Asset Management Plan

SWIMMING POOLS, AERODROME & SALEYARDS

2022

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Related documents	Asset Management Policy Asset Management Strategy Asset Management Plans Delivery Program and Operational Plan Community Strategic Plan 2032 Integrated Planning and Reporting requirements
Responsible officer	Manager Strategic Assets
Department/Section	Strategic Assets
Category	Financial & Asset Management
Community Strategic Plan Priority	Maintaining and developing our infrastructure network to meet the ongoing needs of our population.
	SO 4.1 Provide for replacement, improvement and additional Community and open space infrastructure through investment, best practice and risk management. **SO 4.2** Provide inviting public spaces that are clean, green, properly maintained, well designed, encourage active participation, family friendly and accessible to all. **SO 4.3** Provide safe and reliable water and sewerage services to meet the demands of current and future generations. **SO 4.4** Maintain and upgrade the road network and bridges. **SO 4.5** Advocate and improve access to communication services.

Contents

1 EXECUTIVE SUMMARY

1.1 Context

Upper Hunter Shire is located in the Hunter Region of NSW, approximately 250km north of Sydney. The Shire is predominantly rural and encompasses 8,100km2. The Upper Hunter Local Government Area is home to a diverse mix of businesses such as agriculture, thoroughbred horse studs, retail, light and heavy industry.

- Council supplies swimming pools for the residents and general public in Murrurundi, Merriwa and Scone, which also caters for the shire and wider area.
- Council provides aerodrome and associated facilities to residential, commercial and industrial customers in Scone, which also caters for the shire and wider area.
- Council provides saleyards and associated facilities to residential, commercial and industrial customers in Scone, which also caters for the shire and wider area.

Council plans to operate and maintain its swimming pool, aerodrome and saleyards assets to achieve the following strategic objectives:

- Deliver the required level of service to existing and future customers in the most cost effective way
- Anticipate, plan and prioritise spending on the assets
- Optimise the life of assets at the most economic cost over time (lifecycle approach)
- Undertake a risk based approach to identify operational, maintenance, renewal and capital development needs and apply economic analysis to select the most cost effective work program

The contribution towards achievement of theses strategic goals and asset management objectives will be achieved by:

- Stakeholder consultation to establish and confirm service standards.
- A regular program of inspections and monitoring activities to assess asset condition and performance.
- Application of a systematic analysis to prioritise renewals and establish the most cost effective works programs.
- Continuously reviewing and improving the quality of Asset Management practices.

1.2 What does it cost?

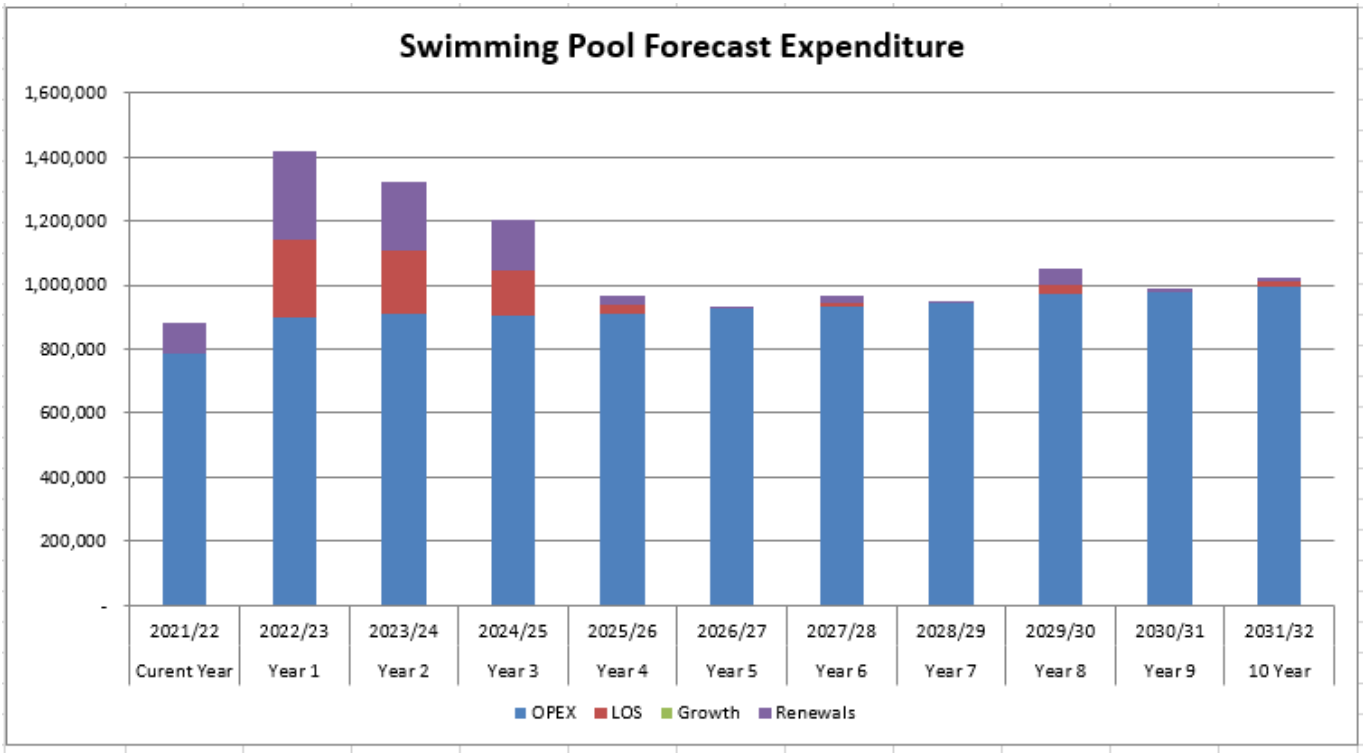
The projected expenditure necessary to provide the services covered by Swimming Pool, Aerodrome and Saleyards (SAS) Asset Management Plan (AMP) includes operations, maintenance, renewal and upgrade of existing assets.

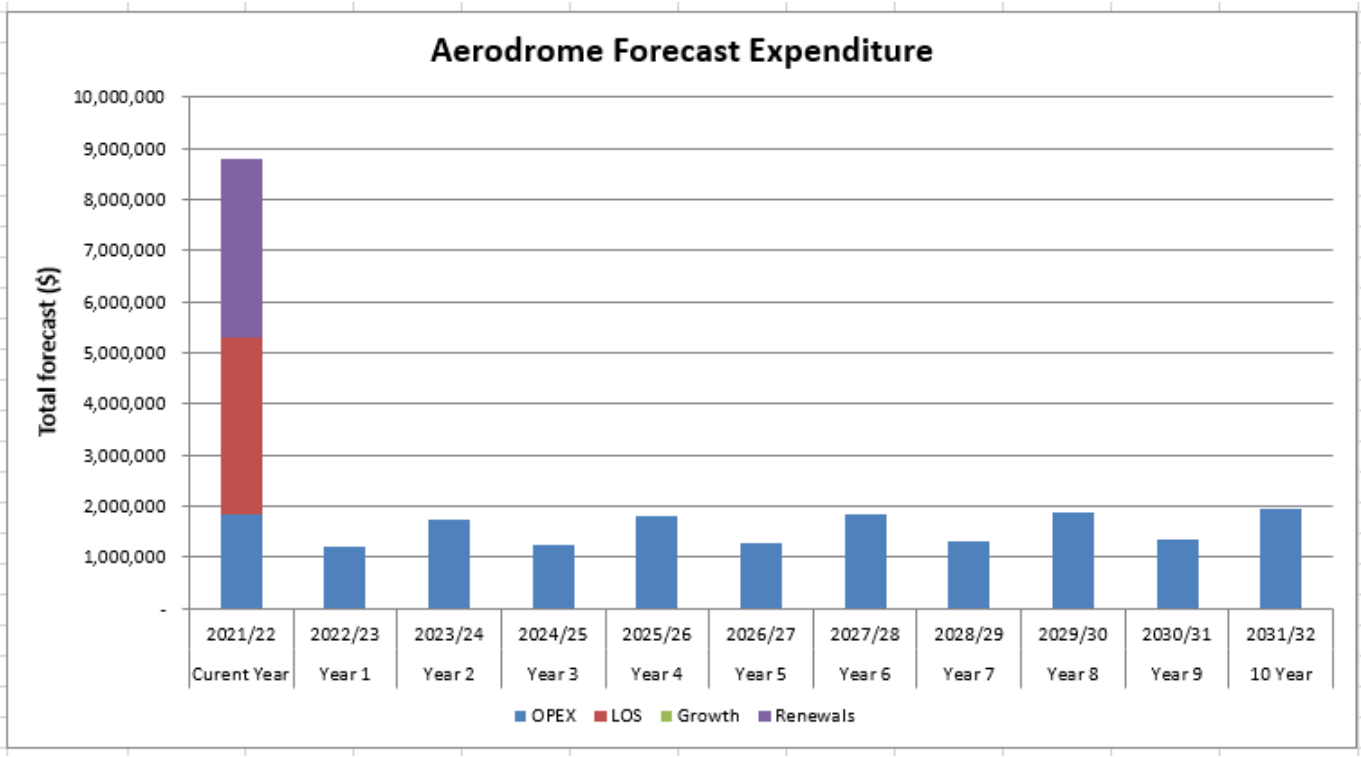
Figures 1-3 show the summary of the operational expenditure (OPEX) and the capital expenditure (CAPEX) for swimming pools, aerodrome and the saleyards.

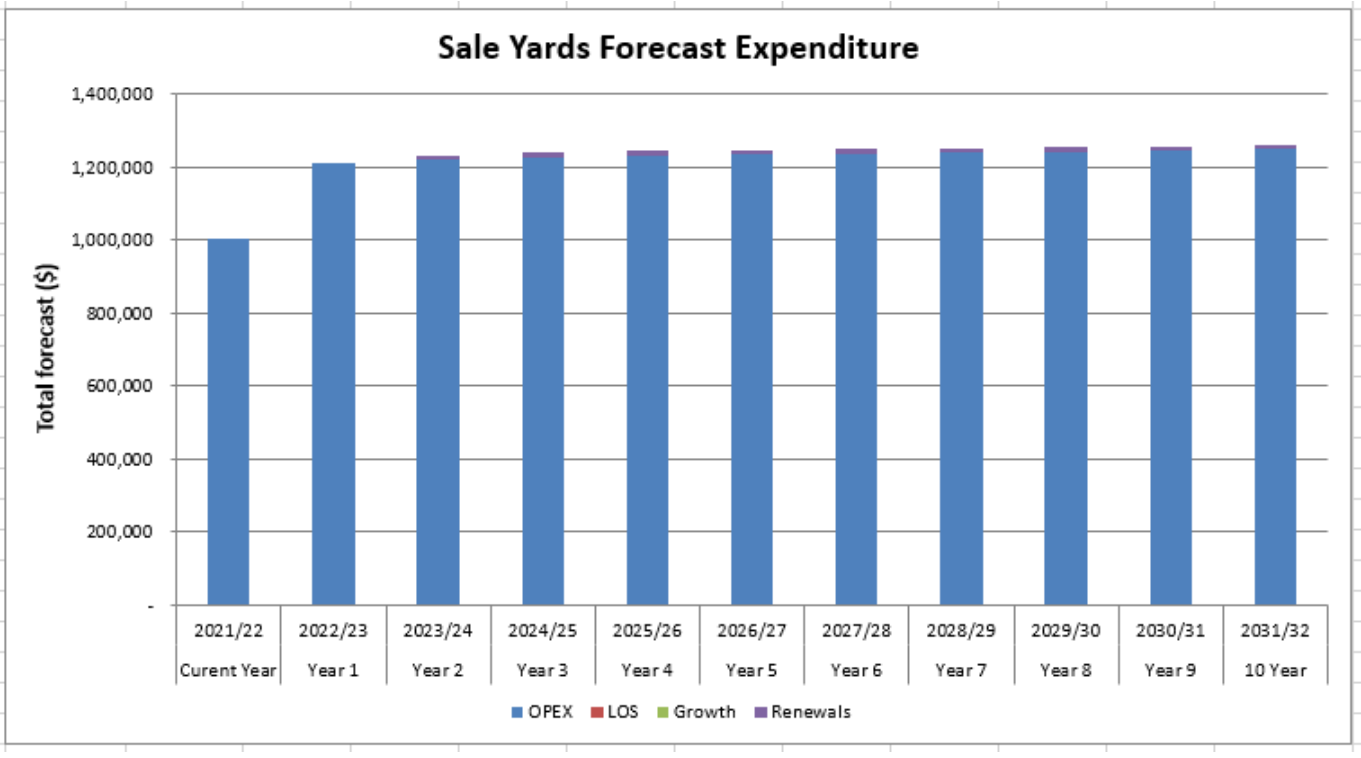
The total amount of forecasted expenditure for SAS operations, maintenance and capital over the next ten years will be approximately $38.9 million with annual forecasted expenditure averaging $3.9million per annum.

Forecasted operational expenditure for the ten-year cycle will be approximately $37.3 million which equates to 96% of the total forecasted expenditure. The Levels of Service (LOS) capital expenditure is for increasing the service level delivered by the assets.

	Swimming Pools	Aerodrome	Sale Yards
OPEX:	$9,371,058	$15,621,852	$12,333,496
LOS:	$671,552	$0	$0
Growth:	$0	$0	$0
Renewal	$774,052	$0	$108,000







Expenditure forecasts (operational and capital) are based on the revised current year budget 2021/22 and the 2018/19 to 2022/23 Delivery Program and Operational Plan (DPOP).

1.3 What we will do

Council seeks to manage infrastructure in the most cost effective way over the life of the asset. This is done in a number of ways including the following:

- Operation, maintenance, renewal, upgrade and monitoring of Upper Hunter Shire's swimming pools, aerodrome and sale yards assets to meet the service levels set in this plan.
- Inspection of the swimming pools, aerodrome and sale yards assets annually to ensure that they are performing and reassess their condition grading.
- Plan any works to address the defects found from asset inspections.
- Plan renewals based on failure statistics.
- Renewals planned within the ten year planning period have been identified to ensure that this is an acceptable backlog.
- Investigate poor performing assets based on service failure and customer requests to ensure service continuity.
- Maximise community benefits against costs.
- Develop options, costs and priorities for future asset management activities.
- Consult with the community to plan future services to match the community service needs with ability to pay for services.

1.4 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:

- Poor or incomplete asset management practices including AMP, lifecycle management plans (LCMP) and asset condition assessments.
- Overall asset life and condition is compromised due to maintenance and renewal programs not well targeted or limited in scope.
- Financial implications with inaccurate asset valuation and long term planning including renewal forecasts.

We will endeavour to manage these risks by:

- Completing the actions identified in the SAS AMP including life cycle management plan; complete the resourcing levels for swimming pools, aerodrome and sale yards and complete the asset condition survey.
- Complete the full revision of the SAS AMP; complete the asset condition assessment program.
- Implement the asset management improvement program; continue with regular inspections and reporting on assets; start proactively analysing and reporting on data availability; start building core asset management capability; complete asset condition survey.

1.5 The Next Steps

The actions resulting from the SAS AMP are:

- Complete the comprehensive condition survey of all assets located within the swimming pools, aerodrome and sale yards.

- Review the currently used asset useful lives prior to the next major asset revaluation.
- Implement adequate resourcing and capability for updating the swimming pools, aerodrome and sale yards asset inventory, collection of asset repair data, and updating asset condition assessment records.
- Revise and improve the effectiveness of the current renewal programs.
- Begin the integration of swimming pool, aerodrome and sale yards assets into CONFIRM to improve renewal planning.
- Complete a formal AM Maturity Assessment of the all assets located within the swimming pools, sale yards and aerodrome.
- Improve the delineation between planned, cyclic and reactive maintenance.
- Develop data collection methods to ensure consistency and ongoing improvement of condition data collection.

1.6 Questions you may have

What is an asset?

An asset is an item of property owned by the Council regarded as having value. Council's assets range from roads and footpaths to buildings, playgrounds, bridge infrastructure and street furniture.

What is an Asset Management Plan?

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

An AMP 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.

What are the objectives of asset management?

The basic premise of infrastructure asset management is to intervene at strategic points in an asset's life cycle to extend the expected service life, and thereby maintain its performance. Generally speaking, the cost of maintaining an asset decreases with planned maintenance rather than unplanned maintenance, however, excessive planned maintenance increases costs. An objective of asset management is to strategically time infrastructure renewals before unplanned maintenance costs become excessive, but not so soon that assets are renewed before it is really needed.

Council's goal in managing infrastructure assets is to meet the required levels of service in the most cost effective manner for present and future customers. The key elements of 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, and
- Continuous improvement in asset management practices.

How do we determine when renewals are required?

Renewals are determined by considering the ability of an asset to meet an agreed standard of service. This is done by regularly reviewing the condition of assets and using this information as a basis to prioritise renewals.

How do we determine our levels of service?

Our levels of service have been developed based on legislative requirements, customer research and expectations and strategic goals.

Why does Council need an Asset Management Plan?

Under section 122 of the Local Government Act, the Upper Hunter Shire Council has a legislative requirement to develop Asset Management Plans. In addition to the legislative requirement, there is a need for the Council to ensure effective investment in assets which need it most by having a planned, systematic approach to Asset Management.

How does Council include community feedback into the Plan?

We will be pleased to consider your thoughts on the issues raised in this asset management plan and suggestions on how we may change or reduce the mix of services we provide to ensure that the appropriate level of service can be provided to the community at the lowest possible cost.

Council includes community feedback into Asset Management Plans in a number of ways;

- Through information provided via our Annual Community Survey.
- Through review of common customer requests and complaints in our Customer Request Management (CRM) system, and
- Through a formal community engagement process where the community is invited to provide feedback on draft Asset Management Plans, which is then incorporated into the final documents.

2 INTEGRATED PLANNING AND REPORTING FRAMEWORK

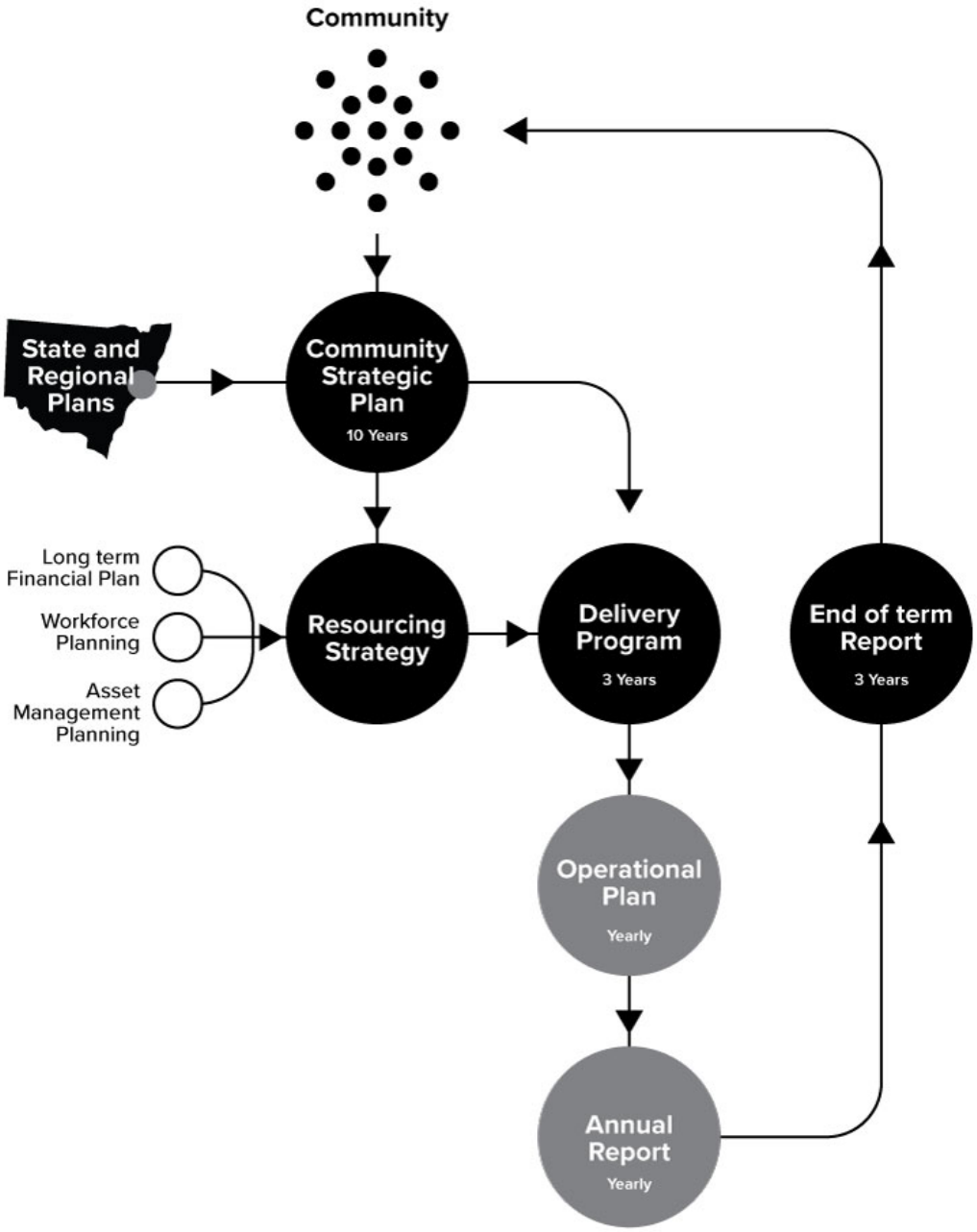
The Local Government Integrated Planning and Reporting (IP&R) Framework aims to ensure a more sustainable Local Government sector. The Local Government Act 1993 requires Council to work with the community to review the Community Strategic Plan and other documents within the Integrated Planning and Reporting Framework after the commencement of each four-year elected Council term.

Councils need to take a long term view and consider social, economic and environmental aspects and the needs of the current and future generations when making decisions. This underpins the Integrated, Planning and Reporting Framework. The importance of Civic Leadership and accountability and transparency in decision making should also underpin the Plan.

All NSW Councils are required to develop a Community Strategic Plan along with a Delivery Program (4 years) and Operational Plan (1 year). The CSP 2032 and its strategic objectives provide a foundation for our Delivery Program and Operational Plan. The Delivery Program and Operational Plan detail how each service addresses the CSP 2032 objectives, ongoing activities, priority projects and the strategies supporting this work.

These documents are informed by a Resourcing Strategy that is made up of a Long Term Financial Plan, Asset Management Plans and Workforce Management Plan. In order to achieve the integration envisaged by the IP&R Framework, there is an alignment between the CSP 2032, Delivery Program,

Operational Plan and the other key documents. This is identified on the Upper Hunter Shire Integrated Planning and Reporting Framework.



3 INTRODUCTION

3.1 Background

About this Plan

This AMP is to demonstrate responsible management of assets (and services provided from assets), compliance with regulatory requirements and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The SAS AMP is to be read with Upper Hunter Shire Council's Asset Management Policy and Asset Management Strategy and the following associated planning documents:

- Revised current year budget 2021/22
- Delivery Program 2018/19-2022/23 and Operational Plan 2022/2023
- Community Strategic Plan 2032
- Infrastructure Asset Revaluation Supporting Documentation.
- Council files on swimming pools, aerodrome and sale yards.
- Upper Hunter Shire Council Resident Satisfaction Survey Results

Scope of Services

Upper Hunter Shire is located in the Hunter Region of NSW, approximately 250km north of Sydney. The Shire is predominantly rural and encompasses 8,100km2. Swimming pools, aerodrome and sale yards are collectively referred to in this plan as "SAS assets" and form an integral part of the community infrastructure which is provided and maintained by Council on behalf of the community, businesses and visitors moving through the shire as shown in Figure 1.

Figure 1: Map of Upper Hunter Shire Towns

Our Stakeholders

Key stakeholders interested in swimming pool, aerodrome and saleyards assets are shown in Table 1.

Table 1: Key Stakeholders in SAS Assets

Key Stakeholder	Area of Interest and Role in AMP
Councillors	Represent needs of community/stakeholders
	Allocate resources to meet the organisation's objectives in providing services while managing risks
	Ensure organisation is financially sustainable
	Set policy
General Manager	Provide leadership and community engagement
Senior Management Group	Development of overall strategy
Director Infrastructure Services	Oversee development of strategies and liaison with all relevant parties
Asset Program Area	Owner of this plan and responsible for assets covered by this plan
Strategic Assets	Owner of Asset Management Policies and Strategies
Local Resident's	Users of Council Assets and Services
Local Business	As User of Council Assets and the future of new commercial and community growth
Developers	Users of Council's infrastructure and services
	Build infrastructure and hand over to Council ownership
Environmental Groups	Interested in improvement to the natural environment and efficiency initiatives
Council's Business Enterprise & Tourism Department	Interested in the coordination of the capital programs in the road corridor

3.2 Goals and Objectives of Asset Management

Upper Hunter Shire Council exists to provide services to its community. Some of these services are provided by swimming pools, aerodrome and saleyard assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of asset management are:

- Providing a defined level of service and monitoring performance
- Managing the impact of growth through demand management and infrastructure investment
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service
- Identifying, assessing and appropriately controlling risks associated with asset failure

- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed
- Continuous improvement in asset management practices.

The SAS AMP is prepared under the direction of Council's Vision, Charter and Corporate Values contained within Council's:

- Asset Management Policy
- Asset Management Strategy
- Community Strategic Plan 2032

Council's goal is to achieve this in an efficient, cost effective manner while remaining ecologically sustainable and to investigate the future delivery of services.

Council's vision is:

"A quality rural lifestyle in a vibrant, caring and sustainable community"

Our commitment to the Community

- We will deliver high quality, innovative, consistent and responsive services to the community.
- We respect the rights of everyone to be treated fairly.
- We will keep our community informed about Council services and financial position.
- We will continually strive to improve our services to the community and encourage community engagement.
- We will deliver increased effort in the protection of the environment.

Council's relevant community strategic objectives (as stated in the Community Strategic Plan 2032) and how these are addressed in this AMP are outlined in Table 2.

Table 2: Organisation objectives and how these are addressed in this Plan

COMMUNITY PRIORITY	STRATEGIC OBJECTIVES	HOW OBJECTIVES AND INITIATIVES ARE ADDRESSED IN AMP
Maintaining and developing our infrastructure network to meet the ongoing needs of our population	Provide for replacement, improvement and additional Community and open space infrastructure through investment, best practice and risk management.	By sustainably managing the asset portfolio and by renewing and upgrading structures as required.
Strengthening our vibrant industries and economy while seizing emerging opportunities	Facilitate and support increased and innovative tourism and marketing opportunities.	By providing for the cost effective development, upgrade, renewal and maintenance of swimming pool, aerodrome and saleyard assets in the Shire, and by ensuring that they are effectively managed to deliver the required services.

4 LEVELS OF SERVICE

Levels of service relate to outcomes the customer receives in terms of quality, quantity, responsiveness and performance as it is provided by the asset utilised by Council to provide the service. To achieve and maintain acceptable levels of service for Council's SAS assets, a system of setting, recording and reviewing service levels achieved with the assistance of Community input is required. Future iterations of this plan will involve further and more detailed community consultation in this regard.

The levels of service have been reviewed as part of the AMP development. They support Council's strategic goals and are based on user expectations, statutory and state standard requirements.

4.1 Community Consultation

Future revisions of this AMP will incorporate further community consultation on service levels and costs of providing the service. This will assist the Council and the community in matching the level of service needed by the community, service risks and consequences with the community's ability and willingness to pay for the service.

4.2 Customer Research and Expectations

In a broader attempt to assess the priorities and service expectations of our wider community, across all areas of performance, Council has commissioned detailed surveys through the company Micromex Research Consultants. They undertook extensive surveys in 2010, 2013 and 2015.

The survey concentrated on establishing the community's assessment of the importance of, and their satisfaction with, a number of services (52 in total). A scale of 1 to 5 was used in all rating questions where 1 was the lowest importance or satisfaction, and 5 was the highest importance or satisfaction.

Separately, comprehensive community surveys were undertaken in 2010, 2013 and 2015 using a mix of phone and face to face surveys. The results for swimming pool, aerodrome and saleyard assets are summarised Table 3.

Table 3: Survey Results

Years	Measure	Ranking	Importance	Satisfaction	Performance Gap
2010	Swimming Pools	49	3.41	3.49	-0.08
	Scone & Upper Hunter Airport	NA	NA	NA	NA
	Scone & Upper Hunter Regional Saleyards	NA	NA	NA	NA
2013	Swimming Pools	48	3.31	3.55	-0.24
	Scone & Upper Hunter Airport	NA	NA	NA	NA
	Scone & Upper Hunter Regional Saleyards	NA	NA	NA	NA
2015	Swimming Pools	38	4.00	3.52	0.48
	Scone & Upper Hunter Airport	31	3.98	3.31	0.67

Years	Measure	Ranking	Importance	Satisfaction	Performance Gap
	Scone & Upper Hunter Regional Saleyards	45	4.15	3.95	0.20

The swimming pool assets have become a more important asset group, increasing in ranking by ten places over the five-year period. The first year specific questions regarding the aerodrome and sale yards where included in the survey was 2015.

It should be noted that a performance gap of up to 1.0 is acceptable. Furthermore, swimming pools have become more important to the general public rising ten places in the ranking schedule.

4.3 Strategic and Corporate Goals

The SAS AMP is prepared under the direction of Council's Vision, Charter and Corporate Values. It is intended to expand on the strategies defined in Council's Publication "Community Strategic Plan 2032". Table 5 shows the areas of focus and key objectives.

The Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AMP. Management of infrastructure risks is covered in Section 6.2.

Table 4: SAS Asset Objectives

Focus Areas	Objectives
Customer Service	Meet Levels of Service to which customers have agreed and can afford
	Establish affordable service areas and solutions
	informed and be responsive to its needs
	Community consulted and considered on all major expenditure decisions
Financial Management	Evaluate options to achieve capital and maintenance programs with affordable rates and relatively low levels of reserves
	Set up the sewer fund as an independent business
	Promote and assist establishment of industry and developers in the Upper Hunter Shire Council area
Asset Management	Ensure reliable, secure and cost effective service using latest technology
	Ensure the system provides levels of service agreed
	Provide a Capital Works Program which supplies system needs
Human Resources	Maintain a capable, motivated and skilled workforce
Environment	Manage the system to prevent adverse environmental impacts
	Promote and assist establishment of industry and developers in the Upper Hunter Shire Council area.

4.4 Legislative Requirements

Council is required to adhere to many Federal and State Government legislative regulations and requirements as shown in Table 5.

Table 5: Legislative Requirements

Legislation	Requirement
Agricultural and Veterinary Products (Control of Use) Act 2002	Act relating to agricultural chemical products, fertilisers and veterinary products and for other purposes. In particular, Use or possession of unregistered agricultural chemical product, Treatment of trade species animal by injection and Treatment of trade species animals in unauthorised manner
Airports Building Controls Regulations 1996	Controls building activities within exiting airports.
Airports Act 1996	Defines condition of operations.
Animal Welfare Act 1985	Act for the promotion of animal welfare; and for other purposes
Animal Welfare Regulations 2000	As allowed for under the Animal Welfare Act 1985.
Aviation Transport Security Act 2004	The main purpose of this Act is to establish a regulatory framework to safeguard against unlawful interference with aviation
Brands Act 1933	Branding of horses, cattle and sheep
Catchment Management Authorities Act 2003	Promotes the coordination of activities within catchment areas. Council believes the Act has implications for the management of waterway quality and quantity.
Civil Aviation Regulations Part 139 – Aerodromes	CASR Part 139 prescribes the requirements for aerodromes used in air transport operations.
Manual of Standards Part 139 – Aerodromes	MOS Part 139 standards and operating procedures for certified, registered aerodromes and other aerodromes used in air transport operations
Civil Aviation Act and Regulations 1988	Provides the legislative basis for air safety and the network of aviation facilities
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards
Controlled Substances Act 1984	Defines who is allowed to administer drugs and regulates or prohibits the manufacture, production, sale, supply, possession, handling or use of certain poisons, drugs, therapeutic and other substances, and of certain therapeutic devices.

Legislation	Requirement
Disability Discrimination Act	Sets out the responsibilities of Council and staff dealing with access and use of public infrastructure.
Environmental Planning and Assessment Act 1997	Encourages the proper management of natural and man-made resources, the orderly use of land, the provision of services and protection of the environment.
Environmental Planning and Assessment Regulation 2000	
Livestock Act 1997	Act to regulate matters relating to livestock.
Livestock Regulations 1998	Livestock regulations as made under the Livestock Act 1997.
Local Government Act, 1993	
Local Government (General) Regulation 2005	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.
NSW Health: Public Swimming Pool Regulation 2000	
NSW Health: Minimising Risk of Cryptosporidium	
Occupational Health and Safety Act 2011	Council must ensure the health, safety and welfare of employees and the public at places of work.
Protection of Environment Operations (POEO) Act, 1997	Under the POEO Act, it is an offence for the operator of any facility to cause pollution, including odour.
Protection of the Environment Act 1997	Regulation the pollution activities and issue of licences as well as the monitoring of and reporting on waste output.
Public Health Act 1993	Public Health Act 1993 Section 82(2) refers to prevention of risks to public health and the requirement to close public pools during such risks to the public.
Swimming Pool Act 1992	Focuses on long term financial sustainability and provides a mandate to have long term strategy, financial statements and annual reporting mechanisms. AM plans are likely to be audited.
Swimming Pools Regulation 1998	Key requirement is to integrated community plans with operational and delivery plans.
WHS Act and Regulations	Council must ensure the health, safety and welfare of employees and the public at places of work.
Veterinary Practices Act 2003	Defines who can perform various husbandry practices and procedures.
Veterinary Practice Regulations 2005	Covers three broad categories of responsibility for livestock husbandry and management
	Veterinarian only - These procedures are illegal to be performed except by a registered veterinarian

Legislation	Requirement
	Under veterinary supervision - This can mean that either a procedure is performed by the owner while a veterinarian is present, or it can mean when a veterinarian dispenses a drug together with instructions for administration by the owner
	Owner responsibility - Covers routine husbandry practices
All other relevant State and Federal Acts and Regulations	Other Acts, not mentioned above, that provide regulations on Council.
All Local Laws and relevant policies of the Organisation	Internal policies that define requirements and/or procedures in the carrying out of works or dealing with the public

Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan linked to this AMP.

4.5 Current Levels of Service

We have defined service levels in two terms.

Community Levels of Service

This measures how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the AMP are:

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

Technical Levels of Service

Are operational or technical measures of performance, which are supported by the community service levels. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services to meet legislative requirements and environmental outcomes.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition.
- Renewal – the activities that return the service capability of an asset up to that which it had originally.
- Upgrade – the activities to provide a higher level of service.

The levels of service are summarised in Table 6. The full levels of service (LOS) table including performance measures and targets are detailed in Section 8.2.

Table 6: Community Level of Service

Key Service Attribute	Customer LOS
Safety	To reduce risks and hazards.
Quality - reliability	To provide well maintained assets rated as in satisfactory condition at end of any period
Responsiveness	To provide prompt responses for service
Sustainable -Environmental performance	To provide a network that meets customer requirements
Sustainable -Cost Effectiveness	To maintain high levels of proactive maintenance for pipe and pit cleaning

4.6 Desired Levels of Service

Indications of desired levels of service are obtained from community consultation/engagement. The SAS asset management planning process includes the development of scenarios to assist in planning future levels of service that are financially sustainable, and provide what the community wants at an affordable price.

The upgrade and/or extension of assets within the swimming pools, aerodrome and saleyards is considered during a review of councils Strategic Business Plan, which includes detailed and long term financial modelling of options for service extensions.

5 FUTURE DEMAND

5.1 The Shire's Growth

The total population of Upper Hunter Shire as reported by the 2016 Census was 14,350. Population projections for the Shire, as published by the NSW Department of Planning and Infrastructure, are shown in Table 7 reflecting an average annual growth rate of -0.50 % pa.

Table 7: Population Projections for Upper Hunter Shire

Population	2016 Census	2021	2026	2031	2036	2041	Total Change	Annual % Change
UHSC	14,350	14,200	13,950	13,600	13,200	12,700	-1,650	-0.50%

Source: Population Estimates & Projections for Local Areas NSW; NSW Planning & Infrastructure, 2019

5.2 Demand Forecast

The key factors that directly impact the demand for SAS infrastructure are:

- population growth
- demographic changes
- residential development
- extension of services to towns and villages

Demand factor trends and impacts on service delivery are summarised in Table 8.

Table 8: Demand Factors

Demand Factor	Present position	Projection	Impact on services
Population	Upper Hunter Shire Council's population in 2016 was 14,350	Upper Hunter Shire Council's population is predicted to decline over the next 10 years.	Negative growth rate will have a small decrease in demand
Demographics	28.6% of the Shire's population is aged between 15 – 39 years. This is lower than the national average of 35.5% and can be attributed to fewer job opportunities and lack of higher educational institutions in the area	The percentage of the population in this age group is expected to remain static or increase slightly.	Insignificant
Residential development	Low growth rate reflects demand for residential development	Future growth rate is likely due to the proximity to the coal mining industry	Small increase in demand on services
Climate Change	Extremes increasing	More frequent extreme weather events and increased exposure to radiation effects.	More rapid deterioration of infrastructure, increasing frequency of inspections and maintenance and repairs.
Passenger Traffic	Exact numbers not available at present.	Exact numbers not available at present.	Items in Scone Airport Mater Plan Report 2016 (refer below).
Commercial airline service.	Exact numbers not available at present.	Exact numbers not available at present.	
Aircraft movements	Approximately 6,000 – 8,000 per year.	Future growth rate is unlikely.	
Aircraft operating mass characteristics	Exact numbers not available at present.	Exact numbers not available at present.	

Demand Factor	Present position	Projection	Impact on services
Commercial Development	Exact numbers not available at present.	Exact numbers not available at present.	
Land use	Exact numbers not available at present.	Exact numbers not available at present.	Such a trend will adversely impact on the throughput of livestock, which will impact on Council's revenue stream.
Further investigation required to ascertain impact.			
Environment	Unpredictable seasonal conditions.	Prolonged periods of drought sees an increase of livestock during sale days.	The saleyard needs to be able to cater for such fluctuations of livestock numbers on sale days.
Competing Saleyards in Region	Current ranked 10th in NSW for cattle saleyards	Increase sales and remain in top 10.	The saleyard needs to be able to cater for such increased livestock numbers on sale days or else these sales can be directed to other saleyards.
Direct Selling	There has been, in this area, a swing with sellers towards direct selling of stock in recent years, particularly lambs. Direct selling accounts for the second highest percentage of selling methods.	Projected to remain constant for the foreseeable future	Convenience appears to be direct selling's cornerstone, yet it has the ability to upset the essential price setting mechanism, the Saleyard Auction.

Extract from Scone Airport Master Plan 2016.

After consultation with Stakeholders, Council selected Option H for the long term development of the airport. Therefore, Option H represents the Council Preferred Option for Scone Airport. The option provides for:

- Code 2C runway infrastructure
- 43 Code A aircraft parking positions
- Helicopter parking positions
- 2 Code B jet aircraft parking positions that can be used as a single Code C aircraft parking position;
- New Avgas refuelling facility
- Relocated Terminal Building;

- Expanded public parking lot
- Rural Fire Service Station/Facility
- SES Facility
- Location for new Aviation Museum
- New Council Shed
- Full length parallel taxiway
- Stormwater treatment and management

5.3 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this plan as shown in Table 9.

Table 9: Changes to Technology

Technology Change	Effect on Service Delivery
Australian Standards/guidelines continuously updating.	Puts todays "acceptable" to a "redundant' to meet new requirements especially in legal terms. Legal compliance drives renewal and supervision compliances.
Improvements in material and design of various components	Changes to compete and meet demand expectations
Implementation of electronic asset management system	Key areas of concern in service delivery will be identified and addressed as implementation progresses and more data becomes available on level of service criteria. Service provision is also expected to become more efficient, enabling increased service delivery.
Improvements in data capture, analysis and monitoring	Accurate and up-to-date asset registers will lead to more accurate works planning and financial data. This will enable a more pro-active approach in asset management.
Introduction of new machinery	Reduced costs, improved productivity and WHS
Renewal treatments	Increased residual life and lower lifecycle costs

5.4 Demand Management Plan

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

Non-asset solutions focus on providing the required service without the need for Council to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept

appropriate asset failures. Examples of non-asset solutions include providing services from existing infrastructure that may be in another community area or commercial premises.

Opportunities identified to date for demand management are shown in Table 10. Further opportunities for demand management will be developed in future revisions of this AMP.

Table 10: Demand Management Plan

Service Activity	Impact on Services	Demand Management Plan
Community engagement		Engage with the community to identify justifiable community needs from other expectations and consider only community needs consistent with Council's Charter.
Customer requests		Analyse customer requests to optimise the use and performance of existing road services and look for non-asset based solutions to meet demand for services
Passenger traffic	Attainment of trigger point thresholds initiate further phases of development for both landside and airside assets	Monitor annual airport traffic numbers and lobby higher tiers of government for grant funding to implement upgrades according to Scone Airport Master Plan 2016.
Aircraft movements		
Aircraft operating mass characteristics	Runway extension and strengthening	
Commercial Development	Increased demand for development of Commercial land for lease and supporting water, sewer, firefighting, airside and landside access	
Number of livestock sold	Increase demand of livestock passing through the saleyards and possible expansion with other livestock (sheep etc.)	Monitor demand for increase in cattle passing through the saleyards and assess if further expansion or upgrade is feasible
		Monitor demand for in other livestock (sheep etc.) passing through the saleyards and assess if expansion or upgrade is feasible
Truck wash facilities	Increased demand for trucks using the truck wash facilities, both those using the saleyards and passing trucks)	Monitor demand for trucks, both those using the saleyards and passing through, using the truck was facilities to determine if expansion or upgrade is feasible

There is a clear demand for Council to continue providing these services at present and therefore the financial forecasting will assume a 20-year period. However, with each iteration of this SAS AMP which will be undertaken on a 4 to 5-year cycle, demand will be continually assessed.

5.5 Asset Programs to meet Demand

The new assets required to meet growth will either be acquired free of cost from land developments (in most cases) or funded by Section 94 contribution plans and constructed by the Council or its nominated contractor.

The cumulative value of new contributed and constructed asset values have not been considered in any detail in this plan, as the historical and expected growth rates for Council have not been particularly high, and would not be considered to have any significant impact in the 10-year horizon of this plan.

Acquiring these new assets will commit the organisation to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs will be more accurately identified, and options considered, as part of the revision process. In particular, there will be full financial provision for maintenance and renewal costs of these new assets in the revised financial plan. This information will be incorporated in future versions of the SAS AMP.

5.6 Growth and Demand Assumptions

The key growth and demand assumptions are as follows:

- Population projections are based on Population Estimates and Projections for Local Areas NSW; NSW Planning and Infrastructure, 2019
- Projections have been based on historic census data and it has been assumed that the trends that have been observed will continue.

6 LIFECYCLE MANAGEMENT PLAN

Overview

The lifecycle management plan details how Council plans to manage and operate the swimming pools, aerodrome and saleyards assets at the agreed levels of service defined in Section 3 while optimising life cycle costs. These assets are maintained and developed in a way that is fit for purpose and sustainable over time and consistent across the Shire.

Council's key asset management principle is meeting the service levels and managing risk while minimising whole-of-life costs. It is important that asset lifecycle costs are considered in decision making as they are typically several times greater than the initial development costs.

The Asset Lifecycle

Figure 2 below provides a graphical representation of the asset lifecycle including each of the stages an asset passes through during its life

6.1 Background Data

6.1.1 Physical parameters

The summary of the swimming pool, aerodrome and saleyard asset classes covered by this AMP are shown in Table 11. The most recent information available for the quantities and total values are detailed in Section 8.

The aerodrome contains a mixture of airside and landside assets aimed at servicing aviation and commercial activities. Many assets are ageing and require renewal or upgrade due to relative age, condition or function due to legislative changes, technological advancements in aircraft characteristics, increases in passenger numbers, aircraft movements or providing for future airport development.

Table 11: Summary of Asset Classes

Asset	Units	CRC ($)
Swimming Pools		
50m Pool	2	4,915,900
25m Pool	1	1,053,407
Toddlers Pool	3	447,580
Infants Pool	2	157,307
Concrete Concourse	3,739 m²	1,397,899
Lighting	9	245,250
Shade Sail	929 m²	289,087
Aerodrome		
Earthworks	83,415 m²	644,505
Pavement	78,159 m²	3,665,532
Seal	111,159 m²	2,714,962
Lighting	68	320,061
Fencing	4,370 m	140,496
Saleyards		
Earthworks	21,536 m²	265,685
Pavement	16,699 m²	631,937
Seal	14,887 m²	124,345

Asset	Units	CRC ($)
Truck Wash Facilities	various	303,937
Fencing/Yards	6,450 m	421,099
Catwalks	593 m²	115,000
Loading Ramps	4	437,481
NLIS Equipment & Pre-Sale	1	115,500
Roofing	2,400 m²	510,120
Power Supply & Distribution	1	106,275
Security System	1	49,595
Waste water management system	1	60,000

6.1.2 Asset Capacity and Performance

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

Council's swimming pool, aerodrome and saleyards assets would have been designed to meet the standards applicable at the time of construction, taking into account forecast growth. This may mean that some of the older structures may need to be re-assessed to determine if they meet today's relevant design standards and specifications.

Locations where deficiencies in service performance have not been determined but will be included in future versions of the SAS AMP.

6.1.3 Asset condition

Condition surveys

Asset condition is an important determinant for Council's asset renewal planning. Condition is monitored through failure statistics, routine maintenance inspections and customer requests.

The frequency of condition assessments will depend on a number of factors including the age, life, risk and criticality of the asset. In taking these factors into account and the current revaluation cycle for assets Council has determined a condition inspection frequency for each asset class. The following inspection frequency has been adopted for each asset class for future condition surveys:

- Swimming Pools – Annually
- Aerodrome - Annually
- Saleyards - Annually

At present the condition of an asset is gauged by a visual rating system that assigns a condition rating on the asset based on how it appears to be functioning in providing its service to the community.

The visual condition assessments are measured using a 1-5 rating system as shown in Table 12.

Table 12: Visual Condition Assessment

Rating Scale	Condition Description
1	Excellent - A near new asset with no visible signs of deterioration
2	Good - An asset in a very good overall condition but with some early stages of deterioration evident.
3	Fair - An asset in fair overall condition. Deterioration in condition would be obvious and there would be some serviceability loss.
4	Poor - An asset in poor overall condition. Deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance costs would be high.
5	Very Poor - An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. There would be an extreme risk in leaving the asset in service.

Condition assessment

A desktop assessment of asset condition has been completed for the purposes of developing this AMP. Periodic condition assessments are critical in keeping a grasp on the condition of an asset's various components.

This high level assessment of asset condition is summarised in Table 13. Note that the percentages are based on gross replacement costs.

Table 13: Asset Condition Summary

Asset Class	Asset Condition Grade				
	1	2	3	4	5
Swimming Pools	4.0%	8.0%	53.0%	35.0%	0.0%
Aerodrome	29.0%	46.0%	20.0%	4.0%	1.0%
Saleyards	90.0%	10.0%	0.0%	0.0%	0.0%

6.1.4 Asset valuations

The value of assets as at 30 June 2021 covered by this asset management plan is summarised in Table 14. Assets are valued at Brownfield rates with the unit rates for each asset type based on recent similar construction projects.

Table 14: Summary of Financial Data

	Swimming Pools ($)	Aerodrome ($)	Saleyards ($)
Current Replacement Cost	9,492,335	6,919,772	14,695,071
Accumulated Depreciation	5,462,536	2,030,903	1,010,419
Written Down Value	4,029,799	4,888,869	13,684,652
Earthworks	-	644,505	265,685
Gross Current Replacement Cost	9,492,335	7,564,277	14,960,756

The assets recorded in the asset register are on a valuation basis with any additions constructed by Council for new and/or renewed assets, since this valuation, recorded at cost or for any assets received by Council on an "in-kind" basis from property developer's (i.e. free of cost to Council) valued using industry data to estimate the cost of their construction. It also noted that where applicable, adjustments are made to the asset register for the value of any corresponding redundant assets that have been renewed.
The written-down of assets are based on the useful life of the asset class within their asset lifecycle. This predominantly entails the use of a consumption based curve which shows an increase in the deterioration of the asset in the later part of its lifecycle.

Asset revaluations are required to be completed by Council's on a 5-year cycle (at a minimum) in accordance with the "Local Government Code of Accounting Practice and Financial Reporting". This revaluation considers the suitability of design, useful life and condition assessment of the asset components that are being revalued. It also uses industry specific data to estimate the current replacement cost of the assets held.

Useful lives were last reviewed in June 2021 as part of the revaluation process with the assets to be reviewed again in 2026/27 in line with the revaluation cycle as set by the Office of Local Government.

Key assumptions made in preparing the valuations were:

- Industry standard design lives are used for all asset classes
- NSW Reference rates used for most assets replacement cost estimate.

There has been no major variation to the revaluation processes since the last Council adopted Asset Management Plan other than the change in methodology for asset write-down from a straight line method to consumption usage method which provide a more realistic approach for the deterioration of the asset.

6.2 Infrastructure Risk Management Plan

The objective of the risk management process with regards to SAS assets is to ensure that:

- All significant operational and organisational risks are understood and identified.
- The highest risks that need to be addressed in the short to medium term are identified.
- Strategies and treatments to address risks are identified and applied.

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

The key risk management criteria relating to Council's swimming pool, aerodrome and saleyard assets include:

- Public health and safety
- Service provision
- Environmental and legal compliance
- Security, theft and vandalism
- Business interruption
- Financial risk (escalating costs in deterioration)
- Asset damage through storms, flooding, water damage or events such as accidents.

Risk identification for swimming pool, aerodrome and saleyard assets can be identified from a number of resources such as:

- Routine inspections
- Reports and complaints from general public
- Information obtained from incidents
- Advice from professional bodies
- Past experience.

Once risks have been assessed and rated, the most significant risks (those rated as high or extreme) are isolated for treatment/control. Those identified as moderate or low will continue to be monitored and reviewed if circumstances change.

Options to treat risk posed by swimming pool, aerodrome and saleyard assets include (but not limited to):

- Risk elimination.
- Reduction in the cause or likelihood of the event occurring.
- Reduction in the consequence or severity of the event if it were to occur.
- Increasing the maintenance regime.
- Initiating council improvements.
- Changing operating processes and procedures.
- Sharing the risk through insurance or contracts.
- Doing nothing and accepting the risk.

Asset risks have been identified for the SAS activity using the NAMS risk management framework including the likelihood and consequence tables. The full activity risk register is detailed in Appendix E.

Table 15 shows the very high (VH), high (H) and medium (M) risks identified, the current controls and additional controls through mitigation strategies which will be implemented to result in the mitigated risk rating.

Table 15: Critical Risks and Treatment Plan

	Service or Asset at Risk	What can happen	Risk Rating	Risk treatment plan
Aerodrome	Runway	Aircraft crash	High	Intermittent resealing/asphalt
		Damage to aircraft		Regular maintenance inspections
	Taxiway	Aircraft crash	High	Intermittent resealing/asphalt
		Damage to aircraft		Regular maintenance inspections
	Navigational Aids & Lighting	Aircraft crash	High	Regular maintenance inspections
		Damage to aircraft		
Swimming Pools	Swimming Pool	Drowning	High	Ensure staffing levels at pool are adequate

	Service or Asset at Risk	What can happen	Risk Rating	Risk treatment plan
				Ensure staff have completed required training
		Physical Injury		Regular maintenance inspections
Saleyards	Saleyards	Death or injury to person or animal	Very High	Regular maintenance inspections

6.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services at the agreed service levels.

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. Maintenance includes reactive, planned and cyclic work activities.

6.3.1 Operations and Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

- Reactive maintenance is unplanned repair work carried out in response to service requests, risk assessment priorities and management/supervisory directions. Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement, and risk management procedures.
- Planned maintenance is repair work that is identified and managed through a maintenance program. 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.
- Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting. This work generally falls below the capital/maintenance threshold.

Maintenance expenditure trends are shown in Table 16.

Table 16: Maintenance Expenditure Trends

	Maintenance Expenditure	
	Planned and Specific	**Unplanned**
Swimming Pools	75%	25%
Aerodrome	80%	20%
Saleyards	50%	50%

It is Council's goal to increase the planned and cyclic maintenance expenditure progressively and reduce the amount of reactive maintenance, which should then provide operational cost savings, and maximised asset performance.

Due to there being a minimal backlog of works and that most assets are reaching their full useful life indicating that existing maintenance expenditure levels are adequate to meet required service levels. The assessment and prioritisation of reactive maintenance is undertaken by Council staff using professional experience and judgement.

6.3.2 Operations and Maintenance Strategies

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

- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Maintain and review on an annual basis a current infrastructure risk register for assets. Present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operations and maintenance activities
- Review management of operations and maintenance activities to ensure Council is obtaining best value for resources used

6.3.3 Critical Assets

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

Operations and maintenances activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc.

A high level criticality assessment has been completed for Council's infrastructural asset groups including swimming pool, aerodrome and saleyard assets. Different swimming pool, aerodrome and saleyard asset elements were assessed as high, medium or low criticality rating and are detailed in Table 17. The next step is to identify and rank the critical assets using this methodology across the asset inventory.

Table 17: Critical Assets

<table>
<tr><th></th><th>High</th><th>Medium</th><th>Low</th></tr>
<tr><td rowspan="2">Swimming Pool</td><td rowspan="2">-</td><td>Chlorination/Filtration</td><td rowspan="2">Signage</td></tr>
<tr><td>Pumps</td></tr>
<tr><td rowspan="3">Aerodrome</td><td>Runway</td><td rowspan="2">Taxiway</td><td rowspan="3">-</td></tr>
<tr><td>RFS Taxiway</td></tr>
<tr><td>Lighting</td><td rowspan="2">Fencing</td></tr>
</table>

	High	Medium	Low
	OLS	Road	
Saleyards	-	Fencing	Signage
		Yards	

6.3.4 Standards and Specifications

Maintenance work is carried out by council staff in accordance with the Council standard drawings.

6.3.5 Future Maintenance Expenses

Future maintenance costs are forecast to trend in line with the value of the asset network, plus an allowance for increase in levels of service over the planning period. Asset values are forecast to increase as additional assets are added to the asset network from construction and acquisition by Council and from assets constructed by land developers and others that are donated to Council.

6.4 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.

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 costs.

6.4.1 Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from the condition survey. 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.

The decision criteria for major renewals include, in descending importance:

- Standard and regulation compliance
- Condition
- Risk and/or Criticality
- Capacity
- Function
- Age
- Cost/Benefit ratio
- Grant funding
- Existing maintenance costs
- Environmental issues

6.4.2 Renewal and Replacement Strategies

Council will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping for all capital renewal and replacement projects to identify:
- the service delivery 'deficiency', present risk and optimum time for renewal/replacement
- the project objectives to rectify the deficiency
- the range of options, estimated capital and life cycle costs for each options that could address the service deficiency
- evaluate the options against evaluation criteria adopted by Council
- select the best option to be included in capital renewal programs
- Using 'low cost' renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal and replacement activities to ensure Council is obtaining best value for resources used.

6.4.3 Renewal standards

Renewal work is always carried out to current standards and capacity unless a reduced capacity can be justified.

6.4.4 Summary of future renewal expenditure

Future renewal costs are forecast to increase over time as the asset network ages and traffic loading and use increases. Renewals are to be funded from the council's capital works program and grants where available, see appendix B.

6.4.5 Impact of Deferring Renewal Works

Renewal works identified in terms of renewal strategies may be deferred if the cost (or aggregate cost) is beyond the current financial ability to fund it. This can occur when there are short term renewal profile peaks, or higher priority works are required on other infrastructure asset groups.

When renewal works are deferred, the impact of the deferral on the assets ability to still provide the required level of service will be assessed. Although the deferral of some renewal works may not impact significantly on the short-term operation of the assets, repeated deferral will create a liability (backlog) in the longer term.

6.5 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.

6.5.1 Selection criteria

New assets and upgrade/expansion of the existing swimming pool, aerodrome and saleyard assets are identified from the following:

- Proposals identified by strategic plans or partnerships with other organisation.
- Growth – increased development.
- Poor condition or under capacity.
- Councillor and/or community requests.

Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

6.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. It is unlikely that any swimming pool, aerodrome and saleyard assets would be disposed of while it is still in service. Demolition and disposal of swimming pool, aerodrome and saleyard assets will occur during the replacement process.

7 FINANCIAL SUMMARY

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

Note that expenditure forecasts (operational and capital) are based on the on the revised current year budget 2021/22 and the 2018/19 to 2022/23 DPOP.

The improvements proposed for condition monitoring and establishing more accurate useful lives for the swimming pool, aerodrome and saleyard assets will be an input into that process also.

7.1 Financial Projections

7.1.1 Financial Summary Overview

Swimming pool, aerodrome and sale yards operations, maintenance and capital over the next ten years will be approximately $38.9 million (as shown in Table 18, 19, 20 and Figure 3, Figure 4, Figure 5) with annual forecasted expenditure averaging $3.9 million per annum.

This expenditure is divided into two main categories being:

- Capital Expenditure (CAPEX), which is approximately $1.6 million or 4% of total expenditure and Operational Expenditure (OPEX), which is approximately $37.3 million or 96% of total expenditure.

The CAPEX is further separated into three main subcategories being:

- Level of Service (LOS), which increases the service level delivered by the assets. This accounts for approximately $671,552 or 43.2% of total capital expenditure.
- Renewal, which replaces the assets as new. This equates to approximately $882,052 or 56.8% of total capital expenditure.
- Growth, refers to the expansion of the existing asset network. There is currently no planned expansion to the existing asset network.

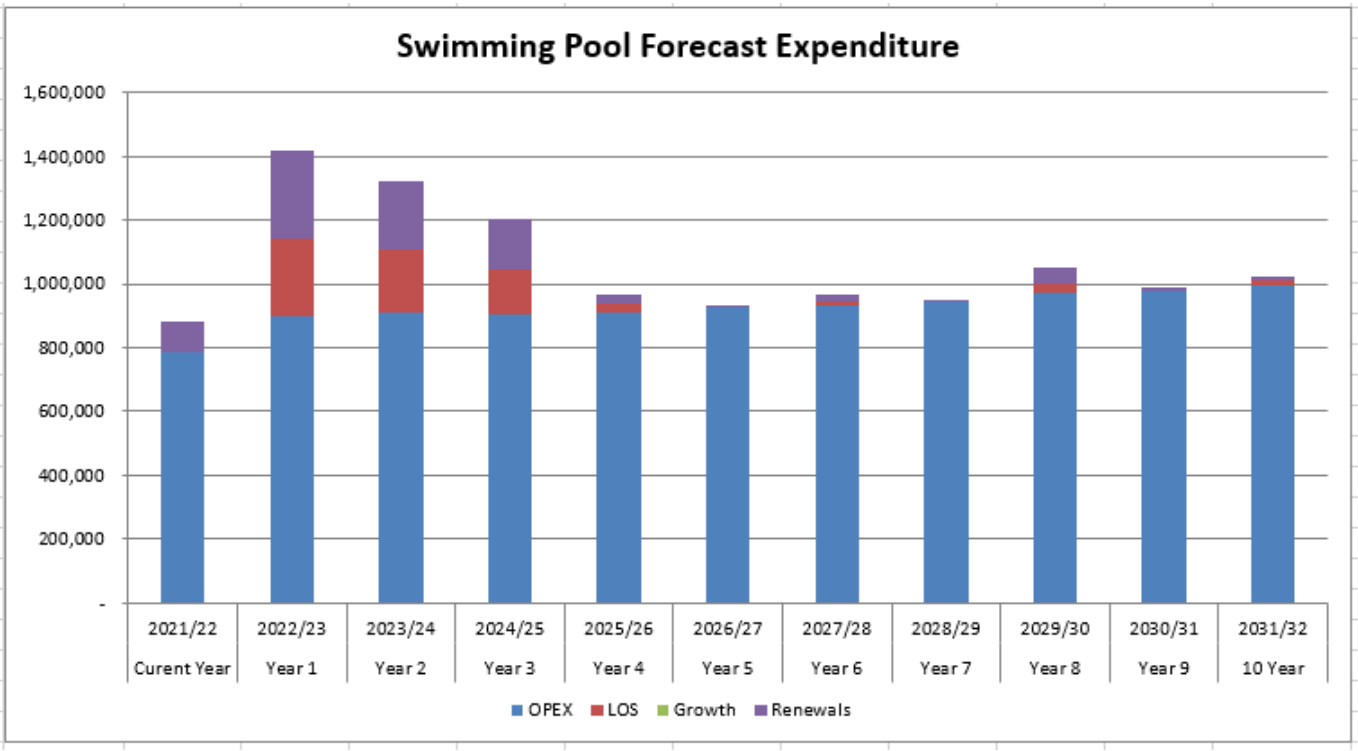


Figure 3: Summary of Swimming Pool Total Expenditure Forecast

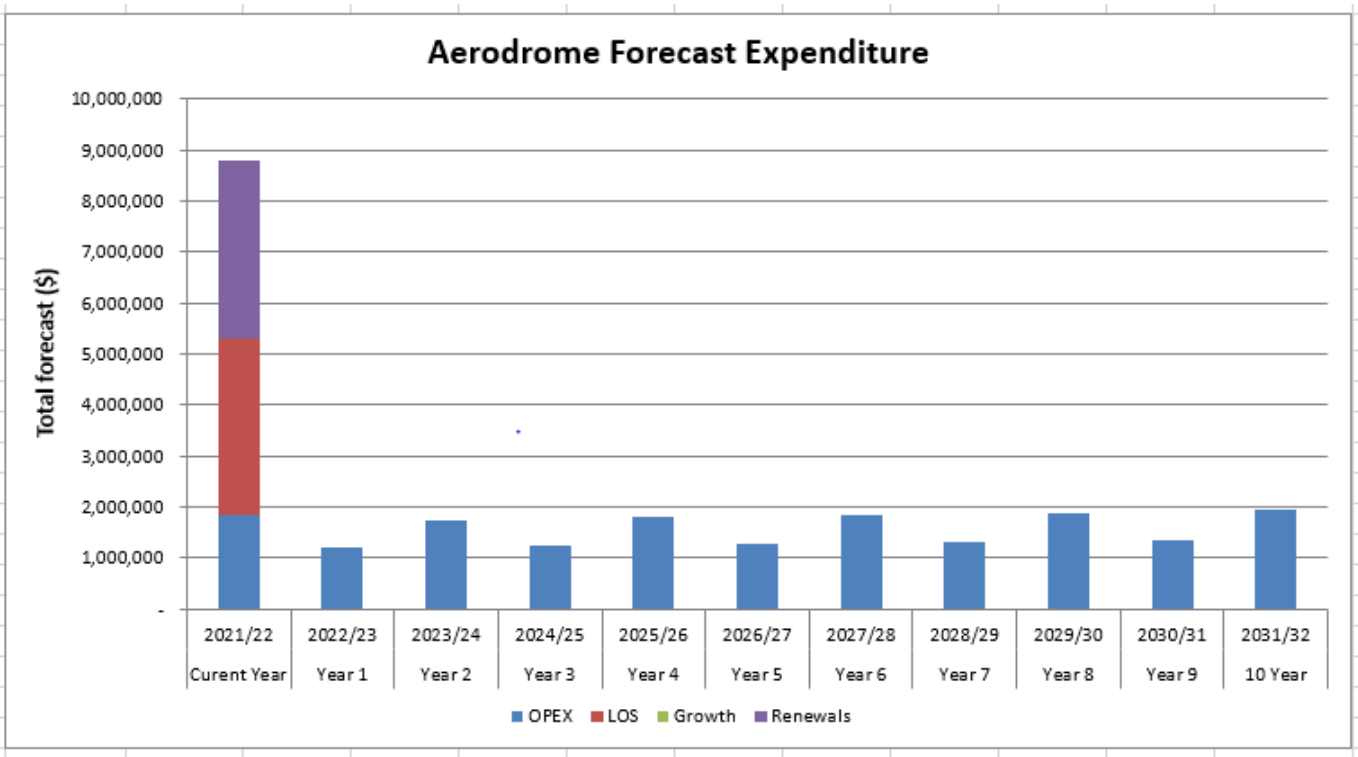


Figure 4: Summary of Aerodrome Total Expenditure Forecast

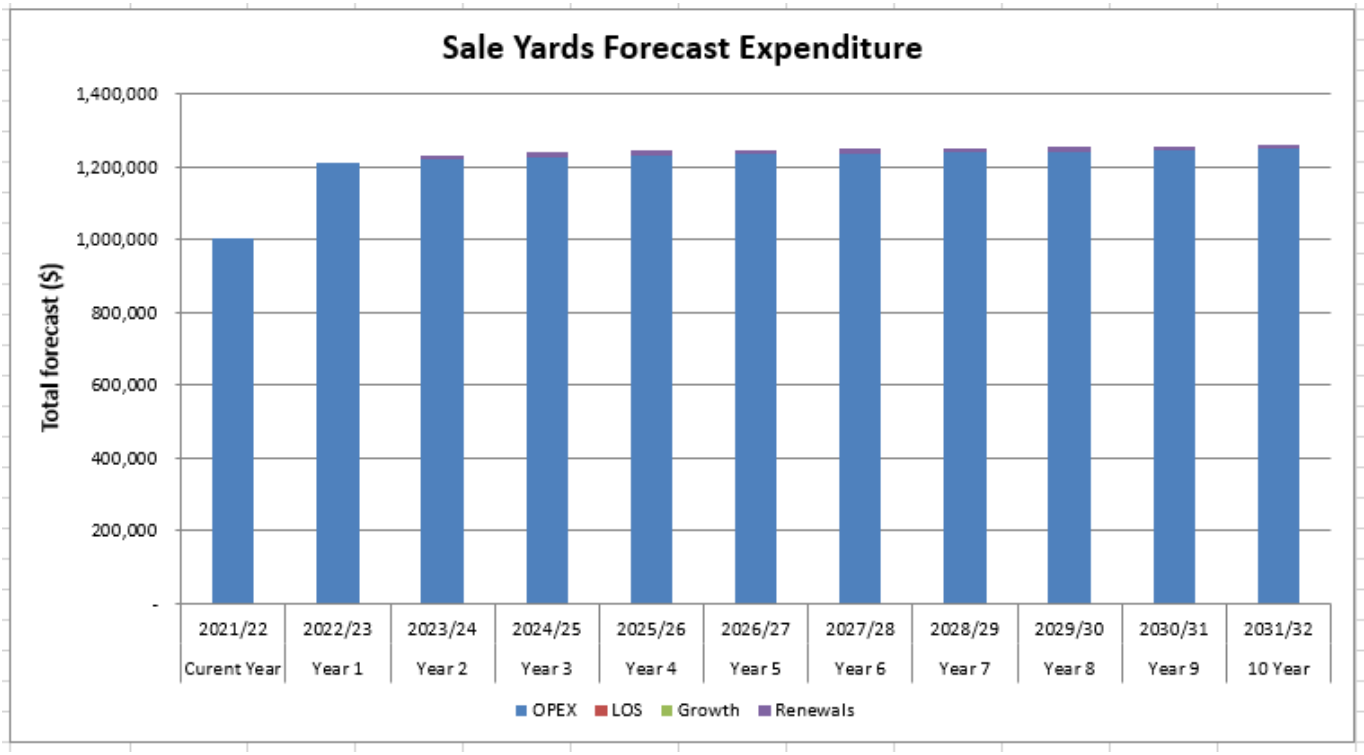


Figure 5: Summary of Saleyards Total Expenditure Forecast

Table 18: Summary of Swimming Pool Total Expenditure Forecast

Swimming Pool Summary	Current Year 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5 2026/27	Year 6 2027/28	Year 7 2028/29	Year 8 2029/30	Year 9 2030/31	Year 10 2031/32	10 YEAR TOTAL
OPEX	784,910	900,014	908,276	902,360	910,243	927,442	934,824	942,390	970,148	978,102	997,259	9,371,058
LOS	1,500	243,052	201,500	141,500	29,000	1,500	11,500	1,500	29,000	1,500	11,500	671,552
Growth	-	-	-	-	-	-	-	-	-	-	-	-
Renewals	95,200	275,552	211,500	161,500	29,000	1,500	21,500	1,500	49,000	11,500	11,500	774,052
TOTAL	881,610	1,418,618	1,321,276	1,205,360	968,243	930,442	967,824	945,390	1,048,148	991,102	1,020,259	10,816,662

Table 19: Summary of Aerodrome Total Expenditure Forecast

Aerodrome Summary	Current Year 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5 2026/27	Year 6 2027/28	Year 7 2028/29	Year 8 2029/30	Year 9 2030/31	Year 10 2031/32	10 YEAR TOTAL
OPEX	1,827,647	1,224,071	1,738,182	1,252,595	1,795,927	1,283,003	1,845,319	1,307,562	1,895,078	1,332,726	1,947,389	15,621,852
LOS	3,475,071	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-	-
Renewals	3,475,071	-	-	-	-	-	-	-	-	-	-	-
TOTAL	8,777,789	1,224,071	1,738,182	1,252,595	1,795,927	1,283,003	1,845,319	1,307,562	1,895,078	1,332,726	1,947,389	15,621,852

Table 20: Summary of Saleyards Total Expenditure Forecast

Sale Yards Summary	Current Year 2021/22	Year 1 2022/23	Year 2 2023/24	Year 3 2024/25	Year 4 2025/26	Year 5 2026/27	Year 6 2027/28	Year 7 2028/29	Year 8 2029/30	Year 9 2030/31	Year 10 2031/32	10 YEAR TOTAL
OPEX	1,001,129	1,213,042	1,219,695	1,226,193	1,231,825	1,234,501	1,237,145	1,239,166	1,241,185	1,242,930	1,247,814	12,333,496
LOS	-	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-	-
Renewals	-	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	108,000
TOTAL	1,001,129	1,213,042	1,231,695	1,238,193	1,243,825	1,246,501	1,249,145	1,251,166	1,253,185	1,254,930	1,259,814	12,441,496

7.1.2 Operational expenditure summary

The recommended ten-year operational expenditure forecast is shown in Table 21, Table 22, Table 23 with $37.3 million forecast over the next ten years.

Table 21: Summary Swimming Pool OPEX

SWIMMING POOLS	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Utilities	105,250	110,500	113,815	116,945	119,869	122,865	125,937	129,085	132,312	135,620	139,011	1,245,959
Operating Costs	40,500	42,000	43,310	44,586	45,824	46,986	48,178	49,399	50,652	51,937	53,255	476,127
Scone Maintenance	23,500	24,550	25,337	26,117	26,891	27,577	28,280	29,002	29,741	30,500	31,279	279,274
Murrurundi Maintenance	36,500	37,500	38,700	39,891	41,070	42,119	43,194	44,297	45,429	46,589	47,779	426,568
Merriwa Maintenance	336,000	429,000	429,000	415,000	415,000	425,000	425,000	425,000	445,000	445,000	456,000	4,309,000
INDIRECT ASSET COSTS												
Depreciation	200,234	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	2,093,260
Administration Overheads	42,926	47,138	48,788	50,495	52,263	53,569	54,909	56,281	57,688	59,130	60,609	540,870
TOTAL	**784,910**	**900,014**	**908,276**	**902,360**	**910,243**	**927,442**	**934,824**	**942,390**	**970,148**	**978,102**	**997,259**	**9,371,058**

Table 22: Summary Aerodrome OPEX

AERODROME	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Administration Costs	33,280	21,500	17,955	14,423	14,904	15,290	15,686	16,093	16,510	16,938	17,378	166,677
Operational Costs	109,127	197,961	204,687	211,543	218,530	224,006	229,619	235,372	241,270	247,316	253,514	2,263,818
Utilities	20,050	24,180	24,905	25,590	26,230	26,886	27,558	28,247	28,953	29,677	30,419	272,645
Warbirds over Scone	503,977	-	500,000	-	525,000	-	550,000	-	575,000	-	600,000	2,750,000
Aerodrome Facility Maintenance	86,047	88,000	91,040	94,177	97,415	99,878	102,403	104,992	107,647	110,369	113,160	1,009,081
Aerodrome Events & Promotions	122,270	-	-	-	-	-	-	-	-	-	-	-
Plane Wash Costs	1,560	-	-	-	-	-	-	-	-	-	-	-
Aviation Centre	478,913	450,572	465,570	480,679	495,883	508,294	521,015	534,055	547,421	561,122	575,166	5,139,777
INDIRECT ASSET COSTS												
Depreciation	193,035	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	1,661,980
Administration Overheads	64,841	70,356	72,818	75,367	78,005	79,955	81,954	84,003	86,103	88,255	90,462	781,657
Aerodrome Runway - Loan Interest	27,853	25,928	23,497	21,167	18,573	15,775	12,847	9,459	5,954	2,177	-	163,230
Aviation Centre & Infrastructure - Loan Interest	121,807	61,806	58,922	55,972	52,954	49,867	46,708	43,478	40,172	36,791	33,332	568,477
Aerodrome Redevelopment - Loan Interest	64,887	117,570	112,590	107,479	102,235	96,854	91,331	85,665	79,850	73,883	67,760	932,344
TOTAL	**1,827,647**	**1,224,071**	**1,738,182**	**1,252,595**	**1,795,927**	**1,283,003**	**1,845,319**	**1,307,562**	**1,895,078**	**1,332,726**	**1,947,389**	**15,621,852**

Table 23: Summary Saleyards OPEX

SALEYARDS	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Administration Costs	6,000	6,000	6,180	6,353	6,517	6,685	6,858	7,035	7,217	7,403	7,595	67,843
Operational Costs	328,035	394,044	406,867	419,676	432,447	443,395	454,620	466,131	477,933	490,035	502,445	4,487,593
Utilities	64,532	86,646	89,245	91,700	93,992	96,342	98,750	101,219	103,750	106,343	109,002	976,989
Yards & Facility Maintenance	155,830	25,152	25,907	26,638	27,343	28,066	28,809	29,572	30,355	31,159	31,984	284,985
Truck Wash Costs	60,141	39,800	40,994	42,179	43,353	44,560	45,800	47,076	48,387	49,735	51,121	453,005

SALEYARDS	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
Beast Destruction/Removal	1,250	750	773	794	816	837	860	883	906	930	955	8,504
INDIRECT ASSET COSTS												
Depreciation	82,622	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	3,659,950
Administration Overheads	59,772	65,688	67,987	70,367	72,829	74,650	76,516	78,429	80,390	82,400	84,460	753,716
Saleyards - Loan Interest	51,346	47,143	42,722	38,485	33,770	28,682	23,358	17,199	10,826	3,958	-	246,143
Saleyards Redevelopment Loan No1 - Loan Interest	191,601	181,824	173,025	164,006	154,763	145,289	135,579	125,627	115,426	104,972	94,257	1,492,112
TOTAL	**1,001,129**	**1,213,042**	**1,219,695**	**1,226,193**	**1,231,825**	**1,234,501**	**1,237,145**	**1,239,166**	**1,241,185**	**1,242,930**	**1,247,814**	**12,333,496**

7.1.3 Capital expenditure

There is a total of $1.6 million for capital expenditure for the next ten years as shown in Table 29. Total annual renewals fluctuate between years with a ten-year average of $88,205 per annum for swimming pool, aerodrome and sale yard assets. It is estimated that 43.2% of the capital expenditure is for new LOS works. The full capital expenditure program is detailed in Appendix B.

7.2 Forecast Reliability and Confidence

The expenditure and valuations projections in the SAS AMP are based on the best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale in accordance with Table 24.

Table 24: Data Confidence Grading System

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

The estimated confidence level for and reliability of data used in SAS AMP is shown in Table 27.

Table 27: Data Confidence Assessment for Data used in AMP

Data	Confidence Assessment	Comment
Demand drivers	C	
Growth projections	C	Multiple scenarios developed and considered during 30 year financial modelling
Operations expenditures	B	Current levels generally known and recorded, scenarios considering additional resourcing need to be developed
Maintenance expenditures	B	Generally known but maintenance history not recorded at asset ID level. Need to start recording work history to asset lengths in CONFIRM to improve renewal planning.
Asset values	B	Asset revaluation completed in June 2021. Major revaluation scheduled for every five years and due 2026/27.

Data	Confidence Assessment	Comment
Asset useful lives	B	Useful lives were last reviewed in June 2021 and will be reviewed in 2026/27 prior to the major asset revaluation.
Condition modelling	E	There has been limited condition information collected and therefore no modelling undertaken to date.
Network renewals	C	Generally sound renewal programs based on operational knowledge and identified defects.
Defect repairs	C	
Upgrade/New expenditures	B	Based on specific studies and/or designs.
Disposal expenditures	C	Generally as part of a capital project or at asset component level for complex assets. Disposal costs are generally included as part of the capital project.

Over all data sources, the data confidence is assessed as reliable confidence level for data used in the preparation of this AMP.

8 PLAN IMPROVEMENT AND MONITORING

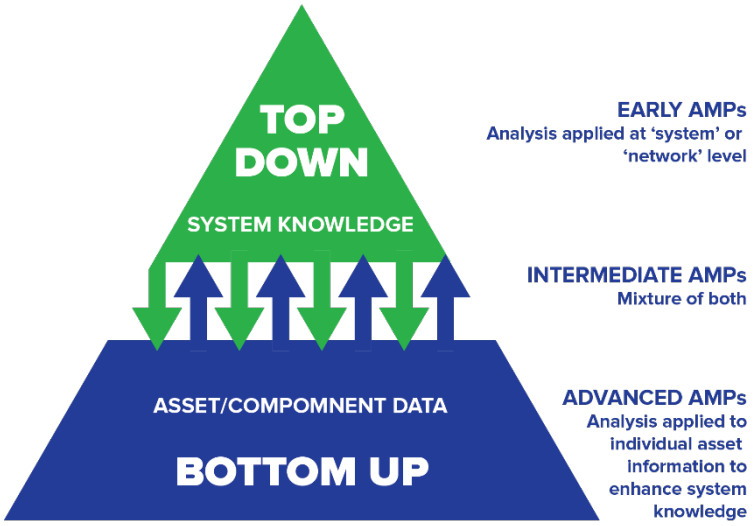
8.1 Status of Asset Management Practices

Asset Management Commitment

Through the initiatives presented in this section, Council is committed to appropriate asset management practices. This practice is being developed in line with the IPWEA NAMS practice as presented the suite of asset management publications including the 2015 IIMM. Council is committed to delivering the most appropriate levels of service balanced with affordability and good industry practice.

Core and Advanced Asset Management

This plan is prepared as a 'core' AMP over a 10 year planning period in accordance with the 2015 IIMM. 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 as shown in Figure 6.



Future revisions of this AMP will move towards 'intermediate' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels:

Figure 6: Core versus advanced asset management status

8.1.1 Accounting and financial systems

Council uses the Authority suite for its financial / accounting systems. Responsibility for the financial system lies with the Finance Manager and the Director of Corporate & Community Services. Council currently has a maintenance/capital threshold.

Council manages and is responsible for all of the accounting, budgeting and financial aspects of all of its assets. The primary issue for the financial systems section is to:

- Ensure that asset valuations are conducted regularly
- Valuations match what is out in the field
- Ensure that updates to the system are regularly undertaken.

Accountabilities for financial systems

Under the Local Government Act 1993 the Finance Section of Upper Hunter Shire Council must meet reporting requirements. These include budget reviews with all AMP sections within the Council. They also must provide an annual report outlining the year's achievements, in terms of meeting its objectives and performance targets as it had set out. This document also outlines the amount of expenditure required to meet the standards set in the asset plans, the amount of annual maintenance required to keep the assets at the level of service specified, and Upper Hunter Shire Council's maintenance program for the year in relation to the work carried out.

Accounting standards and regulations

To effectively account for the SAS assets of Upper Hunter Shire Council, the Finance Section must meet statutory and regulatory reporting protocols. These protocols are addressed in the Local Government Act 1993.

Capital/maintenance threshold

Renewal or enhancement works over $5,000 are capitalised.

8.1.2 Asset registers and management systems

Currently CONFIRM is used, supplemented by spreadsheets and Content Manager documentation. There is a need to obtain more sophisticated reports from CONFIRM, and also to increase the skills and training of a number of Council officers who either presently, or could in future, use the CONFIRM system. Currently, there is a link between asset management systems and accounting systems. In order for this AMP to grow in maturity and improve in accuracy it is vital that integration of asset register systems and financial systems be further improved.

Required changes to asset management system arising from this AMP

- Condition monitoring and obsolescence to be accounted for and recorded
- The link between the financial plan, asset plan and the works order system will be addressed in the future
- Establish recording systems where reactive maintenance can be measured in terms of frequency and scope of work undertaken
- For CONFIRM, improve the provision for, and records contained, in the large single point assets.

8.2 Action and Improvement Program

Key improvement programmes and associated projects have been developed through a review of the gaps in developing this draft AMP and the issues identified. The improvement programme is summarised in Table 26.

Table 26: Improvement Plan Summary Programme

AM Improvement Area	Action	Indicative Timeframe	Priority	Responsibility
Asset Data	Develop a regime covering inspection program and reporting and recording mechanisms.	2021/22	Very High	Strategic Assets
Asset valuation	Review the currently used asset useful lives prior to the next major asset revaluation.	2026/27	High	Strategic Assets
Asset capability	Implement adequate resourcing and capability for updating the swimming pool, aerodrome and saleyards asset inventory, collection of asset repair data, and updating asset condition assessment records.	2021/22	Very High	Strategic Assets
Renewal planning	Undertake proactive and regular analysis of the swimming pool, aerodrome and saleyards assets and history.	2021/22	High	Strategic Assets, Operations Services
	Revise and improve the effectiveness of the current SAS renewal program	2021/22	High	Strategic Assets
Risk management	Develop an Emergency Response Plan for the critical swimming pool, aerodrome and saleyards assets.	2021/22	High	Strategic Assets, Internal Auditor/Risk Co-ordinator
Systems Improvements	Maintenance Service Agreement – review current levels of service, covering maintenance activities and service standards, to reflect the work undertaken with the current budget	2021/22	Very High	Strategic Assets, IT, Operations

8.3 Monitoring and Review Procedures

This AMP will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AMP will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the Council's long term financial plan.

The AMP has a life of four years (Council election cycle) and is due for complete revision and updating within one year of each Council election.

8.4 Performance Measures

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

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

9 LATEST ASSET and LOS INFORMATION

9.1 Swimming Pool, Aerodrome and Saleyard Major Asset Summary

A summary of the major assets that make up the swimming pools, aerodrome and saleyard asset class values is below as at 30 June 2021 are shown in Table 27.

Table 27: Value of Major Assets in the SAS AMP

	Asset Class	Current Replacement Value ($)	Accumulated Depreciation ($)	Written Down Value (WDV) ($)	Earthworks ($)
Swimming Pool	Concrete	1,397,900	850,188	547,712	
	Facility	390,245	106,430	283,815	
	Fence	10,900	1,370	9,530	
	Landscaping	7,324	2,576	4,748	
	Lighting	245,250	102,754	142,496	-
	Pool	7,151,628	4,348,512	2,803,116	-
	Shade Sail	289,088	50,703	238,385	-
Aerodrome	Earthworks	-	-	-	644,505
	Pavement	3,665,532	793,104	2,872,428	-
	Seal	2,714,962	1,059,919	1,655,042	-
	Lighting	320,061	95,726	224,335	-
	Concrete Infrastructure	15,400	456	14,943	-
	Fencing/Surveillance	184,400	77,371	107,029	-
Saleyards	Landscaping	19,415	4,325	15,090	-
	Acoustic Barrier	256,511	5,234	251,277	
	Electrical & Lighting	341,118	14,213	326,905	-
	Equipment	139,248	36,213	103,035	
	Facilities	8,234,988	168,807	8,066,181	-

	Asset Class	Current Replacement Value ($)	Accumulated Depreciation ($)	Written Down Value (WDV) ($)	Earthworks ($)
	Fencing	495,546	59,361	436,185	-
	Information Technology	425,564	8,685	416,879	-
	Landscaping & Signage	43,981	732	43249	
	Road Infrastructure	1,072,679	19,395	1,053,284	-
	Roofing	510,120	62,488	447,632	-
	Truck Parking	955,288	198,101	757,187	199,006
	Truck Wash Facilities	303,394	48,543	251,851	-
	Waste Management	638,685	30,106	608,579	66,679
	Water Tanks	467,001	24,579	442,422	-

Source: Council's Asset Register (as at 30 June 2021)

9.2 Service Level Summary

The levels of service and performance measures for swimming pool, aerodrome and saleyard services have not been determined but will be included in future versions of the SAS AMP.

9.3 Infrastructure Asset Performance Indicators

The asset performance indicators are summarised in Table 28. The ten-year asset ratio forecasts based on three year rolling averages are detailed in Appendix D.

Table 28: Asset performance indicators

Asset	Ratio	Purpose	2020/21	Benchmarks	Achieved	Comments
Swimming Pools	Infrastructure Renewals Ratio	To assess the proportion spent on infrastructure renewals vs infrastructure deterioration	33.60%	>100%	No	Major assets reaching end of useful life and require significant maintenance and/or renewal
Aerodrome			4010.30%		Yes	

Asset	Ratio	Purpose	2020/21	Benchmarks	Achieved	Comments
Sale yards			3.94%		Yes	Although meeting requirement this is highly skewed due to grant and loan funding – after 22/23 fails to meet benchmark
Swimming Pools	Infrastructure Backlog Ratio (estimated cost to bring the assets to a satisfactory condition/ value of assets)	To assess the infrastructure backlog against the total value of council's infrastructure	12.41%	<2%	No	Major assets reaching end of useful life and require significant maintenance and/or renewal
Aerodrome			2.05%		No	Although meeting requirement this is highly skewed due to grant and loan funding – after 22/23 fails to meet benchmark
Sale yards			0.73%		Yes	
Swimming Pools	Asset Maintenance Ratio	To assess the actual vs required annual maintenance expenditure	86%	>100%	Yes	Major assets reaching end of useful life and require significant maintenance and/or renewal
Aerodrome			19%		No	
Sale yards			109%		Yes	
Swimming Pools	Capital Expenditure Ratio (assessed as annual capital expenditure/ annual depreciation)	To assess the extent to which council is expanding its asset base through capital expenditure (on both new assets and through replacement of existing assets)	66%	>110%	No	Major assets reaching end of useful life and require significant maintenance and/or renewal
Aerodrome			131.84%		Yes	Although meeting requirement this is highly skewed due to grant and loan funding – after 22/23 fails to meet benchmark
Sale yards			59%		No	

It should be noted that the majority of assets in the swimming pools, aerodrome and sale yards are large number of small components (that make up a small percentage of the current replacement costs) and a small number of large components (which make up the majority of the current replacement cost). These larger components also have long useful lives ranging from 20 to 80 years which generally means:

- The infrastructure renewal ratio will not meet the benchmark until a major component required renewal and/or upgrading. This is because although smaller components are renewed, replaced or upgraded it will not reach the benchmark of 100%.
- The infrastructure backlog ratio will meet the benchmark in the case of sale yards due to many of the larger components are in a good condition (>2). In the case of swimming pools, the pools are coming towards the end of their useful life and are deteriorating in condition.
- The asset maintenance ratio will not meet the benchmark in the case of swimming pools as they are coming towards the end of their useful life and are deteriorating in condition. This will mean a lifecycle cost and a benefit cost ratios will determine to either significantly increase the maintenance expenditure in the future or undertake planned renewals and/or upgrades (increasing capital expenditure).
- The capital expenditure ratio will not meet the benchmark in the case of swimming pools until a major component is renewed, replaced or upgraded.

10 REFERENCES

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, 2015, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM

(Refer to Section 2.1 for relevant Council's documents in relation to this AMP).

11 APPENDICES

Appendix A Acronym Glossary

Appendix B Projected 10 Year Capital Renewal, Replacement and New Works Program

Appendix C Forecast of Asset Ratios to Local Government benchmarks

Appendix D Swimming pool, Aerodrome and Saleyards Services Activity Risk Register

Appendix E Glossary/ Definitions

Appendix A - Acronym Glossary

Acronym	Definition
AAAC	Average annual asset consumption
AM	Asset management
AMP	Asset management plan
AMS	Asset management system
BASIX	Building Sustainability Index
CRC	Current replacement cost
CRM	Customer Request Management system
DA	Depreciable amount
DRC	Depreciated replacement cost
DPI	Department of Primary Industries Water
DPOP	Delivery Program and Operational Plan
EF	Earthworks/formation
IIMM	International Infrastructure Management Manual
IWCM	Integrated Water Cycle Management Plan
LCMP	Lifecycle Management Plan
LOS	Levels of Service
LTFP	Long term financial plan
MMS	Maintenance management system
POEO	Protection of Environment Operations Act
RV	Residual value
WARR	Waste Avoidance and Recovery Act
WDV	Written Down Value

Appendix B - Projected 10 year Capital Renewal, Replacement and New Works Program

Table 29: SAS CAPEX

Upper Hunter Council Swimming Pool Capital Works Program

PROJECT DESCRIPTION	Type of Works			Cost Renewals	Totals	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL 10 Years
	Improved LOS	Growth	Renewals			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
POOLS CAPITAL EXPENDITURE																	
1134. Mdi - Sand Filter Refurbishment			100%	-	-	23,700	-	-	-	-	-	-	-	-	-		-
1144. Mdi - Valve Replacement & Plantroom Upg			100%	30,000	30,000	-	-	-	10,000	-	-	10,000	-	-	10,000		30,000
4094. Scn - Valve Replacement in Plantroom			100%	40,000	40,000	-	-	10,000	10,000	-	-	-	-	20,000	-		40,000
4102. Scn New Shade Covers	50%		50%	5,000	10,000	-	-	10,000	-	-	-	-	-	-	-		10,000
4300. Mdi - pool blanket/covers renewal	50%		50%	7,500	15,000	-	-	15,000	-	-	-	-	-	-	-		15,000
5267. Mwa - Plantroom	50%		50%	47,500	95,000	-	-	15,000	-	20,000	-	20,000	-	20,000	-	20,000	95,000
5268. Mdi -Plantroom	50%		50%	35,000	70,000	-	-	-	-	35,000	-	-	-	35,000	-		70,000
5522. Merriwa Olympic Pool Facilities	50%		50%	129,452	258,904	-	258,904	-	-	-	-	-	-	-	-		258,904
5523. Scone Memorial Pool Facilities	50%		50%	113,600	227,200	-	227,200	-	-	-	-	-	-	-	-		227,200
5805. Pool Furniture	50%		50%	13,500	27,000	3,000	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	27,000
5814. Mdi - Replacement Chemical Storage	50%		50%	140,000	280,000	-	-	-	280,000	-	-	-	-	-	-		280,000
5815. Scn - Replacement Chemical Storage	50%		50%	180,000	360,000	-	-	360,000	-	-	-	-	-	-	-		360,000
5817. Merriwa Pool Chlorine Dosing Plant			100%	-	-	37,500	-	-	-	-	-	-	-	-	-		-
TOTAL CAPITAL WORKS EXPENDITURE PROPOSED FOR TEN YEAR PERIOD						**96,700**	**518,604**	**413,000**	**303,000**	**58,000**	**3,000**	**33,000**	**3,000**	**78,000**	**13,000**	**23,000**	**1,445,604**
TOTAL RENEWALS ONLY EXPENDITURE PROPOSED FOR TEN YEAR PERIOD				**774,052**													

Upper Hunter Council Aerodrome Capital Works Program

PROJECT DESCRIPTION	Type of Works			Cost Renewals	Totals	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL 10 Years
	Improved LOS	Growth	Renewals			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
AERODROME CAPITAL EXPENDITURE																	
4738. Airport Development	50%		50%	-	-	6,950,142	-	-	-	-	-	-	-	-	-	-	-
4813. Airport - AWIS	100%			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL WORKS EXPENDITURE PROPOSED FOR TEN YEAR PERIOD						**6,950,142**	-	-	-	-	-	-	-	-	-	-	-
TOTAL RENEWALS ONLY EXPENDITURE PROPOSED FOR TEN YEAR PERIOD				-													

Upper Hunter Council Saleyards Capital Works Program

PROJECT DESCRIPTION	Type of Works			Cost Renewals	Totals	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL 10 Years
	Improved LOS	Growth	Renewals			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
SALEYARDS CAPITAL EXPENDITURE																	
4809. Saleyards Replacement Pumps & Equipment			100%	108,000	108,000	-	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	108,000
TOTAL CAPITAL WORKS EXPENDITURE PROPOSED FOR TEN YEAR PERIOD						**-**	**-**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**108,000**
TOTAL RENEWALS ONLY EXPENDITURE PROPOSED FOR TEN YEAR PERIOD				**108,000**													

Appendix C – Operational Expenditure

SWIMMING POOLS	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Utilities	105,250	110,500	113,815	116,945	119,869	122,865	125,937	129,085	132,312	135,620	139,011	1,245,959
Operating Costs	40,500	42,000	43,310	44,586	45,824	46,986	48,178	49,399	50,652	51,937	53,255	476,127
Scone Maintenance	23,500	24,550	25,337	26,117	26,891	27,577	28,280	29,002	29,741	30,500	31,279	279,274
Murrurundi Maintenance	36,500	37,500	38,700	39,891	41,070	42,119	43,194	44,297	45,429	46,589	47,779	426,568
Merriwa Maintenance	336,000	429,000	429,000	415,000	415,000	425,000	425,000	425,000	445,000	445,000	456,000	4,309,000
INDIRECT ASSET COSTS												
Depreciation	200,234	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	2,093,260
Administration Overheads	42,926	47,138	48,788	50,495	52,263	53,569	54,909	56,281	57,688	59,130	60,609	540,870
TOTAL	**784,910**	**900,014**	**908,276**	**902,360**	**910,243**	**927,442**	**934,824**	**942,390**	**970,148**	**978,102**	**997,259**	**9,371,058**

AERODROME	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Administration Costs	33,280	21,500	17,955	14,423	14,904	15,290	15,686	16,093	16,510	16,938	17,378	166,677
Operational Costs	109,127	197,961	204,687	211,543	218,530	224,006	229,619	235,372	241,270	247,316	253,514	2,263,818
Utilities	20,050	24,180	24,905	25,590	26,230	26,886	27,558	28,247	28,953	29,677	30,419	272,645
Warbirds over Scone	503,977	-	500,000	-	525,000	-	550,000	-	575,000	-	600,000	2,750,000
Aerodrome Facility Maintenance	86,047	88,000	91,040	94,177	97,415	99,878	102,403	104,992	107,647	110,369	113,160	1,009,081
Aerodrome Events & Promotions	122,270	-	-	-	-	-	-	-	-	-	-	-
Plane Wash Costs	1,560	-	-	-	-	-	-	-	-	-	-	-
Aviation Centre	478,913	450,572	465,570	480,679	495,883	508,294	521,015	534,055	547,421	561,122	575,166	5,139,777
INDIRECT ASSET COSTS												
Depreciation	193,035	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	1,661,980
Administration Overheads	64,841	70,356	72,818	75,367	78,005	79,955	81,954	84,003	86,103	88,255	90,462	781,657
Aerodrome Runway - Loan Interest	27,853	25,928	23,497	21,167	18,573	15,775	12,847	9,459	5,954	2,177	-	163,230
Aviation Centre & Infrastructure - Loan Interest	121,807	61,806	58,922	55,972	52,954	49,867	46,708	43,478	40,172	36,791	33,332	568,477
Aerodrome Redevelopment - Loan Interest	64,887	117,570	112,590	107,479	102,235	96,854	91,331	85,665	79,850	73,883	67,760	932,344

AERODROME	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
TOTAL	**1,827,647**	**1,224,071**	**1,738,182**	**1,252,595**	**1,795,927**	**1,283,003**	**1,845,319**	**1,307,562**	**1,895,078**	**1,332,726**	**1,947,389**	**15,621,852**

SALEYARDS	CURRENT 2021/22	Yr 1 2022/23	Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27	Yr 6 2027/28	Yr 7 2028/29	Yr 8 2029/30	Yr 9 2030/31	Yr 10 2031/32	10 YEAR TOTAL
OPERATING EXPENDITURE												
DIRECT ASSET COSTS												
Administration Costs	6,000	6,000	6,180	6,353	6,517	6,685	6,858	7,035	7,217	7,403	7,595	67,843
Operational Costs	328,035	394,044	406,867	419,676	432,447	443,395	454,620	466,131	477,933	490,035	502,445	4,487,593
Utilities	64,532	86,646	89,245	91,700	93,992	96,342	98,750	101,219	103,750	106,343	109,002	976,989
Yards & Facility Maintenance	155,830	25,152	25,907	26,638	27,343	28,066	28,809	29,572	30,355	31,159	31,984	284,985
Truck Wash Costs	60,141	39,800	40,994	42,179	43,353	44,560	45,800	47,076	48,387	49,735	51,121	453,005
Beast Destruction/Removal	1,250	750	773	794	816	837	860	883	906	930	955	8,504
INDIRECT ASSET COSTS												
Depreciation	82,622	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	3,659,950
Administration Overheads	59,772	65,688	67,987	70,367	72,829	74,650	76,516	78,429	80,390	82,400	84,460	753,716
Saleyards - Loan Interest	51,346	47,143	42,722	38,485	33,770	28,682	23,358	17,199	10,826	3,958	-	246,143
Saleyards Redevelopment Loan No1 - Loan Interest	191,601	181,824	173,025	164,006	154,763	145,289	135,579	125,627	115,426	104,972	94,257	1,492,112
TOTAL	**1,001,129**	**1,213,042**	**1,219,695**	**1,226,193**	**1,231,825**	**1,234,501**	**1,237,145**	**1,239,166**	**1,241,185**	**1,242,930**	**1,247,814**	**12,333,496**

Appendix D - Forecast of Asset Ratios to Local Government Benchmarks

Table 30: Swimming Pool Asset Ratios

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INFRASTRUCTURE RENEWAL												
Asset Renewals		95,200	275,552	211,500	161,500	29,000	1,500	21,500	1,500	49,000	11,500	11,500
Depreciation Expense		200,234	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326
INFRASTRUCTURE BACKLOG												
Estimated Cost to bring back to Satisfactory		1,644,925	1,621,125	1,552,237	1,499,362	1,458,987	1,451,737	1,451,362	1,445,987	1,445,612	1,433,362	1,430,487
Closing Value of Assets		3,837,456	3,637,222	3,427,896	3,218,570	3,009,244	2,799,918	2,590,592	2,381,266	2,171,940	1,962,614	1,753,288
ASSET MAINTENANCE												
Asset Maintenance Expense		100,500	104,050	107,347	110,594	113,785	116,682	119,652	122,698	125,822	129,026	132,313
Required Asset Maintenance		191,103	191,133	195,994	200,024	202,854	203,434	203,464	203,694	203,724	204,304	204,334
CAPITAL EXPENDITURE												
Annual Capital Expenditure		96,700	518,604	413,000	303,000	58,000	3,000	33,000	3,000	78,000	13,000	23,000
Annual Depreciation Expense		200,234	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326	209,326
SS7 Data												
Gross Replacement Cost (GRC)		9,555,171	9,556,671	9,799,723	10,001,223	10,142,723	10,171,723	10,173,223	10,184,723	10,186,223	10,215,223	10,216,723
% Infrastructure Condition 4 and above		34.43%	33.93%	31.68%	29.98%	28.77%	28.54%	28.53%	28.40%	28.38%	28.06%	28.00%
% Infrastructure Condition 3 and above		86.74%	85.73%	80.79%	77.05%	74.38%	73.89%	73.86%	73.57%	73.54%	72.85%	72.73%
RATIOS BASED ON 3YR AVERAGE	**Benchmark**											
Infrastructure Renewal	100%	28.97%	72.32%	94.08%	103.28%	64.01%	30.57%	8.28%	3.90%	11.47%	9.87%	11.47%
Infrastructure Backlog	2%	19.87%	32.73%	44.19%	45.44%	46.71%	48.85%	51.93%	55.96%	60.79%	66.38%	73.19%
Asset Maintenance	1.00	0.73	0.60	0.54	0.55	0.55	0.56	0.57	0.59	0.60	0.62	0.63
Capital Expenditure	1.10	0.60	1.23	1.66	1.97	1.23	0.58	0.15	0.06	0.18	0.15	0.18
ACTUAL RATIO MEETING BENCHMARK												
Infrastructure Renewal		✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗
Infrastructure Backlog		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Asset Maintenance		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Capital Expenditure		✗	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗

Table 31: Aerodrome Asset Ratios

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
INFRASTRUCTURE RENEWAL												
Asset Renewals		3,475,071	-	-	-	-	-	-	-	-	-	-
Depreciation Expense		193,035	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198
INFRASTRUCTURE BACKLOG												
Estimated Cost to bring back to Satisfactory		188,722	188,345	187,968	187,592	187,217	186,843	186,469	186,096	185,724	185,352	184,982
Closing Value of Assets		11,646,107	10,380,072	10,349,727	10,319,120	10,288,249	10,257,114	10,225,717	10,194,057	10,328,337	10,296,152	10,429,910
Asset Maintenance												
Asset Maintenance Expense		86,047	88,000	91,040	94,177	97,415	99,878	102,403	104,992	107,647	110,369	113,160
Required Asset Maintenance		293,841	296,577	299,308	302,033	304,753	307,468	310,177	312,880	315,579	318,271	320,959
Capital Expenditure												
Annual Capital Expenditure		6,950,142	-	-	-	-	-	-	-	-	-	-
Annual Depreciation Expense		193,035	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198	166,198
SS7 Data												
Gross Replacement Cost (GRC)		14,692,049	14,828,862	14,965,401	15,101,669	15,237,665	15,373,388	15,508,840	15,644,021	15,778,930	15,913,570	16,047,941
% Infrastructure Condition 4 and above		2.57%	2.54%	2.51%	2.48%	2.46%	2.43%	2.40%	2.38%	2.35%	2.33%	2.31%
% Infrastructure Condition 3 and above		12.85%	12.70%	12.56%	12.42%	12.29%	12.15%	12.02%	11.90%	11.77%	11.65%	11.53%
Ratios Based on 3Yr Average	**Benchmark**											
Infrastructure Renewal	100%	1915.99%	1923.40%	661.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Infrastructure Backlog	2%	1.80%	1.77%	1.75%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.81%	1.79%
Asset Maintenance	1.00	0.29	0.26	0.30	0.30	0.31	0.32	0.32	0.33	0.34	0.34	0.35
Capital Expenditure	1.10	54.50	54.69	13.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actual Ratio Meeting Benchmark												
Infrastructure Renewal		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗
Infrastructure Backlog		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Maintenance		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Capital Expenditure		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗

Table 32: Saleyards Asset Ratios

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Infrastructure Renewal												
Asset Renewals		-	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Depreciation Expense		82,622	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995
Infrastructure Backlog												
Estimated Cost to bring back to Satisfactory		-	-	-	-	-	-	-	-	-	-	-
Closing Value of Assets		13,602,378	13,236,383	12,870,388	12,504,393	12,138,398	11,772,403	11,406,408	11,040,413	10,674,418	10,308,423	9,942,428
Asset Maintenance												
Asset Maintenance Expense		155,830	25,152	25,907	26,638	27,343	28,066	28,809	29,572	30,355	31,159	31,984
Required Asset Maintenance		299,220	299,220	299,220	299,220	299,220	299,220	299,220	299,220	299,220	299,220	299,220
Capital Expenditure												
Annual Capital Expenditure		-	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Annual Depreciation Expense		82,622	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995	365,995
SS7 Data												
Gross Replacement Cost (GRC)		14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000	14,961,000
% Infrastructure Condition 4 and above		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Infrastructure Condition 3 and above		0.00%	0.00%	-0.08%	-0.16%	-0.24%	-0.32%	-0.40%	-0.48%	-0.56%	-0.64%	-0.72%
Ratios Based on 3Yr Average	**Benchmark**											
Infrastructure Renewal	100%	418.98%	0.89%	1.47%	2.19%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%	3.28%
Infrastructure Backlog	2%	0.37%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Asset Maintenance	1.00	0.77	0.44	0.23	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10
Capital Expenditure	1.10	34.09	0.13	0.01	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Actual Ratio Meeting Benchmark												
Infrastructure Renewal		✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Infrastructure Backlog		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Maintenance		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Capital Expenditure		✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

Appendix E - SAS Activity Risk Register

The SAS AMP activity risk register has not been determined but will be included in future versions of the SAS AMP.

12 GLOSSARY

Annual service cost (ASC)
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 operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class
Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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
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.

Assets
Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*
The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**
Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure
Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretional expenditure, which increases future operating, and maintenance costs, because it increases council'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
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 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

Capital new expenditure
Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure
Expenditure on an existing asset, which returns the service potential or the life 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 has no impact on revenue, but may reduce future operating 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. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure
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 discretional and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council'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. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

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
An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

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, plus 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.

Current replacement cost "As New" (CRC)
The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic 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.

Depreciable amount
The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

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.

Greenfield asset values **
Asset (re)valuation values based on the cost to initially acquire the asset.

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 of the entity or of another entity that contribute to meeting the public's 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 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 (AASB 140.5)

Level of service

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

Life Cycle Cost **
The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual 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 maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings
Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap
Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (eg 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
An item is material is its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.
A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

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.

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

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

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.

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

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).

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

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 operating and maintenance expenditure.

Recurrent funding
Funding to pay for recurrent expenditure.

Rehabilitation
See capital renewal expenditure definition above.

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

Renewal
See capital renewal expenditure definition above.

Residual value
The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

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 capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*
A measure of the remaining life of assets expressed as a percentage of economic life. 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 (DRC/DA).

Strategic Management Plan (SA)**
Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

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. It is the same as the economic life.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

*Note: Items shown * modified to use DA instead of CRC*

Additional glossary items shown **

Version History

Rev No	Date	Revision Details	Author	Reviewer	Approver
1	June 2017	Initial draft	GNS	JB - WP	JB
2	June 2018		GNS	JB - WP	JB
3	June 2019		GNS	JB - WP	JB
4	June 2020	Update asset inventory and financial data	GNS	JB	JB
5	June 2021	Update asset inventory and financial data	GNS	JB	JB
6	April 2022	Update asset inventory and financial data	KW	JB	