expenditure

Blayney SC - Projected Capital Renewal Expenditure (Parks and Gardens)



Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan.

Renewals are to be funded from capital works programs and grants where available. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade Plan

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

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor 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 estimate. Verified proposals are ranked by

priority and available funds and scheduled in future works programmes. A draft priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: DRAFT Upgrade/New Assets Priority Ranking Criteria

<u>Draft</u> Criteria	<u>Draft</u> Weighting
Alignment with any Council Plans or Strategies.	20%
Demand for that asset in the shire / locality, balanced against the distributional equity (location & population demographics) of assets across the shire.	10%
Funding opportunity to provide assets ahead of projected time e.g. government and privately funded cycleways.	45%
Life cycle cost of maintaining and renewing the asset.	25%
Total	100%

5.5.2 Standards and specifications

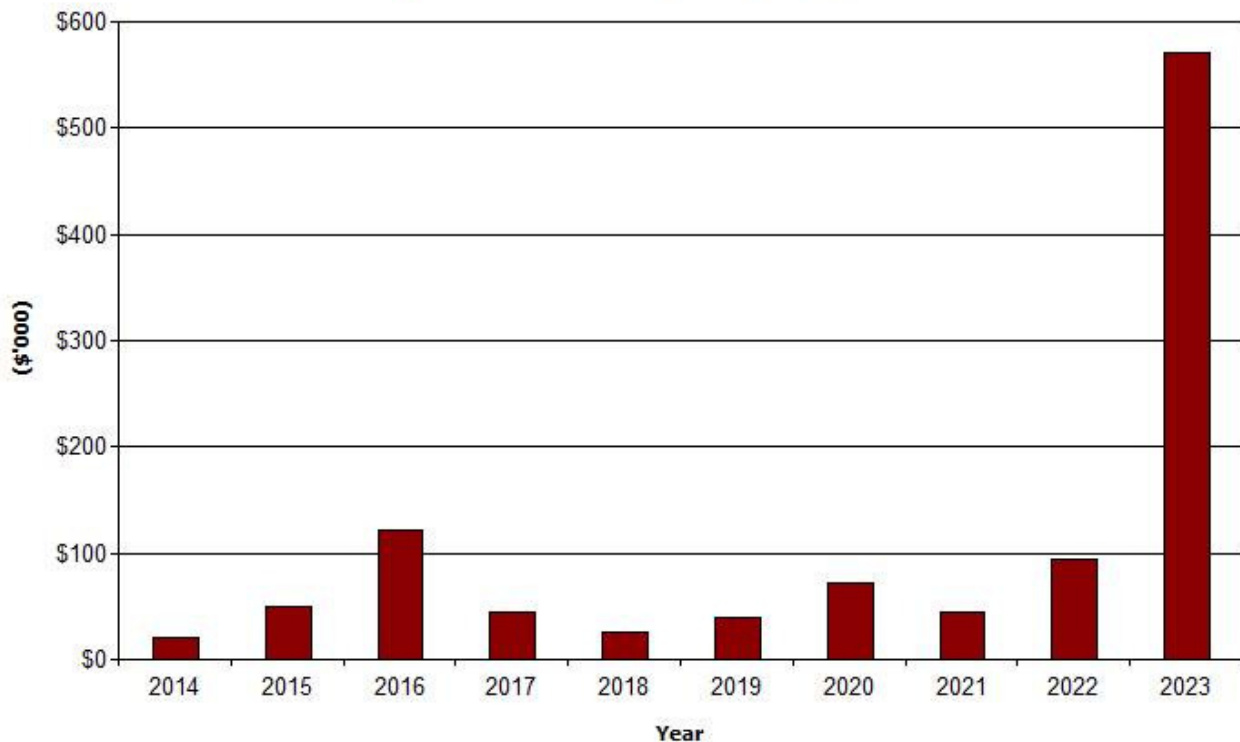
Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of projected upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Figure 6. The projected upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2013 dollar values.

Figure 6: Projected Capital Upgrade/New Asset Expenditure

Blayney SC - Projected Capital Upgrade/New Expenditure (Parks and Gardens)



New assets and services are to be funded from capital works program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

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

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

Table 5.6: Assets identified for Disposal*

Asset	Reason for Disposal	Timing	Net Disposal Expenditure (Expend +ve, Revenue -ve)	Operations & Maintenance Annual Savings
Gilchrist Street Park, Blayney	Poor location & amenity	2015	\$5,000 (est.)	\$3,900 (est.)
Blayney Shire Saleyards	No longer in use – mothballed	2018	\$15,000 (est.)	\$1,600 (est. on 3 years to 2010 / years since operations ceased).

* Disposals have not been included in the calculation of the 10 year plan for this revision of the AMP, as a decision to dispose of these assets would need to be made by the elected council in the first instance.

6. FINANCIAL SUMMARY

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

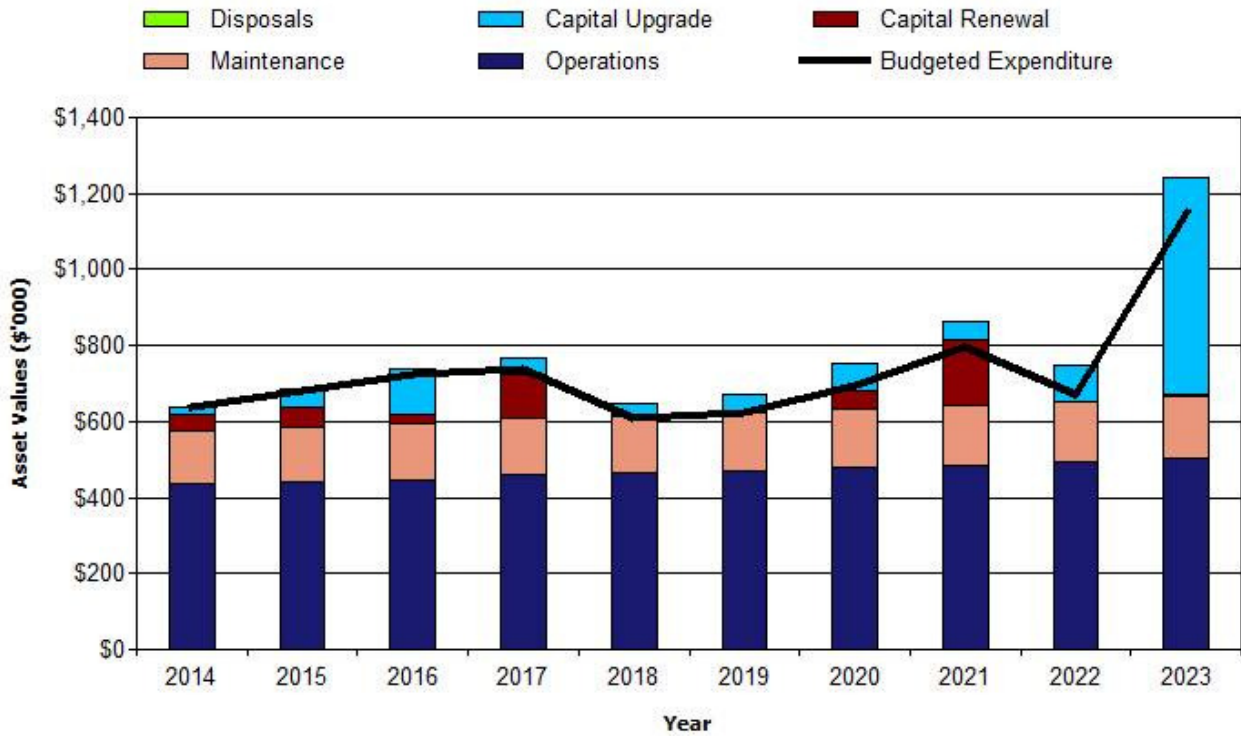
6.1 Financial Statements and Projections

The financial projections are shown in Figure 7 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2013 dollar values.

Figure 7: Projected Operating and Capital Expenditure and Budget

Blayney SC - Projected Operating and Capital Expenditure (Parks and Gardens)



6.1.1 Financial sustainability in service delivery

There are three 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/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the 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 operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$1,036,000 per year (operations and maintenance expenditure plus depreciation expense in year 1).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$619,000 (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1).

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The life cycle gap for services covered by this asset management plan is -\$417,000 per year (-ve = gap, +ve = surplus).

Life cycle expenditure is 59.7% of life cycle costs giving a life cycle sustainability index of 0.60.

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 \$667,000 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$625,000 per year giving a 10 year funding shortfall of -\$42,000 per year and a 10 year sustainability indicator of 0.94. This indicates that Council has 94% 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 \$644,000 per year.

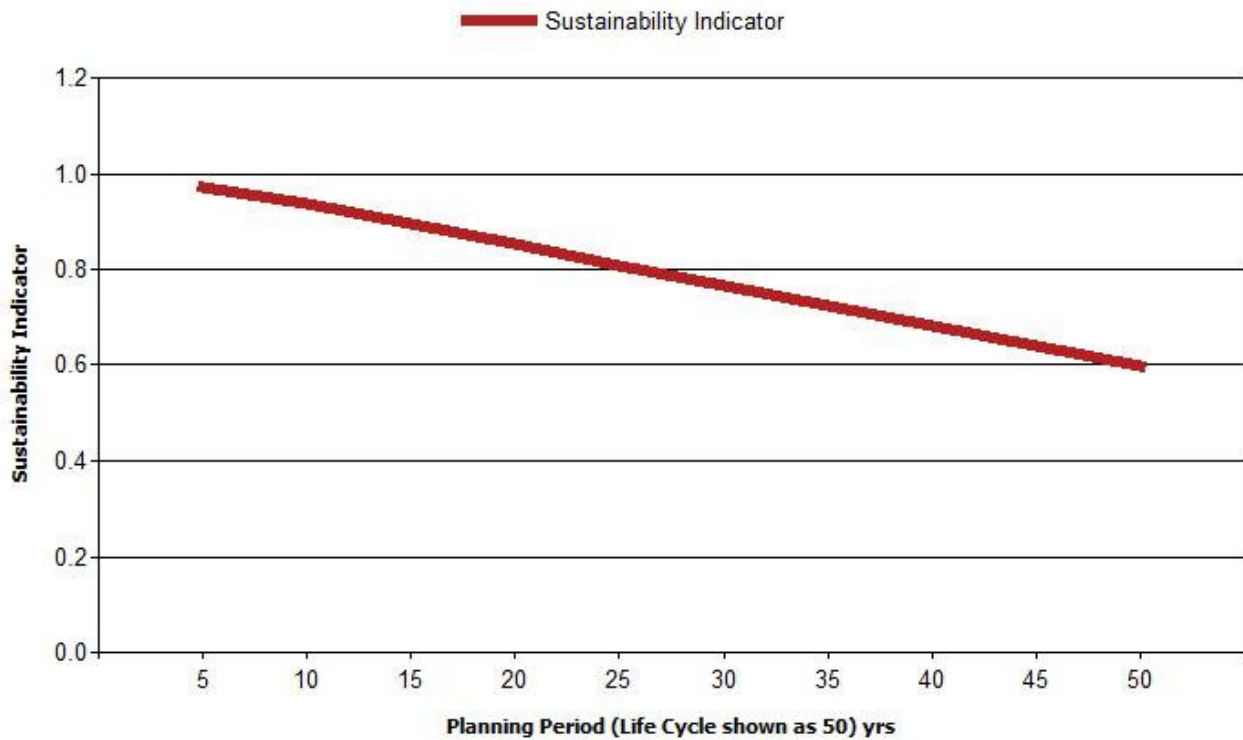
Estimated (budget) operations, maintenance and capital renewal funding is \$625,000 per year giving a 5 year funding shortfall of -\$18,000. This is 97% of projected expenditures giving a 5 year sustainability indicator of 0.97%.

Financial Sustainability Indicators

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

Figure 7A: Financial Sustainability Indicators

Blayney SC - Financial Sustainability Indicators (Parks and Gardens)



Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and funding to achieve a financial sustainability indicator of 1.0 for the first years of the asset management plan and ideally over the 10 year life of the AM Plan.

Figure 8 shows the projected asset renewals in the 10 year planning period from Appendix B. The projected asset renewals are compared to budgeted renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period in Figure 8.

Figure 8: Projected and Budgeted Renewal Expenditure

Blayney SC - Projected & Budget Renewal Expenditure (Parks and Gardens)

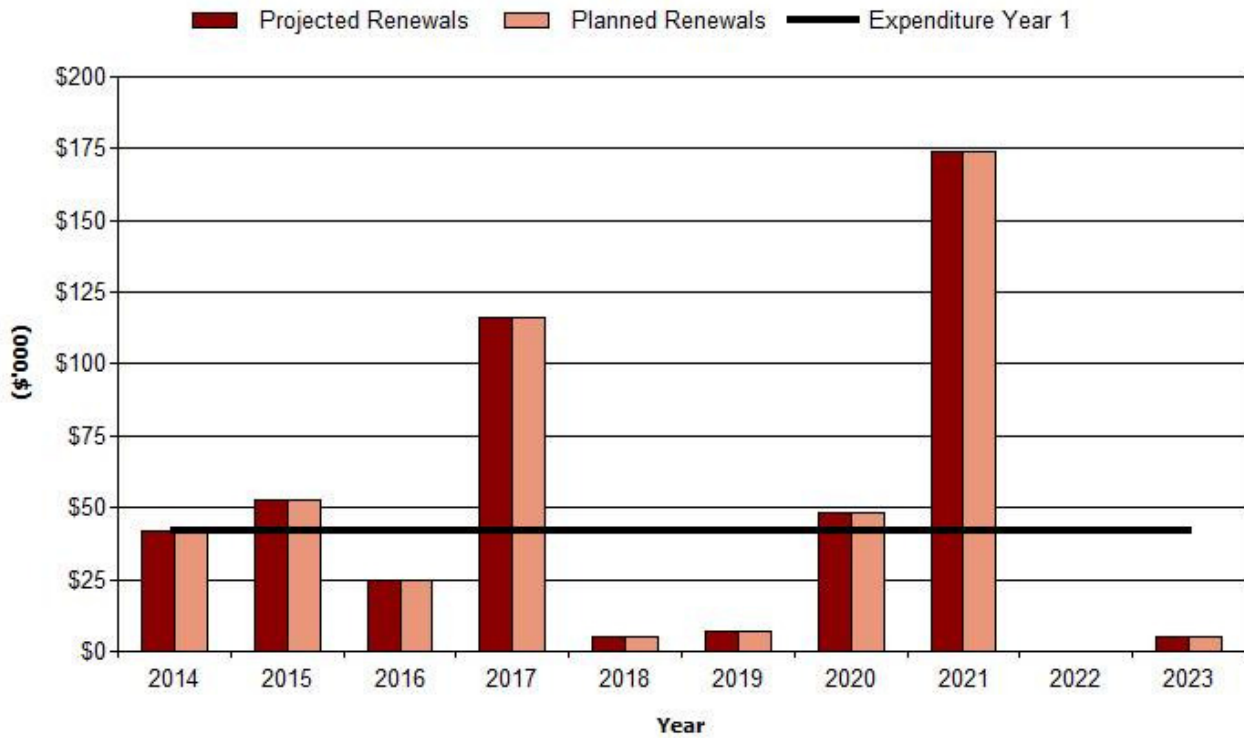


Table 6.1.1 shows the shortfall between projected and budgeted renewals

Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall

Year	Projected Renewals (\$000)	Planned Renewal Budget (\$000)	Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2014	\$42.00	\$42.00	\$0.00	\$0.00
2015	\$53.00	\$53.00	\$0.00	\$0.00
2016	\$25.00	\$25.00	\$0.00	\$0.00
2017	\$116.00	\$116.00	\$0.00	\$0.00
2018	\$5.00	\$5.00	\$0.00	\$0.00
2019	\$7.00	\$7.00	\$0.00	\$0.00
2020	\$48.00	\$48.00	\$0.00	\$0.00
2021	\$174.00	\$174.00	\$0.00	\$0.00
2022	\$0.00	\$0.00	\$0.00	\$0.00
2023	\$5.00	\$5.00	\$0.00	\$0.00

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

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

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

6.1.2 Expenditure projections 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 current (non-inflated) values. Disposals are shown as net expenditures (revenues are negative).

Table 6.1.2: Expenditure Projections for Long Term Financial Plan (\$000)

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2014	\$436.00	\$141.00	\$42.00	\$20.00	\$0.00
2015	\$441.35	\$142.73	\$53.00	\$50.00	\$0.00
2016	\$448.21	\$144.95	\$25.00	\$121.00	\$0.00
2017	\$458.62	\$148.32	\$116.00	\$45.00	\$0.00
2018	\$465.33	\$150.48	\$5.00	\$25.00	\$0.00
2019	\$471.10	\$152.35	\$7.00	\$40.00	\$0.00
2020	\$477.65	\$154.47	\$48.00	\$72.00	\$0.00
2021	\$485.83	\$157.11	\$174.00	\$45.00	\$0.00
2022	\$492.72	\$159.34	\$0.00	\$95.00	\$0.00
2023	\$502.12	\$162.38	\$5.00	\$570.00	\$0.00

Note: All projected expenditures are in 2011 values

6.2 Funding Strategy

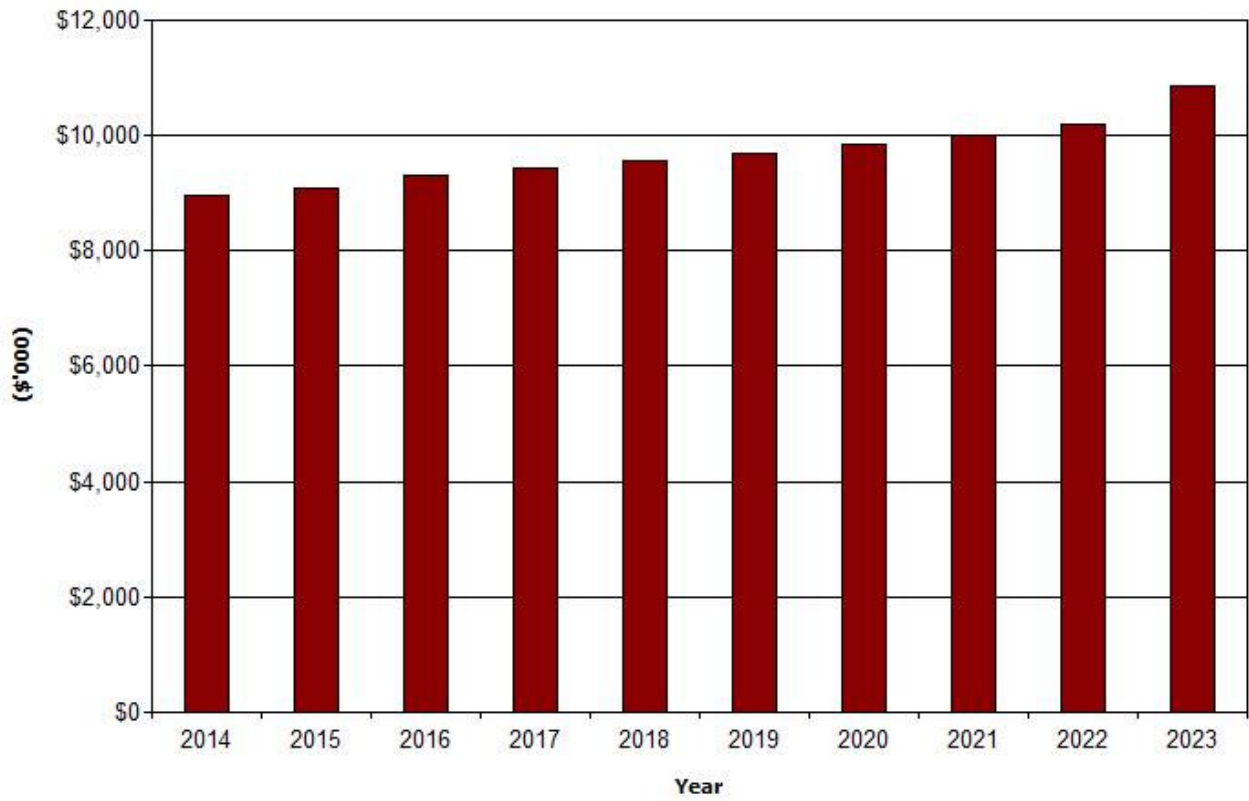
Projected expenditure identified in Section 6.1 is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long term financial plan.

6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by 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 2011 dollar values.

Figure 9: Projected Asset Values

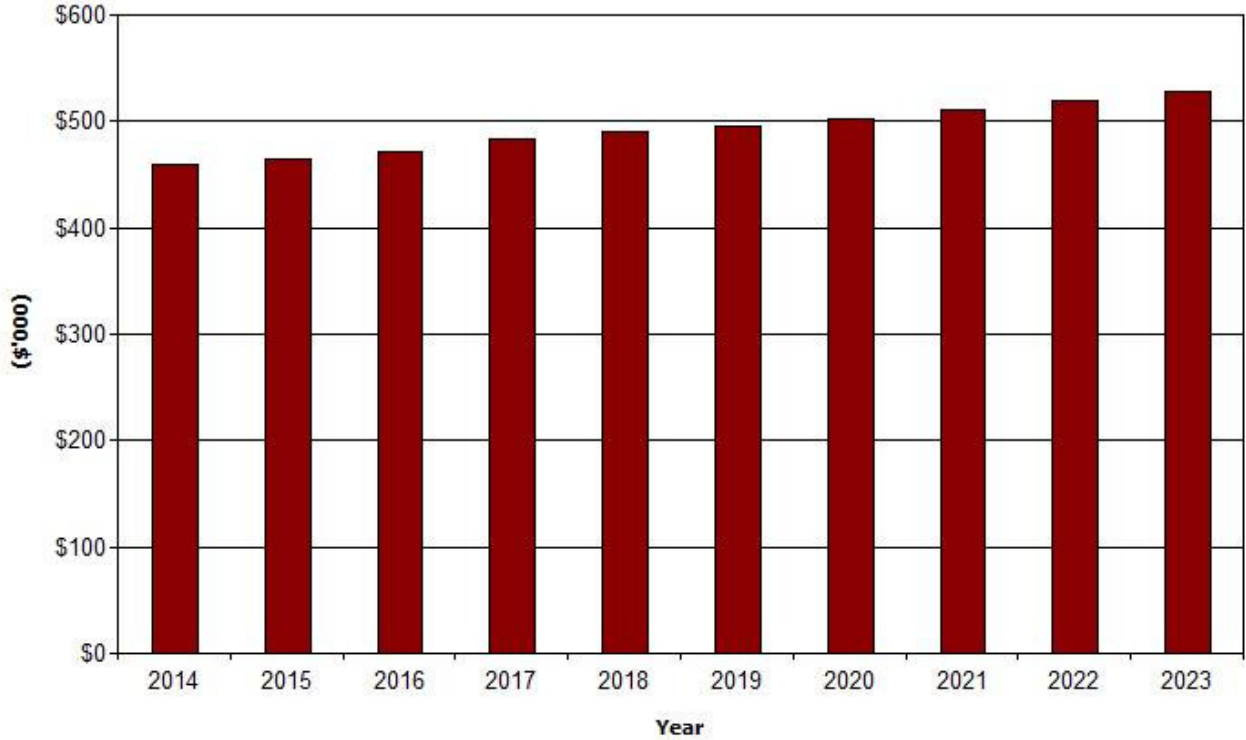
Blayney SC - Projected Asset Values (Parks and Gardens)



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

Figure 10: Projected Depreciation Expense

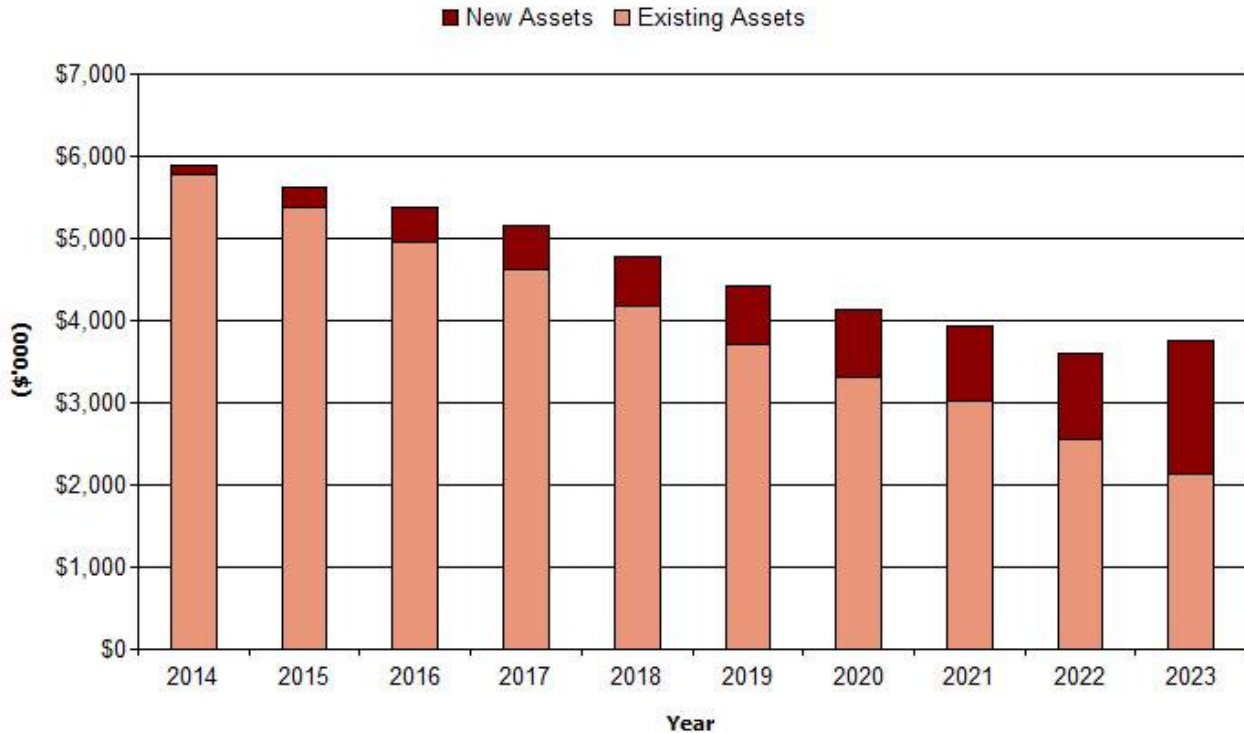
Blayney SC - Projected Depreciation Expense (Parks and Gardens)



The depreciated replacement cost (current replacement cost less accumulated depreciation) 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 effect of contributed and new assets on the depreciated replacement cost is shown in the light colour bar.

Figure 11: Projected Depreciated Replacement Cost

Blayney SC - Projected Depreciated Replacement Cost (Parks and Gardens)



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 are:

- Financial projections based on past financial performance
- Financial data obtained is accurate and has been allocated to the correct works category
- Interpretation of the guidelines are correct
- Information is based on current knowledge only. The anticipated results of current surveys or reviews or their impact on future projections has not been considered
- This is the current position of asset management and represents the starting point of asset management in council

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

The accounting and financial system used by Blayney Shire Council has been Fujitsu 2000+, but is currently being transitioned to IT Visions SynergySoft, which is expected to be completed before the end of the 2012/13 financial year.

7.1.2 Accountabilities for financial systems

Accountabilities and responsibilities for Council’s financial system rest with the Responsible Accounting Officer (RAO), as per Local Government Regulations 2005. Specific responsibilities of the RAO include:

- The maintenance of a system of Budgetary Control.
- Preparation of Budgetary Statements to Council and the certification as to whether Council’s Financial Position is satisfactorily.
- Responsibility for the Council’s accounting records including specific requirements on debtors, banking; banking; assets and liabilities; and
- The Monthly reporting of Council’s Financial Investments and certification that they are in accordance with the Act, Code and Regulations and Investment Policy of Council.

7.1.3 Accounting standards and regulations

Council is required to comply with the following accounting standards and guidelines:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

7.1.4 Capital/maintenance threshold

Council’s capitalisation threshold policy states that items of infrastructure, property, plant and equipment need not be capitalised unless their cost of acquisition exceeds the following:

Category	Item	Threshold
Land	Council land	100% Capitalised
	Open space	100% Capitalised
Plant and Equipment	Office Furniture	> \$1,000
	Office Equipment	>\$1,000
	Other Plant and Equipment	>\$1,000
Buildings and Land Improvements	Park Furniture and Equipment	>\$2,000
	Building construction / extension	100% Capitalised
	Building renovations	>\$5,000
	Other structures	>\$2,000
Sewer Assets	Reticulation extensions	>\$5,000
	Other	>\$5,000
Stormwater Assets	Drains and Culverts	>\$5,000
	Other	>\$5,000
Transport Assets	Road construction and reconstruction	100% Capitalised
	Reseal / Re-sheet and major roads	>\$10,000
	Bridge construction and reconstruction	100% Capitalised

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

Possible changes to accounting and financial systems identified as a result of preparation of this asset management plan are:

- Linking of the customer service system to the corporate asset register to link requests to asset records,
- Improved maintenance and operations cost accounting to record costs against the asset components, and
- Review costing system to better capture maintenance, operations and renewal / upgrade activities.

7.2 Asset Management Systems

7.2.1 Asset management system

Blayney Shire Council uses a Geographical Information Systems based Asset Management (AM) system, consisting of BizeAsset and Mapinfo software. Some information is maintained on spreadsheets or paper form, including condition assessment data and individual files for significant individual assets. Other asset classes, such as furniture and office equipment and fleet and plant are maintained on the corporate financial system. Some of these data will be incorporated into the AM System in future revisions of this plan.

7.2.2 Asset registers

Asset registers are held in BizeAsset and the Corporate financial system. Some data is still held on paper and computer files and is yet to be entered into the AM Systems e.g. data on the age of infrastructure assets.

7.2.3 Linkage from asset management to financial system

For Transport, Buildings and other structures, Parks and gardens, and Sewer asset classes, financial data is maintained in BizeAsset for manual transfer to the Corporate financial system. Other asset classes are maintained in the Corporate financial system.

7.2.4 Accountabilities for asset management system and data

The Asset Management System accountabilities and responsibilities for Council are:

Function	Responsibilities	Major accountabilities
Director Infrastructure Services	<ul style="list-style-type: none"> • Overseeing Works Program, • Overseeing Asset Management System, and • Budgetary control. 	Reporting to Council. Reporting to Department of Local Government. Works Program performance.
Infrastructure Manager	<ul style="list-style-type: none"> • Develop medium and long term Works Programs • Manage Asset Management System. • Manage development of: <ul style="list-style-type: none"> ○ Asset Registers, ○ Risk Management Plans, ○ GIS system, and ○ Asset Management Plans. 	Development of Asset systems. Ensuring system components in place. Day-to-day management of system. Accurate and timely collation of asset information.
Technical Officer - Assets	<ul style="list-style-type: none"> • Collection and entry of asset information, • Provision of asset information as required. 	Accurate and timely development of GIS data layers.
Manager Financial Services	Financial reporting to Department of Local Government to the satisfaction of Auditors.	Assembling Asset information into financial reports
Operations Manager	Development and management of Engineering projects in delivery program.	Accuracy of costing and efficient delivery of projects to estimates.

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

As a result of this Asset Management Plan, the following changes are proposed for the asset management system;

- Refinement of asset data, including actual age and cost.
- Consider transitioning asset registers to corporate financial system
- Investigate the integration of the Asset Management System with the Records Management system,
- Link customer requests with specific assets or asset types and other steps to record customer satisfaction.

7.3 Information Flow Requirements and Processes

The key information flows *into* this asset management plan are:

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

The key information flows *from* this asset management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

These will impact the Long Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

7.4 Standards and Guidelines

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

- Blayney Shire Council Asset Management Policy, 2011,
- Blayney Shire Council Draft Asset Management Strategy,
- Blayney Shire Council Draft Infrastructure Risk Management Plan, and
- Blayney Shire Council Financial Statements
- Blayney 2025; All the pieces together; The strategic plan of the Blayney Shire Community, 2012

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 cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents,
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan;

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Community Consultation – undertake targeted engagement with the community to establish acceptable and affordable levels of service	General Manager	All staff	June 2013
2	Establish a reporting system to update the Asset Register data from the field including new assets, renewed assets and disposed of assets.	Infrastructure Manager	Technical Officer - Assets & Parks & Gardens staff	June 2014
3	Condition Rating – refine data collection, including a more formalised inspection regime	Infrastructure Manager	Technical Officer - Assets & Parks & Gardens Supervisor	June 2014
4	Review and critically analyse projected replacement dates for each asset to better match expected level of service. Does grass need replacing every 10 years?	Infrastructure Manager	Technical Officer - Assets & Parks & Gardens staff	Ongoing
5	Consider the inclusion of trees in the parks and gardens asset register.	Dir. Infrastructure Services & Infrastructure Manager	Monitoring of industry standards	As needed
6	Refine and improve information in parks and gardens asset register, including acquisition dates and technical information.	Infrastructure Manager	Technical Officer - Assets	Ongoing
7	Finance - Restructure ledgers to separate maintenance, operations and renewal / new asset costs by asset sub category.	Finance Manager/ Infrastructure Manager	Finance & Infrastructure staff	December 2013
8	Devise strategies to retire assets that are of little use and investigate options for disposal.	Infrastructure Manager	Corporate Services staff	June 2014
9	Conduct revaluation of parks and gardens, when confidence in asset register data reaches High, or in 2013 - 2015	Infrastructure Manager	Technical Officer - Assets	June 2014

8.3 Monitoring and Review Procedures

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

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.

REFERENCES

Blayney Shire Council, *Draft Strategic Long-Term Financial Plan 2012 – 2022 and Draft Community Strategic Plan 2012*, Blayney Shire Council,

Blayney Shire Council, *2011/12 Management Plan and Various Budgets*, Blayney Shire Council.

DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial>.

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

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

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

IPWEA, 2011, *Asset Management for Small, Rural or Remote Communities* Practice Note, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AM4SRRC.

APPENDICES

- Appendix A Maintenance Response Levels of Service

- Appendix B Projected 10 year Capital Renewal Works Program

- Appendix C Planned Upgrade/Exp/New 10 year Capital Works Program A

- Appendix D Abbreviations

- Appendix E Glossary

Appendix A Maintenance Response Levels of Service

To be developed.

Appendix B Projected 10 year Capital Renewal Works Program

**Blayney SC
Projected Capital Renewal Works Program - Parks and Gardens**

(\$000)

Year	Item	Description	Estimate
2014		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$42
2014		Total	\$42

2015		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$53
2015		Total	\$53

(\$000)

Year	Item	Description	Estimate
2016		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$25
2016		Total	\$25

2017		Network Renewals	Estimate
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$116
2017		Total	\$116

(\$000)

Year	Item	Description	Estimate
2018		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$5
2018		Total	\$5

2019		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$7
2019		Total	\$7

(\$000)

Year	Item	Description	Estimate
2020		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$48
2020		Total	\$48

2021		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$174
2021		Total	\$174

(\$000)

Year	Item	Description	Estimate
2022		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	
2022		Total	\$0

2023		Network Renewals	
	1	Renewals Schedule as per Long Term Financial Plan Councillor Workshop	\$5
2023		Total	\$5

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

**Blayney SC
Projected Capital Upgrade/New Works Program - Parks and Gardens**

(\$000)

Year	Item	Description	Estimate
2014	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$20
2014		Total	\$20

(\$000)

Year	Item	Description	Estimate
2015	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$50
2015		Total	\$50

(\$000)

Year	Item	Description	Estimate
2016	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$121
2016		Total	\$121

(\$000)

Year	Item	Description	Estimate
2017	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$45
2017		Total	\$45

(\$000)

Year	Item	Description	Estimate
2018	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$25
2018		Total	\$25

(\$000)

Year	Item	Description	Estimate
2019	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$40
2019		Total	\$40

(\$000)

Year	Item	Description	Estimate
2020	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$72
2020		Total	\$72

(\$000)

Year	Item	Description	Estimate
2021	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$45
2021		Total	\$45

(\$000)

Year	Item	Description	Estimate
2022	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$95
2022		Total	\$95

(\$000)

Year	Item	Description	Estimate
2023	1	Upgrade / New Asset Schedule as per Long Term Financial Plan Councillor Workshop	\$570
2023		Total	\$570

Appendix D Abbreviations

AAAC	Average annual asset consumption
AMP	Asset management plan
CRC	Current replacement cost
DA	Depreciable amount
EF	Earthworks/formation
GIS	Geographical Information System
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
RV	Residual value

Appendix E 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 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 management (AM)

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

Average annual asset consumption (AAAC)*

The amount of 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.

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.

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.

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of 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 funding gap means service levels have already or are currently falling. A projected funding 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 annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original 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.

• **Significant maintenance**

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

• **Unplanned maintenance**

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

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Rate of annual asset consumption

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade

A measure of the rate at which assets are being upgraded and expanded per annum 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).

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.

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, 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.

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