

LOCKHART SHIRE COUNCIL



PLANT

Asset Management Plan



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Asset Management for Small, Rural or Remote Communities Practice Note

The Institute of Public Works Engineering Australia.

www.ipwea.org.au/AM4SRRC

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1. EXECUTIVE SUMMARY

Context

The Lockhart Shire covers an area of 2942.23 square kilometres and is located in the Southern Riverina area of New South Wales. With a population of 2998 (2011 Census) the Shire includes the major townships of Lockhart and The Rock and the smaller villages of Milbrulong, Yerong Creek and Pleasant Hills.

The Plant Asset Management Plan covers:

Major plant. graders, loaders, backhoes, rollers, tractors, Buildings Service

Minor Plant. Equipment

Trucks. Tippers, Crew Cab Trucks.

Trailers. small trailers, dog trailers.

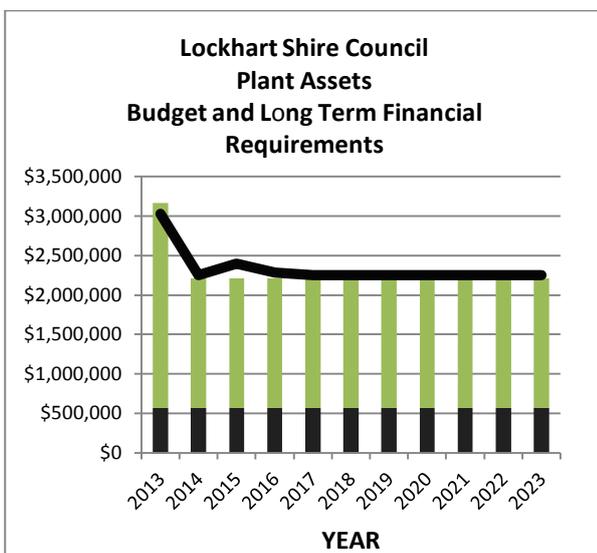
Vehicles. Cars, twin cabs, utes,

These infrastructure assets have a replacement value of \$5,266,648.

What does it Cost?

The projected cost to provide the services covered by this Asset Management Plan includes operations, maintenance, renewal and upgrade of existing assets over the 10 year planning period is \$25,245,811 or \$2,524,581 per year.

Council's estimated available funding for this period is \$25,750,639 or \$2,575,064 per year which is 104.4% of the cost to provide the service. This is a funding surplus of \$50,483 per year. Projected and budgeted expenditure are shown in the graph below.



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

What we will do

Council will

- Identify and add Plant Assets to the Bizeassets Asset Register
- Develop a valuation strategy that includes estimated residuals for the plant assets.
- Review the rationale for useful life.
- Develop a Usage, Operation and Maintenance recording strategy for plant assets.
- Develop and fund a Long Term Renewal Program
- Integrate Renewal Program into the Long Term Financial Plan

What we cannot do

Provide upgraded or plant until the reviews listed above are completed.

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:

- Rising costs of managing plant
- Meeting Council and operator expectations.
- Providing the most appropriate and affordable plant.

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

- Develop a long term renewal program
- Develop a usage, operation and maintenance records system.

The Next Steps

The actions resulting from this asset management plan are:

- Continue to improve asset information and knowledge.
- Develop a single corporate asset register for financial and reporting purposes.
- Develop a valuation and depreciation strategy.

- Review the rationale for useful life and residual value
- Develop and fund a Long Term Renewal Program
- Integrate Renewal Program into the Long Term Financial Plan

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Lockhart Shire Community's Buildings needs.

What is an Asset Management Plan?

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

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

Why is there a funding shortfall?

Most of the Council's transport network was constructed from government grants often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

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

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

What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,

4. Making tradeoffs between service levels and costs to ensure that the community receives the best return from infrastructure,
5. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs
6. Consulting with the community to ensure that transport services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide services;
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

It is likely that Council will have to reduce service levels in some areas, unless new sources of revenue are found.

What can we do?

Council can develop options and priorities for future buildings services with costs of providing the services, consult with the community to plan future services to match the community services needs with ability to pay for services and maximise benefit to the community for costs to the community.

2. INTRODUCTION

2.1 Background

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

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

- Community Strategic Plan
- Operational Plan
- Delivery Plan
- Long Term Financial Plan

Table 2.1: Assets covered by this Plan

| Asset category | Number | Replacement Value |
|----------------|--------|--------------------|
| Major Plant | 20 | \$2,985,218 |
| Minor Plant | 35 | \$246,971 |
| Trailers | 18 | \$330,798 |
| Trucks | 13 | \$1,165,884 |
| Vehicles | 16 | \$557,777 |
| TOTAL | | \$5,286,648 |

2.2 Goals and Objectives of Asset Management

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

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

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.¹

The goal of this asset management plan is to:

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

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

Council's vision is:

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

“Provide an environment where people may enjoy a quality of life which they aspire to.”

Council’s mission is:

“Provide leadership and meet the community’s needs in an equitable and inclusive way that enhances the area’s environment, social and economic qualities.”

Table 2.2: Organisation Goals and how these are addressed.

| Goal | Objective | Action |
|---|--|--|
| To maximise community wellbeing, public health and safety | To ensure a safe environment for the community. | The provision and maintenance of transport infrastructure is an important component contributing to the cultural and social needs of the community. |
| To provide infrastructure of a high standard that supports community wellbeing, economic growth and environmental quality. | To construct Council infrastructure that is safe in design and use, is in the best interest of the community and employs sustainable environmental methods. | A primary objective of the asset management plan is to develop a lifecycle approach to the provision of transport infrastructure. This aims to minimise the lifecycle cost of assets while maximising the service that is delivered. |
| To ensure sound corporate governance through effective strategic/ financial planning, budget control, statutory compliance and organisational management. | To implement asset management awareness corporate-wide by the writing and adoption of Asset Management Policy, Asset Management Strategy and Asset Management Plans. | Provide transport facilities that support community needs. Communicate options for future planning. Achieve lowest lifecycle cost by appropriate planning. Manage and control risk. |
| A dynamic and prosperous community. | B1.1 Manage and improve the appearance of our towns. | B1.1.1 Develop and implement a long term town beautification plan for each of the Shire’s towns |
| Infrastructure that facilitates an active community | D1.2 Strategically plan for our sports and recreation infrastructure. | Ensure appropriate provision, planning and use of all open space and recreation provisions throughout the Shire. |

2.3 Plan Framework

Key elements of the plan are:

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

2.4 Core and Advanced Asset Management

This asset management plan is prepared in accordance with the International Infrastructure Management Manual². It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

2.5 Community Consultation

This 'core' asset management plan is prepared to facilitate community consultation initially through feedback on public display of draft asset management plans prior to adoption by Council.

²IPWEA, 2006.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has discussed plant purchases with affected staff and operator. Their views are taken into account when purchasing plant.

3.2 Legislative Requirements

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

Table 3.2: Legislative Requirements

| Legislation | Requirement |
|---|--|
| Local Government Act 1993 Local Government Amendment (Planning and Reporting) Act 2009 (the Act) | Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The amendments to the Act give effect to the Integrated Planning and Reporting framework. |
| Workplace Health & Safety Act 2011 | Sets out roles and responsibilities to secure the health, safety and welfare of persons at work. Council is to provide a safe working environment and supply equipment to ensure safety. |
| Disability Discrimination Act 1992 and other relevant disability legislation. | Sets out the responsibilities to all in regards to discrimination. This Act makes it unlawful to discriminate against people because of their disability. |
| Workers Compensation Act 1987 | Safety of employees |
| Road Transport Act 2005 | Provides for Council control of development of towns and approval of infrastructure expansion. |
| Road Rules 2008 | Sets requirements for vehicles and operators using roads |
| Protection of the Environment Operations Act 1998 | Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment. |

3.3 Current Levels of Service

Council has defined service levels in two terms.

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

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

| | |
|-------------------------|--|
| Quality | How good is the service? |
| Function | Does it meet users' needs? |
| Capacity or Utilisation | Is the asset substantially over or under capacity? |
| Safety | Is the service safe? This is managed by the Risk Management Plan and the governance process that reports any high residual risks to Council. |

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

Technical service measures are linked to annual budgets.

| Key Performance Measure | Level of Service | Performance Measure Process | Performance Target | Current Performance |
|--|---|---|---|---|
| COMMUNITY LEVELS OF SERVICE (operators) | | | | |
| Quality | Plant is reliable, comfortable for operators and easy to maintain. | Operator comments related to ergonomics | Nil complaints | Meets target |
| Function | Able to used for intended purpose | Supervisors satisfied plant is carrying out tasks efficiently | Nil adverse comments | Meets target |
| | | Operator satisfied plant is suitable for the task. | Nil adverse comments | Meets target |
| Safety | Plant does not create a safety issue to operators or other staff and the public | Reports safety incidents | Nil incidents for the year. | Meets target |
| Sustainability | Regular inspections and maintenance carried out to maximise life. | Condition assessment | Less than 10% of measured assets to rated at 4 or5 | Currently <10% |
| TECHNICAL LEVELS OF SERVICE | | | | |
| Operations | Plant able to ensure all intended jobs are completed satisfactorily | Production Rates. | Meets target set by Director Engineering | 100% |
| | Plant is cost effective | Operational costs | Meets target set by Director Engineering | |
| Budget | | | | |
| Maintenance | Current maintenance schedules maintained | Current regular maintenance completed on time. Irregular maintenance completed within agreed level of service | Completed on time. and to standard | Meets target |
| Budget | | | | |
| Renewal | Renewal of elements before unacceptable failure rate | Operational and Maintenance Costs Council policies | Operational Costs and maintenance remain static or decrease | Operational and Maintenance Costs remain static or decrease |
| Budget | | | | |
| Upgrade/New | Compliance with higher legislative requirements. | Compliance with legislative requirements. | 100% compliance | 100% compliance |
| | Meet higher productivity | Production Rates | Achieves objectives set by Director of Engineering | Not measured. |
| Budget | | | | |

3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including operators' feedback and supervisors comments. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan.

4. FUTURE DEMAND

4.1 Demand Forecast

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

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

Table 4.1: Demand Factors, Projections and Impact on Services

| Demand factor | Present position | Projection | Impact on services |
|---------------|---|--|--|
| Population | 2,998 | Population projection for the Shire in the next 10 years is zero net change (as forecast by forecast2.id) | Generally no increase in demand for infrastructure services. |
| Demographics | <p>Median Age 44 years</p> <p>English at Home 95.5%</p> <p>Rural area population 44.6%</p> <p>Major Urban areas The Rock 51.9% (862) Lockhart 48.1% (800)</p> | <p>There has been a slow increase in the median age. Up from 42 years in 2006. It is expected that this will continue.</p> <p>This has remained static for many years and expected to continue.</p> <p>This has decreased by .34% per annum over last 10 years.</p> <p>The Rock's population is remaining static and Lockhart is reducing by 1.1% per year</p> | <p>There will be a greater need to provide mobility options for the aging population.</p> <p>No additional impact on services</p> <p>Agricultural businesses are using higher productivity vehicles increased size and weight.</p> |

4.2 Changes in Technology

Technology changes may affect production rates and versatility of the plant. Are forecast to have little effect on the delivery of services covered by this plan.

4.3 Demand Management Plan

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

Non-asset solutions focus on providing the required service without the need for the Council to own the assets. Examples of non-asset solutions include dry and wet hiring or contracting out.

4.4 New Assets for Growth

It is expected that new assets will not be required to manage current estimations of growth.

5. LIFECYCLE MANAGEMENT PLAN

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

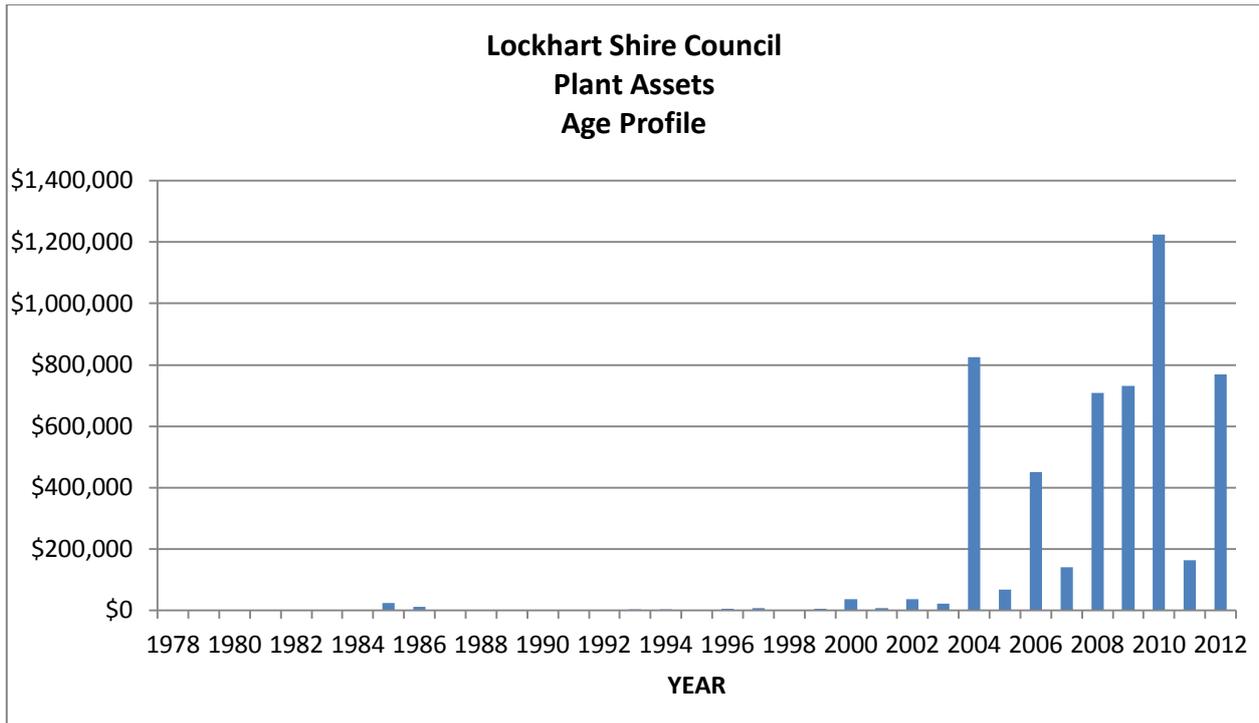
5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in Appendix E.

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

Figure 2: Asset Age Profile



5.1.2 Asset capacity and performance

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

5.1.3 Asset condition

Asset Condition has not been determined for this Asset Management Plan.

5.1.4 Asset valuations

The 2013 value of assets recorded in the asset covered by this asset management plan is shown below.

| | |
|------------------------------|--------------|
| Current Replacement Cost | \$ 5,286,648 |
| Depreciable Amount | \$ 4,091,601 |
| Depreciated Replacement Cost | \$ 2,968,858 |

Annual Depreciation Expense \$ 567,801

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

| | |
|---|-------|
| Asset Consumption (Depreciation/Depreciable Amount) | 13.9% |
| Asset renewal (Capital renewal exp 4 yrs/Depreciable amount) | 15.0% |
| Annual Upgrade/New (Capital upgrade exp/Depreciable amount) | 0% |
| Annual Upgrade/New (including contributed assets) | 0% |

Council is currently renewing assets at 107.1% of the rate they are being consumed and increasing its asset stock by 0% each year.

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

5.2 Routine Maintenance Plan

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

5.2.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

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

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

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

Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.2.2 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure have not been calculated in this plan.

6. FINANCIAL SUMMARY

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

6.1 Financial Projections

6.1.1 Financial sustainability in service delivery

Operation and maintenance costs have not been separated in this version of the Asset Management Plan. Profits generated by plant are currently transferred to general fund reserves. Council make allocations from the reserve for annual plant purchases based on its current policy.

There is scope in future versions of the asset management plan to improve management and strategies for the plant fleet.

The current draft delivery plan allows for an average of \$613,686 per year to be spent on plant purchases in the next 4 years. For this version of the asset management it is expected that Council's operations will remain similar over the next 10 years. For the long term financial plan the 4 year average has been extrapolated for the long term financial plan.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are currently recorded by not reviewed, assessed or managed. As Council's knowledge of asset management principles increase, it will be able to assess the performance of each item of plant. This will include usage rates, maintenance costs, operation costs, risk management, fit for purpose, hire out rates and depreciation.

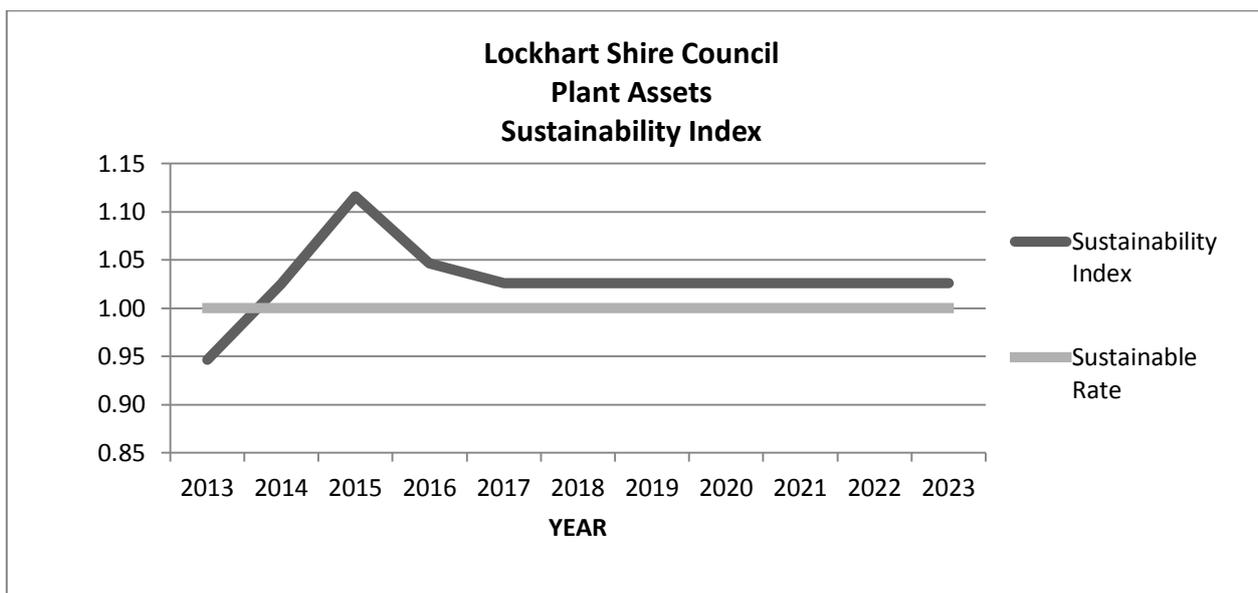
At the time of purchase Council also needs to consider the residual value when the item of plant is sold. This forecasting is not a precise art and is dependent on many factors such as industry construction activity. The price achieved of the sale of an item of plant can affect the sustainability of the plant asset, particularly for large plant.

Life cycle expenditure will vary depending on the timing of asset renewals. The knowledge gained will allow Council to improve decision making on the optimal time to replace plant.

Financial Sustainability Indicators

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

Figure 7A:



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

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

Figure 8: Projected and Budgeted Renewal Expenditure

Table 6.1.1 shows the shortfall between projected and budgeted renewals

Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall

| Year | Projected Renewals (\$000) | Planned Renewal Budget (\$000) | Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus) | Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus) |
|------|----------------------------|--------------------------------|---|--|
| 2013 | \$568 | \$423 | -\$145 | -\$145 |
| 2014 | \$568 | \$657 | \$89 | -\$56 |
| 2015 | \$568 | \$870 | \$302 | \$246 |
| 2016 | \$568 | \$827 | \$259 | \$505 |
| 2017 | \$568 | \$645 | \$77 | \$582 |
| 2018 | \$568 | \$645 | \$77 | \$659 |
| 2019 | \$568 | \$645 | \$77 | \$736 |
| 2020 | \$568 | \$645 | \$77 | \$813 |
| 2021 | \$568 | \$645 | \$77 | \$890 |
| 2022 | \$568 | \$645 | \$77 | \$967 |

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

The current information suggests that Council's contribution to renewal of its plant is sustainable for the next ten years.

6.1.2 Expenditure projections for long term financial plan

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

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

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

| Year | Operations (\$000) | Maintenance (\$000) | Projected Capital Renewal (\$000) | Capital Upgrade/ New (\$000) | Disposals (\$000) |
|------|--------------------|---------------------|-----------------------------------|------------------------------|-------------------|
| 2013 | N/A | N/A | \$423 | \$30 | \$0 |
| 2014 | N/A | N/A | \$657 | \$0 | \$0 |
| 2015 | N/A | N/A | \$870 | \$0 | \$0 |
| 2016 | N/A | N/A | \$827 | \$0 | \$0 |
| 2017 | N/A | N/A | \$645 | \$0 | \$0 |

| | | | | | |
|------|-----|-----|-------|-----|-----|
| 2018 | N/A | N/A | \$645 | \$0 | \$0 |
| 2019 | N/A | N/A | \$645 | \$0 | \$0 |
| 2020 | N/A | N/A | \$645 | \$0 | \$0 |
| 2021 | N/A | N/A | \$645 | \$0 | \$0 |
| 2022 | N/A | N/A | \$645 | \$0 | \$0 |

Note: All projected expenditures are in 2013 values

6.2 Funding Strategy

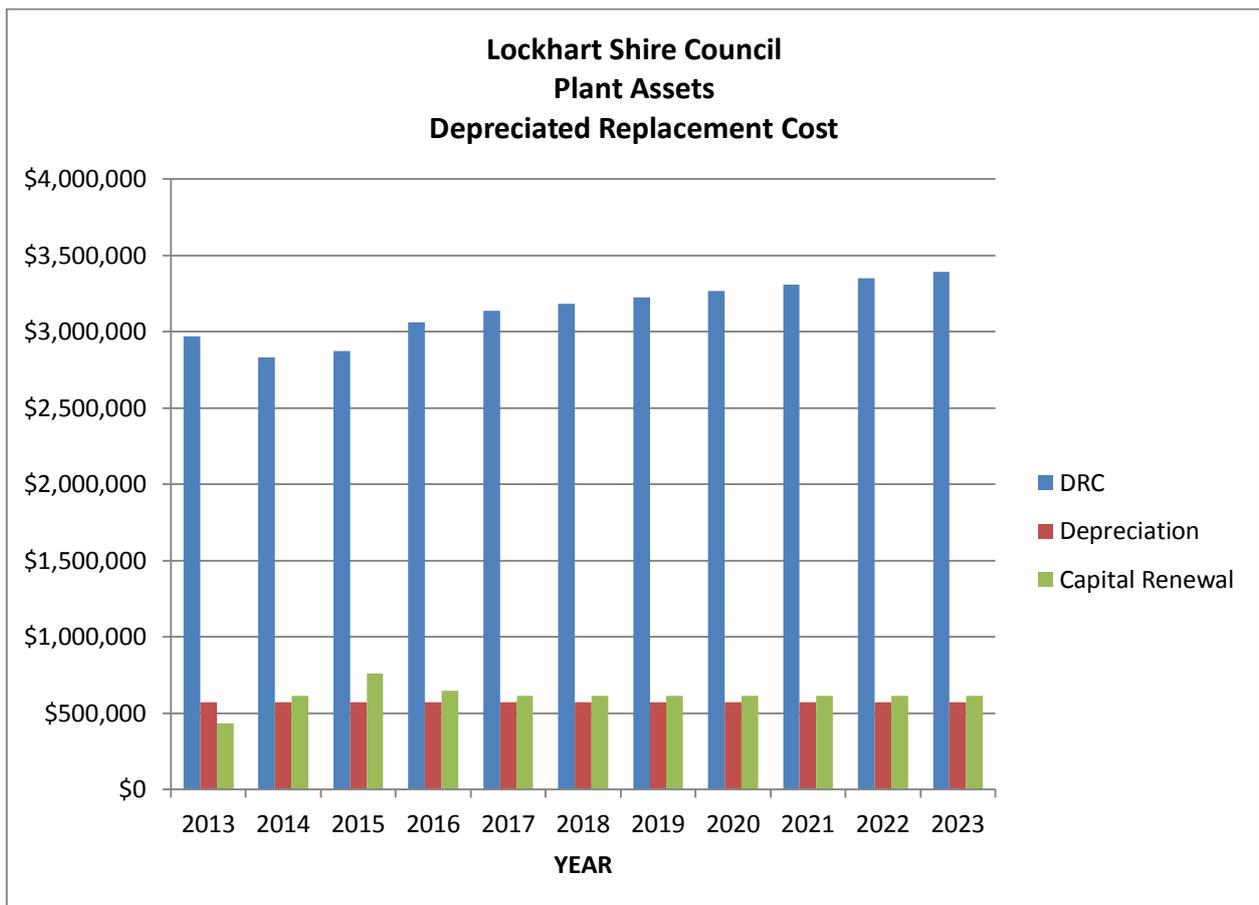
Projected expenditure identified in Section 6.1 is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation’s 10 year long term financial plan.

6.3 Valuation Forecasts

Asset values will increase if additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Council is currently not planning any major additions to its stock of plant.

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

Figure 11: Projected Depreciated Replacement Cost



6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

- That plants assets will remain in Council's ownership throughout the planning period and that levels of service will remain unchanged.
- Required maintenance is assumed to take place with relevant codes, standards and manufacturers recommendations.
- Road crashes and other unplanned events are not considered in the asset lifecycles.
- Assets are assumed to reach their allocated design lives even though degradation will vary according to location, prevailing weather and usage.
- Maintenance expenditure is based on historical expenditure and assumes there will be no significant change.
- Maintenance and operations allocations are largely based on maintaining current service levels.

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

Practical Plus Accounting System

7.1.2 Accountabilities for financial systems

Director Corporate Services

7.1.3 Accounting standards and regulations

AASB116

Local Government Act 1993 as amended for DPR

7.1.4 Capital/maintenance threshold

See Asset Management Policy

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

All asset registers current in Excel and Practical Plus will be integrated to Bizeassets Systems.

7.2 Asset Management Systems

7.2.1 Asset management system

The Bizeassets System using MapInfo as an interface for the addition, maintenance and disposal of assets, with financial data attached to points, lines and regions on a map.

7.2.2 Asset registers

All asset registers current in Excel and Practical Plus will be integrated to Bizeassets Systems.

7.2.3 Linkage from asset management to financial system

Quarterly update of capital transactions from Practical Plus to current Asset Registers.

7.2.4 Accountabilities for asset management system and data

Director Engineering and Director Corporate Services.

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

Continued migration of Asset Registers to Bizeassets.

7.3 Information Flow Requirements and Processes

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

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

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

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

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

7.4 Standards and Guidelines

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

- Local Government Act (NSW) 1993
- Local Government Amendment (Planning and Reporting) Act 2009
- Local Government (Finance Plans and Reporting) Regulation 2010
- AAS116

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

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

8.2 Improvement Plan

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

Table 8.2: Improvement Plan

| | Task | Responsibility | Resources Required | Timeline |
|---|--|----------------|--------------------|--------------|
| 1 | Transfer plant assets to Bizeassets Asset Register | DCS,DE | Staff Time | May 2014 |
| 2 | Ensure anomalies in the current register are removed when plant register is transferred to Bizeassets. | DES | Staff Time | May 2014 |
| 3 | Develop a plant management system which records usage, income, maintenance and operations costs for each plant item. | DE | Staff Time | May 2014 |
| 4 | Review the rationale for useful life and residual value | DE | Staff Time | Next AM Plan |
| 5 | Review a disposal strategy for plant | DE | Staff Time | Next AM Plan |
| 6 | Develop and fund a Long Term Renewal Program | DE | Staff Time | May 2014 |
| 7 | Integrate Renewal Program into the Long Term Financial Plan | DCS | Staff Time | May 2014 |

8.3 Monitoring and Review Procedures

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

The Plan has a life of 4 years and is due for revision and updating within 12 months of each Council election.

REFERENCES

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

APPENDICES

Appendix A Asset Register May 2013

Appendix B Projected 10 year Capital Renewal Works Program

Appendix C Abbreviations

Appendix DE Glossary

Appendix A Asset Register May 2013

| Lockhart Shire Council | | | | | | | | | | | |
|--------------------------------|---|-------|-------------|---------------|------|--------------------------|----------|--------------------|------------------------------|----------|-------------|
| Plant Assets | | | | | | | | | | | |
| Plant Asset Register June 2013 | | | | | | | | | | | |
| Asset Code | Description | | Serial No | Purchase Date | Year | Current Replacement Cost | Residual | Depreciable Amount | Depreciated replacement Cost | Dep Rate | Annual Dep |
| R&C112 | Water Tank 500 Gallons | Minor | | 31/12/1987 | 1986 | \$600 | \$1 | \$599 | \$1 | 2.50% | \$14.98 |
| R&C117 | Howard Spreader - Pto | Minor | | 3/07/1990 | 1990 | \$585 | \$1 | \$584 | \$1 | 2.50% | \$14.60 |
| R&C127 | Tradesman Road Towable Concret | Minor | Q79447 | 6/08/2004 | 2004 | \$1,970 | \$1 | \$1,969 | \$1 | 2.50% | \$49.23 |
| R&C129 | Vibrating Plate(Wacker) | Minor | | 21/09/1995 | 1995 | \$1,415 | \$1 | \$1,414 | \$1 | 2.50% | \$35.35 |
| R&C142 | Water Tank 4500 Ltr Poly-Tree | Minor | | 13/12/2000 | 2000 | \$2,617 | \$1 | \$2,616 | \$1 | 2.50% | \$65.40 |
| R&C144 | Td84 Tow Behind Traction Sweep | Minor | | 11/07/2002 | 2002 | \$16,000 | \$1 | \$15,999 | \$1 | 2.50% | \$399.98 |
| R&C201 | Tractor Massey Ferguson 65 (Ye | Minor | 2959516 | 11/07/2002 | 2002 | \$3,500 | \$1 | \$3,499 | \$1 | 2.50% | \$87.48 |
| R&C204 | Honda Self Propelled Mower - Y | Minor | 2472287 | 23/05/1994 | 1993 | \$1,040 | \$1 | \$1,039 | \$1 | 2.50% | \$25.98 |
| R&C1054 | Chipstar Chipper-180MX Rego W08295 | Minor | 9S0224 | 18/12/2009 | 2009 | \$47,000 | \$15,000 | \$32,000 | \$33,123 | 14.30% | \$4,571.42 |
| R&C928 | 600L Roadside Spray Unit | Minor | | 10/07/2008 | 2008 | \$7,400 | \$2,000 | \$5,400 | \$4,087 | 10.00% | \$540.00 |
| R&C984 | Howard Slasher | Minor | Vin 42863 | 21/07/2008 | 2008 | \$6,400 | \$3,000 | \$3,400 | \$3,000 | 14.30% | \$485.71 |
| T&C126 | Compactor | Minor | | 21/10/1993 | 1993 | \$2,015 | \$1 | \$2,014 | \$1 | 2.50% | \$50.35 |
| T&C138 | Stihl Bt360 Auger & Bit | Minor | | 30/04/1997 | 1996 | \$2,420 | \$1 | \$2,419 | \$1 | 2.50% | \$60.48 |
| T&C140 | Dynapac Vibratory Tamper (Plat | Minor | | 25/05/1999 | 1998 | \$2,150 | \$1 | \$2,149 | \$1 | 2.50% | \$53.73 |
| T&C145 | Bitumen Cutter - Dwe Handicut | Minor | | 30/06/2002 | 2001 | \$2,885 | \$1 | \$2,884 | \$1 | 2.50% | \$72.10 |
| T&C146 | Tcm Forklift | Minor | 56324C | 23/07/2002 | 2002 | \$10,100 | \$1 | \$10,099 | \$0 | 2.50% | \$252.48 |
| T&C147 | Spitwater Pressure Cleaner | Minor | | 8/11/2002 | 2002 | \$4,930 | \$1 | \$4,929 | \$1 | 2.50% | \$123.23 |
| T&C148 | Crane Winches (2) | Minor | | 18/03/2003 | 2002 | \$5,040 | \$1 | \$5,039 | \$1 | 2.50% | \$125.98 |
| T&C1205 | Quikspray 600L with pump | Minor | | 25/05/2012 | 2011 | \$14,056 | \$0 | \$14,056 | \$13,481 | 4.00% | \$562.24 |
| T&C1213 | Compuload 400 Weighing System | Minor | 40697 USB | 1/03/2012 | 2011 | \$7,050 | \$0 | \$7,050 | \$6,462 | 10.00% | \$705.00 |
| T&C1241 | Cement Mixer | Minor | | 15/09/2011 | 2011 | \$2,955 | \$0 | \$2,955 | \$2,572 | 10.00% | \$295.50 |
| T&C1313 | ULTIMATE POSITIONING GROUP | Minor | | 22/10/2012 | 2012 | \$27,900 | \$0 | \$27,900 | \$27,136 | 14.30% | \$3,985.71 |
| T&C1344 | B200 PTO Sweeper | Minor | | 20/09/2012 | 2012 | \$9,440 | \$0 | \$9,440 | \$9,252 | 7.10% | \$674.28 |
| T&C1346 | NISSAN FORKLIFT | Minor | H20-K21772Y | 4/09/2012 | 2012 | \$9,000 | \$0 | \$9,000 | \$8,709 | 10.00% | \$900.00 |
| T&C1359 | Howard Roto Slasher, Nugget S2. | Minor | SN190A2 | 1/01/2013 | 2012 | \$3,200 | \$1,500 | \$1,700 | \$3,200 | 20.00% | \$340.00 |
| T&C1361 | Farmtech 500, Bison Posthole Digger 12" | Minor | SN 500-976 | 1/01/2013 | 2012 | \$1,590 | \$450 | \$1,140 | \$1,590 | 20.00% | \$228.00 |
| T&C2145 | Simoco SRM9010 VHF Radio | Minor | | 30/06/2011 | 2010 | \$1,994 | \$0 | \$1,994 | \$781 | 10.00% | \$199.40 |
| T&C909 | Solar Portable Traffic Signals | Minor | | 2/02/2009 | 2008 | \$30,730 | \$5,000 | \$25,730 | \$20,671 | 10.00% | \$2,573.00 |
| T&C419 | W/Equip-Honda Generator | Minor | | 1/07/1992 | 1992 | \$1,268 | \$1 | \$1,267 | \$1 | 2.50% | \$31.68 |
| T&C420 | Honda Welder/Generator | Minor | | 30/06/1997 | 1996 | \$2,270 | \$1 | \$2,269 | \$1 | 2.50% | \$56.73 |
| T&C421 | 18ltr Hp161 Spitwater Pressure | Minor | | 3/08/1999 | 1999 | \$2,527 | \$1 | \$2,526 | \$1 | 2.50% | \$63.15 |
| T&C422 | Lkb 320 Compact Mig Welder | Minor | | 30/06/2000 | 1999 | \$2,296 | \$1 | \$2,295 | \$1 | 2.50% | \$57.38 |
| T&C68 | Roller Steelweld Combination | Minor | | 17/06/1987 | 1987 | \$10,950 | \$1 | \$10,949 | \$1 | 2.50% | \$273.73 |
| T&C87 | Compactor & Rammer Mikasa | Minor | | 16/12/1981 | 1981 | \$1,678 | \$1 | \$1,677 | \$1 | 2.50% | \$41.93 |
| T&C2440 | 2002 Cat 953C Track Type Load | Major | | 18/11/2004 | 2004 | \$292,080 | \$1 | \$292,079 | \$1 | 14.00% | \$40,891.06 |
| T&C2450 | 2004 Caterpillar 12H Grader | Major | 4ZF12992 | 28/10/2004 | 2004 | \$291,750 | \$1 | \$291,749 | \$1 | 14.00% | \$40,844.86 |
| T&C2456 | 2004 Caterpillar It28G-00 Load | Major | | 16/09/2004 | 2004 | \$239,990 | \$1 | \$239,989 | \$1 | 14.00% | \$33,598.46 |
| T&C2553 | Cat Grader 12H | Major | AJ32BG | 23/02/2006 | 2005 | \$337,645 | \$1 | \$337,644 | \$1 | 14.00% | \$47,270.16 |

| Lockhart Shire Council | | | | | | | | | | | |
|--------------------------------|---|---------|------------------|---------------|------|--------------------------|-----------|--------------------|------------------------------|----------|-------------|
| Plant Assets | | | | | | | | | | | |
| Plant Asset Register June 2013 | | | | | | | | | | | |
| Asset Code | Description | | Serial No | Purchase Date | Year | Current Replacement Cost | Residual | Depreciable Amount | Depreciated replacement Cost | Dep Rate | Annual Dep |
| T&C1030 | Isuzu Cab & Ausroad Jetpatch Body | Major | FVZ34W87000402, | 13/08/2009 | 2009 | \$309,416 | \$100,000 | \$209,416 | \$208,192 | 14.30% | \$29,916.54 |
| T&C1051 | 2009 Caterpillar 12M Motor Grader | Major | T0012MVB9F00607 | 30/07/2009 | 2009 | \$329,600 | \$150,000 | \$179,600 | \$241,803 | 14.30% | \$25,657.12 |
| T&C1318 | John Deere 4320 Cab Tractor fitted with | Major | V4320HKBH840691 | 16/10/2012 | 2012 | \$46,200 | \$5,000 | \$41,200 | \$44,974 | 14.30% | \$5,885.71 |
| T&C1342 | JOHN DEERE 5080R TRACTOR | Major | LO5080RCCJ734620 | 29/01/2013 | 2012 | \$78,100 | \$25,000 | \$53,100 | \$78,100 | 14.30% | \$7,585.71 |
| T&C1355 | 2011 Caterpillar 930H Wheel Loader | Major | DHC03188 | 4/09/2012 | 2012 | \$235,500 | \$82,000 | \$153,500 | \$235,500 | 14.30% | \$21,928.55 |
| T&C743 | John Deere 5325 Tractor & 542 Front End | Major | LV5325R334322 | 21/06/2007 | 2006 | \$69,217 | \$0 | \$69,217 | \$11,815 | 15.00% | \$10,382.55 |
| T&C958 | CATERPILLAR BACKHOE MODEL 432 | Major | Vin: BXE03502 | 7/08/2008 | 2008 | \$154,155 | \$45,000 | \$109,155 | \$45,000 | 16.70% | \$18,192.54 |
| T&C960 | 2007 Caterpillar Roller Rego BA52ND | Major | CS573E | 18/02/2009 | 2008 | \$135,000 | \$35,000 | \$100,000 | \$79,775 | 14.30% | \$14,285.70 |
| T&C962 | 2008 Caterpillar Roller Rego BA51NO | Major | Vin-ASA01763 | 18/02/2009 | 2008 | \$135,000 | \$35,000 | \$100,000 | \$79,775 | 14.30% | \$14,285.70 |
| T&C963 | 2008 Caterpillar Roller REgo BA50NO | Major | Vin-ASA01775 | 18/02/2009 | 2008 | \$135,000 | \$35,000 | \$100,000 | \$79,775 | 14.30% | \$14,285.70 |
| T&C46 | Tractor Ford 8401 | Major | G540211 | 24/03/1986 | 1985 | \$25,000 | \$1 | \$24,999 | \$1 | 3.00% | \$749.97 |
| R&C1152 | Boomer Tractor with 914 Mower Mid Mount | Major | Z9DA06497 | 7/12/2010 | 2010 | \$27,925 | \$10,000 | \$17,925 | \$23,514 | 10.00% | \$1,792.50 |
| R&C1212 | Kubota Tractor with 72 Mower deck | Major | 60716 | 7/12/2011 | 2011 | \$26,600 | \$2,000 | \$24,600 | \$23,975 | 10.00% | \$2,460.00 |
| R&C1336 | GHS Walker Mower | Major | 11-113468 | 26/09/2012 | 2012 | \$33,000 | \$8,000 | \$25,000 | \$31,685 | 15.00% | \$3,750.00 |
| R&C1386 | Iseki 370 LFM Mower | Major | | 29/10/2012 | 2012 | \$62,690 | \$10,000 | \$52,690 | \$42,665 | 14.30% | \$7,527.14 |
| R&C137 | Mc28 New Holland Out Front Mow | Major | 81509 | 2/10/2003 | 2003 | \$21,350 | \$1 | \$21,349 | \$1 | 2.50% | \$533.73 |
| T&C2038 | Tri-Axle Beavertail Machinery | Trailer | N -3305 | 10/01/2001 | 2000 | \$35,000 | \$1 | \$34,999 | \$1 | 10.00% | \$3,499.90 |
| T&C2072 | 8 X 5 Single Axle Trailer | Trailer | M71753 | 22/05/2000 | 2000 | \$973 | \$1 | \$972 | \$1 | 10.00% | \$97.20 |
| T&C2080 | Plant Trailer - The Rock | Trailer | N67258 | 14/12/2001 | 2001 | \$5,245 | \$1 | \$5,244 | \$1 | 10.00% | \$524.40 |
| T&C78 | Trailer Box 6X4 | Trailer | M 71788 | 1/12/1987 | 1987 | \$421 | \$1 | \$420 | \$1 | 2.50% | \$10.50 |
| T&C92 | Portable Welder Trailer | Trailer | X48718 | 30/05/1979 | 1978 | \$2,161 | \$1 | \$2,160 | \$1 | 2.50% | \$54.00 |
| T&C9479 | Parks & Gardens Trailer | Trailer | H80316 | 15/09/1994 | 1994 | \$2,689 | \$1 | \$2,688 | \$1 | 2.50% | \$67.20 |
| T&C95 | Road Broom Castlereagh Rb 72 P | Trailer | | 1/07/1982 | 1982 | \$2,075 | \$1 | \$2,074 | \$1 | 2.50% | \$51.85 |
| T&C9773 | 1000 Ltr Oval Fuel Trailer/24V | Trailer | K94522 | 23/10/1997 | 1997 | \$4,239 | \$1 | \$4,238 | \$1 | 2.50% | \$105.95 |
| T&C9875 | 8 X 5 Tipping Trailer | Trailer | | 24/06/1998 | 1997 | \$3,016 | \$1 | \$3,015 | \$1 | 2.50% | \$75.38 |
| R&C1364 | Lawn Trailer and Boom | Trailer | 1604 | 1/01/2013 | 2012 | \$1,579 | \$200 | \$1,379 | \$1,579 | 14.30% | \$197.00 |
| T&C1124 | 2011 Gorski 3 Axle Dog Tipper X28101 | Trailer | 9T24V97B05TH013 | 19/05/2011 | 2010 | \$57,182 | \$20,000 | \$37,182 | \$48,583 | 14.30% | \$5,311.71 |
| T&C1134 | 2011 Gorski 3 Axle Dog Tipper X28116 | Trailer | 9T24V97B05TH014 | 16/05/2011 | 2010 | \$57,182 | \$20,000 | \$37,182 | \$48,539 | 14.30% | \$5,311.71 |
| T&C1157 | Fire Fighter Trailer 1200Ltr - X31160 | Trailer | 9T26V97BOKHS006 | 25/05/2011 | 2010 | \$8,035 | \$1,500 | \$6,535 | \$6,988 | 10.00% | \$653.50 |
| T&C1249 | Bogie Trailer 2 ton | Trailer | X48717 | 18/08/2011 | 2011 | \$3,020 | \$0 | \$3,020 | \$2,606 | 10.00% | \$302.00 |
| T&C1301 | Works Caravan Rego X-93245 | Trailer | 9T27R10C010H001 | 5/10/2012 | 2012 | \$49,100 | \$2,000 | \$47,100 | \$48,651 | 4.00% | \$1,884.00 |
| T&C1302 | Works Caravan Rego X-93246 | Trailer | 9T27R10C010H002 | 5/10/2012 | 2012 | \$49,100 | \$2,000 | \$47,100 | \$48,651 | 4.00% | \$1,884.00 |
| T&C1314 | Works Caravan Rego X-93247 | Trailer | 9T27R10C010H003 | 5/10/2012 | 2012 | \$49,100 | \$2,000 | \$47,100 | \$48,651 | 4.00% | \$1,884.00 |
| T&C9476 | Box Trailer 7 X 4 -Emergency/S | Trailer | H47802 | 28/02/1994 | 1993 | \$681 | \$1 | \$680 | \$544 | 14.30% | \$97.14 |
| POS5000 | The Rock SES Truck 2005 | Truck | LFPE84PEOKJ00384 | 28/02/2006 | 2005 | \$24,451 | \$0 | \$24,451 | \$597 | 15.00% | \$3,667.65 |

| Lockhart Shire Council | | | | | | | | | | | |
|--------------------------------|--|---------|------------------|---------------|------|--------------------------|----------|--------------------|------------------------------|----------|-------------|
| Plant Assets | | | | | | | | | | | |
| Plant Asset Register June 2013 | | | | | | | | | | | |
| Asset Code | Description | | Serial No | Purchase Date | Year | Current Replacement Cost | Residual | Depreciable Amount | Depreciated replacement Cost | Dep Rate | Annual Dep |
| T&C1125 | 2011 Hino BL15BI | Truck | HDFS1EKLXXX10012 | 19/05/2011 | 2010 | \$173,326 | \$45,000 | \$128,326 | \$143,649 | 14.30% | \$18,332.27 |
| T&C1132 | 2011 Hino Truck with Water Tank | Truck | FM1ALMXXX10024 | 4/04/2011 | 2010 | \$196,742 | \$45,000 | \$151,742 | \$158,970 | 14.30% | \$21,677.41 |
| T&C1133 | 2011 Hino FS1EKLK-VXZ - BL71BI | Truck | HDFS1EKLXXX10013 | 12/05/2011 | 2010 | \$173,326 | \$45,000 | \$128,326 | \$143,298 | 14.30% | \$18,332.27 |
| T&C1139 | 2011 Hino FS1EKLK-VXZ | Truck | HDFS1EKLXXX10014 | 20/06/2011 | 2010 | \$173,322 | \$45,000 | \$128,322 | \$145,248 | 14.30% | \$18,331.70 |
| T&C1222 | 2012 Isuzu NPR 250/300 crew | Truck | ANPR75LB7100530 | 25/06/2012 | 2010 | \$59,463 | \$15,000 | \$44,463 | \$56,174 | 14.30% | \$6,351.85 |
| T&C1223 | 2012 Isuzu NPR 250/300 crew cab | Truck | ANPR75LB7100537 | 25/06/2012 | 2010 | \$59,463 | \$15,000 | \$44,463 | \$56,174 | 14.30% | \$6,351.85 |
| T&C1231 | 2012 Isuzu FFR 600 Rego BQ01VV | Truck | ALFRR34PB7000372 | 26/06/2012 | 2010 | \$83,063 | \$23,000 | \$60,063 | \$106,636 | 14.90% | \$8,949.39 |
| T&C2626 | Isuzu Npr 200 Short | Truck | 260672 | 17/02/2006 | 2005 | \$42,611 | \$0 | \$42,611 | \$13,310 | 10.00% | \$4,261.10 |
| T&C735 | Hino 300 Series 816 Dump | Truck | FUU10H300001327 | 1/05/2007 | 2006 | \$44,729 | \$0 | \$44,729 | \$19,375 | 10.00% | \$4,472.90 |
| T&C919 | Isuzu NPR300 Meduim Tipper | Truck | Eng:602519 | 30/06/2008 | 2007 | \$43,109 | \$20,000 | \$23,109 | \$32,701 | 10.00% | \$2,310.90 |
| T&C921 | 2008 Fuso Canter Crew Cab | Truck | FFE84DEOKJ00074 | 16/07/2008 | 2008 | \$49,170 | \$10,000 | \$39,170 | \$17,840 | 14.30% | \$5,595.71 |
| T&C936 | Isuzu NPR300 Meduim Tipper | Truck | Eng:602596 | 30/06/2008 | 2007 | \$43,109 | \$20,000 | \$23,109 | \$32,701 | 10.00% | \$2,310.90 |
| ADM1305 | Territory TX RWD | Vehicle | PAAAJGATCE88603 | 5/09/2012 | 2012 | \$36,437 | \$20,000 | \$16,437 | \$33,803 | 50.00% | \$8,218.50 |
| ADM1307 | 2012 HOLDEN COMMODORE | Vehicle | G1EK8E34CL671431 | 28/08/2012 | 2012 | \$35,812 | \$20,000 | \$15,812 | \$33,105 | 50.00% | \$7,906.00 |
| ADM905 | Ford FG Falcon XR Sedan | Vehicle | | 9/10/2008 | 2008 | \$30,751 | \$19,760 | \$10,991 | \$19,760 | 20.00% | \$2,198.20 |
| ENG1203 | 2011 Nisan Pathfinder Rego BL21PF | Vehicle | KJVVRS1A0402427 | 6/07/2011 | 2011 | \$45,680 | \$25,000 | \$20,680 | \$41,599 | 20.00% | \$4,136.00 |
| H1204 | 2011 Volkswagen REgo BZE27M | Vehicle | WZZZ3CZBP356503 | 27/07/2011 | 2011 | \$37,351 | \$25,000 | \$12,351 | \$33,818 | 20.00% | \$2,470.20 |
| POS5100 | SES Nissan Y6101B | Vehicle | NITESY61A0334182 | 22/11/2007 | 2007 | \$27,273 | \$10,000 | \$17,273 | \$10,000 | 20.00% | \$3,454.60 |
| T&C1070 | Volkswagen Crafter Dual Cab | Vehicle | V1ZZZ2FZ77017020 | 5/03/2010 | 2009 | \$45,712 | \$10,000 | \$35,712 | \$31,301 | 14.30% | \$5,101.71 |
| T&C1106 | 2011 PK Ranger XLT Crewcab Ute 4x4 | Vehicle | AUSFE90BW926344 | 20/06/2011 | 2010 | \$35,000 | \$20,000 | \$15,000 | \$30,391 | 20.00% | \$3,000.00 |
| T&C1108 | 2011 PK Ranger XL Supercab Ute 4x4 | Vehicle | AUS2E90BW927228 | 28/06/2011 | 2010 | \$30,173 | \$20,000 | \$10,173 | \$27,099 | 20.00% | \$2,034.60 |
| T&C1111 | 2011 PK Ranger XL Super Chassis 4x4BL61K | Vehicle | AUS1E90BW925234 | 28/06/2011 | 2010 | \$29,200 | \$18,000 | \$11,200 | \$25,816 | 20.00% | \$2,240.00 |
| T&C1115 | 2011 PK Ranger XL Super Chassis 4x4 BL60 | Vehicle | AUS1E90AW881616 | 28/06/2011 | 2010 | \$31,000 | \$18,000 | \$13,000 | \$27,072 | 20.00% | \$2,600.00 |
| T&C1116 | 2011 PK Ranger XL Super Chassis 4x4 BL59 | Vehicle | AUS1E90BW931987 | 28/06/2011 | 2010 | \$29,000 | \$18,000 | \$11,000 | \$25,676 | 20.00% | \$2,200.00 |
| T&C1227 | 2012 Ford Ranger PX Supercab XL | Vehicle | UM1F50CW116258 | 26/06/2012 | 2011 | \$30,860 | \$15,000 | \$15,860 | \$33,681 | 14.30% | \$2,269.57 |
| T&C1310 | 2012 MN Triton GLXR Double Cab Utility | Vehicle | AJNKB40CD013522 | 13/07/2012 | 2012 | \$40,295 | \$21,000 | \$19,295 | \$35,775 | 50.00% | \$9,647.50 |
| T&C815 | PJ Ranger Super Cab 4X4 Rego AU99KC | Vehicle | ALS1E908W730999 | 27/05/2008 | 2007 | \$27,936 | \$0 | \$27,936 | \$2,252 | 20.00% | \$5,587.20 |
| T&C917 | 2008 Ford PJ Ranger STD Cab | Minor | ALSAE908W767856 | 17/03/2009 | 2008 | 25,297 | \$15,600 | \$9,697 | \$15,600 | 20.00% | \$1,939.40 |

Appendix B Projected 10 year Capital Renewal Works Program

Lockhart SC

Projected Capital Renewal Works Program - Community Facilities

\$000

| Year | Item | Description | Change over |
|------|------|-------------------------|-------------|
| 2014 | | Renewals | |
| | 1 | 4WD Dual Cab | \$22,880 |
| | 2 | 4WD Dual Cab | \$23,000 |
| | 3 | 4WD Dual Cab | \$20,000 |
| | 4 | Utility | \$32,000 |
| | 5 | Tractor mid mount mower | \$25,000 |
| | 6 | Grader | \$265,000 |
| | 7 | Dual Cab | \$45,000 |
| 2014 | | Total | \$432,880 |

| Year | Item | Description | Change over |
|------|------|--------------------------------|-------------|
| 2015 | | Renewals | |
| | 1 | Sedan | \$21,767 |
| | 2 | 4WD Dual Cab | \$23,729 |
| | 3 | Sedan | \$21,333 |
| | 4 | 4WD Utility | \$20,000 |
| | 5 | Utility. Tray top | \$11,000 |
| | 6 | Sedan | \$21,767 |
| | 7 | Hino Tipper | \$45,000 |
| | 8 | Dual cab- Grader Crew | \$40,000 |
| | 9 | Trailer Beaver | \$63,000 |
| | 10 | Combination Roller and Trailer | \$80,000 |
| | 11 | Grader | \$265,000 |
| 2015 | | Total | \$612,596 |

| Year | Item | Description | Change Over |
|------|------|----------------|-------------|
| 2016 | | Renewal | |
| | 1 | 4WD Dual Cab | \$13,672 |
| | 2 | 4WD Dual Cab | \$14,720 |
| | 3 | Sedan | \$21,767 |
| | 4 | 4WD Dual Cab | \$14,720 |
| | 5 | Utility | \$16,372 |
| | 6 | Utility Tray | \$11,000 |
| | 7 | Utility Tray | \$29,320 |
| | 8 | Roller | \$115,000 |
| | 9 | Roller | \$115,000 |
| | 10 | Truck Tipper | \$45,000 |
| | 11 | Traxcavator | \$320,000 |
| | 12 | Truck Tipper | \$45,000 |
| 2016 | | Total | \$761,571 |

| Year | Item | Description | Change Over |
|------|------|---|-------------|
| 2017 | | Renewal | |
| | 1 | Sedan | \$20,929 |
| | 2 | 4WD Dual Cab | \$22,816 |
| | 3 | Sedan | \$22,187 |
| | 4 | Sedan | \$21,767 |
| | 5 | Dual Cab Truck | \$45,000 |
| | 6 | Bitumen Maintenance Truck (Jet Patcher) | \$280,000 |
| | 7 | Roller | \$115,000 |
| | 8 | Backhoe | \$120,000 |
| 2017 | | Total | \$647,699 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2018 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2018 | | Total | \$613,686 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2019 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2019 | | Total | \$613,686 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2020 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2020 | | Total | \$613,686 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2021 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2021 | | Total | \$613,686 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2022 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2022 | | Total | \$613,686 |

| Year | Item | Description | Change over |
|------|------|---------------------------------|-------------|
| 2023 | | Renewals | |
| | 1 | As per plant replacement policy | \$613,686 |
| 2023 | | Total | \$613,686 |

Appendix C Abbreviations

| | |
|-------------|---|
| AAAC | Average annual asset consumption |
| AMP | Asset management plan |
| ARI | Average recurrence interval |
| BOD | Biochemical (biological) oxygen demand |
| CRC | Current replacement cost |
| CWMS | Community wastewater management systems |
| DA | Depreciable amount |
| EF | Earthworks/formation |
| IRMP | Infrastructure risk management plan |
| LCC | Life Cycle cost |
| LCE | Life cycle expenditure |
| MMS | Maintenance management system |
| PCI | Pavement condition index |
| RV | Residual value |
| SS | Suspended solids |
| vph | Vehicles per hour |

Appendix D Glossary

Annual service cost (ASC)

1) Reporting actual cost

The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

2) For investment analysis and budgeting

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

- **Planned maintenance**

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

- **Reactive maintenance**

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

- **Significant maintenance**

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

- **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

Non-revenue generating investments

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

Operations expenditure

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

Operating expense

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

Pavement management system

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

PMS Score

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

Rate of annual asset consumption

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

Rate of annual asset renewal

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

Rate of annual asset upgrade

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

Recoverable amount

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

Recurrent expenditure

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

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

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

Renewal

See capital renewal expenditure definition above.

Residual value

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

Revenue generating investments

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

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary