



URALLA SHIRE COUNCIL

ORDINARY COUNCIL MEETING

24 May 2022

Item 15.9 Draft Asset Management Plans Report

ATTACHMENTS PROVIDED UNDER SEPARATE COVER

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15.9-1 Attachment - Plant and Equipment Asset Management Plan



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1. SUMMARY

- 1.1 This asset management plan is prepared to meet the minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.
- 1.2 Uralla Shire Council and its employees will strive to uphold and follow the practices outlined in this Plant and Equipment Asset Management Plan.
- 1.3 This Plant and Equipment Asset Management Plan is one of seven asset management plans (AMPs) covering all community assets for which Council is responsible. These fall under the Asset Management Policy and the Asset Management Strategy.
- 1.4 Asset management planning is a comprehensive process to ensure the delivery of services from infrastructure are provided in a financially sustainable manner.
- 1.5 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.
- 1.6 Council plant and equipment assets assist Council to undertake its functions and provide quality services aligning with Council's:
 - 1.6.1 Community Strategic Plan
 - 1.6.2 Delivery Plan
 - 1.6.3 Operational Plan
 - 1.6.4 Long Term Financial Plan
- 1.7 The key issues factored into Council's Plant and Equipment asset management include:
 - 1.7.1 Maintenance and repair costs
 - 1.7.2 Replacement or rehabilitation cost
 - 1.7.3 Age of asset
 - 1.7.4 Life cycle of asset
 - 1.7.5 Integrating new technologies
 - 1.7.6 Hire costs
 - 1.7.7 Usage and data capture
 - 1.7.8 Employee compliance
 - 1.7.9 Budget
- 1.8 The plant and equipment assets comprise of machinery, vehicles and small equipment utilised in the following service areas:
 - 1.8.1 Roads and Infrastructure construction, renewal and maintenance.
 - 1.8.2 Parks and garden maintenance.

1.8.3 Water and sewer infrastructure and maintenance.

1.8.4 Landfill operations.

1.8.5 Kerbside waste collection.

1.8.6 Administration.

1.8.7 Community services.

1.8.8 Aged care facilities.

1.9 Uralla Shire's Plant and Equipment is split into the following Asset Classes:

Table 1: Uralla Shire Council Asset Classes

Heavy Plant	Heavy Trucks	Light Trucks <7.5T	Light Plant	Utilities	Passenger	Small Plant
Graders	Bogie Tippers	Fuel/transport	Road broom	Dual cab	SUV	Push mowers
Rollers	Single Tippers	Maintenance	Plant trailers	Single cab	Sedans	Chainsaws
Excavators	Garbage	2 tonne tippers	Zero turns			Hedge trimmers
Compactors	Prime Mover		Slashers			Brush cutters
Backhoes	Water Carts					Trash pumps
Loaders						Etc.
Low Loader						
Tipper						
Trailer						
Tractors						

1.10 At time of review, September 2021, data recorded in a current active plant register had a replacement value of \$11,008,300. (Appendix A)

1.11 Uralla Shire Council has historically budgeted, in its 10 year financial plan, 4-year delivery program and annually in its operational plan, for a small surplus regarding the replacement and maintenance of its plant and equipment, thus fully funding its non-cash depreciation expense. The depreciation, plus trade-in/sale prices received and surplus plant usage income is utilised for the plant and equipment pool to carry out the planned replacement program and annual maintenance.

1.12 The capital expenditure required, for the forward estimates of the ten year plant replacement program, is \$9,371,800. This is an average of \$937,180 per annum. This expenditure is funded by the non-cash depreciation plus the balance of income verse expenditure of \$6,875,000 (or an average of \$687,500 per annum) plus trade in/sale prices of \$3,118,500 (annual average of \$311,850). A surplus per annum average of \$62,170. Annual forecasts tabled in Appendix B.

1.13 So that Council has the financial resources to achieve this surplus and mitigate any deficit risk for the plant and equipment asset replacement schedule, Council staff will:

- 1.13.1 Undertake timely replacement of major plant items within the detailed programmed 10 year replacement program.
- 1.13.2 Undertake timely replacement of small plant items within the detailed programmed small plant 4 year replacement program.
- 1.13.3 Analyse the usage trends and needs of all current, additional and future items. Identifying assets surplus to needs for disposal to make savings in future operations and maintenance costs.
- 1.13.4 Analyse current hire rates, replacement vs rehabilitation, and strategise to resolve any plant replacement funding deficit.
- 1.13.5 Apply Council's Procurement Policy to obtain best value for money for council.
- 1.13.6 Restrict funds from the programmed plant replacement budget not expended in a particular year (for those assets that were not able to be purchased in that year) for the purchase of those assets in the following year.
- 1.13.7 Continually improve asset knowledge so that data accurately records the asset inventory and usage.
- 1.13.8 Capture third party hire usage and subsequent charges to enable accurate accounting.
- 1.13.9 Schedule works programs to suit current plant and equipment capacities.
- 1.13.10 Analyse rates of hire to optimise plant income.
- 1.13.11 Establish the fair value of the assets and determine the appropriate rate of depreciation of these assets.
- 1.13.12 Balance service levels and costs so that the community receives the optimum return from the plant and equipment pool.
- 1.13.13 Develop partnerships with third parties, where available, to provide services and/or bulk purchase of plant.
- 1.13.14 Develop options and prioritise for future plant and equipment.
- 1.13.15 Continue to improve Council's efficiency in operating, maintaining, replacing existing and renewing assets to optimise life cycle costs and return on trade-in and sales on disposal.
- 1.14 There are other risks associated with providing adequate plant and equipment for Council services. The following major risks have been identified in managing the plant fleet:
 - 1.14.1 Major plant items not being available due to breakdowns caused by age or lack of maintenance.
 - 1.14.2 Reduction in quality of service from ageing or under maintained plant and equipment.
 - 1.14.3 Safety to operators and the general public.
 - 1.14.4 Delays in works programs, business disruption and public access.

- 1.14.5 Council will endeavour to manage these risks within available funding by:
 - 1.14.6 Proactively maintaining plant and equipment to serviceable levels.
 - 1.14.7 Regularly analysing staffing strategy, to develop and keep the necessary knowledge and skills base for the future.
 - 1.14.8 Replace plant to the schedule of replacement programs to maximise the life and residual value of the asset, while considering safety of operation.
 - 1.14.9 Train plant operators to the level required to operate the machinery in their care.
- 1.15 Council, through this asset management plan, will endeavour to have enough funding to provide all services at the desired service and replacement levels, while maximising the benefit to the community in the most feasible manner.

2. INTRODUCTION

2.1 Background

- 2.1.1 This asset management plan defines and demonstrates 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.
- 2.1.2 The asset management plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated Council planning documents:
- Community Strategic Plan
 - Delivery Plan
 - Operational Plan
 - Long Term Financial Plan
- 2.1.3 This plant and equipment asset management plan has a direct relationship with the following associated planning process and documents Figure 1:



Figure 1 – Asset management planning process within the Integrated Planning and Reporting Framework

- 2.1.4 The Plant and Equipment Asset Hierarchy, supporting Council's Key Service Areas per the 2021/22 Operational Plan:



- 2.1.5 Council's current plant and equipment assets covered by this asset management plan are tabled in Appendix A.
- 2.1.6 Plant assets are defined as long-term fixed capital items that are used to produce or sell products and services for Council. These assets are tangible in nature and are expected to produce benefits over a long term period. Plant items are listed in an asset register and given plant numbers if the asset is utilised over more than one different service of Council.

2.2 Goals and Objectives of Asset Management

- 2.2.1 The Council exists to provide services to its community. Most of these services (from a value perspective) are provided by infrastructure assets. The provision of infrastructure assets is supported by plant and equipment. Council has acquired infrastructure assets by 'purchase', by contract, construction by Council staff and by donation of assets constructed by developers and others to, over time, increase the levels of service.
- 2.2.2 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 cost management 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 future demand analysis and infrastructure investment;
 - managing risks associated with asset failures;
 - sustainable use of physical resources; and
 - continuous improvement in asset management practices.
- 2.2.3 The purpose 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.

- 2.2.4 This Asset Management Plan is prepared under the direction of Council's vision, mission, goals and objectives as set out in the Community Strategic Plan.
- 2.2.5 **Council's Vision is:** In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.
- 2.2.6 **Council's Mission is:** Uralla Shire Council listens to and facilitates the aspirations of the community.
- 2.2.7 **Council's Community Strategic Objectives:**
1. We have an accessible, inclusive and sustainable community.
 2. We drive the economy to support prosperity.
 3. We are good custodians of our environment.
 4. We are an independent shire and well-governed community.
- 2.2.8 For the Uralla Shire road networks, sealed and unsealed, are critical to economic and social interaction throughout the Shire. The continuing maintenance and construction of the Council road network into the future depends on funding and a modern, well maintained plant and vehicle fleet.
- 2.2.9 Plant and equipment assets are inspected, maintained, upgraded and renewed as necessary so that they:
- reach their expected lifecycle,
 - perform to their maximum capability,
 - satisfy community expectations and needs,
 - satisfy budget limitations, and
 - meet safety and other regulatory requirements.
- 2.2.9 With respect to this Plant and Equipment Asset Management Plan, Uralla Shire Council's relevant strategic objectives and organisational goals relating to this plan are listed in Table 2 below and are addressed throughout this plan in the following way:

Table 2: Organisation Goals

Strategic Objective	Goals	How Goal and Objectives are addressed
To own and operate a modern plant fleet, of appropriate size and composition, effectively and efficiently, in order to carry out the provision of services for the benefit of the Shire's residents.	That plant, equipment and vehicles are maintained in a serviceable condition at all times.	Maintain a service register of all major equipment and ensure that staff and skill levels are maintained to achieve full servicing. Small plant and tools maintained.
	That Council's operators and workshop staff are adequately skilled and appropriately licensed and have access to modern tools and equipment.	Send staff to appropriate training courses which are to be included in Council's training plan. Keep staff records of all licences needed and held.
	To achieve no less than 1000 operating hours per year for major plant items and 1500 operating hours for key machines such as graders.	Vary start and finish times for crews on the job when working at sites more than 30km from the depot. Review work practices to take advantage of good weather conditions.
	To set plant hire rates; which will cover plant operating costs and provide a small surplus.	Rates set by staff using historical records. Staff to consider third party rates.
	Maintain a ten year plant replacement program to maintain a modern and efficient fleet.	Replacement purchases and sales by tender or quotation. Agreed upon by staff after any necessary analysis.

2.3 Plan Framework

2.3.1 Key elements of this Plant and Equipment Asset Management 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

3. LEVELS OF SERVICE

3.1 Legislative Requirements

- 3.1.1 Council has to meet many legislative requirements including Australian and state legislation and state regulations. Key legislation is listed in Table 3.

Table 3: Legislative Requirements

Legislation	Requirement
Road Rules 2014 – NSW Regulation	Sets the requirements for vehicles and operators using roads. Obtained from the NTC – Australian Road Rules.
National Transport Commission - Australian Road Rules	Form the basis of road rules for each Australian state
Australian Standards	Provides guidance for transport asset managers in use of transport services
<i>Local Government Act 1993</i>	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.
<i>NSW Roads Act 1993</i>	Provides authority to Council for administration and development of roads.
<i>NSW Road Transport Act 2013</i>	Sets the requirements for vehicles and operators using roads.
RTA NSW regulations	Provides requirements for vehicle configurations including dimensions, axle loads, weights, capacities, speeds, traffic management, warning signs, lights etc., noise emissions, chemical emissions, minimum safety standards, licensing requirements, conditional registration, and registration.
<i>Road Vehicle Standard Act 2018</i>	Sets the requirements for vehicle and operational safety.
<i>Motor Dealer & Repairs Act 2013</i>	Sets requirements for the repairs of plant and vehicles.
<i>Road Vehicle Standard Rules 2019</i>	
<i>Environmental Planning and Assessment Act 1979 (EP&A Act)</i>	Set out the guidelines used by Council to provide sustainable and environmentally responsible planning, development and land use.
<i>Environmental Planning and Assessment Amendment Act 2008</i>	
<i>Protection of the Environment Operations Act</i>	Sets environmental standards, goals, protocols and guidelines to reduce pollution and environmental harm.

3.2 Current Levels of Service

- 3.2.1 Council has defined service levels in two terms.
- 3.2.2 **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.
- 3.2.3 Community levels of service measures used in the asset management plan are:
- | | |
|----------|----------------------------|
| Quality | How good is the service? |
| Function | Does it meet users' needs? |
| Safety | Is the service safe? |

3.2.4 **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.

3.2.5 Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as hours of operation, maintenance frequency, operating efficiencies, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to its original condition (e.g. routine plant maintenance and emergency maintenance capacity).
- Renewal/Rehabilitation – the activities that return the service capability of an asset up to that which it was as new. Renewal -complete changeover, old to new. Rehabilitation – refurbishing and upgrading components.

3.3 Desired Levels of Service

3.3.1 Indications of desired levels of service are obtained from various sources including service requests and correspondence, feedback and maintenance schedules.

3.3.2 Council's current service levels are detailed in Table 4.

Table 4: Current Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Equipment is maintained to quality standards and meets service demand.	Machinery breakdown time	All equipment serviced within 10% of recommended interval. Breakdowns are assessed within 24hrs with a plan of action drafted. Repairs are completed within 1 week from receiving necessary parts.	Desired level of service is being achieved >95%.
Function	Appropriate plant and equipment is available for tasks and can be operated with ease.	Feedback on suitability of council owned plant and equipment	>80% of operational tasks completed with Council owned equipment. <20% of operational tasks are completed with hired equipment	Desired level of service is being achieved.
Safety	Plant and equipment is used safely and checked for safety issues.	Number of incidents requiring investigation. Number of incidents requiring mandatory reporting. Plant pre-start checks are completed.	< 4 plant / equipment incident reports requiring investigation per year < 2 plant/equipment incident reports requiring mandatory reporting. Pre-start checks of plant are completed >95% of time.	Records reveal that all works staff have the appropriate current licences. Machinery is checked regularly to a program of work.

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
TECHNICAL LEVELS OF SERVICE				
Operations	Utilisation of plant and equipment to its full potential.	Number of operating hours.	Achieve 1,000 operating hours per year for major plant items and 1,500 operating hours for key machinery.	Desired level of service is being achieved.
Accessibility	Hire of machinery	Rate of hire.	Surplus on plant operation plus depreciation to fund plant purchases.	Desired level of service is not being achieved. Analysis is required
Maintenance	Maintain to a serviceable condition.	Reports to management on the number of major breakdowns/or accidents due to faulty plant.	A reduction in machinery and equipment faults and breakdowns.	Desired level of service is being achieved.
		Service register	Maintain a service register to record that equipment is maintained to full servicing and staff have the skills necessary to service plant and equipment	Service registers maintained for plant and vehicles by Plant Manager.
Rehabilitation	Repair plant and equipment as necessary and only if economically viable.	Cost of part repair versus replacement cost.	Plant and equipment reaches/ fulfils its usable life.	Market sale prices being achieved.
Renewal	Maintain a ten year planned plant replacement program for life of asset to maintain a modern and efficient fleet.	Successful delivery of the Replacement Program	Plant and equipment can cope with the demand of services.	Desired level of service is being achieved.
	Maintain the four year planned small plant replacement program. Maintain a tool register.		Tools are up-to-date and able to cope with works demand.	Desired level of service is being achieved.

4. FUTURE DEMAND

4.1 Demand Forecast

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

4.1.2 Demand factor trends and impacts on service delivery are summarised in Table 5.

Table 5: Demand Factors, Projections and Effect on Services

Demand factor	Present position	Projection	Impact on services
Population	6,048 (2016 Census)	Department of Planning and Infrastructure and Environment predicting minor increases annually of 1.0% over the next 10 years to 7,450 in 2031.	As the population increases there is greater pressure on Council to provide additional Community services.
Demographics	As of 2016, 52% of the population were 45 years and over.	There will be a concentration of older residents in the next two decades.	A high demand on aged care services and community facilities over the coming 20 years.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Council will be required to implement further sustainability measures.	This requires Council to be focused on fuel consumption and associated emission controls to meet environmental standards and regulations.
Technology	Plant and equipment will increasingly become more technologically advanced	Staff will need to upgrade skills more frequently.	Increased budget allocation for staff training.

4.2 Changes in Technology

- 4.2.1 Technology changes forecast to affect the delivery of services covered by this plan are detailed in Table 6.

Table 6: Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Diesel conversion	<p>Council is currently purchasing machinery and vehicles with diesel engines when replacing units and where the machine/vehicle has long operating hours.</p> <p>This will increase costs in the short-term in capital acquisition; however a reduction in operating cost in the long term.</p>
Emissions standards	<p>An increasingly demanding European Emission Standards means increased costs and changes to service processes.</p> <p>No effect on service delivery, however there will be a reduction in emissions from plant and vehicles. However, pending on the type of emission control, may increase the plant running costs, ie ad-blue exhaust gas additive.</p>
LPG	<p>Council has previously investigated moving towards LPG powered vehicles, however with the cost of LPG 2/3 of diesel (2021) the long-term cost-benefit is not yet established.</p>
Electric	<p>Council has recently, informally (TLFSW), considered electric powered passenger cars. The high costs of these vehicles and poor trade in value deemed them of no benefit as at 2021; however, this is anticipated to change within the next decade.</p>

4.3 New Assets for Growth

- 4.3.1 Council will analyse and investigate the need for additional plant and equipment.
- 4.3.2 New plant and equipment are those assets that Council did not previously possess, or plant and equipment expenditure that upgrades or improves an existing asset beyond its existing capacity. They may result from the need to support growth, social or environmental needs.
- 4.3.3 New assets and upgrade/expansion of existing assets are identified from various sources such as staff, councillor or community requests, proposals identified by strategic plans or reports, analysis of external plant hire charges incurred, testing or demonstrations of new technologies, or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds are scheduled into replacement programs.
- 4.3.4 Acquiring these new assets (e.g as in Figure 2) commits council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required.



Figure 2 – Landfill Compactor (acquired 1 September 2021)

5 LIFE CYCLE MANAGEMENT

5.1 Acquisition

5.1.1 Acquisition of plant and equipment for Uralla Shire is the responsibility of the Fleet Stores and Workshop Team Leader, in conjunction with the Director Infrastructure and Development and the General Manager.

5.1.2 Parties will pay attention in detail and abide by all documents relating to the acquisition of plant and equipment, with regular review.

5.1.3 Legislation, policies and control documents for acquisition are:

Local Government Act 1993 (NSW)

USC Procurement Framework and Principles

Local Government (General) Regulation 2021 (NSW)

USC Procurement Policy

Public Works and Procurement Act 1912

USC Purchasing Procedures

Occupational Health and Safety Act 2011

USC Rolling 10Yr Plant Replacement Program

Road Vehicle Standards Act 2018

USC Rolling Small Plant Replacement Program

5.2 Capacity

5.2.1 Staff directly responsible for the direction for use of plant and equipment should take care and consideration to each assets usage capacity. Works programs should be scheduled so an even balance can exist between plant and equipment use, external hire and budget so as not to cause deficiencies in service or strains on Uralla Shire's plant and equipment capacities.

5.2.2 Locations where deficiencies in service performance are known are detailed in Table 7.

Table 7: Service Capacity

Plant Category	Capacity Deficiency
Heavy Plant	Capacity matches our requirements. Any service deficiency is met by the hire of plant. Hire costs are to be regularly analysed to determine, whether new plant or retaining a potential trade unit, is warranted.
Heavy Trucks	
Light Trucks	
Light Plant	
Other	Annual replacement programmes maintain equipment at service capacity

5.3 Risk Management

5.3.1 Risk management is the identification, evaluation, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability or impact of events or to maximise the realisation of opportunities. Mitigation factors in relation to key plant and equipment activities are detailed below.

- 5.3.2 Maintenance: plant and equipment maintenance is carried out to manufacturer specifications on a regular basis outlined by the manufacturer. Safety inspections form part of this service schedule.
- 5.3.3 Safety: work, health and safety obligations must be met in relation to the use of all plant and equipment. All personnel are inducted into their area of responsibility with regular checks and inspections documented. Site or activity specific risk assessments are performed with relevant safe work methods statements (SWMS) (for legislated high risk work) and safe operating procedures (SOPs). Daily pre-start plant checks, safety checks at service intervals and pre-purchase safety assessments, form part of Council's plant and equipment safety obligations.
- 5.3.4 Insurance: all Uralla Shire Council's plant and equipment is comprehensively covered under a blanket protection scheme. The Risk Management and Safety Officer is responsible for maintaining the policy and controlling claims. Plant and equipment operators are responsible for reporting incidents within 24hrs of occurring.
- 5.3.5 Plant Selection Criteria: when calling for specifications for plant and equipment all relevant stakeholders are advised and provide contribution. Stakeholders include overseers and operators who in conjunction with the Team Leader Fleet Stores and Workshop set the key criteria for each specific plant or piece of equipment. When calling for quotes or tenders it is a requirement of all parties providing submissions to address applicable safety standards and include a specific risk assessment of the equipment tendered.

5.4 Routine Maintenance Plan

- 5.4.1 Routine maintenance is the regular on-going work that is necessary to keep assets operational such as in Figure 3.
- 5.4.2 Maintenance includes reactive, proactive and specific maintenance work activities.
- 5.4.3 Reactive maintenance is unplanned repair work carried out in response to failures and management/supervisory directions.
- 5.4.4 Proactive 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.
- 5.4.5 Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.
- 5.4.6 Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.
- 5.4.7 Maintenance is carried out in accordance with response levels of service detailed in Appendix C.



Figure 3 – Council's oldest (25yrs) working heavy truck, still serviceable for tar patching operation.

- 5.4.8 The above photograph (Plant 4028 – 1996 Nissan UD Tar Patching Truck) illustrates the benefit of programmed maintenance. Whilst still in use - this unit is in the process of being replaced in November 2021.
- 5.4.9 The Uralla Shire Council's current maintenance expenditure level has resulted in the maintaining of plant and equipment at a standard that is considered to be adequate to meet required service levels.
- 5.4.10 The Uralla Shire Council operates a plant workshop (Figure 4) under the direction of the Team Leader Fleet Stores and Workshop with two senior mechanics. Staffing requirements are reviewed annually in conjunction with the Director Infrastructure and Development.



Figure 4 – Uralla Shire Council Workshop – Uralla Depot

- 5.4.11 Periodic and emergency maintenance work is carried out in accordance with the manufacturers specifications as described in each units maintenance manuals.
- 5.4.12 Council's plant operators are required to complete daily pre start checks on a weekly report and return weekly to the Team Leader Fleet Stores and Workshop. This report includes a whole machine daily check list including engine oil level, water level, major components and daily grease points. There is also a notation of hours and sufficient space to report any defects or repairs required.
- 5.4.13 The Team Leader Fleet Stores and Workshop organises the major maintenance, based upon the weekly reports, to fit into the workshop program. Regular maintenance on plant and vehicles is mostly carried out on the major flexi-day of the outside workforce, when most of the plant and equipment is available in the depot.
- 5.4.14 Accidents are reported immediately through the Incident Reporting System. Any insurance claims are organised through the Risk Management Officer with Council's insurance agent. Council also has a procedure for the reporting of near misses.
- 5.4.15 Council includes the cost of maintenance of its major plant and equipment as part of plant operating costs; which also includes fuel and oil, licencing, registration, insurance and administration costs. These costs are allocated as a dry hire charge to the works and other programs utilising the major plant and equipment. These charges are reviewed annually.

- 5.4.16 The costs of maintenance on community services' motor vehicles are charged directly to the relevant principal activity programs operational cost.

5.5 Replacement/Rehabilitation

- 5.5.1 Replacement is defined as the changeover of an item. The complete replacement of an old item of plant or equipment to a new one of the same function.
- 5.5.2 Rehabilitate is defined as the repair or refurbishment required to bring an old item of plant or equipment to its original service potential.
- 5.5.3 Replacement expenditure replaces or rehabilitates an existing asset to its original service potential.
- 5.5.4 Council will perform analysis of replacement verse rehabilitation costs in each individual transaction to achieve the best value outcome achievable.
- 5.5.5 Rehabilitation will be undertaken using 'low-cost' refurbishment methods where practical. The aim of 'low-cost' refurbishment is to restore the service potential for future economic benefits of the asset by rehabilitating the asset at a substantial cost less than the replacement cost.
- 5.5.6 Plant and equipment assets requiring replacement or rehabilitation are identified from the 10 Year Plant Replacement Program. The items of plant scheduled for replacement according to the program are reviewed by the Director Infrastructure and Development and the Team Leader Fleet Stores and Workshop referencing life expectancy, age and capacity. The items of plant scheduled for rehabilitation according to the program are usually the product of prior analysis of the said plant or equipment item and are also determined by the same process.
- 5.5.7 Plant and equipment is replaced, through request for quote or tender, to:
- specifications sort after by council staff that fulfil the requirements of the tasks and are within the manufacture' specification parameters; and to
 - relevant clauses in *Local Government Act 1993* and *Local Government (General) Regulations 2021*.

5.6 Disposal

- 5.6.1 Disposal is guided by the Disposal of Assets Policy.
- 5.6.2 Disposal of Council plant and equipment assets forms an integral part of the plant and equipment Asset Management Plan. Disposal sales figures obtained are a key ingredient to the total available funds for plant replacement.
- 5.6.3 Disposals are items of old plant or equipment sold independently as surplus to requirement. Disposals may result from the replacement or decommissioning of an item of plant; however decommissioning is a rare occurrence and only undertaken following a full evaluation and regard of the condition and need of the asset and any alternatives.
- 5.6.4 Disposal should, in every transaction, give the best value to Council.

6 FINANCIAL SUMMARY

- 6.0.1 This section contains the financial requirements resulting from all the information presented in the previous sections of this plan and equipment asset management plan.

6.1 Financial Statements and Projections

- 6.1.1 There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.
- 6.1.2 The capacity to meet the projected/budgeted expenditures is dependent upon the capacity of the organisation to provide sufficient funding from its own resources to sustain the ongoing costs.
- 6.1.3 The Uralla Shire Council funds its new and renewal assets for major plant, machinery and equipment from non-cash expenditure of depreciation, surplus asset income, sale proceeds of trade-in or sale by tender of replaced assets, supported by surpluses in the Council's General Fund. Surpluses in the General Fund means that the non-cash depreciation charge is fully funded and the emerging cash is then available for renewal and new infrastructure asset expenditure.
- 6.1.4 Whilst having fully funded capital expenditure for the renewal, rehabilitation and new plant and equipment; it is imperative for the long term sustainability of the Council's plant, machinery and equipment assets for those assets to be fully maintained. The Council has to be able to afford to fund the maintenance life cycle cost of holding assets.
- 6.1.5 Uralla Shire Council has a history of fully funding its maintenance and repair program from plant income resources. The consolidated forward estimates provide sufficient funds for maintenance of plant and equipment, so that even reasonable unforeseen eventualities can be met. Such eventualities include the break-down expenditure costs for major plant items outside of the regular programmed maintenance and replacement of wearable parts.
- 6.1.6 Life Cycle Cost: Life cycle costs (or whole of life costs) are the total annual costs that are required to sustain the service levels over the assets life. Life cycle costs include the original purchase, operations, depreciation and maintenance expenditure to hold the asset over its period of use.
- 6.1.7 A comparison should be used between the predicted life cycle costs and actual life cycle expenditure to highlight any differences. If the life cycle expenditure is more than that life cycle cost, it is most likely that charges will need to be increased to meet requirements.
- 6.1.8 Knowing the extent and timing of any required outlays, and the service consequences if funding is not available, will assist Council in providing services to the community in a financially sustainable manner.
- 6.1.9 This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide the sufficient level of service to the Community over a 10 year period. This plan provides input into the 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

- 6.1.10 **Financial Sustainability Indicators:** 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.

6.2 Funding Strategy

- 6.2.1 Projected expenditure is to be funded from future operating and capital budgets. The funding strategy is detailed in Council's Ten Year Financial Plan:

The Uralla Shire Council funds its new and renewal assets for major plant, machinery and equipment from non-cash expenditure of depreciation, sale proceeds of trade-in or sale by tender of replaced assets, supported by surpluses in the Council's general fund. Surpluses in the general fund means that the non-cash depreciation charge is fully funded and the emerging cash is then available for renewal and new infrastructure asset expenditure.

Whilst having fully funded capital expenditure for the renewal, rehabilitation and new plant and equipment; it is imperative for the long term sustainability of the Council's plant, machinery and equipment assets for those assets to be fully maintained. The Council has to be able to afford to fund the maintenance life cycle cost of holding assets.

The Uralla Shire Council has a history of fully funding its maintenance program be the allocation of an appropriate amount of maintenance, funded from its own resources. The forward estimates therefore provide sufficient funds in its maintenance of plant and equipment, so that even reasonable unforeseen eventualities can be met. Such eventualities include the break-down expenditure costs for major plant items outside of the regular programmed maintenance and replacement of wearable parts.

6.3 Valuation Forecasts

- 6.3.1 Council annually reassesses replacement costs for plant and equipment within the term plant and equipment replacement documents. This occurs when finalising the next year's plant and equipment replacement budget.
- 6.3.2 Asset values are forecast to increase. Factors can include, inflation and acquiring extra units. This is countered to a degree from the increase in depreciation and disposal value.
- 6.3.3 As a result, this increase should be taken into account and factored into the annual revision of the plant hire rates.

6.4 Key Assumptions made in Financial Forecasts

- 6.4.1 The key assumptions made in presenting the information and forecasts contained in this asset management plan are presented to enable stakeholders to gain an understanding of the levels of confidence in the data presented.
- 6.4.1 Key assumptions made in this asset management plan are:
- Plant and Equipment costs will rise by an average of 2.5% per annum.
 - Plant and Equipment will be required at the current service levels due to:
 - RMS Block Grant funding continuing for regional roads
 - Roads to Recovery funding continuing for local roads
 - Roads and bridges component of the financial assistance grants (FAGs) continuing from the federal government budget.

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

- 7.1.1 The financial system used by the Uralla Shire Council is Authority, through a managed service provider contract with Civica Australia. The system is managed by Council's finance section, producing monthly financial reports for management and the Council's Finance Committee, while also producing reports for annual financial statements for audit and production to the Uralla community and other interested parties.
- 7.1.2 Council's significant accounting policies are set out in the annual financial statements Note 1. Those applicable specifically to property, plant and equipment are Sections 4, 6 and 10.
- 7.1.3 Council currently complies with the following standards and regulations with respect to asset accounting:
- AASB116 – Property, Plant and Equipment
 - The Australian equivalents to International Financial Reporting Standards, to the extent that the Australian Accounting Standards and the NSW Local Government Act, Regulations and Local Government Code of Accounting Practice and Financial Reporting require.
 - The Local Government Code of Accounting and financial reporting
 - The *Local Government Act 1993* requires Council to prepare an annual report as to its achievements with respect to the objectives and performance targets set out in its management plan for that year.
 - Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.
- 7.1.4 The determination of expenditure as capital or maintenance is a combination of purpose, value and economic life of the asset received from the expenditure. The guidelines for the determination are set out in Note 1, Section 6 of the Annual Financial Statements as adopted annually by Council.
- 7.1.5 Initial Recognition: All non-current assets purchased are capitalised as the expenditure is incurred and assets are depreciated from the first full year of use. For the initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition. Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition or date of exchange of the asset to arrive at fair value. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
- 7.1.6 Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged.
- 7.1.7 Materiality: assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining and in annually reviewing such thresholds, regard is had to the nature of the asset and its estimated service life.

- 7.1.8 For transportation assets the Uralla Shire council has determined that there will be no threshold value.
- 7.1.9 Subsequent Costs: subsequent costs are added to an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.
- 7.1.10 Maintenance: all other expenditure on transport asset, including the excess of fair value addition expense noted above, is recorded as repairs and maintenance and charged to the Income Statement during the financial period in which they are incurred.

7.2 Asset Management Systems

- 7.2.1 A number of systems and registers are used by the Uralla Shire Council for the purpose of plant and equipment asset management:
- Microsoft® Excel spreadsheets – manipulate, interrogate and report on asset data
 - Civica® "Authority" software – finance system
 - TRIM (© HP Software Division) – document management
- 7.2.2 The responsibility for operating and maintaining the core asset management systems is with the Team Leader Fleet Stores and Workshop and the Director Infrastructure and Development. The development of an annual budget allocation is between the Director, the Finance Manager and the General Manager, based upon the ten year financial plan forward estimates. Refer Appendix B for organisational responsibilities.
- 7.2.3 Currently; there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are no direct links with operations and maintenance expenses and the individual asset.
- 7.2.4 The ongoing maintenance of this system should become a core function within Council's operations. However, as stated in the previous paragraph, there is no link between the asset management system and Authority and this therefore is a required change.

7.3 Information Flow Requirements and Processes

- 7.3.1 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.

7.3.2 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.

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

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8 PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

- 8.1.1 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

- 8.2.1 The asset management improvement plan generated from this asset management plan is shown in Table 8.

Table 8: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Analyse deficiency from 3.5.2 – Asset management / Authority link	CFO		1 year
2	Plant and Equipment Audit	TLFSW		Annually
3	System Plant Data	Finance		Annually
4	Revision 5	TLFSW		4 years

8.3 Monitoring and Review Procedures

- 8.3.1 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.
- 8.3.2 The Plan has a life of 4 years and is due for revision and updating within twelve months of each Council election.

REFERENCES

- 1 Uralla Shire Council Website – www.uralla.nsw.gov.au
- 2 Uralla Shire Council – 2021/2022 Operational Plan
- 3 DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial>
- 4 IPWEA, 2006, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au
- 5 IPWEA, 2008, *NAMS.PLUS Asset Management* Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus
- 6 IPWEA, 2009, *Australian Infrastructure Financial Management Guidelines*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG

APPENDICES

- Appendix A Schedule of Plant and Equipment Assets, at 7 September 2021.
- Appendix B Organisational Structure Responsibilities (relating to Plant and Equipment)
- Appendix C 10 Year Rolling Plant Replacement Program Forecast Expenditure (2021/22 – 2030/31), at September 2021, yearly summaries
- Appendix D 4 Year Rolling Small Plant Replacement Program Forecast Expenditure (2021/22 – 2024/25), at September 2021
- Appendix E Financial Tables
- Appendix F Glossary of Terms

Appendix A – Schedule of Plant and Equipment Assets, at 7 September 2021 (Defined by plant number)

Class	Plant Number	Plant Item Description	Replacement Value
Transport	400505	Holden Colorado LS 4X4 MY18 Single Cab	\$35,000
Passenger	400602	Toyota Camry Altise	\$27,000
Transport	400701	Isuzu D Max 4X4 MY17 Crew Cab SX Manual	\$45,000
Passenger	400801	Mercedes Benz 12 Seater Bus	\$120,000
Light Plant	400901	Bobcat S650H2SPDSJC	\$100,000
Transport	401304	Nissan Navara 4X4 2.3 DSL Man	\$35,000
Transport	401803	Holden 4x2 Crew Cab Pickup LS Manual 2.8L LTD	\$45,000
Transport	401903	Toyota Hilux TGN16R Tray Back Utility	\$30,000
Light Truck	402002	Mitsubishi Canter Dual Cab Light Truck	\$95,000
Light Truck	402102	Fuso Canter Tipper	\$80,000
Heavy Truck	402502	Freightliner BW42YH	\$230,000
Heavy Plant	402602	Tipping Trailer Moore 28" Tandem Axle	\$120,000
Heavy Plant	402701	Brentwood Low Loader	\$135,000
Heavy Truck	402801	Nissan UD CW240K Tar Patching Truck	\$450,000
Heavy Truck	402901	Tar Patching Truck	\$450,000
Heavy Truck	403102	Hino Pro Ranger Pro Water Cart	\$260,000
Light Truck	403303	FUSO Canter (2018) XN 33 FI - 2 tonne tipper	\$80,000
Light Truck	403402	Isuzu NQR 450 Construction Truck	\$110,000
Heavy Truck	403702	FUSO FM65FH Tipping Truck and Watercart	\$250,000
Heavy Truck	403803	Isuzu FVZ 260-300 MWB Auto Water Cart	\$260,000
Light Truck	403903	Mitsubishi FUSO Crew Cab	\$95,000
Heavy Truck	404002	Mitsubishi FM 65FH Tip Truck	\$170,000
Heavy plant	404103	John Deere 624K Loader Z bar 2014	\$350,000
Heavy Plant	404202	Hitachi ZX240LC-3 Excavator	\$250,000
Heavy plant	404302	Hitachi Excavator ZX135US-3	\$175,000
Light Plant	404602	Case JXU 85 FWA	\$100,000
Heavy Plant	404702	CAT 432E2 Backhoe/Loader, Buckets & Quick Hitch	\$220,000
Light Plant	405001	Komatsu FD-25T-16 Forklift	\$35,000
Heavy Plant	405103	John Deere Grader 670G	\$400,000
Heavy Plant	405302	John Deere Grader 770G Reg BU 42 JT	\$400,000
Heavy Plant	405402	John Deere 770 G Motor Grader	\$400,000
Heavy Plant	405703	Vibratory Single Drum Roller (Smooth Drum)	\$190,000
Heavy Plant	405803	Ammann Self Propelled Roller ASC150D-2014	\$190,000
Heavy Truck	406001	Mitsubishi Fuso 4X6 Tipper	\$220,000
Small Plant	406401	Flextool PC46 Compactor	\$2,500
Small Plant	406702	Brushcutter 34.6cc 1.6Kw	\$1,000
Light Plant	406802	Superior Slasher LCT 72 Bundarra Depot	\$15,000
Light Plant	407003	Iseki SF370 Mower	\$30,000
Small Plant	407204	Masport 850 Commercial Catch Mower 4000DL	\$1,000
Small Plant	407401	Victa Pro 550 Self Propelled Mower PDD201K	\$1,000

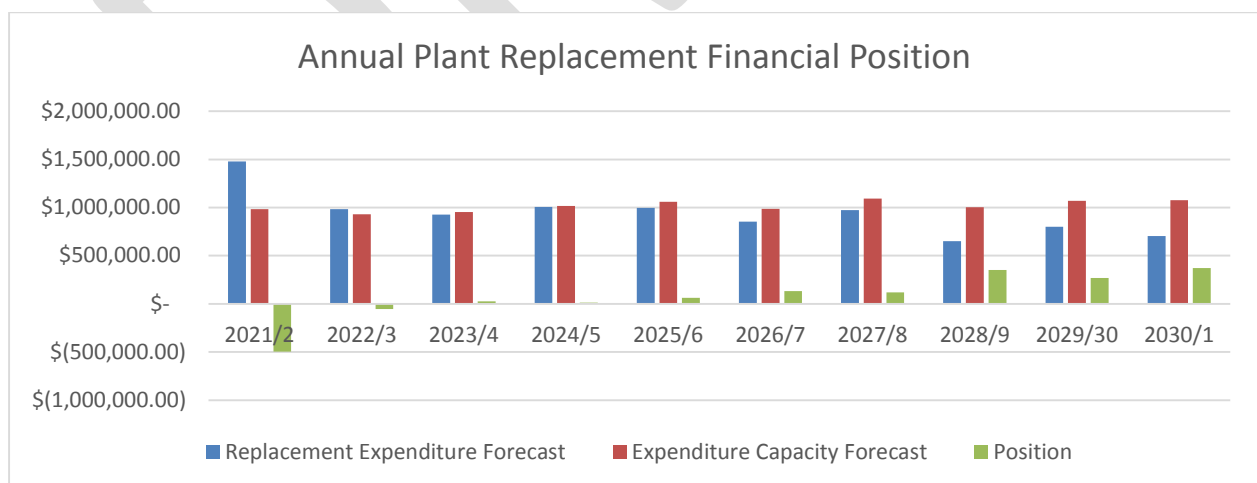
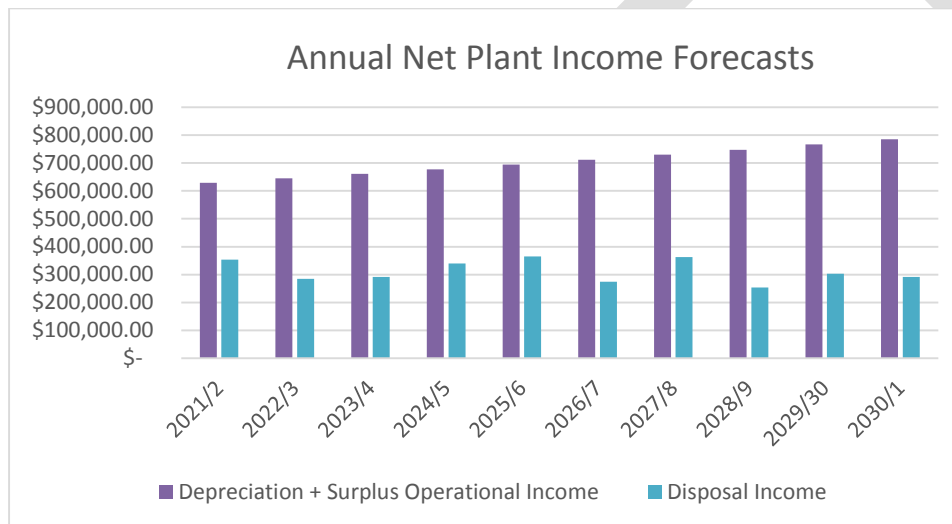
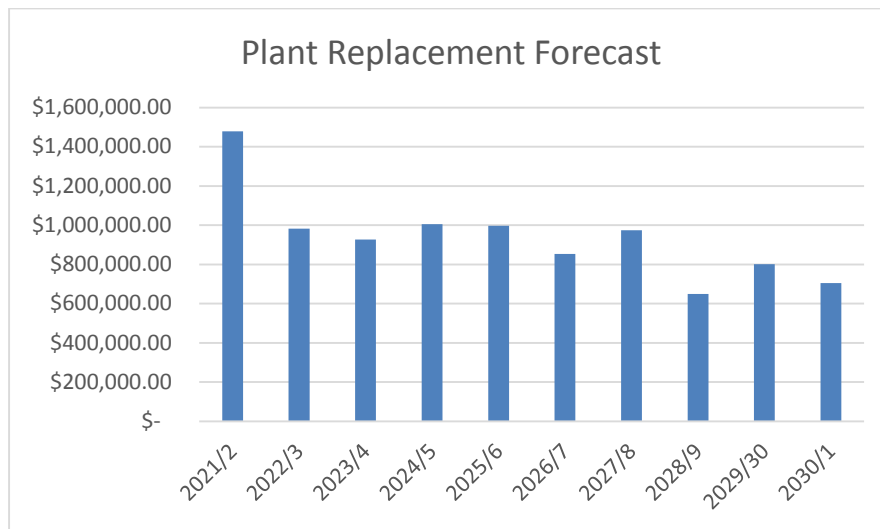
Class	Plant Number	Plant Item Description	Replacement Value
Small Plant	407702	Stihl FS250 Brushcutter	\$1,200
Small Plant	407803	Masport 850 Commercial Catch Mower 4000DL	\$1,000
Light Plant	407902	SUPERIOR LCT72 SLASHER	\$15,000
Small Plant	408001	Kawasaki HE 130A Edger	\$600
Small Plant	408102	Husquvarna Ride On Mower	\$6,000
Small Plant	408303	Stihl FS 250 Brushcutter	\$1,200
Small Plant	408601	Stihl FS 130 Brushcutter	\$1,200
Small Plant	408802	Kelso Cement Mixer	\$3,000
Light Plant	409201	Toro Grand Master 7210 Zero Turn Mower	\$30,000
Small Plant	409501	Stihl TS 400 Concrete Cutting Saw	\$2,800
Small Plant	409701	Stihl TS 400 Concrete Cutting Saw	\$2,800
Small Plant	411501	ABG Y 26 Rock Drill	\$2,000
Small Plant	411801	Kango Hammer 950K	\$2,000
Small Plant	411901	Ramset Nail Gun	\$1,500
Small Plant	412002	Husquvarna 562xp Chainsaw	\$1,500
Small Plant	412202	Husquvarna 562xp Chainsaw	\$1,500
Small Plant	412302	Stihl MS193T Pruning Saw	\$800
Small Plant	412402	Husquvarna 562xp Chainsaw	\$1,500
Small Plant	412602	Husquvarna 562xp Chainsaw	\$1,500
Small Plant	412701	Husquvarna 365 Chainsaw	\$1,500
Small Plant	412801	Husquvarna 365 Chainsaw	\$1,500
Small Plant	412901	Stihl HT75 Pruning Saw	\$800
Small Plant	413201	Wacker Trash Pump	\$2,750
Small Plant	413301	Flextool Motor VE 36/2 and Pump	\$3,000
Small Plant	413601	Watertank with 3" Pump	\$7,000
Light Plant	414302	Sewer CAM SC50-TT1 50M & 20M Recording	\$6,000
Light Plant	415101	Flat Bed Trailer	\$6,000
Light Plant	415201	Electric Eel Model 325 on Trailer	\$10,000
Light Plant	415302	Seca Project Sewer Jetting Trailer and Equipment	\$40,000
Small Plant	415701	Metabo STE80 Jigsaw	\$300
Small Plant	415801	Johnson Outboard Motor (Water Plant)	\$3,000
Small Plant	416101	Husquvarna 325 Hedge Trimmer	\$600
Small Plant	416201	Ramset Dyna Drill	\$1,200
Small Plant	416302	Brushcutter 34.6cc 1.6Kw	\$800
Small Plant	416703	Masport 625EX Utility Mower	\$1,000
Light Plant	416801	Agrifarm AFM/235 Mower	\$10,000
Small Plant	417001	Hitachi Mitre/Radial Saw	\$1,500
Small Plant	417101	Abbot and Ashby Bench Grinder	\$400
Small Plant	417201	Wata Saw Bench	\$600
Small Plant	417401	200 Litre Spray Unit with Hose Reel	\$600
Small Plant	417702	Commercial Hedge Trimmer with Swivel/adj Rear hand	\$800

Class	Plant Number	Plant Item Description	Replacement Value
Small Plant	417801	Stihl FS120 Brushcutter	\$1,000
Small Plant	418301	Fountain Clubline Linemarker	\$2,500
Light Plant	418401	Road Liner A1 GM3000 Linemarker	\$7,500
Small Plant	421001	Mower Mcmaughs	\$800
Light Truck	421201	Isuzu Table Top Truck	\$80,000
Light Plant	421302	Komatsu Forklift FD25T	\$35,000
Light Plant	421402	Topcon GPT-7503 Survey Instrument	\$7,000
Light Plant	421503	Toro Grand Master 7210 Zero Turn Mower	\$35,000
Light Plant	421604	Ferris IS2500Z 52"rear discharge mower	\$22,000
Transport	421803	Toyota Hilux 2WD Dual Cab, Reg BX35AM	\$35,000
Light Plant	422001	Shipping Container Construction	\$7,500
Light Plant	422201	Husquvarna Zero Tirn MZ5226 Mower	\$9,000
Light Plant	422401	Sewer Cam Trailer (old 414301) M17282	\$5,000
Small Plant	422501	Stihl Pole Saw HT131 S/N 292901276	\$1,800
Transport	422801	PX Ranger 4x2 XL Single Cab Chassis 2.2L Diesel 6	\$30,000
Passenger	423302	Subaru Forester MY18 2.5i-L CVT Wagon	\$35,000
Passenger	423401	Toyota Camry Altise	\$27,000
Passenger	423502	Toyota Camry Altise 2.5L Petrol Automatic	\$27,000
Passenger	423602	Toyota RAV4	\$35,000
Passenger	423702	Subaru Forester MY18 2.5L CVT Wagon	\$35,000
Passenger	424102	Toyota Camry Altise 2.5L Automatic	\$27,000
Passenger	424201	Nissan X-Trail ST	\$33,000
Passenger	424301	Toyota Hiace Commuter Bus	\$85,000
Passenger	424401	Hyundai I Max Shuttle	\$40,000
Heavy Truck	424501	Iveco Acco 2350G Garbage Compactor Gen V	\$400,000
Light Plant	424601	CS-400 80W Portable Solar Traffic Signal	\$18,000
Light Plant	424701	CS-400 Solar Portable Traffic Signal	\$18,000
Small Plant	424901	Husqvarna 525PT5S Pole Saw Telescoping	\$1,800
Small Plant	425001	Post Driver - CPD Petrol Powered	\$3,000
Small Plant	425101	Post Driver - CPD Petrol Powered	\$3,000
Small Plant	425201	Post Driver - CPD Petrol Powered	\$3,000
Passenger	425301	Mitsubishi Outlander ES AWD	\$37,000
Heavy Truck	425401	Fuso (2018) FU51SK2FAA with steel water tank	\$260,000
Transport	425501	MR Triton Dual Cab 2019 (Bundarra)	\$45,000
Light Plant	425601	Brownco Manual Aggregate Spreader	\$20,000
Light Plant	425701	Brownco Manual Aggregate Spreader	\$20,000
Light Plant	425801	Brownco Manual Aggregate Spreader	\$20,000
Passenger	425901	2019 Mitsubishi Outlander LS 2.2L diesel AWD	\$38,000
Passenger	426001	Toyota Camry Ascent	\$27,000
Passenger	426101	Toyota Camry Ascent	\$27,000
Passenger	426201	Nissan Xtrail TS Diesel 2019	\$33,000

Class	Plant Number	Plant Item Description	Replacement Value
Passenger	426301	Mitsubishi Pajero Sport GLX 4x4 2019	\$42,000
Heavy Plant	426401	Multipac 118H self-propelled smooth drum roller	\$190,000
Light Plant	426501	Digga 2000 Angle Broom Sweeper 2.0m width	\$10,000
Transport	426601	4 x 2 dual cab - landfill transport	\$35,000
Small Plant	426701	Protek LF2200 pipe and cable locator	\$7,500
Transport	426801	4x4 MR Triton Dual Cab - Town Gang	\$45,000
Small Plant	426901	Megajet workstation - Mechanics Ute	\$4,000
Heavy Truck	427001	Isuzu Giga Tipper Truck	\$220,000
Heavy Truck	427101	Isuzu Giga Tipper Truck	\$220,000
Passenger	427201	Subaru Forester	\$35,000
Passenger	427301	Subaru Forester	\$35,000
Small Plant	427401	Husqvarna Chainsaw E Series 120 Mark II	\$650
Small Plant	427501	Stihl Blower BG86C	\$600
Small Plant	427601	Croplands AGR-XL500C 3PL Spreader	\$2,000
Transport	427701	MR Triton Dual Cab 2020 - Construction Ganger	\$45,000
Passenger	427801	Hyundai Tucson Active (Project Manager)	\$35,000
Passenger	427901	Hyundai Tucson Active (WSW Manager)	\$35,000
Small Plant	428001	Metro Count VT5900 Traffic Counter	\$4,000
Small Plant	428101	Metro Count VT5900 Traffic Counter	\$4,000
Small Plant	428201	Metro Count VT5900 Traffic Counter	\$4,000
Heavy Truck	428301	Hino FG1628 Crane Truck	\$190,000
Transport	428401	2020 MR Triton 4 x 4 Dual Cab - Overseer	\$45,000
Transport	428501	2020 MR Triton 4 x 4 Single Cab - Mechanic	\$45,000
Small Plant	428601	Stihl FS240 Brushcutter (Town Crew)	\$1,200
Small Plant	428701	Stihl FS240 Brushcutter (Bundarra)	\$1,200
Small Plant	428801	Stihl HS45 600mm Hedge Trimmer (Uralla)	\$600
Light Truck	428901	Mitsubishi Fuso 2020 FE SC Table Top Crane Truck (\$95,000
Light Truck	429001	Mitsubishi Fuso 2020 FE DC Table Top Truck	\$95,000
Passenger	429101	Nissan X-Trail 4WD Auto DSL TS Series 3	\$33,000
Small Plant	429201	Masterfinish Concrete Vibe 2020	\$1,800
Small Plant	429301	GMAX3400 A1 Roadlines Line Marker	\$7,500
Light Plant	429401	Kubota M8540 FWA Tractor	\$75,000
Small Plant	429501	Flextool 2â€ Pump and Drive	\$2,500
Transport	429601	Hilux 4x2 Workmate 2.4L T Diesel Manual Single Cab	\$30,000
Small Plant	429701	Masport 350 Series 18" Self Propelled Mower	\$800
Transport	429801	Toyota Hilux GUN125R 4x4 SC Ute - Water Gang	\$40,000
Small Plant	429901	Shindaiwa Brushcutter T236	\$800
Small Plant	430001	Shindaiwa Brushcutter T236	\$800
Light Plant	430101	Demag 4000kg Overhead Crane	\$50,000
Light Plant	430201	Box trailer single axle manual tipper	\$5,000
Light Plant	430301	Leachate pump 3 cylinder Hatz diesel engine	\$16,000

Class	Plant Number	Plant Item Description	Replacement Value
Small Plant	430401	Leachate pump Vanguard engine	\$2,500
Light Plant	430501	Hydra-pac HBA wire tie baling machine	\$82,000
Light Plant	430601	Recycling hopper and chain conveyor - Brittos	\$52,000
Light Plant	430701	Recycle belt and electric drive - Brittos	\$52,000
Light Plant	430801	Recycle hopper and press - Brittos	\$52,000
Light Plant	430901	15000L emulsion tank and electric pump	\$70,000
Small Plant	431001	Husqvarna 535RXT Brushcutter - Landfill	\$1,000
Small Plant	431101	Husqvarna 535RXT Brushcutter - Landfill	\$1,000
Small Plant	431201	Husqvarna Ride on Mower - McMaugh's	\$6,000
Small Plant	431301	BG86C Stihl Petrol Blower - Bundarra depot	\$500
Heavy Plant	431401	580ST Case Backhoe Loader - Uralla	\$220,000
Small Plant	431501	MSA Altair 4XR Charcoal 4 Gas Monitor Kit - Bundarra	\$2,500
Small Plant	431601	Hyundai 8KVA Generator DHY8500SE	\$5,000
Small Plant	431701	Metro Count Traffic Counter	\$4,000
Small Plant	431801	Metro Count traffic counter	\$4,000
Small Plant	431901	Metro Count traffic counter	\$4,000
Heavy Plant	432001	Tana E320 Compactor (second hand 4000hrs)	\$750,000
Light Plant	432101	Woods trailers 2 ton tandem tipper trailer	\$14,000
Total Replacement Value			\$11,008,300

Appendix B – Finance Tables



Appendix C - Organisational Structure Responsibilities

Position	Activity	Description	Record Reference
General Manager	Review and approve plan	Approve plan for submission to council	
	Plant Replacement	Approve individual plant replacement within delegation	
		Appoint 3 member panel for plant replacement over delegation (tender)	
	Plant Management	Review and approve analyses for submission to council or purchase	
Director Infrastructure and Development	Review and approve plan	Approve plan for submission to GM	
	Plant Replacement	Review and approve annual replacement schedule	
		Approve individual plant replacement within delegation	
	Plant Management	Review plant analyses	
Chief Financial Officer	Review financial information	Confirm financial position submitted	
Corporate Accountant	Provide financial information	Provide overall plant statistics regarding value, depreciation, expenses	
Accountant	Enter plant data	Create and update plant into Council operating system	
Records Officer	Plant Replacement	Create Corporate TRIM container for plant tenders	
Risk Officer	Insurance	Cover fleet for comprehensive insurance	
		Initiate and control insurance claims	
	Near misses, incidents	Record analyse and report on all near misses or incidents	
Managers/ Overseers/ Team Leaders	Plant Usage	Ensure operators are performing duties	
		Schedule works within capacity	
	Plant Replacement	Analyse plant costs, review plant needs	
		Assist in plant specifications and tenders when required	

Position	Activity	Description	Record Reference
Team Leader Fleet Stores and Workshop	Review plan	Review Plant and Equipment Asset Management Plan. Have revision approved and ready for submission to council.	
	Plant replacement	Maintain 10 year rolling plant replacement program	UINT/20/2734
		Maintain 4 year Rolling Small Plant Replacement Program	UINT/20/10997
		Submit annual replacement schedule to CFO for annual budget approval	
		Analyse plant costs, review plant life cycles, needs and usage.	
		Consult with stakeholders and develop plant specifications	
		Organise Request for Quotes/Tenders, evaluate fairly and submit recommendations	
		Approve individual plant replacement within delegation (small plant)	
		Record contracts over \$20,000 into Contracts Register	UINT/21/10668
	Plant Maintenance	Record service and repairs	U19/7523
		Record plant sheets received	UINT/21/1953
		Liaise with stakeholders and direct line staff on service and repair schedule	
		Maintain and update rolling service and repair schedule	UINT/20/6497
		Oversee plant service and repair	
		Liaise with plant suppliers regarding warranty and/or repair	
		Record and organise registered plant safety checks, Common expiry registrations and CTP	U19/7523
(Senior) Mechanics	Plant Maintenance	Maintain service and repair levels to manufacturer specification and document.	U19/7523
Apprentice Mechanic	Plant Maintenance	Assist in the service and repair of plant	
Operators	Plant Usage	Daily prestart checks	
		Plant operation per manufacturers guidelines and operator manual	
		Record usage on timesheet	
		Submit plant sheet weekly	
		Record and report faults, damage, near misses and incidents	

Appendix D – USC Plant Replacement Summary 2021-2031

(full document - UINT 20/2734)

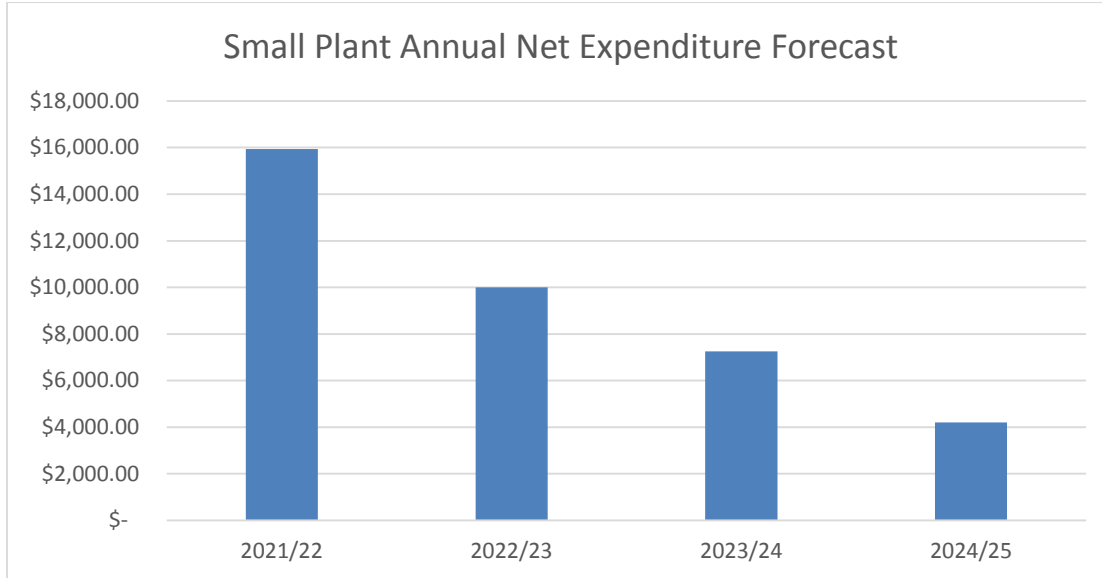
Year	Plant	Description	Net
2020/21	4314	Case Backhoe	\$ 134,000.00
	4289	Fuso Water gang truck	\$ 79,500.00
	4034	Isuzu Construction fuel truck	\$ 85,000.00
	4028	Nissan Tar Truck	\$ 435,000.00
	4150	Woods 2T tipper trailer	\$ 13,500.00
	4294	Kubota tractor	\$ 51,800.00
	4184	A1 Roadliner	\$ 8,500.00
	4284	Mitsubishi utility	\$ 20,000.00
	4298	Toyota Cab Chassis	\$ 18,000.00
	4296	Toyota Cab Chassis	\$ 29,000.00
	4291	Nissan Xtrail	\$ 35,000.00
		Sundry	\$ 40,000.00
			\$ 949,300.00
2021/2	new	John Deere Loader - Landfill	\$ 344,300.00
	4043	Hitachi Excavator	-\$ 50,000.00
	4320	Tana SH Compactor	\$ 363,000.00
	4058	Amman Roller	\$ 150,000.00
	4029	Hino Tar Truck	\$ 435,000.00
	4215	Toro zero mower	\$ 30,000.00
	4018	Isuzu utility	\$ 20,000.00
	4253	Mitsubishi outlander	\$ 18,000.00
	4259	Mitsubishi outlander	\$ 18,000.00
	4233	Subaru forester	\$ 18,000.00
	4235	Camry Altise	\$ 15,000.00
	4242	Nissan XTrail	\$ 22,000.00
	4243	Hiace	\$ 65,000.00
		Sundry	\$ 30,000.00
			\$ 1,478,300.00

Funds bought forward from prior year

Year	Net Projection (2021 Value)
2022/23	\$ 983,000.00
2023/24	\$ 927,000.00
2024/25	\$ 1,015,000.00
2025/26	\$ 996,500.00
2026/27	\$ 853,000.00
2027/28	\$ 974,000.00
2028/29	\$ 667,000.00
2029/30	\$ 801,000.00
2030/31	\$ 704,500.00

Appendix E – Rolling Small Plant Replacement Forecast Summary (2021/22 – 2024/25)

(Full document UINT/20/10997)



Appendix F – Glossary of Terms

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, egg. 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, egg. resurfacing or re-sheeting 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, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

- **Planned maintenance**

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

- **Reactive maintenance**

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

- **Significant maintenance**

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

- **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (egg 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 egg 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, egg. 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, egg 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 is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary



DRAFT

INFORMATION ABOUT THIS DOCUMENT

Date Adopted by Council		Resolution No.	
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Document Development Officer	Asset Manager		
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1	January 2017	First issue – prepared by GHD
2	March 2017	First Issue – reviewed H&B Surveyor
3	July 2017	2 nd Issue – Water & Sewer Removed and further edits – reviewed H&B Surveyor
4	September 2017	Adopted by Uralla Shire Council resolution 25.09/17
5	March 2022	Document reviewed and updated
5.1	10 May 2022	Revisions by Finance Advisory Committee

Further Document Information and Relationships

Related Legislation*	<i>Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation)</i>
Related Policies	Uralla Shire Council Community Strategic Plan Uralla Shire Council Long Term Financial Plan Uralla Shire Council Asset Management Policy Uralla Shire Council Asset Management Strategy
Related Procedures/ Protocols, Statements, documents	NSW Office of Local Government - Integrated Planning & Reporting Guidelines for Local Government in NSW International Infrastructure Management Manual (IPWEA, 2006) ISO 55000 Standards and Australian Accounting Standards

**Note: Any reference to Legislation will be updated in the Strategy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

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1. EXECUTIVE SUMMARY

1.1 Context

- 1.1.1 This asset management plan has been prepared to meet Uralla Shire Council's legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.
- 1.1.2 Uralla Shire Council and its employees will strive to uphold and follow the practices outlined in this Buildings Asset Management Plan (BAMP).
- 1.1.3 This BAMP is one of seven asset management plans (AMPs) covering all community assets for which Council is responsible. These fall under Council's Asset Management Policy and Asset Management Strategy.
- 1.1.4 Asset management planning is a comprehensive process to facilitate service delivery from infrastructure assets in a financially sustainable manner.
- 1.1.5 Asset management plans detail information about infrastructure assets, including actions required to provide an agreed level of service in the most cost effective manner. This plan defines the services to be provided, how the services are provided, and what funds are required to provide the services.
- 1.1.6 Council buildings assets are key to the continued provision of a number of Council services, in that they are used to:
- House Council staff and equipment (e.g. depots, Council chambers, library); and
 - Provide expected services to the community (e.g. amenities, aged care, visitor information, sport, preschool, etc.)
- 1.1.7 To date, the buildings portfolio has been managed on a year-to-year basis, where many issues have been addressed as they arise, and no formalised prioritisation of renewal, maintenance and funding has been undertaken. This has resulted in the deferral of maintenance and repairs to many assets in recent years.
- 1.1.8 Council will undertake a review of community service levels expected of these assets, and prioritise works needed to meet these, and fund the ongoing management of these assets to maintain these service levels.
- 1.1.9 The critical issues factored into Council's buildings asset management include:
- Maintenance and repair costs
 - Replacement or Rehabilitation cost
 - Age of assets
 - Life cycle of asset
 - Integrating new technologies
 - Usage and data capture
 - Budget

1.2 The Buildings Service

- 1.2.1 The assets comprise 96 buildings across the Uralla Shire, of which 21 are considered as major buildings and 45 are minor buildings and the rest other buildings.

1.2.2 Buildings categorised as 'major' buildings have assets recorded at the following building component levels; external finishes, fixtures and fittings, internal, mechanical and electrical, site features and structural. 'Minor' category buildings have been assessed as a whole structure.

1.2.3 Major buildings are listed as follows:

- Bundarra
 - Bundarra Health Centre and Grace Munro Aged Hostel
 - Main Shed - Bendemeer Street
 - Bundarra School of Arts Hall
- Uralla
 - Community Centre
 - Council Chambers
 - Courthouse
 - Depot Amenities and Lunchroom
 - Depot Explosives Bunker
 - Depot Flammables Store
 - Depot Offices and Workshops
 - Depot Old Fuel Store
 - Hill Street Aged Persons Unit
 - Library
 - McMaugh Gardens Aged Care Centre
 - Memorial Hall
 - Preschool
 - Queen Street Caravan Park Caretakers Residence and Office
 - Sporting Complex, Squash Courts and Amenities
 - Tennis Club
 - Uralla Landfill Office and Shed
 - Visitor Information Centre

1.2.4 The minor buildings include 45 buildings in various towns, including amenities, sheds and utility buildings, shelters, site offices, a kiosk, a street stall, rotundas, swimming pool, and a cubby.

1.2.5 As at 30 June 2021 these infrastructure assets have a replacement value of \$26,275,000.

1.3 What does it Cost?

1.3.1 The projected outlays necessary to provide the services covered by this BAMP includes maintenance and renewals. These costs do not include operations costs, and there are no confirmed upgrades at the time of writing this plan.

1.3.2 Council will fund these costs as per the forecast expenditure, therefore the estimated available funding for this period is also \$364,109 on average per year which is 100% of the cost to provide the service. This is a funding shortfall of zero on average per year. Projected expenditure required to provide services in the BAMP compared with planned expenditure currently included in the Long Term Financial Plan are shown in Figure 1.3.2.

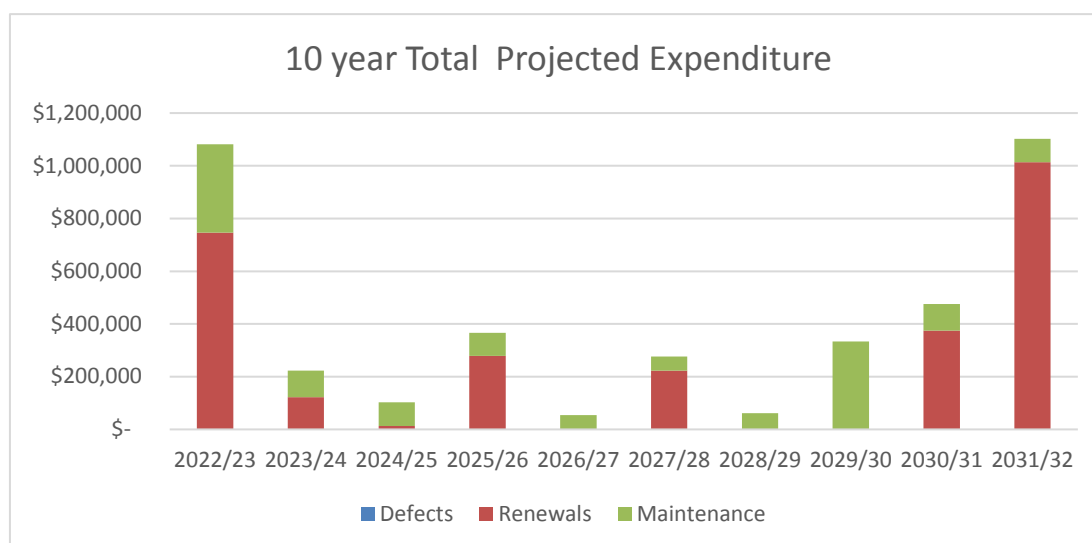


Figure 1.3.2: Buildings Projected and Budget Expenditure

1.4 Managing the Risks

1.4.1 There are risks associated with providing the service and not being able to complete all identified activities and projects. Major risks have been identified as:

- Disruption to other council operations and services
- Deferred maintenance and renewal resulting in large future expenditure

1.4.2 Council will endeavour to manage these risks within available funding by:

- Prioritisation of maintenance and renewal works based on service levels and risks
- Accessing additional funding through grants where possible.

1.5 Confidence Levels

1.5.1 This AMP is based on medium level of confidence information. Asset conditions and values are high confidence based on a visual condition assessment undertaken on the network in preparation for this AMP. However, demand drivers, growth projections, operations expenditure and upgrade/new expenditure is to be better defined.

1.6 The Next Steps

1.6.1 The plan provides framework for good management of building assets by detailing:

- New established levels of service that have be prepared in detail with specific key performance indicators (KPIs). Further consultation is required with community for adaptation
- New simplified improvement plan which highlights on-going or next items for continuous improvement in asset management.

1.6.2 The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$364,109 per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being \$0.3 million per year. This indicates that Council has funded 24% of its required asset expenditure over the period of the plan.

- 1.6.3 The analysis of the asset data and expenditure data suggest that there is an under expenditure on asset renewals and an over expenditure of asset maintenance.
- 1.6.4 A reallocation of expenditure from asset maintenance to asset renewals will initially ensure that Council achieves a 100% renewals ratio. Under the current funding arrangements, it is likely that the condition of these assets will deteriorate and an asset backlog continues developing, as such a greater focus on asset renewals is required.
- 1.6.5 If Council is able to reallocate funds from asset maintenance to asset renewal it would appear that there are sufficient funds available to ensure that the current condition of the building assets are maintained at a high level.

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2. INTRODUCTION

2.1 Background

- 2.1.1 This BAMP defines and demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates the funding needed to provide the required levels of service.
- 2.1.2 The BAMP is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated Council planning documents:
- Community Strategic Plan
 - Delivery Plan
 - Operational Plan
 - Long Term Financial Plan
- 2.1.3 This plan has a direct relationship with the following associated planning process and documents, as set out in Figure 2.1.3:



Figure 2.1.3: Asset management planning process within the Integrated Planning and Reporting Framework

- 2.1.4 Council's current building infrastructure assets covered by this AMP are tabled in Appendix A.

2.2 Goals and Objectives of Asset Management

- 2.2.1 Council exists to provide services to its community. Most of these services (from a value perspective) are provided by infrastructure assets. Council acquires infrastructure assets by 'purchase', by contract, construction by Council staff, and by donation of assets constructed by developers and others to increase the levels of service over time.
- 2.2.2 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 cost management 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 future demand analysis and infrastructure investment;
 - Managing risks associated with asset failures;
 - Sustainable use of physical resources; and
 - Continuous improvement in asset management practices.
- 2.2.3 Assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs so that they:
- Reach their expected lifecycle;
 - Perform to their maximum capability;
 - Satisfy community expectations and needs;
 - Satisfy budget limitations; and
 - Meet safety and regulatory requirements.
- 2.2.4 The purpose 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.

2.3 Core and Advanced Asset Management

- 2.3.1 This asset management plan is prepared as a 'core' asset management plan over a 20 year planning period in accordance with the International Infrastructure Management Manual (IPWEA, 2006). 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.
- 2.3.2 Future revisions of this asset management plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels in a financially sustainable manner.

2.4 Community Consultation

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

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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

- 3.1.1 Council has not yet carried out any formal research on customer expectations in relation to its buildings infrastructure. It is proposed that comments and submissions received during the document's public exhibition period be incorporated into the plan for Council's consideration.
- 3.1.2 Community consultation to determine customer expectations, needs and wishes for all Council services is conducted to inform the development of Council's overarching Community Strategic Plan, which will in turn influence future updates of this asset management plan.
- 3.1.3. Further investigation and consultation may be resourced should Council determine the need to do so.

3.2 Strategic and Corporate Goals

- 3.2.1 This asset management Plan is prepared under the direction of Council's vision, mission, goals and objectives as set out in the Community Strategic Plan.
- 3.2.2 **Council's Vision:** In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.
- 3.2.3 **Council's Mission:** Uralla Shire Council listens to and facilitates the aspirations of the community.
- 3.2.4 **Council's Community Strategic Objectives:**
 - 1. We have an accessible, inclusive and sustainable community.
 - 2. We drive the economy to support prosperity.
 - 3. We are good custodians of our environment
 - 4. We are an independent shire and well-governed community.
- 3.2.5 Infrastructure assets play both a direct and an indirect role in achieving the strategic objectives of the Community Strategic Plan. The following table indicates how Council's buildings assets play a role in the delivery of the key strategies linked to the Community Strategic Plan.

Table 3.2.5: Community Strategic Plan Strategic Objectives

Theme	Strategic Objective	Strategy
Society	We have an accessible, inclusive and sustainable community.	A growing community with an active volunteer base and participation in community events A safe, active and healthy shire A diverse and creative culture that celebrates our history. Access to and equity of services
Economy	We drive the economy to support prosperity.	An attractive environment for the business sector Grow and diversify employment, through existing and new businesses Communities that are well serviced with essential infrastructure
Environment	We are good custodians of our environment	To preserve, protect and renew our beautiful natural environment Maintain a healthy balance between development and the environment Avoid, reduce, reuse (repair), and recycle (recover) wastage to minimise waste disposal Secure, sustainable and environmentally sound water-cycle infrastructure and services

Leadership	We are an independent shire and well-governed community.	Informed and collaborative leadership in our community A strategic, accountable and representative Council An efficient and effective independent local government.
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3.2.6 With respect to this Buildings AMP, the relevant organisational goals relating to this plan are listed in Table 3.2.6.

Table 3.2.6: Organisational Goals

Organisation Goals	How Goals are addressed
To effectively and responsibly manage, maintain and develop Council's infrastructure, operational and financial assets.	Maintenance and application of this AMP. Implement recommended improvements, commit required expenditure to maintain and renew assets.
To provide cultural and recreational facilities to serve the expectations of the community	Development of service levels and community consultation plan. Application of these to prioritise asset works required to meet these community needs.
To ensure that the community is appropriately consulted and well- informed concerning Council's activities and to be responsive to the community's needs.	Development of service levels and community consultation plan. Communication of the content of this AMP in terms of the asset portfolio, its condition and estimated expenditure required to bring it up to, and maintain, those levels of service.

3.3 Legislative Requirements

3.3.1 Council has to meet many legislative requirements including Australian and State legislation and State regulations. Key legislation which is relevant to this plan is listed in Table 3.3.1 below.

Table 3.3.1: Legislative Requirements and Standards

Legislation	Requirement
<i>Local Government Act 1993</i> and <i>Local Government (General) Regulation 2021</i>	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.
<i>Environmental Planning and Assessment Act 1979</i> and <i>Environmental Planning and Assessment Amendment Act 2008</i>	Sets the legislative requirements of buildings and places of public to comply with the National Construction Codes.
<i>Development Act 1993</i>	To provide for planning and regulate development in the state; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate; and for other purposes.
Australian Accounting Standards	Sets out the financial reporting standards relating to the (re)valuation and depreciation of assets
Building Code of Australia 2016	States the minimum requirements for the design, construction and maintenance of buildings
<i>Disability Discrimination Act 1992</i>	An Act that bans discrimination of people based on a disability.
<i>Work Health and Safety Act 2011</i> and <i>Work Health and Safety Regulation 2017</i>	Council must ensure a safe workplace for all its employees and the public.
<i>Heritage Act 2004</i>	An Act that conserves places with heritage value.
<i>Food Act 2001</i>	Council must comply with all necessary requirements of this Act.

Asbestos Removal Code of Practice	States the management and maintenance of asbestos.
Electrical Wiring Code AS3000	States the management and maintenance of electrical installations

3.4 Current Levels of Service

- 3.4.1 Council has defined service levels in two terms: community levels of service and technical levels of service.
- 3.4.2 **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.
- 3.4.3 Community levels of service measures used in the asset management plan are:
- Quality – How good is the service?
 - Function – Does it meet users' needs?
 - Safety – Is the service safe?
- 3.4.4 **Technical Levels of Service** are operational or technical measures of performance which support the community service levels. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.
- 3.4.5 Technical service measures are linked to annual budgets, covering:
- Operations – the regular activities to provide services, such as opening hours, hire facilities, etc.
 - Maintenance – the activities necessary to retain an asset as near as practicable to its original condition (e.g. routine inspections and maintenance.)
 - Renewal/Rehabilitation – the activities that return the service capability of an asset up to that which it was as new. *Renewal* refers to a complete changeover (old to new.) *Rehabilitation* refers to refurbishing and upgrading components.
 - Upgrade – the activities to provide a higher level of service (e.g. refurbishment of a building to accommodate additional facilities) or a new service that did not exist previously (e.g. construction of a new structure.)

3.5 Desired Levels of Service

- 3.5.1 Indications of desired levels of service are obtained from various sources including service requests and correspondence, feedback and maintenance schedules. These asset based level of service have not been fully consulted with the community and may likely be modified in time to fully match community expectations.
- 3.5.2 Council's current service levels are detailed in Table 3.5.2.

Table 3.5.2: Current and Desired Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Target Performance	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Residents are aware of the range of facilities available and how to access them	Customer satisfaction surveys or consultations	80% of the community are aware of the facilities available to them	100%
	Provide adequate physical access to facilities	Disability Discrimination Act (DDA) compliance	80% of public facilities are DDA compliant	50%
	Ensure services are reliable	Community satisfaction survey	90% of the occupiers are satisfied with maintenance response times. Pending development of CRMS system	70%
Function	Facilities provide a good quality experience for all users and customers	Customer complaints	User groups consulted once every two years on their current and future facilities needs	N/A
	Ensure that the facilities provided are being used and meet the needs of the community	Record of facility hire bookings	Number of bookings /uses per year.	No current metrics
Safety	Ensure buildings/facilities are safe and do not cause a hazard to people.	Annual inspections, operational reports and safety audits	Annual Fire Safety Statements are certified for each facility requiring it	TBC
	A safe working environment	H&S reported incidents	Health and Safety audit undertaken annually on high use facilities	50%
TECHNICAL LEVELS OF SERVICE				
Operations	Services are affordable and managed using the most cost effective methods for the required level of service	Review of service agreements and benchmark with other councils	Total operating costs at or below industry benchmarks	unknown
			Maintenance cost/ annual fees for usage (cost recovery)	cost recovery below benchmark
Maintenance	Percent of physical assets in condition 3 or better	Condition assessment	95% for all assets (by value)	100%
Renewal / Rehabilitation	Assets are managed with respect for future generations	Life cycle approach to managing assets	Prepare a 10 year asset condition and age based renewals plan. Ensure the plan is approved by authorities and updated every 4 years.	Plan prepared. Review in place.
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	68%
		Renewal funding ratio	Between 90% and 110%	12.6%
		Long term funding ratio	Between 95% and 105%	36.6%

3.6 Condition and Quality of Assets

- 3.6.1 The condition of Council's buildings assets is currently assessed every five years. This asset condition information is then used to plan the timing of our maintenance and capital renewal activities.
- 3.6.2 Quality has more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.
- 3.6.3 Condition is a measure of an assets physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Council's condition rating matrix is set out in Table 3.6.3.

Table 3.5.3: Description of Condition

Condition Rating	Condition	Description	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition.	Normal/planned maintenance required.	>86%	95%
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues.	Normal maintenance plus minor repairs required (to 5% or less of asset).	65 to 85%	80%
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues.	Significant maintenance and/or repairs required (to 10-20% of asset).	41 to 64%	55%
4	Poor	An asset in poor overall condition, moderate to high deterioration evident.	Significant renewal required (to 10-40% of asset).	10 to 40%	35%
5	Worn	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal.	<10%	5%

- 3.6.4 Building infrastructure assets in condition 4 will require renewal in the short- to medium-term. Assets in condition 5 may require urgent and immediate renewal or replacement. Funding may be needed to support the required level of renewals each year. Council will be allocating funds to an asset renewal reserve each year to help in managing these funding needs.
- 3.6.5 The condition of each building infrastructure asset has been assessed by estimating the proportion of each asset's expected useful life that has been consumed.
- 3.6.6 The current condition ratings of Council's buildings assets as at 30 June 2021 are summarised in Figure 3.6.6.

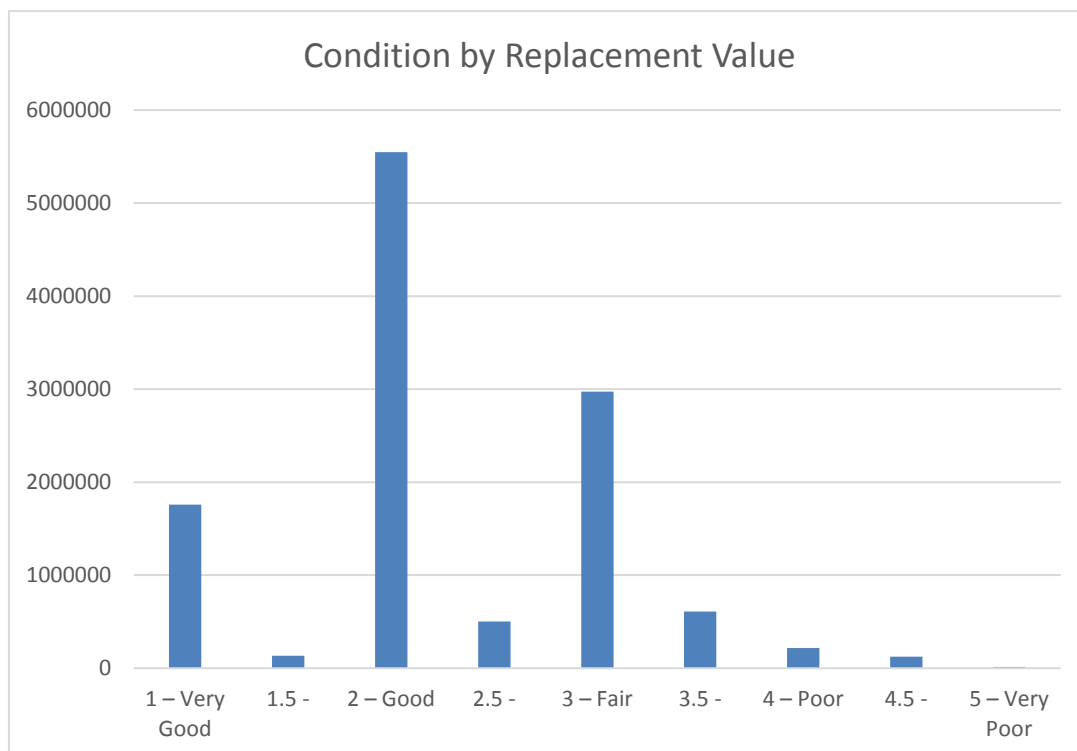


Figure 3.6.6: Asset Condition Profile as at 30 June 2021

3.7 Responsiveness

- 3.7.1 Council places a high emphasis on customer service and its responsiveness to customer enquiries. Council will maintain assets in a workman-like manner and be responsive to the needs of the community now and into the future. Council implements strategies which maintain a high level of customer support.

3.8 Customer satisfaction

- 3.8.1 Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

3.9 Affordability

- 3.9.1 Council will maintain its infrastructure assets in a cost effective affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to maintain assets in their current condition.

3.10 Sustainability

- 3.10.1 Council will maintain its assets in a manner to enable the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

3.11 Health and Safety

- 3.11.1 Council will endeavour to identify and mitigate all key health and safety risks created by provision of services.
- 3.11.2 Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to maintain the asset portfolio to a satisfactory level, and also caters to the future demands of the community whilst balancing the potential risks to the community and the Council.

3.12 Financial Based Service Levels

- 3.12.1 The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the Levels of Service for Council's assets that have been used to provide the basis for the life cycle management strategies and works programme identified within this asset management plan.
- 3.12.2 Levels of Service is a generic term used to describe the quality of services provided by an asset. Specific financial based service levels are described in Table 3.12.2 below.

Table 3.12.2: Financial Based Service Levels

Asset Consumption Ratio	The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential.
Asset Sustainability Ratio	Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.
Asset Renewal and Renewals Funding Ratio	Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its long term financial plan to adequately fund asset renewals.
Asset Backlog Ratio	This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets.
Asset Maintenance Ratio	This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100%.

4. FUTURE DEMAND

4.1 Demand forecast

4.1.1 The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in population change, changes in demographics, lifestyle changes, residential occupancy levels, seasonal and climatic factors, consumer preferences and expectations, technological advancement, economic factors, agricultural practices, environmental awareness.

4.1.2 Demand factor trends and impacts on buildings infrastructure assets are summarised in Table 4.1.2.

Table 4.1.2: Demand Factors, Projections and Impact on Services

Demand driver	Present position	Projection	Impact on services
Population	6,048 (2016 Census)	The NSW Department of Planning, Industry and Environment predicts minor population decrease between 2016 and 2041, from 6,150 to 5,450. ¹	Insignificant impact on services.
Demographics	As of 2016, the median age of people in Uralla Shire was 46 years. People aged 65 years and over made up 20.5% of the population.	The working age population (aged 15-64) is estimated to decrease by 3,750 in 2016 to 2,900 in 2041. The number of people aged 65 and over is estimated to increase from 1,200 in 2016 to 1,700 by 2041.	The trend towards an older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets.
Lifestyle	Sporting, recreational and cultural activities are organised and supported throughout the Shire.	Residents will continue to demand and utilise the sporting, recreational and cultural activities that are currently on offer.	Increased demand for building infrastructure which supports sporting, recreational and cultural activities.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Energy efficiency in Council buildings may be identified as a priority	Initial funding resources required for energy efficiency upgrades.
Climate	Extremes increasing	An increase in average maximum temperatures, resulting in increased public demand for air conditioning in Council buildings.	Additional costs may be incurred to fund environmental initiatives e.g. energy efficient lighting and other systems.

4.2 Changes in Technology

4.2.1 Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.

4.2.2 Technology changes are forecast to affect the delivery of services covered by this plan. Construction techniques, available materials and improvements to plant and equipment will evolve and will be assessed on merit and applied where efficiencies can be achieved in construction and maintenance practices.

¹ <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections>

These figures to be updated following release of 2021 census data (anticipated June 2022.)

4.3 Demand Management Plan

- 4.3.1 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.
- 4.3.2 Non-asset solutions focus on providing the required service without the need for the Council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another council area, or public toilets provided in commercial premises.
- 4.3.3 Opportunities identified to date for demand management are shown in Table 4.3.3. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.3.3: Demand Management Plan Summary

Demand driver	Demand Management Plan
Population	Develop upgrade/renewal works after consultation with the community and other stakeholders that will address their needs and expectations.
Demographics	Identify grant opportunities to retro fit buildings and ensure renewals and upgrades meet current BCA requirements for accessibility.
Climate Change	Identify grant and funding opportunities to retro fit community buildings with environmentally friendly features, which can be maximised during renewals and upgrades.

4.4 New Assets for Growth

- 4.4.1 New building infrastructure assets are those assets that Council did not previously possess, or building infrastructure expenditure that upgrades or improves an existing asset beyond its existing capacity.
- 4.4.2 New assets may result from the need to support growth or to create additional service level capacity.
- 4.4.3 New assets and upgrade/expansion of existing assets are identified from various sources such as staff, councillor or community requests, proposals identified by strategic plans or reports, analysis of external plant hire charges incurred, testing or demonstrations of new technologies, or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds are scheduled into replacement programs.
- 4.4.4 Acquiring new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations and maintenance costs.
- 4.4.5 Council does not currently anticipate demand for new building infrastructure assets over the lifetime of this AMP.

5. LIFE CYCLE MANAGEMENT

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

5.1 Background Data

Physical Parameters

- 5.1.1 This Asset Management Plan covers the infrastructure assets that serve the Uralla Shire's community needs. The assets comprise 96 buildings across the Uralla Shire. Of these buildings, 21 are categorised as major buildings and 45 are minor buildings.
- 5.1.2 Buildings categorised as 'major' buildings have assets recorded at the following building component levels; external finishes, fixtures and fittings, internal, mechanical and electrical, site features and structural. 'Minor' category buildings have been assessed as a whole structure.
- 5.1.3 Asset conditions are set out in Figure 3.6.6.

Asset capacity and performance

- 5.1.4 Council's services are generally provided to meet design standards where these are available.
- 5.1.5 Locations where deficiencies in service performance are known are detailed in Table 5.1.4 below. These service deficiencies were identified from the knowledge of Council management, community enquiries, and Council inspections.

Table 5.1.5: Known Service Performance Deficiencies

Location	Service Deficiency
104 Bridge St Uralla	Toilet vents
Rifle Range Road Rocky River	Two bayonet lights and 40L hot water service
Bendemeer St Bundarra	20m2 single brick building with corrugated iron roof. Separated into 3 sections. One toilet and one hand basin. 3 timber doors.

5.2 Operations and Maintenance Plan

Maintenance Plan

- 5.2.1 Council's maintenance activities for building infrastructure assets include routine, proactive, specific and reactive maintenance.
- 5.2.2 Routine maintenance is the regular ongoing work that is necessary to keep assets operational and to help assets reach their useful life. It includes work on an asset where a portion may fail and needs immediate repair to make it operational again.
- 5.2.3 Proactive maintenance (or 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.

- 5.2.4 Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.
- 5.2.5 In addition to planned maintenance, which is defined and scheduled over the medium-term, Council must also repair unforeseen damage caused by storms or accidents. This type of maintenance is referred to as either reactive or unplanned maintenance.
- 5.2.6 Council's unplanned maintenance work is often carried out because of issues identified through customer requests for service.
- 5.2.7 Routine operational and maintenance activities are set out in Table 5.2.7.

Table 5.2.7: Buildings Routine Operational and Maintenance Activities

Operational Activities	Frequency
Cleaning	Varies from daily (e.g. Council Administration offices) to when an event is held (e.g. parks/showground)
Paying utilities (e.g. electricity, telephone, rates)	Ongoing
Undertaking administration and operational activities within buildings	Ongoing
Responding to customer complaints	As required
Maintenance Activities	
Inspecting building components	Varies by building and component
Undertaking planned maintenance	Varies by building and component
Removing graffiti and repairing vandalised buildings	As required
Undertaking unplanned maintenance and repairs	As required

- 5.2.8 Actual past maintenance expenditure need to be updated since the current data is mixed up.
- 5.2.9 Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.
- 5.2.10 Council's current maintenance expenditure level is less than the required maintenance, meaning that building infrastructure assets are not maintained at a standard that is considered adequate to meet the desired service levels.

Standards and specifications

- 5.2.10 Maintenance work is carried out by Council staff in accordance with the following Standards and Specifications:
- National Construction Code
 - Australian Standards
 - Plumbing & Drainage Standards
 - Electrical Standards
 - Painting Standards

Summary of future operations and maintenance expenditures

- 5.2.11 Future maintenance costs are forecast to trend in line with the value of the asset stock, plus an allowance for increase in levels of service over the planning period. Asset values are forecast to increase at an assumed rate of 2.25 %.
- 5.2.12 Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded, are to be included in the risk assessment process in the infrastructure risk management plan.
- 5.2.13 Maintenance is funded from the operating budget and grants where available.

Operations and Maintenance Strategies

- 5.2.14 Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Effective operation and maintenance activities include:
- Scheduling operations activities to deliver the defined level of service in the most efficient manner;
 - Maintaining and reviewing a current infrastructure risk register for assets on an annual basis. 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 under-utilised 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; and
 - Review management of operations and maintenance activities to obtain best value for resources used.

5.3 Renewal/Replacement Plan

- 5.3.1 Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.
- 5.3.2 Capital renewal activities involve restoring, refurbishing or replacing an asset to bring it back to its original capacity and performance capability.
- 5.3.3 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.
- 5.3.4 The annual required renewal costs reflect the amount needed to be spent on assets that have deteriorated to a point at which renewal is required based on the community's level of service expectations.
- 5.3.5 Typically, building infrastructure assets in condition 4 will provide a poor level of service and will need to be renewed in the short-to medium-term and assets in condition 5 may require urgent and immediate renewal or replacement.

Renewal plan

- 5.3.6 Assets requiring renewal are identified from estimates of remaining life obtained from the condition survey. The estimated service life of whole structure building assets ranges between 50-60 years. Based on the asset conditions recorded in the asset register, approximately 30% of Council's whole structure building assets have a remaining life estimated to be greater than 30 years as shown in Figure 5.3.6.

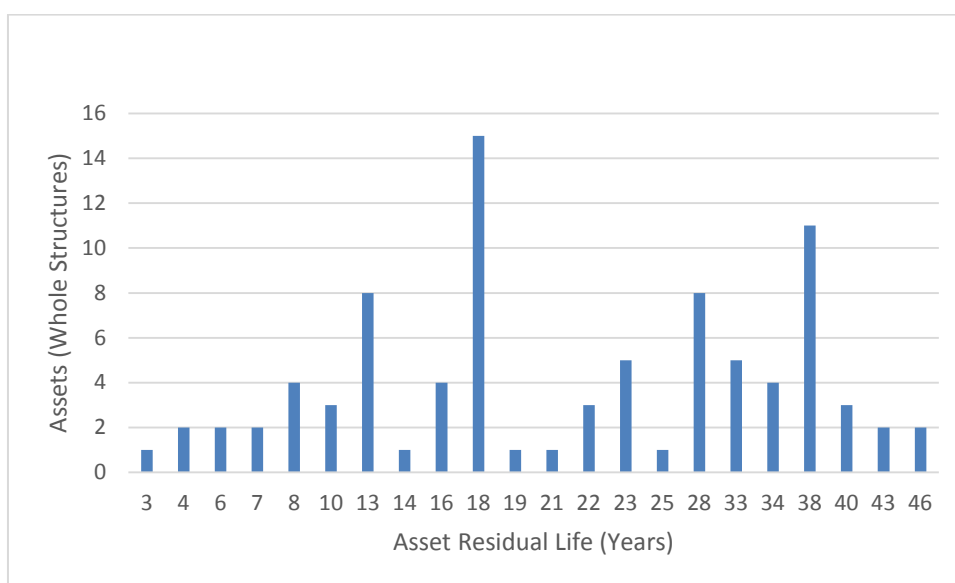


Figure 5.3.6: Buildings Assets- Whole Structures Residual Life as at 30 June 2021

- 5.3.7 The useful lives of building component assets are based on industry standards and are then adjusted, where relevant, to align with local conditions. The range of expected useful lives for our building components is set out in Table 5.3.7.

Building component	Expected useful life (years) of asset components
Floor coverings	25
Mechanical and electrical	36
Fixtures & fittings	36
Walls	50-60
Ceilings	50-60
Roofs	50-60

Figure 5.3.7: Expected useful life of building asset components

- 5.3.8 Council's next scheduled assessment will examine the condition of the building assets and determine renewal requirements. A renewal plan will be prepared on completion of assessment and included in future revisions of this AMP.

Renewal and replacement strategies

- 5.3.9 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; and
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency;
 - 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, 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; and
 - Review management of capital renewal and replacement activities to obtain best value for resources used.

Renewal standards

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

Summary of projected renewal expenditure

- 5.3.11 Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The projected capital renewal program is shown in Appendix A.
- 5.3.12 Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs, are to be included in the risk assessment process in the risk management plan.
- 5.3.13 Renewals are to be funded from capital works programs and grants where available.

Impact of Deferring Renewal Works

- 5.3.14 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.
- 5.3.15 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.

5.4 Creation/Acquisition/Upgrade Plan

- 5.4.1 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. These assets from growth are considered in Section 4.4.
- 5.4.2 Council is not anticipating any significant changes in the populations of the Shire. Therefore, there will be little change in the demand for our building assets.

5.5 Disposal Plan

- 5.5.1 Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.
- 5.5.2 No building infrastructure assets are currently identified for possible decommissioning and disposal.

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6. RISK MANAGEMENT

6.1 Risk Assessment

- 6.1.1 Risk management is defined in AS/NZS 4360:2004 as “the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”.
- 6.1.2 Council is committed to the identification and elimination or reduction of risks associated with hazards that arise throughout Council’s operations as far as reasonably practicable. Our risk assessment process includes:
- Identifying credible risks;
 - Analysing the likelihood of the risk event occurring;
 - Assessing the consequences should the event occur;
 - Developing a risk rating (‘likelihood’ times ‘consequences’, as shown in Table 6.1.3 below);
 - Evaluating the risk; and
 - Detailing a risk treatment plan for non-acceptable risks.
- 6.1.3 An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’ to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Table 6.1.3: Uralla Shire Council Risk Matrix

	CONSEQUENCES				
LIKELIHOOD	Minimal	Minor	Moderate	Major	Catastrophic
Almost certain	Medium	Medium	High	Catastrophic	Catastrophic
Likely	Medium	Medium	High	Catastrophic	Catastrophic
Possible	Low	Medium	Medium	High	Catastrophic
Unlikely	Low	Low	Medium	High	High
Rare	Low	Low	Medium	Medium	High

6.2 Strategic Infrastructure Risks

- 6.2.1 Some high-level infrastructure based risks have been identified that are associated with the management of building infrastructure assets. These strategic risks are identified in Table 6.2.1.

Table 6.2.1: Strategic Infrastructure Risks

Risk Details / Event	Likelihood	Consequence	Risk	Existing Controls	Controls Adequate	Actions Needed / Treatment Plan
Poor design/construction causes damage or injury	Unlikely	Major	High	Designs and construction projects by suitably qualified and experienced people	Y	N/A
Damage caused by vandalism including graffiti	Possible	Moderate	Medium	<ul style="list-style-type: none"> • Install security systems • Hold adequate insurance 	Y	
Overall condition of assets decrease due to inadequate renewal and maintenance programs	Likely	Moderate	High	<ul style="list-style-type: none"> • Inspect assets regularly • Routine maintenance • Conduct renewal work as required • Allocate funds to asset renewal reserve 	N	Develop Asset Inspection strategy and long term renewals plan
Changes in legislation affect responsibilities of the Council	Unlikely	Moderate	Medium	Monitor legislative changes	Y	
Resource constraints affect the management of the assets	Possible	Major	High	None	N	Allocate funds to an asset renewal reserve
Failure of materials supplies	Possible	Major	High	None	N	Obtain alternative supply arrangements for critical materials
Buildings are damaged or destroyed by fire, severe storm, or flooding	Unlikely	Major	High	<ul style="list-style-type: none"> • Maintain and conduct regular inspections of fire alarms and monitor known flooding hot spots • Maintain network as per Stormwater Drainage AMP • Hold adequate insurance • Develop business continuity plans 	Y	
Impact on climate change on assets	Possible	Major	High	Monitor conditions of assets	Y	Identify impacts on assets and develop strategies to manage climate change
Buildings become obsolete / no longer required	Possible	Moderate	Medium	Plan to replace or sell buildings as appropriate	Y	
Buildings fail to meet the Disability Discrimination Act requirements and other codes	Possible	Minor	Medium	Assess assets Optimise funding	Y	

- 6.3.1 Critical assets are specific assets which have a high consequence of failure but not necessarily a high likelihood of failure. For example, failure would cause a financial loss within the community or a marked reduction of service.
- 6.3.2 By identifying critical assets and critical failure modes, Council can target and refine inspection regimes, maintenance plans and capital expenditure plans at appropriate times.
- 6.3.3 Operations and maintenances activities may also be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency and higher maintenance intervention levels.
- 6.3.4 Council has determined that the following building assets are critical assets:
- Uralla and Bundarra Water Treatment Plants
 - Uralla Sewer Treatment Plant
 - Bundarra Sewer Treatment Plant
 - Council Depot
 - Council Administration Offices and Chambers (including main server room)
 - McMaugh Gardens Aged Care Facility
 - Community Centre

7. FINANCIAL SUMMARY

7.1 Financial Statements and Projections

- 7.1.1 This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide the sufficient level of service to the community over a 10 year period. This plan provides input into the long term financial plan aimed at providing the required services in a sustainable manner.
- 7.1.2 The total amount of expenditure for building infrastructure operations, maintenance and capital over the next ten years is forecast to be approximately \$3,266,586.
- 7.1.3 Projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding are set out in Table 7.1.3.

Table 7.1.3: Projected Operating and Capital Expenditure

Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/2032
Income	143,422	147,008	150,683	154,450	158,311	162,269	166,326	170,484	174,746	179,115
Grants	0	0	0	0	0	0	0	0	0	0
Known grants for capital expansion										
Borrowings	0	0	0	0	0	0	0	0	0	0
Total income	143,422	147,008	150,683	154,450	158,311	162,269	166,326	170,484	174,746	179,115
Expenditure										
Operations and Maintenance	56,212	253,131	102,532	90,128	90,932	55,308	55,732	54,828	55,596	54,188
Capital renewal	746,950	122,800	13,000	279,100	0	222,800	0	0	374,500	1,013,350
Capital expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditure	803,162	375,931	115,532	369,228	90,932	278,108	55,732	54,828	430,096	1,067,538
Surplus / (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Renewals

- 7.1.3 Asset age and condition based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

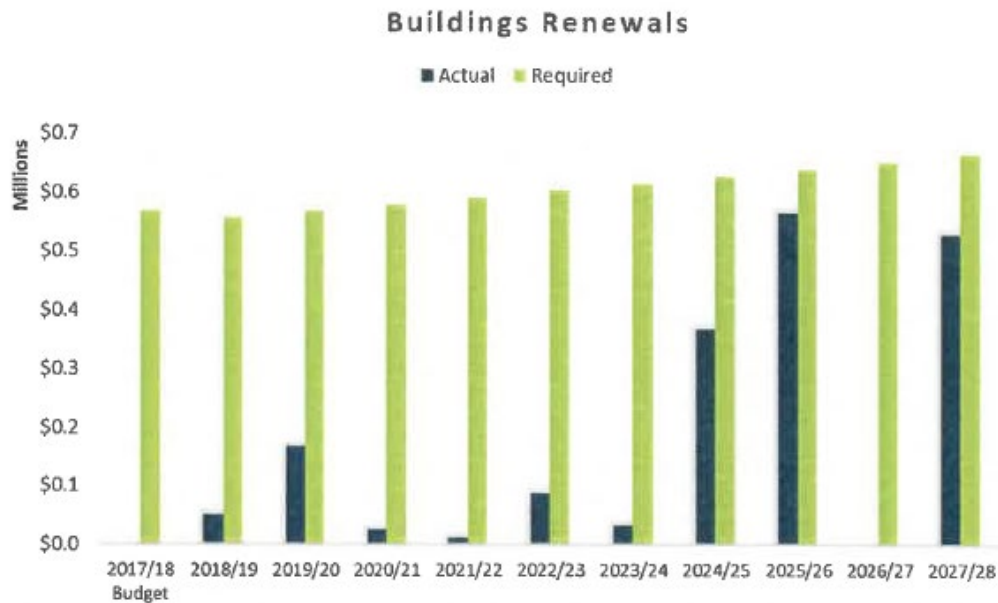


Figure 7.1.3.1 Buildings Renewal Costs

Operations and Maintenance

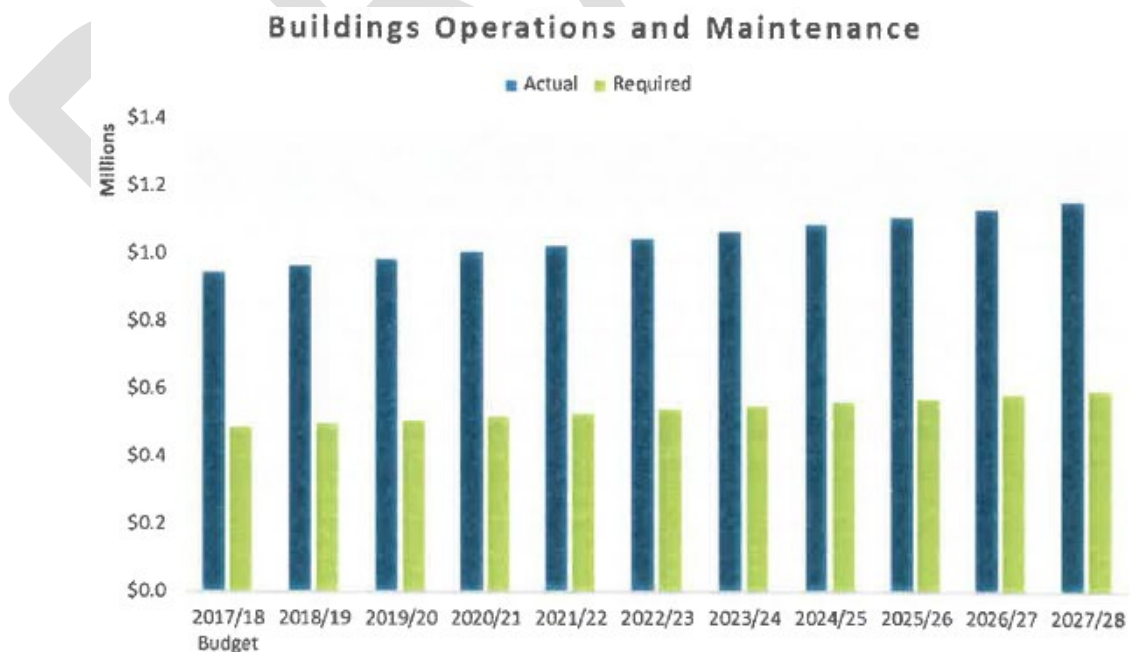


Figure 7.1.3.2 Buildings Operations and Maintenance Costs

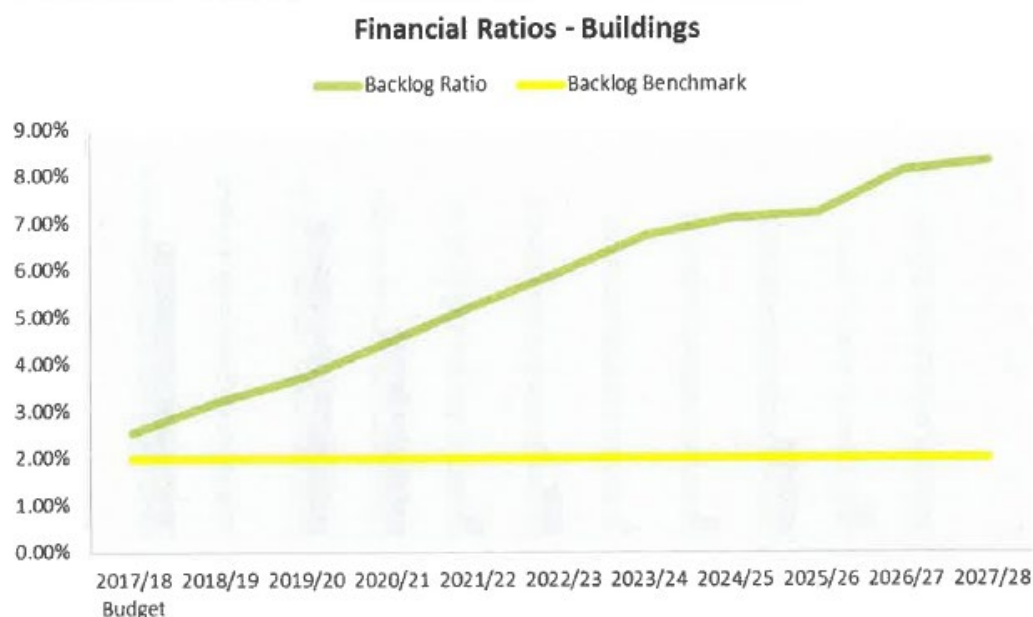


Figure 7.1.3.3 Buildings Financial Ratios

Financial sustainability in service delivery

- 7.1.5 There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.
- 7.1.6 The capacity to meet the projected/budgeted expenditures is dependent upon the capacity of the organisation to provide sufficient funding from its own resources to sustain the ongoing costs.
- 7.1.7 **Life cycle costs** (or whole of life costs) are the total annual costs that are required to sustain the service levels over the assets life. Life cycle costs include the original purchase, operations, depreciation and maintenance expenditure to hold the asset over its period of use.
- 7.1.8 A comparison should be used between the predicted life cycle costs and actual life cycle expenditure to highlight any differences. If the life cycle expenditure is more than that life cycle cost, it is most likely that charges will need to be increased to meet requirements.
- 7.1.9 Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.
- 7.1.10 A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

7.1.11 The expenditure projections in Table 7.1.11 below look at the annual expenditure gap by comparing planned budgets in the Long Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements.

Table 7.1.11: Annual Expenditure Gap in AUD

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ACTUAL										
Renewal	746,950	122,800	13,000	279,100	0	222,800	0	0	374,500	121,950
New and Expanded Assets	0	0	0	0	0	0	0	0	0	0
Maintenance	56,212	253,131	102,532	90,128	90,932	55,308	55,732	54,828	55,596	54,188
Total Expenditure	803,162	375,931	115,532	369,228	90,932	278,108	55,732	54,828	430,096	176,138
REQUIRED										
Required Renewal (Depreciation)	662,068	684,362	707,802	732,471	758,461	785,874	814,824	845,434	877,844	912,209
New and Expanded Assets	0	0	0	0	\$0	0	0	0	0	0
Required O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	662,068	684,362	707,802	732,471	758,461	785,874	814,824	845,434	877,844	912,209
OVERALL (GAP)	141,094	-308,431	-592,270	-363,243	-667,529	-507,766	-759,092	-790,606	-447,748	-736,071

7.1.12 The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

7.1.13 Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Long term – 10 year financial planning period

- 7.1.14 This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.
- 7.1.15 These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.
- 7.1.16 The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is \$ 3,266,586. This is budgeted cost to sustain the current level of service at the lowest life-cycle cost
- 7.1.17 Estimated (budget) operations, maintenance and capital renewal funding is \$364,109 year over the 10 year funding period.

Medium Term – 5 year financial planning period

- 7.1.18 The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$ 1,754,785.

Financial Sustainability Indicators

- 7.1.19 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. Projected asset renewals in the 10 year planning period are set out in Appendix A.
- 7.1.20 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.
- 7.1.21 A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.
- 7.1.22 We manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

7.2 Funding Strategy

- 7.2.1 Council funds building infrastructure assets through rent, hire fees, grants, general funds, and borrowings.
- 7.2.2 Income such as rent and fees is generated from the users and tenants of the building portfolio.
- 7.2.3 Grant funding is required when major projects need to be undertaken.
- 7.2.4 General funds are used in two ways for our building infrastructure assets. Firstly, they are used to support the maintenance of our building infrastructure assets. Secondly, they are used to build an asset renewal reserve each year. This will help in reducing Council's reliance on grant funding for renewal projects.
- 7.2.5 Council also has the option of borrowing to support investments in building infrastructure assets. This option requires careful monitoring of Council's debt service ratio.

7.3 Valuations

Asset valuations

- 7.3.1 The value of assets recorded in the asset register as at 30 June 2021 covered by this asset management plan is shown below. Building infrastructure assets were last revalued at 30 June 2018.

Current Replacement Cost	\$ 26,865,609
Depreciable Amount	\$ 13,701,999
Depreciated Replacement Cost	\$ 13,163,601
Annual Depreciation Expense	\$ 662,067.56

- 7.3.2 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)	96%
Asset renewal (Capital renewal exp/Depreciable amount)	0.05%
Annual Upgrade/New (Capital upgrade exp/Depreciable amount)	0
Annual Upgrade/New (including contributed assets)	0

- 7.3.3 Council is currently renewing assets at 0.045% of the rate they are being consumed and is not increasing its asset stock.

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

Valuation Forecasts

- 7.3.5 Asset values are forecast to increase over the planning period as Asset renewal is minimal
- 7.3.6 Figure 7.3.6 shows the projected replacement cost asset values over the planning period.

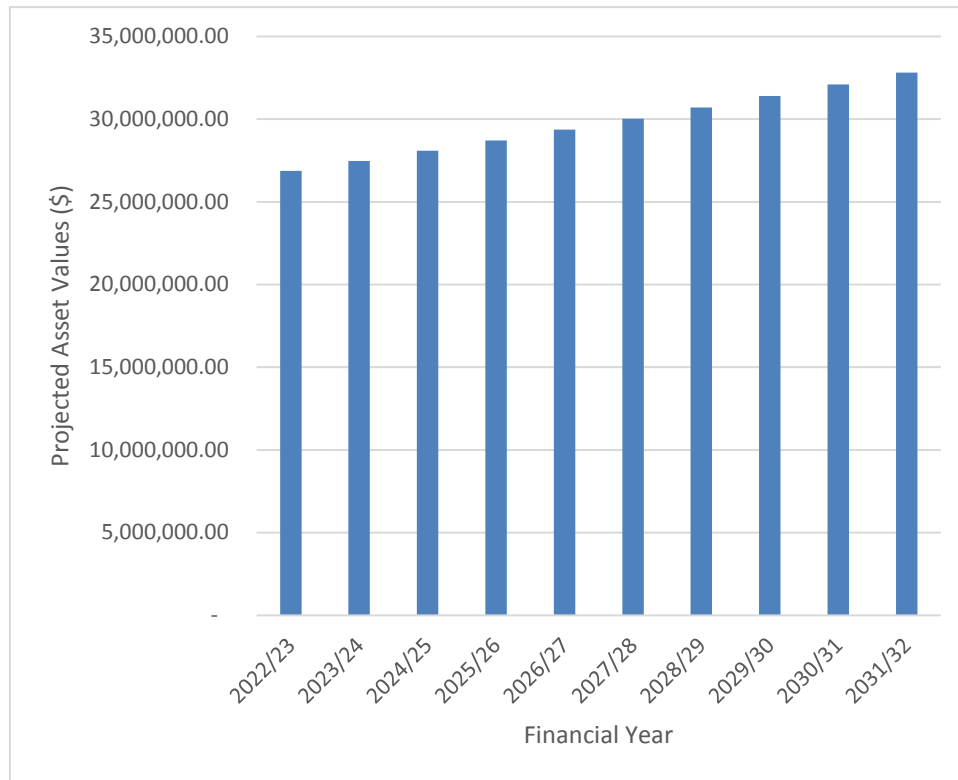


Figure 7.3.6: Projected Asset Values

7.3.7 Depreciation expense values are forecast in line with asset values as shown in Figure 7.3.7.

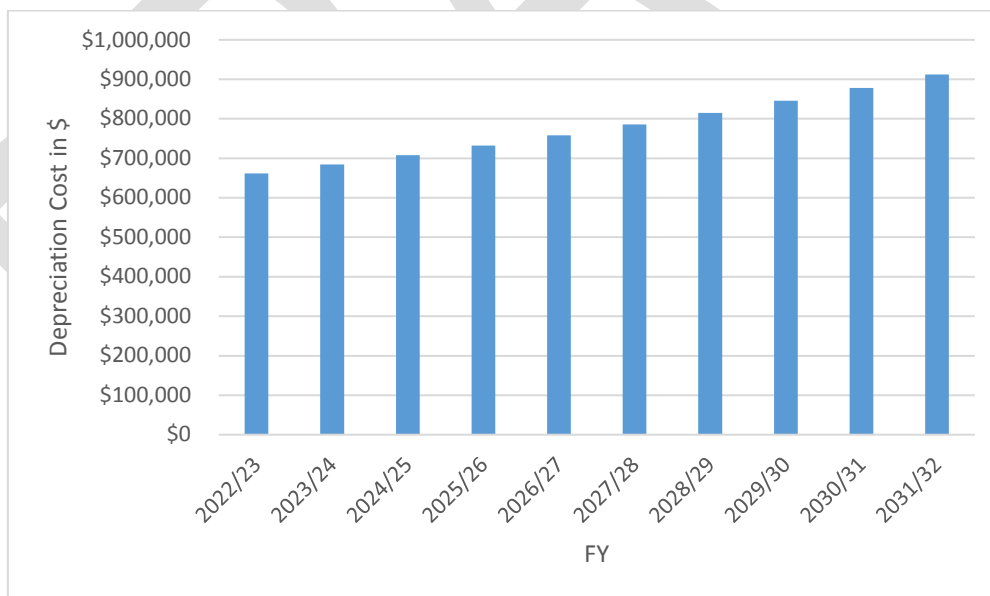


Figure 7.3.7: Projected Depreciation Expense

7.3.8 The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 7.3.8.

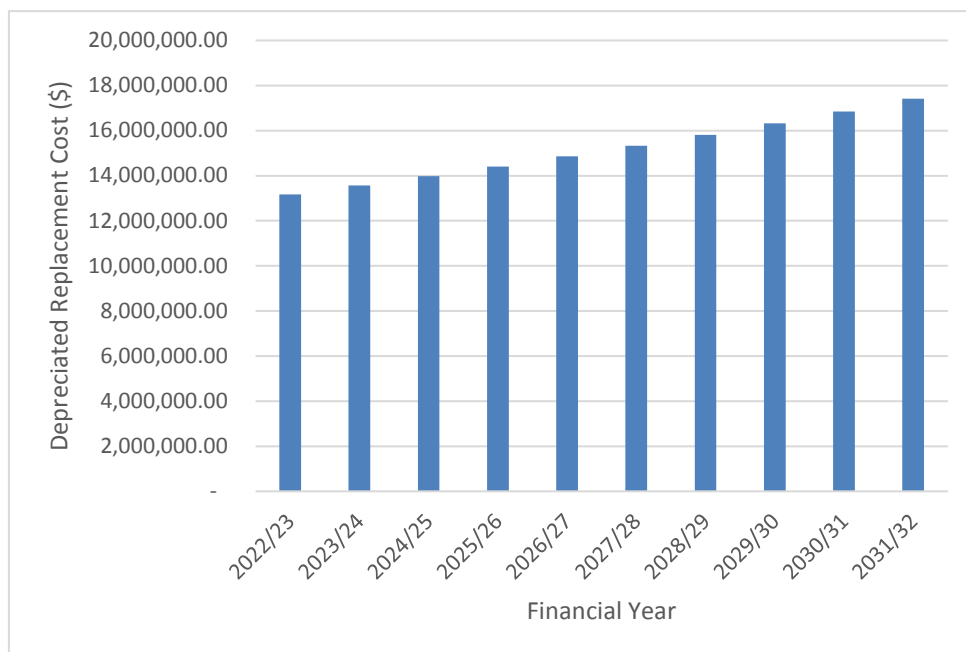


Figure 7.3.8: Projected Depreciated Replacement Cost

7.4 Factors affecting supply of building infrastructure assets

Funding Uncertainties

- 7.4.1 Uralla Shire Council is highly reliant on grant funding and its rates revenues are limited.
- 7.4.2 Based on the size of our communities, it is difficult to fund the provision of our building infrastructure assets. Council will need to seek ongoing government funding, where available, to maintain and enhance our building infrastructure assets.

Council's asset renewal backlog

- 7.4.3 Assets that are below the minimum condition rating do not meet Council's minimum levels of service. Such assets will require renewal. These assets form part of Council's renewal backlog and Council should be ensuring that these assets are brought up to the agreed levels of service.
- 7.4.4 Council's asset renewal backlog will need to be funded.

Staff and resource shortages

- 7.4.5 As with financial constraints on the provision of our building infrastructure assets, difficulties in recruiting and retaining staff can be a challenge for Council. As a large rural Council, Council often faces challenges in filling technical and managerial positions. When technical or managerial positions are vacant it can affect Council's ability to provide some of the services expected by the community.

8. IMPROVEMENT PLAN AND MONITORING

8.1 Asset Management Practices

Accounting/Financial Systems

- 8.1.1 Council uses Authority and Magiq software for its financial/accounting systems. The system is managed by Council's Finance Section and produces quarterly financial reports for Council, while also producing reports for annual financial statements for audit and production to the Uralla Shire community.
- 8.1.2 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:
- Conduct regular asset valuations;
 - Ensure valuations match what is out in the field; and
 - Undertake regular updates to the system.

Accountabilities for Financial Systems

- 8.1.3 Under the *Local Government Act 1993*, Council must meet certain financial reporting requirements. These include budget reviews with all AMP sections within the Council. Council must also provide an annual report outlining the year's achievements, in terms of meeting its objectives and performance targets as it had set out. The annual report 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 Council's maintenance program for the year in relation to the work carried out.
- 8.1.4 The determination of expenditure as capital or maintenance is a combination of purpose, value and economic life of the asset received from the expenditure. The guidelines for the determination are set out in Note C1-7 of the Annual Financial Statements as adopted annually by Council.
- 8.1.5 **Initial Recognition:** All non-current assets purchased are capitalised as the expenditure is incurred and assets are depreciated from the first full year of use. For the initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition. Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition or date of exchange of the asset to arrive at fair value. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
- 8.1.7 **Materiality:** Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining and in annually reviewing such thresholds, regard is had to the nature of the asset and its estimated service life.
- 8.1.9 **Subsequent Costs:** Subsequent costs are added to an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.
- 8.1.10 **Maintenance:** All other expenditure on building infrastructure asset, including the excess of fair value addition expense noted above, is recorded as repairs and maintenance and charged to the Income Statement during the financial period in which they are incurred.

Asset Management Systems

- 8.1.11 A number of systems and registers are used by the Council for the purpose of building infrastructure asset management:
- Microsoft® Excel spreadsheets – manipulate, interrogate and report on asset data
 - Civica® “Authority” software – finance system
 - TRIM (© (HP Software Division) – records and document management
- 8.1.12 The responsibility for operating and maintaining the core Asset Management systems relating to building infrastructure assets is with the Asset Manager and the Director Infrastructure and Development. The development of an annual budget allocation is between the Director, the Chief Financial Officer, and the General Manager, based upon the ten year financial plan forward estimates. Responsibilities of key stakeholders are set out in Appendix B.
- 8.1.13 Currently, there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are no direct links with operations and maintenance expenses and the individual asset.
- 8.1.14 The ongoing maintenance of this system should become a core function within Council’s operations. Linking Council’s asset management system and financial system (Authority) is identified as a key strategy to improve Council’s asset management practices.

Information Flow Requirements and Processes

- 8.1.15 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, and
 - Financial asset values.
- 8.1.16 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, and
 - Financial sustainability indicators.
- 8.1.17 The information flows listed above will impact the Long Term Financial Plan, annual budget, and departmental business plans and budgets.

8.2 Improvement Program

8.2.1 The building infrastructure asset management improvement program generated from this asset management plan is shown in Table 8.2.1.

Table 8.2.1: Improvement Program

No	Action	Priority	Responsibility	Timeline
1	Review and confirm expenditure for all buildings sub-categories into renewals, new, maintenance and operational	High	Asset Manager	2023/24
2	Carry out building inspections to determine correct value of assets in Condition 4 and 5.	High	Asset Manager	2022/23
3	Re-calculate buildings backlog using new condition assessment results and regenerate renewals plan	High	Asset Manager	2023-25
4	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually	High	Asset Manager	2022/23
5	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	Asset Manager	2023-25
6	Review and finalise buildings critical assets. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources	High	Asset Manager	2022/23
7	Prioritise and plan buildings asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use	Medium	Asset Manager	2024/25
8	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs	Medium	Asset Manager	2024/25

8.3 Monitoring and Review Procedures

- 8.3.1 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.
- 8.3.2 This plan will be updated annually accurately represent 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 Council's long term financial plan.
- 8.3.3 This plan has a life of four years and is due for complete revision and updating within twelve months of each Council election.

8.4 Performance Measures

8.4.1 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; and
- 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.

Key Performance Benchmarks

8.4.2 Council monitors and assesses its performance with respect to maintaining and renewing its assets using key performance benchmarks. These benchmarks are used to measure how well Council is meeting the community's expectations in relation to the condition of its assets.

8.4.2 Council recognises the importance of working with the local community when managing the Uralla Shire's assets on behalf of the community. Council works with the community in two important ways. Firstly, it creates community service expectations. These summarise what the community wants. Secondly, it measures its progress in meeting these community service expectations against key performance benchmarks.

8.4.3 By using community-focussed performance benchmarks, Council maintenance and improvements to building infrastructure assets are directly relevant to the community.

8.4.4 The key performance benchmarks that have been established for the building infrastructure assets are outlined in Table 3.5.2.

REFERENCES

- 1 NSW Office of Local Government, 2021, *Integrated Planning & Reporting Handbook for Local Councils in NSW*, ISBN 978-1-922001-90-0, www.olg.nsw.gov.au.
- 2 DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial>.
- 3 IPWEA, 2006, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au.
- 4 IPWEA, 2008, *NAMS.PLUS Asset Management* Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus.
- 5 IPWEA, 2009, *Australian Infrastructure Financial Management Guidelines*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.

APPENDICES

- Appendix A Buildings: Major and Minor Buildings Capital Expenditure 2022/2033
- Appendix B Key Stakeholder Responsibilities
- Appendix C Glossary of Terms

Appendix A – Buildings : Major and Minor Buildings 10 Year Planned Capital Expenditure

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Council Chambers	-	-					-	-		
Chambers - Skylights				3,600						
Chambers - Ducted air & split systems				15,000						
Chambers - Teracotta tiles						22,500				
Chambers - EA and Governance Office	12,800									
Chambers - Gyprock						30,000				
Chambers - Accounts Area	15,950									
Chambers - Electricals						5,000				
Chambers - CFO Office	12,800									
Chambers - Customer Service Office	80,400									
Chambers - Joists and bearers										10,000
Rotunda Fuller Park -	-	-	-	-		9,000	-	-		
Tennis Club - all works completed	-			-		-	-	-		
Sporting Complex, Squash Courts and Amenities -	-					-	-	-		
Sporting Complex, Squash Courts and Amenities - windows and timber doors			7,000							
Sporting Complex, Squash Courts and Amenities - Replace eaves				7,000						
Sporting Complex, Squash Courts and Amenities - Plumbing 2 large change rooms				30,000						
Sporting Complex, Squash Courts and Amenities - Floor coverings				10,000						
Sporting Complex, Squash Courts and Amenities - Timber floor on squash courts				30,000						
Sporting Complex, Squash Courts and Amenities - Metal fences				2,500						
Sporting Complex, Squash Courts and Amenities - Trimdeck metal roof						90,000				
Transfer Station	-	-	-	-	-	-	-			

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Transfer Station - 200m2 asphalt driveway behind shed									30,000	
Uralla Landfill Office & Shed -	-	-	-	-			-	-		
Uralla Landfill Office & Shed - Antenna & lights						2,000				
Uralla Landfill Office & Shed - Replace vinyl										1,500
Depot Rd Amenities & Lunchroom -	-	-					-	-		
Depot Rd Amenities & Lunchroom - Replace windows, doors & screens				6,000						
Depot Rd Amenities & Lunchroom - Repolcae lights, gas heater, some electricals						6,300				
Depot Rd Amenities & Lunchroom - Replace equipment										
Depot, Office and Workshops	-	-	-	-		-	-	-		
Depot, Office and Workshops - Replace windows and timber doors						20,000				
Depot, Office and Workshops - Replace carpet										4,000
Old Fuel Store (Stages)	-	-	-	-	-	-	-	-		
Old Fuel Store (Stages) - Replace timber and replacement of boards										25,000
Library	-	-		-	-	-	-	-		
Library - Large reverse cycle air-conditioner				12,000						
Library - Replcae pergola										6,000
Library - Replace kitchen										5,000
Library - Replace carpet tiles										30,000
Library - Replace large solar unit & RCD board										80,000
Meter box	-	-		-	-	-	-	-		
Meter box - replace				6,000						
Aquatic Centre	-	-		-	-	-	-	-		
Aquatic Centre - Replace colorbond shed containing chlorine pump				10,000						

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Aquatic Centre - Replace small shed and lean-to storage	-	-		3,000	-	-	-	-		
Aquatic Centre - Brick and metal roof chemical store				8,000						
Memorial Hall	-	-		-	-	-	-	-		
Memorial Hall - Replace colourbond roof										90,000
Memorial Hall - Update kitchen	-			20,000		-	-			
Memorial Hall - Update RCD board						5,000				
Memorial Hall - Gravel parking area & driveway				60,000						
Main Shed Bundarra	-	-								
Main Shed Bundarra - Replace kitchen										10,000
Main Shed Bundarra - Replace floor coverings										30,000
Main Shed Bundarra - Electricals - lights, hot water, switchboard etc.										14,000
Main Shed Bundarra - Replace split system										3,000
Main Shed Bundarra - Dirt and gravel access									10,000	
Main Shed Bundarra - Replace fence				25,000						
Bundarra School of Arts Hall				-	-	-	-	-		
Bundarra School of Arts Hall - Replace fences		16,000								
Bundarra School of Arts Hall - Replace colourbond roof & gutters										45,000
Bundarra School of Arts Hall - Upgrade kitchen										15,000
Preschool										
Preschool - Replace kitchen										10,000
Preschool - Pergola - replace timber & shade cloth		5,000								
Preschool - Replace floor coverings										25,000
Preschool - Electricals										5,000
Preschool - Replace split system										7,500
Preschool - Pool fencing		-	-	-	-	-	-	-		7,000

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Bundarra Health & Grace Munro Aged Hostel		-	-	-	-	-	-	-		
Bundarra Health & Grace Munro Aged Hostel - replace fire extinguishers & hose reels		2,000								
Bundarra Health & Grace Munro Aged Hostel - Upgrade kitchen										15,000
Bundarra Health & Grace Munro Aged Hostel - Replace lino & carpet										42,000
Bundarra Health & Grace Munro Aged Hostel - Upgrade some electrical services										10,000
Bundarra Health & Grace Munro Aged Hostel - Replace 4 split systems & 1 ducted unit										13,000
Aged Persons Unit x 4 -	-					-	-			
Aged Persons Unit x 4 - Kitchens		40,000								
Aged Persons Unit x 4 - Carpet & Lino		14,000								
Aged Persons Unit x 4 - Aluminium windows and fly screens			6,000							
Aged Persons Unit x 4 - Built in robes				4,000						
Aged Persons Unit x 4 - Split systems				10,000						
Aged Persons Unit x 4 - Gas bottles etc.				2,000						
Aged Persons Unit x 4 - Gyprock						20,000				
Aged Persons Unit x 4 - Electricals						8,000				
Aged Persons Unit x 4 - Bathrooms									40,000	
Aged Persons Unit x 4 - Driveway access & carpark									40,000	
Aged Persons Unit x 4 - Tiled roof										20,000
Visitor Information Centre	-	-		-	-	-	-			
Visitor Information Centre - Colourbond roof										30,000
Visitor Information Centre - Public toilet plumbing									10,000	
Caretakers Residence/Office	-	-		-	-	-	-			

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Caretakers Residence/Office - Upgrade kitchen										10,000
Caretakers Residence/Office - Replace hot water service										4,000
Caretakers Residence/Office - Replace lights, fans & exhaust heaters										7,050
Caretakers Residence/Office - Replace combustion fireplace & split aircon system										4,000
Caretakers Residence/Office - Gravel driveway									6,000	
Courthouse	625,000									
Old Water Treatment Building Uralla	-			-	-	-	-	-		
Old Treatment Building Uralla - Replace floor coverings				15,000						
Old Treatment Building Uralla - Replace benches, cupboards, etc.										7,000
Old Treatment Building Uralla - Replace light fittings, other electricals										10,500
Old Treatment Building Uralla - Replace inverter system										4,000
Office Treatment Works Rd Rocky River -	-		-	-	-	-	-			
Office Treatment Works Rd Rocky River - Windows & doors		3,300								
Office Treatment Works Rd Rocky River - remove asbestos and replace with gyprock		20,000								
Office Treatment Works Rd Rocky River - Besser block retaining wall		4,000								
Office Treatment Works Rd Rocky River - Replace corrugated iron roof						5,000				
Office Treatment Works Rd Rocky River - floor coverings										12,000
Office Treatment Works Rd Rocky River - replace vinyl tiles										10,000
Office Treatment Works Rd Rocky River - Asphalt driveway									105,000	

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Office Treatment Works Rd Rocky River - Replace fencing										50,000
Shed										
Shed - 29 Bendemeer St Bundarra - Replace										10,000
Shed - Kingstown Rd - Replace									20,500	
Green Communitcation Building - Mt Mutton	-	-	-	-	-	-	-			
Green Communitcation Building - Mt Mutton - replace slab & demountable									34,000	
White Old Com Building - Mt Mutton			-	-	-	-	-	-		
White Old Com Building - Mt Mutton - Replace slab & shed		18,500								
Public Toilets	-	-	-	-	-	-	-			
Public toilets - Noalimbah Ave Kentucky - Replace slab & structure									9,000	
Amenities Fossicking Area	-	-	-	-	-	-	-			
Amenities Fossicking Area - Replace 4 x timber structures									20,000	
Amenities	-	-	-	-	-	-	-			
29 Bendemeer St Bundarra - Amenities - Weatherboard Building with corugated roof									30,000	
29 Bendemeer St Bundarra - Amenities - Fit out new building									20,000	
Community Centre										
Community Centre - Replace medium kitchen										10,000
Community Centre - Replace large kitchen										15,000
Community Centre - Replace tiles										6,000
Community Centre - Replace carpet										16,800
Community Centre - Electricals incl replace solar system										30,000
Community Centre - Replace heating & ventilation systems x 8										20,000
Community Centre - Replace fence										14,000

Building Name	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
McMaugh Gardens										
McMaugh Gardens - Replace large kitchen										20,000
McMaugh Gardens - Replace floor coverings										60,000
McMaugh Gardens - Replace electrical switchboard (large)										30,000
McMaugh Gardens - Replace solar system										60,000
McMaugh Gardens - Replace 10 x hot water units										20,000
McMaugh Gardens - Replace fences										30,000
Total Capital Expenditure of the year	746,950	122,800	13,000	279,100	-	222,800	-	-	374,500	1,013,350

Appendix B – Key Stakeholder Responsibilities

Stakeholder	Role in Buildings Asset Management Plan
Councillors	<ul style="list-style-type: none">• Represent needs of community.
General Manager	<ul style="list-style-type: none">• Allocate resources to meet the organisation's objectives in providing services while managing risks.• Authorise Delegations of Authority to undertake AMP works.• Ensure organisation is financial sustainable.
Chief Financial Officer	<ul style="list-style-type: none">• Ensure organisation is financial sustainable.
Director Infrastructure & Development	<ul style="list-style-type: none">• Coordinate the budget.• Identify changes in work flows or Council requirements.
Asset Manager	<ul style="list-style-type: none">• Schedule the works and maintenance as per the Asset Management Plan.
Manager Planning & Development	<ul style="list-style-type: none">• Oversee the works of the Asset Management Plan.
Contractors / Employees	<ul style="list-style-type: none">• Undertake the works as per the schedule.

Appendix C – Glossary of Terms

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 re-sheeting 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, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, egg 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 (egg 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 egg 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, egg. 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, egg 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 is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary



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DRAFT

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1. EXECUTIVE SUMMARY

Uralla Shire Local Government Area

Uralla Shire is a medium sized NSW rural council with a population of 6,150 people and an area of 3,230 km² located approximately 545km northwest of Sydney on the New England Highway. One of the major issues facing the Uralla Shire Council is the provision of adequate funding for roads maintenance, renewals and upgrades to cope with increased traffic volume, population and higher community expectations.

This Transport Asset Management Plan (TAMP) is one of seven asset management plans covering all community assets for which Council is responsible. These fall under the Asset Management Policy and the Asset Management Strategy.

Council's transport assets provide the community with roads, pathways, bridges and other traffic related services. The critical issues facing Council's transport assets have been identified and include:

- Provision of adequate funding to meet both maintenance and renewal costs
- Increasing age of assets
- Community pressure to extend the existing sealed road network

Transport Services.

The transport network comprises:

ROADS

• Local urban sealed roads	27.6 km
• Local rural sealed roads	294.3 km
• Local unsealed roads	457.4 km
• Regional urban sealed roads	5.6 km
• Regional rural sealed road	126.5 km
• Regional rural unsealed roads	9.8 km
• Other (parking lanes SH9)	1.9 km
• Total unsealed roads (50.6%)	467.1 km
• Total sealed roads (49.4%)	455.9 km
• Bulk earthworks	923.0 km

FOOTPATHS

• Bundarra concrete footpaths	1618.4m ²
• Bundarra spray sealed footpaths	1720.5m ²
• Uralla concrete footpaths	8924.1m ²
• Uralla spray sealed footpaths	669.0m ²
• Uralla paved footpaths	3022.0m ²
	Total 15,954m ²

KERB AND GUTTERING

Concrete kerb and guttering	29,155m
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BRIDGES

• Regional road concrete/steel bridges	30
• Regional road timber bridges	0
• local roads concrete/steel bridges	49
• local roads timber bridges	0

FOOTBRIDGES

Pedestrian footbridges	3
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TRAFFIC FURNITURE

Items including median strips, refuges, blisters, ramps and speed bumps.	41
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OTHER STRUCTURES

Items consisting of a taxi shelter, bicycle paths, community street store, lighting, car parks including motorcycle shelter, and paved footpaths.	21
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In 2021, these transport infrastructure assets had a gross carrying value of \$239,325,000. Further details of the valuation of different asset types is shown in Appendix B.

Transport assets represent 70% of the total value of Council infrastructure, property, plant and equipment assets of \$343,991,000 (values from 30 June 2021 financial statements).

Basic terms used in this TAMP

- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition and to provide a satisfactory level of service (e.g. road patching, unsealed road grading),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency of road resurfacing and pavement reconstruction),
- Upgrade – upgrading existing assets and providing new assets to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a culvert or bridge with a larger size).

Note: expanded work category definitions are given in Section 5.1.2.

What is Council's underlying philosophy in respect to road asset maintenance and renewals?

Uralla Shire Council has budgeted in its 10 year financial plan and proposes to budget annually in its operational plan for a small surplus (including capital grants), thus fully funding its non-cash depreciation expense. The depreciation of transport assets plus some of the small surplus will be utilised in the Transport sector to carry out maintenance of sealed roads, unsealed roads and bridges. In addition, provision is made to reseal between 5% (for local roads) and 6.7% (for regional roads) of the sealed road network, and to gravel resheet between 3.3% (class D roads) and 5% (class B and C roads) of the unsealed road network annually. These annual percentages represent a resealing cycle of between 15 and 20 years and a resheeting cycle of between 20 and 30 years, depending on the road class.

This philosophy is to be implemented concurrently with the outcomes of the 2020 condition assessment by Shepherd Services which identified the timing of required surface treatments (i.e. reseals) and base treatments (i.e. pavement rehabilitation in the case of sealed roads and gravel resheeting in the case of unsealed roads) for the different road types e.g. regional, urban, rural local and unsealed.

So for reseals and resheeting, the long-term average annual allocation will be the amount required to meet the targets outlined above. In some years, depending upon the timing of renewal works resulting from the condition assessment carried out in 2020, the allocation required for these treatments will be higher or lower than the average amount required to meet the adopted cycle times.

Whilst this philosophy will drive the preparation of future budgets, the determination of actual projects to be included in annual operations plans will need to be verified by field inspection to cater for any local changes in traffic volumes or composition and/or unexpected impacts of weather or any other factor which may have led to accelerated deterioration of pavements or seals in particular segments.

The final program of works will be determined by an inspection of the current condition of the asset with renewals deferred as late as possible until the components reach the end of their useful life.

When preparing this plan, the priorities for available funding have been allocated firstly for maintenance and secondly for renewals. Upgrade works should only be undertaken with additional external grant funding specifically earmarked for upgrades (e.g. LRCI program).

Funding provision for upgrade works, other than those which have been approved by Council, have not been included in this plan. A list of 12 identified candidate projects has been prepared and ranked using the adopted Roads Assessment Model. These desired but unfunded upgrade works totalling \$5.13million are identified in Appendix D. In order to carry out these upgrade works Council will need to obtain further grant funding as the current funding levels are only sufficient to carry out necessary maintenance and scheduled renewal works over the 10 year period of the plan.

As grant funding opportunities arise, Council will submit applications for this funding after considering the latest condition assessment and completing on-site verification inspections.



Figure 1.1: Condition Level 1 sealed road - Eastern Avenue, after rehabilitation

This asset management plan supports the goals of the adopted Community Strategic Plan 2022-2031 and in particular strategy 2.3:

“Communities that are well serviced with essential infrastructure.”

What does it cost?

The projected cost to provide the services covered by this asset management plan include \$23,911,243 for operations and maintenance (O&M) expenditure on existing assets with a current replacement value of \$239,325,000; together with capital renewal of transport assets of \$29,032,758 over the 10 year planning period from 2022/23 to 2031/32. Adding these amounts gives a total of \$52,944,001 over the 10 year period.

The breakdown of projected costs is set out in the table 1.1 below:

Table 1.1: 10 Year Summary – All Transport Assets

Element	10 Year Projected costs to 2031/32	
	O&M	Capital
Bridges and culverts	257,678	0
Footpaths	515,356	895,161
K&G	100,830	740,837
Local Urban Streets	1,142,745	1,895,976
Unsealed Urban Streets	231,910	0
Regional Sealed Roads	4,453,120	7,317,420
Regional Unsealed Roads	446,645	248,152
Rural Sealed Roads	4,033,217	11,277,884
Rural Unsealed Roads	12,669,098	6,657,327
Parking Facilities	60,644	0
	\$23,911,243	\$29,032,758

What we will do? (Refer Appendices C and D for full details)

Council plans to provide transport services for the following within the 10 year planning period:

- Renew roads, bridges, footpaths, kerb and guttering, and footbridges before assets become unserviceable.
- Extend the shared bike path to the Sports Complex and construct new footpaths in accordance with the priorities contained within the Schedule of Works in the Uralla pedestrian access and mobility plan (PAMP).
- Construct 210m of new kerb and gutter each year.
- Carry out upgrading works on unsealed roads previously approved by Council – see appendix D. In 2021/22 these works were on Old Gostwyck Road, Harriet Gully Road and Corey Road. In 2020/21 a 2km section of Retreat Road was upgraded from unsealed to sealed. Other items may be added as approved by Council from time to time.

What we cannot do

Council does not have enough funding to provide all services at the desired service levels and provide for all the new works desired by the community. The works and services that cannot be provided under present funding levels are:

- Complete the sealing of MR132 Barraba Road, particularly the “Barraba Gap” realignment of the road.
- Construct a bridge to replace the causeway over Bakers Creek on Barraba Road.
- Renew pavements on local roads other than those identified in Appendix C or approved by Council from time to time.
- Further extend the sealed road network beyond those sections of road identified in Appendix D or approved by Council from time to time.
- Construct new paved footpaths not identified in the PAMP and kerb and gutter in excess of 210m per year unless developer funding or other grant income is received.

Managing the risks

The following major risks for transport assets have been identified:

- Public safety where reseal, resheeting and renewal cycle times cannot be met.
- Reduction in the quality of service in the case of the unsealed sections of Gostwyck Road (14.9 to 19.0km), Bendemeer Road, Williams Road, Retreat Road, Mihi Road, Barloo Road and Malapatinti Road.
- All weather public access denied or delayed in the case of the Bakers Creek crossing on Barraba Road.

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

- Prioritising maintenance and upgrades.
- Working efficiently to reduce delays.
- Carrying out regular inspections and monitoring.

The next steps

The actions resulting from this asset management plan are:

- Engage the community on service delivery and funding issues raised in this plan.
- Seek additional funding for the renewal of sealed roads. As examples, Council was successful in receiving grant funding for Stages 1 and 2 of the reconstruction of Hawthorne Drive in 2020, 2021 and 2022, and funding for the pavement renewal of sections of Gostwyck Road, Kingstown Road and Northeys Road.
- Continually improve asset information, unit cost determination and fair value estimation of Council's road network.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure transport assets that serve the wider Uralla community. These assets include the roads, bridges, footbridges, footpaths and kerb and guttering throughout the Council area which enable people to move through and within the Uralla local government area to access work, education, businesses and facilities.

What is an asset management plan?

Asset management planning is a comprehensive process to identify and deliver services associated with infrastructure and that it is provided in a financially sustainable manner, within the community's capacity to pay for the service.

Asset management plans detail 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 squeeze?

Significant expenditure is required on regional roads namely Thunderbolts Way, Bundarra Road and Bundarra to Barraba Road that formerly were the responsibility of the State Government. Regional roads maintenance is funded by Transport for NSW to a level determined by formula which may not always deliver the funding necessary to maintain this road at a standard expected by the community. Council's transport network has been constructed from a mixture of government grants and judicious application of fully funded non-cash depreciation. Even so, the cost of ongoing operations, maintenance and replacement exceeds the rate pegging percentages set by the Independent Pricing and Regulatory Tribunal (IPART).

Transport assets deteriorate with the passing of time and require maintenance, resurfacing, rehabilitation or replacement. Over time, the assets' service levels decrease and maintenance costs increase.

Community expectations are also increasing, particularly in the heavy transport sector. Agricultural businesses need the transport cost economies that high mass vehicles can provide. B Doubles and the next generation of high mass vehicle require wider sealed roads to be at their most safe and efficient operation. While the Uralla Shire Council has around 50% of its road network sealed, many of the sealed sections are narrower than required by the higher mass vehicles.

What options do we have?

Resolving the funding squeeze 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. Establishing the fair value of the road asset and determining the appropriate rate of depreciation of these assets,
3. While living within our means, continue to improve our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs,
4. Identifying and managing risks associated with providing services from infrastructure,
5. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure,
6. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs
7. Consulting with the community to ensure that transport services and costs meet community needs,
8. Developing partnership with other bodies, where available to provide services;
9. 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?

If the funding squeeze cannot be managed, or new sources of revenue found, then it is possible that Council may have to reduce service levels, in some areas. For transport services, the service level reduction may include converting a sealed road to an unsealed surface, or a decrease in the ride quality of road pavements and seals, and a deterioration of footpaths and kerb and gutter throughout the area.

Currently, Council provides service levels (based on GRC of the assets) as in Table 1.2:

Table 1.2: GRC of the assets service levels

Categories	Current Median Condition Level	Percentage at median or better
Sealed roads - surface	2	56.3%
Sealed roads - base	2	66.5%
Unsealed roads	2	57.2%
Kerb and guttering	3	88.5%
Footpaths	2	77.1%
Bridges – concrete	3	88.2%

The effect of lowering the service level by one condition level is reflected in Figure 1.2 photographs:



Figure 1.2: Photographs of (A) sealed road – condition 3 and (B) sealed road – condition 4.

What can Council do?

Maintain the current asset service level by renewing assets within funding. Either stop upgrading assets or undertake whole of life cost modelling for new/upgraded assets and consult with the community on the option of a special rate variation to pay for the increased level of service.

What can you do?

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

Community consultation

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

The service levels and the community capacity to pay will underline the funding, and therefore the community contribution required, in the forward estimates within Council's ten year long term financial plan.

2. INTRODUCTION

2.1 Background

This asset management plan demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates funding needed to provide 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:

- Uralla Shire Council Community Strategic Plan 2022-2031
- Uralla Shire Council Ten Year Financial Plan
- Uralla Shire Council Delivery Program
- Uralla Shire Council Operational Plan.

This transport asset management plan has a direct relationship with the Integrated Planning and Reporting Framework, as disclosed in the following diagram:



Figure 2.1 Integrated Planning and Reporting Framework

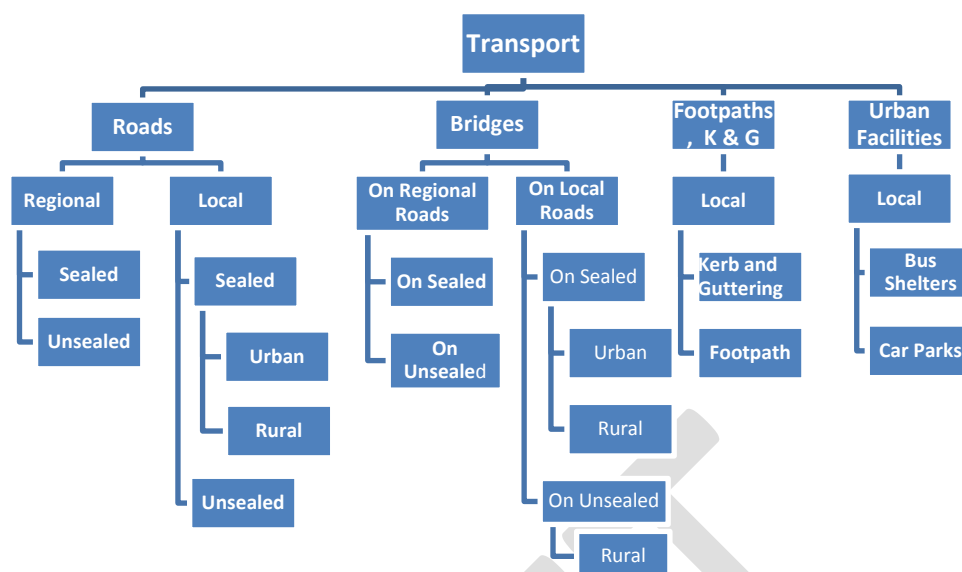


Figure 2.2: The transport asset hierarchy

Details of Council's infrastructure assets covered by this asset management plan are shown in Appendix B.

2.2 Goals and objectives of asset management

Part of the role of Council is to provide services to its community and most 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 affordable 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 practises.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 Mission, Strategic Objectives as detailed in Council's adopted Community Strategic Plan.

Council's vision is:

In 2031 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.

Council's mission is:

Uralla Shire Council listens to and facilitates the aspirations of the community.

¹ IPWEA, 2006, IIMM Sec 1.1.3, p 1.3.

Council's Community Strategic Objectives are

1. We have an accessible, inclusive and sustainable community.
2. We drive the economy to support prosperity.
3. We are good custodians of our environment.
4. We are an independent shire and well-governed community.

Council's adopted Community Strategic Plan 2022-2031 (CSP) and Delivery Program contain relevant strategies and actions which relate to the transport assets covered by this asset management plan. The Plan is consistent with the following strategies and actions in the Community Strategic Plan and Delivery Program.

Transport networks are regarded as the lifeblood of economic and social interaction throughout the country. There is inadequate consistent funding from governments, state and federal, to upgrade the roads into and through the local government area. However, from time to time the Federal and State governments have provided some much needed funding to the Uralla, Walcha and Gloucester Councils for improving Thunderbolts Way, the main east-west route through the region.

The Uralla Shire Council's identified actions detailed above together with the target levels of service are outlined below in Table 2.2 are addressed throughout this TAMP.

Table 2.2: Target Levels of Service

DP Actions Supported	Target Levels of Service
<p>2.3.1 2.3.2 1.2.1 1.2.2 1.2.3</p>	<p>To renew pavements by intervention based on the estimated remaining useful life as determined by the results of the condition assessment of all roads carried out by Shepherd Services in 2020. Similarly, the surface of sealed roads will be resealed based on the remaining useful life of the seal as determined by the condition assessment.</p> <p>To grade all formed unsealed urban roads i.e. 1km, on average once per year.</p> <p>To reseal all urban sealed streets on average once every 15 years, i.e. 1.8km average length per year.</p> <p>To continue to kerb and gutter all urban streets on a progressive basis by constructing an average of 210m of new kerb and gutter each year subject to available funding.</p> <p>To grade un-grassed shoulders of rural regional sealed roads shoulders on average once every two years.</p> <p>To maintain the high quality of the rural sealed road network by adopting a resealing target average of once every 15 years for regional roads and once every 20 years for local roads, i.e. 24.0km average length resealed per year.</p> <p>To grade un-grassed shoulders of rural local sealed roads shoulders on average once every two years.</p> <p>To construct and reconstruct regional roads (Thunderbolts Way, Bundarra Road and Bundarra/Barraba Road) as Transport for NSW or special Federal funding becomes available as part of the sealed road extension by 2031 (local and regional).</p>
<p>2.3.1 2.3.4</p>	<p>To maintain the unsealed regional road network at a level that provides reasonable all weather access, subject to extreme weather events.</p> <p>To maintain the rural unsealed road surfaces by applying gravel (re-sheeting) to the unsealed roads on a 15 year cycle for Barraba Road and Class B local roads (average 1.5km per year) , 20 year for Class C roads (i.e. 9.35km per year) and a 20 to 30 year cycle for Class D roads (i.e. 8.9km per year).</p> <p>To maintain the unsealed local road network at a level that provides reasonable all weather access, subject to extreme weather events. Target is to grade approximately 620km per year.</p> <p>To maintain the existing 1km of urban unsealed road surface by applying gravel (re-sheeting) on a 20 year frequency cycle.</p>

DP Actions Supported	Target Levels of Service
<p>2.3.2</p> <p>2.3.5 2.3.6</p> <p>2.3.3</p>	<p>To have an all-weather local road network supported by appropriate bridges, major culverts and culverts.</p> <p>To have an all-weather regional road network supported by appropriate bridges, major culverts and culverts. To achieve this goal, the causeway on Barraba Road at Bakers Creek needs to be upgraded to a bridge structure at a cost in excess of \$1.5 million. This project is currently being developed to concept design and the cost estimate will be updated accordingly to support a more informed funding application.</p> <p>To provide the urban areas of Uralla and Bundarra with an interconnected and safe footpath and walking/cycling track network.</p> <p>To have cleared and maintained footpath areas in the villages and peri-urban areas.</p> <p>To annually extend the footpath and walking/cycling track network by an average of 200m subject to available funding to provide connectivity and access to historical and scenic areas.</p> <p>To encourage increased patronage of the car park at the rear of the Uralla CBD to lessen the pressure on Bridge Street rear to kerb parking by providing a well maintained and usable parking area.</p> <p>To restrict the occurrences of semi-trailer, B-Double and large trucks parking overnight within urban areas.</p> <p>To maintain road centreline markings where they are currently used and repaint other surface markings at least once every two years.</p> <p>To have all roads adequately signposted with nameplates and that direction and warning signposting is adequate for the needs of road users.</p> <p>To prevent unnecessary damage to road pavements caused by overloaded vehicles by continued membership of the Mid North Weight of Loads group.</p> <p>To maintain and/or replace street trees within the urban areas of the LGA.</p>

Through the guidelines of this plan, assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs to ensure they reach their expected lifecycle, perform to their maximum capability, satisfy community expectations and needs, satisfy budget limitations and meet safety and regulatory requirements.

2.3 Plan framework

Key elements of the plan are:

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

2.4 Core and advanced asset management

This asset management plan is prepared as a first cut ‘core’ asset management plan in accordance with the International Infrastructure Management 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 has been prepared to facilitate community consultation initially through feedback on public display of draft asset management plans prior to adoption by Council. Future revisions of the asset management plan should incorporate community consultation on service levels and costs of providing the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences with the community’s ability to pay for the service.

² IPWEA, 2015.

3. LEVELS OF SERVICE

3.1 Customer research and expectations

This asset management plan has been developed to assist Council in achieving the goals as set out in the Community Strategic Plan which was adopted following a period of public exhibition and community consultation. Council has not carried out additional research on customer expectations, other than the recording of community requests made periodically to Councillors and staff. It is intended that subject to resourcing formal assessment of community expectations will be investigated for future updates of this asset management plan.

3.2 Legislative requirements

Council has to meet the relevant federal and state legislation and regulations including those shown in Table 3.1.

Table 3.1: Key Legislative requirements

Legislation	Requirement
Australian Road Rules	Sets the requirements for vehicles and operators using roads.
Australian Standards	Provides guidance for transport asset managers in use of transport services such as ASS 1742; Manual of Uniform Traffic Control Devices.
<i>Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002</i>	Protects Council from civil action by requiring that the Courts recognise a level of personal responsibility for the actions of individuals.
<i>Disability Discriminations Act 1992</i>	Provides protection for everyone in Australia against discrimination based on disability. It protects people with a disability from being treated less fairly than people without a disability and promotes the contribution of people with a disability to the workforce and wider community.
<i>Environmental Planning and Assessment Act 1979 (EP&A Act)</i>	Sets out the guidelines used by Council to provide sustainable and environmentally responsible planning, development and land use.
<i>Local Government Act 1993</i>	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.
<i>Biodiversity Conservation Act 2016</i>	Regulates the clearing of native vegetation on land in NSW.
<i>Protection of the Environment Operations Act 1997</i>	Sets environmental standards, goals, protocols and guidelines to reduce pollution and environmental harm.
<i>Public Works Act 1912 No 45</i>	Sets the conditions of proceeding with public works, and acquiring land for the purpose of public works.
<i>Roads Act 1993</i>	Provides authority to Council for administration and development of roads.
<i>Road Transport Act 2005</i>	Sets the requirements for vehicles and operators using roads.
<i>Work Health and Safety Act 2011</i>	Guides employers and employees on their roles and responsibilities to provide and maintain a safe workplace which protects against harm to health, safety and welfare from hazards and risks arising from work as is reasonably practicable.

3.3 Current levels of service

Service levels can be defined in two terms:

(a) Community levels of service

This relates 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 user's needs?
Safety	Is the service safe?

(b) 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 Council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as street cleaning frequency, mowing and road grading frequency, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to its original condition (e.g. sealed roads patching, attention to drainage, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road resurfacing and pavement reconstruction),
- Upgrade – Upgrade existing assets and providing new assets - the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a culvert with a larger size) or a new service that did not exist previously (e.g. construction of a new paved footpath).

Council's service levels are detailed in Table 3.2 on this and the following pages.

3.4 Desired levels of service

At present, indications of desired levels of service are obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. More work to quantify desired levels of service will be done in future revisions of this asset management plan. This improvement item has been noted in the Improvement Plan in Sec 8.2.

Table 3.2: Service Levels

(a) Community levels of service

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
Quality	Roads are reasonably smooth and without serious defects	Customer service complaints relating to roughness	<5 per month	<10 per month - TBD
Function	Access is available at all times – other than necessary closures	Customer service complaints relating to access	<5 per month	<5 per month - TBD
Safety	Roads are safe to drive when driven responsibly and to conditions	Total number of accidents and injuries	<20 per year	20-30 per year - TBD

Table 3.2: Service Levels (Continued)

(b) Technical levels of service

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
Operations	Roads are adequately serviced and maintained	Annual condition and defects inspection carried out	A reduction in defects and an increase in serviceability	Under review
Accessibility	Provide all weather access to all permanently occupied residences	Level of accessibility	All weather access, all year	Being met
Maintenance of existing assets	Maintain the integrity of sealed road surfaces i.e. no stripping, cracking or potholing. Surface at Condition Level 3 or better across the network	Compliance with adopted intervention levels	At least 90% response to intervention level	Being met
	Unsealed roads are not uncomfortable or unsafe for drivers and are all-weather	Grading frequency	Grade all roads at least once per year, and twice per year for busier Class B roads. Target is 620kms graded per year	Approximately 574km graded in 2021
		Customer service complaints/enquiries	Grade Bundarra to Barraba Road 3 times per year < 5 complaints per month	Target met in 2021 Some not met during prolonged wet weather
	Local sealed roads are free of hazards and defects	Frequency of inspections and response time of repairs	Response times for repairs are met.	Being met
		Customer service complaints	< 5 complaints per month	Being met
	Bridges are free of hazards and defects	Inspection and repair program	Inspect bridges once per year and complete identified M&R in the program year.	Being met
		Customer service complaints	<2 complaints per month	Being met
	Footpaths are maintained at Condition Level 3 or better	Footpath maintenance program	Paved and unpaved footpaths inspected and regularly maintained.	Being met
		Customer service complaints	Complaints received on paved surface defects acted upon within 8 hours with barriers if required, and repairs made within 3 working days	Currently being met with some exceptions

(b) Technical Levels of Service (Continued)

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service
Maintenance (Continued)	Maintain all kerb and guttering at Condition Level 3 or better	K&G maintenance program	Complaints acted upon within 1 month.	Being met
	Maintain road centreline markings	Program of line markings	Re-mark lines when necessary or at least once every two years	Being met
		Customer service complaints	Less than 3 complaints per year	Being met
	Maintain traffic furniture in good condition	Maintenance program	Replace warning signs on annual basis	Review condition of signs. Inventory required
		Customer service enquiries	< 2 enquiries per month.	Being met
Renewal of deteriorating assets	Reseal all rural sealed roads on average once every 15 years (regional) and 20 years (local)	Frequency of resealing	Reseal the network by completing 6.7% (for Regional roads i.e. 8.4km) and 5% (for local roads i.e. 14.6km) annually.	Subject to road condition assessment. Reduced resealing in lieu of rehabilitation in 21/22
	Renew the pavements of all road types before they reach the end of economic life	Compliance with rehabilitation program	Renew road pavements based on remaining useful life	Works program depends on level of available grant funding
	Improve gravel roads through re-sheeting. Roads at average Condition Level 3 across the network	Compliance with re-sheeting program	Re-sheeting of local Class B and C roads at 5% each year (i.e. 10.5km), Class D at 3.3% per year (i.e. 10.0km) and regional gravel roads at 5% per year (i.e. 0.5km). Total of 21.0km per year	<5% of network re-sheeted annually
Upgrade existing assets and provide new assets.	Provide sealed roads where feasible and affordable	Percentage of network sealed	Only those rural roads approved by Council. Urban Class A, B and C streets sealed by 2040	No recent funding for urban street sealing
	Kerb and guttering is provided to all Class B, C and D street segments which have 6 or more occupied residences with frontages to the segment	Kerb and guttering program	Progressive kerb and guttering of all streets by construction of 210m per year.	Not met
		Customer service enquiries.	<2 enquiries per month	Being met

3.5 Level of service options

Whilst Levels of Service have been adopted in the preparation of this Plan, these may be subject to review from time to time. As the adopted level of service has a direct impact on the required funding levels, Council may adopt levels of service which are higher or lower than those in the Plan.

3.6 Condition assessment and service potential – roads

Table 3.3 shows road classifications have been used in the asset management plan to distinguish road functionality.

Table 3.3: Road Classifications Classes

Rural Road Class	Description of Class
A – Regional Roads	Regional roads form part of the State-wide Regional network of roads, providing transport links between major towns and cities. They are roads classified in accordance with the NSW State Government’s classification.
B – Primary Rural	Primary rural roads are the highest priority rural local roads and carry higher traffic volumes greater than 75 vehicles per day. Historically continuous school bus routes and roads which carry 50 to 75 vehicles per day and carry greater than 3% heavy vehicles are eligible for classification as primary rural.
C – Secondary Rural	Secondary rural roads are mid priority rural local roads and carry traffic volumes less than 75 vehicles per day but which service more than 10 different property owners and have an average traffic volume greater than 20 vehicles per day. Secondary rural roads may also serve as bus routes.
D – Local Access	Local access roads are the lowest priority local roads servicing less than 10 different property owners or have average traffic volumes of 20 vehicles or less per day.

The urban streets hierarchy has been based on the AUSTROADS publication “Guide to Traffic Engineering Practice” and provides for five classifications of street as in Table 3.4.

Table 3.4: Classification of streets

Urban Class	Street Description
A	Arterial
B	Sub-arterial
C	Collector
D	Local access
E	Lanes

Class A – Arterial

Arterial Streets provide principal avenues of communication and links between parts of large cities or between major towns and cities. Within the towns and villages of Uralla Shire, only the New England Highway performs this function. This road is classified as National in accordance with the State Government’s classification system. Maintenance on the central portion of the road is the responsibility of State and Federal Governments. However, Council has a maintenance responsibility for the parking lanes, footpaths and road reserve of this road.

Class B – Sub – arterial streets

Sub-arterial streets are those streets which connect arterial streets to areas of development and other major areas of the town or shire. These streets carry high traffic volumes with a broad range of vehicle types. In the towns and villages of Uralla Shire, only the regional roads meet these requirements.

Class C – Collector streets

Collector streets are those streets which provide a link for traffic from the residential street system, some rural areas, industrial areas and other trip generators to other collector streets, sub-arterial or arterial streets.

Class D – Local access streets

Local access streets are streets which principally provide access to and from property. These streets generally carry low traffic volumes and form the bulk of streets within Uralla and Bundarra.

Class E – Lanes

These streets generally provide alternative access to properties. They are narrower than Class D streets and generally have very low traffic volumes.

Useful life

The useful life of an asset is the estimated length of time during which the asset is able to deliver a given level of service. The useful life of an asset is not necessarily equivalent to its physical life or economic life, a number of other factors may result in an assets useful life being reduced, including:

- Obsolescence
- Weather
- Construction techniques
- Overloaded vehicles
- Changes in community expectations
- Increased demand on capacity
- New legal requirements

The Asset Useful Lives Report was prepared by Tonkin Consulting in 2009 for the Local Government Association of South Australia. The full title of the report is “Infrastructure Asset Useful Lives – SA Council’s Current Practices” and it collates asset useful life data contributed by 14 South Australian councils. The results were presented as the lowest, highest and median. This data was considered along with the local experience of USC staff and following comparison with useful life adopted by adjoining councils, Table 3.5 shows useful life of assets as adopted:

Table 3.5:- Summary of adopted surface and pavement life for various classes of roads

Road Type	Class	Surface life (years)	Pavement Life (years)
Regional Urban	A	15	60
	B, C	15	70
	D, E	15	80
Rural	B	15	80
	C	20	80
	D	20	100
Unsealed	B	na	15
	C	na	20
	D	na	30

Consumption curves

Council has adopted the asset condition rankings as set out in the table contained in the IPR Manual for local government in NSW with the exception that the description applying to Level 3 has been changed from “average” to “satisfactory”. This level has been adopted as the agreed satisfactory service level.

Council’s renewal program is determined by the calculated remaining life of the surface and the pavement (base) after validation by an on-site field inspection.

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	Uralla LGA population is 6,150 with the population of Uralla estimated at 2460 by the ABS in 2014.	2019 Department of Planning, Infrastructure and Environment projections predict minor decreases annually over the next 15 years to 5,800 in 2031.	Uralla urban population is expected to remain relatively stable as residents move from rural areas to town. Impact is considered to be marginal.
Demographics	Median age of population is 45 years.	There will be a concentration of older residents in the next two decades.	As the population ages there is greater pressure on Council to provide additional services e.g. pathways suitable for use by mobility scooters.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Council will be required to implement further sustainability measures.	This will require a greater allocation of funds towards improving facilities and services to meet environmental standards and regulations.
Vehicle mass limits	9t single axle limit with some HML routes	Increase of 10% included in axle limits.	Potential increase in damage to pavement. Increased demand for upgraded local roads (wider and stronger) to accept the higher mass vehicles.
Fuel costs	Fuel costs are currently high	Costs are expected to continue to rise.	Council will need to progressively increase budget allocations to cover fuel costs.
	Any future carbon tax or ETS could be added to the cost of diesel.	Diesel costs will continue to rise in line with tax increases.	This will increase the costs of service provision.

4.2 Changes in technology

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

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

Technology Change	Effect on Service Delivery
Material stabilisation for gravel	positive - improved quality and useful life of pavements.
Development of new bitumen products	positive - improved quality, reduced environmental impact. negative -increased costs.

4.3 Demand management plan

The Council's previous strategic objectives were to have greater than 50% of the road network sealed by 2021 and to have all timber bridges replaced with concrete structures by 2018. As at 2021, all timber bridges have been replaced and sealed roads account for 49.3% of the total road network. The objectives are designed to meet the direction provided during the Community consultation regarding candidate projects for upgrading. The feedback indicated specific roads that were identified for sealing and these are listed in Appendix D, "Planned upgrade or new Transport Infrastructure in the 10 year Capital Works Program".

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

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

Table 4.3: Demand management plan summary

Service activity	Demand management plan
Maintenance	Conduct routine inspections and repairs to assets according to work plans and community enquiries.
Upgrades	Monitor the condition and lifespan of assets and plan upgrades accordingly.
Customer Service requests	Record all customer service requests relating to transport assets and analyse the data collected to identify shortfalls in assets or services, and implement solutions.

4.4 New assets for growth

Acquiring new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs need to be identified and considered in developing forecasts of future operations and maintenance costs.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs. To understand the management of infrastructure assets there is a need to understand that the level of service provided primarily depends upon the condition of the asset that provides the service. Condition is a suitable assessment for assets with a direct relation to the long term surface condition to service, such as sealed roads, bridges, kerb and guttering and footpaths. Therefore these council assets are reviewed from time to time for their condition using a 1 to 5 rating system³ as detailed in Table 5.1.

Table 5.1: IIMM Description of Condition

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

Another rating used is the age of the asset or date on which rehabilitation was carried out on that asset. This is most appropriately used where the surface condition of the asset may change over a short period of time, while the underlying asset has a longer maintainable condition.

This is also applicable to unsealed roads. The level of service for unsealed roads is dependent principally upon the grading frequency applied to that asset. Uralla Shire Council historically has had a high frequency of grading over its 467 kilometres of unsealed roads and this plan makes provision for the frequency of grading to be further improved. This will be achieved by maintaining and indexing the allocation for unsealed roads maintenance whilst the length of unsealed roads to be maintained decreases as upgrade works convert unsealed roads to sealed roads.

5.1 Background data

5.1.1 Physical parameters

The breakdown of Council's current road network lengths is shown in Table 5.2 below:

Table 5.2: Road network by surface type

Road type	Type of surface		Total km
	Sealed km	Unsealed km	
Urban Local	27.6	0	27.6
Rural Local	294.3	457.4	751.7
Subtotal Local Roads	321.9	457.4	779.3
Urban Regional	3.0	0.0	3.0
Rural Regional	129.0	9.8	138.8
Other (parking lanes SH9)	1.9	0	1.9
Total All Roads	455.8?	467.2	923.0
Percentage	49.4%	50.6%	100.0%

5.1.2 Work category definitions (with acknowledgement to Dubbo Regional Council)

Maintenance

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. Examples include: repairing a

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

pothole in a road, repairing the decking on a timber bridge, repairing a single pipe in a drainage network, repair work to prevent early failure of an asset.

Capital – 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. As it reinstates existing service potential, it may reduce future operating and maintenance expenditure if completed at the optimum time. Examples include: pavement rehabilitation on a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resealing an existing sealed road, etc.

Capital – upgrade

Expenditure which enhances an existing asset to provide a higher level of service. Upgrade expenditure is discretionary. It will increase operating and maintenance expenditure in the future because of the increase in the organisation's asset base. Examples include: sealing an existing unsealed road or 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 – new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it will increase future operating and maintenance. Examples include: extending a drainage or road networks, constructing a new public toilet.

Operating expenditure

For asset management purposes, it is recurrent expenditure which is continuously required to provide a service. Examples include: power, fuel, staff, plant and equipment, on-costs and overheads but excludes depreciation.

Planned regular maintenance, if fully funded and carried out to plan, will preserve our assets. Council has maintained a commitment to fully funding maintenance of its road asset as demonstrated in Table 6.1.

The age profile of the assets included in this asset management plan is described below.

5.1.3 Asset age profile

A sealed road consists of a “surface” layer, with a maximum life of 15 years for regional and urban roads and between 15 and 20 years for rural local roads (depending on the road class) and a “base” layer with a maximum life of 60 years for regional roads, 70 years for urban streets and 80 years for rural local roads. The pavement sub-base layer (i.e. the lower section of the pavement under the base) and “bulk earthworks” have an indefinite life. The surface is the observable bitumen and aggregate coating of a sealed road and the pavement is the compacted gravel base support for the traffic loads. For unsealed roads, the pavement has a life of between 20 and 30 years depending on the road class.

The 2021 replacement values of the transport asset type categories are shown in Appendix B.

The accumulated depreciation in the revaluation, was calculated on the basis of age and condition for sealed roads and bridges and condition for unsealed roads, kerb and guttering and footpaths.

Pie charts showing the condition assessment of assets based on the percentage in each condition level for the two components of the sealed road network are at Figures 5.1. to 5.5 below and for unsealed roads, also at Figure 5.2.

The condition of the road surface is dependent on the remaining life of the seal. Table 5.3 below shows the relationship between remaining seal life and IPR Condition Level for seals with a nominal useful life of 15 years and 20 years.

Table 5.3: Relationship of remaining seal life to IPR Condition Level

Seal health		
Nominal life (years)	Remaining Life (years)	IPR Condition level
15	>=13.5	1
	<13.5	2
	<11	3
	<4.5	4
	<1	5
20	>=18	1
	<18	2
	<15	3
	<6	4
	<1	5

The condition of unsealed road pavements is dependent on the percentage effective life of the gravel base compared to a default thickness of 100mm. The relationship between remaining effective life and IPR Condition Level is shown below in Table 5.4. It should be noted that whilst some unsealed roads have nil gravel remaining, none were deemed to be “unserviceable”. These are generally Class D roads at the ends of the network which are built on natural subgrade material of sufficient quality to provide all-weather access.

Table 5.4: Relationship between % effective life and IPR Condition Level

Unsealed health	
% Effective life	IPR condition level
>75	1
<=75	2
<=50	3
<25	4
0	5

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

5.1.4 Asset capacity and performance

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

5.1.5 Asset condition – sealed roads surface condition

The condition profile of transport asset surface layers using the results of the 2020 Condition Assessment, are shown in Figure 5.1 for (A) Regional, (B) Rural and (C) Urban roads.

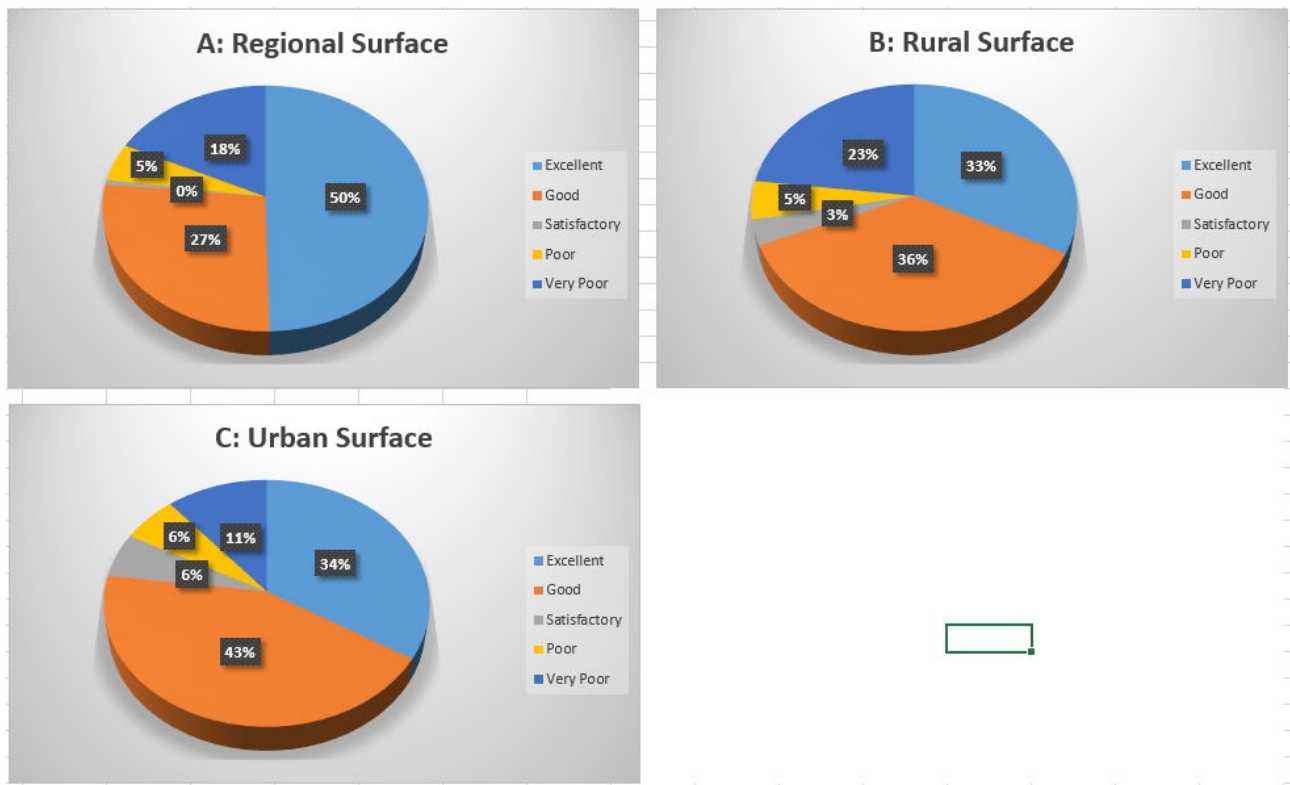


Figure 5.1: Condition profile of transport assets surface layers using the results of the 2021 condition assessment for (A) regional, (B) rural and (C) urban roads.

5.1.6 Asset condition – sealed roads base condition

The condition profile of transport assets base layer using the results of the 2020 condition assessment is shown in Figure 5.2.

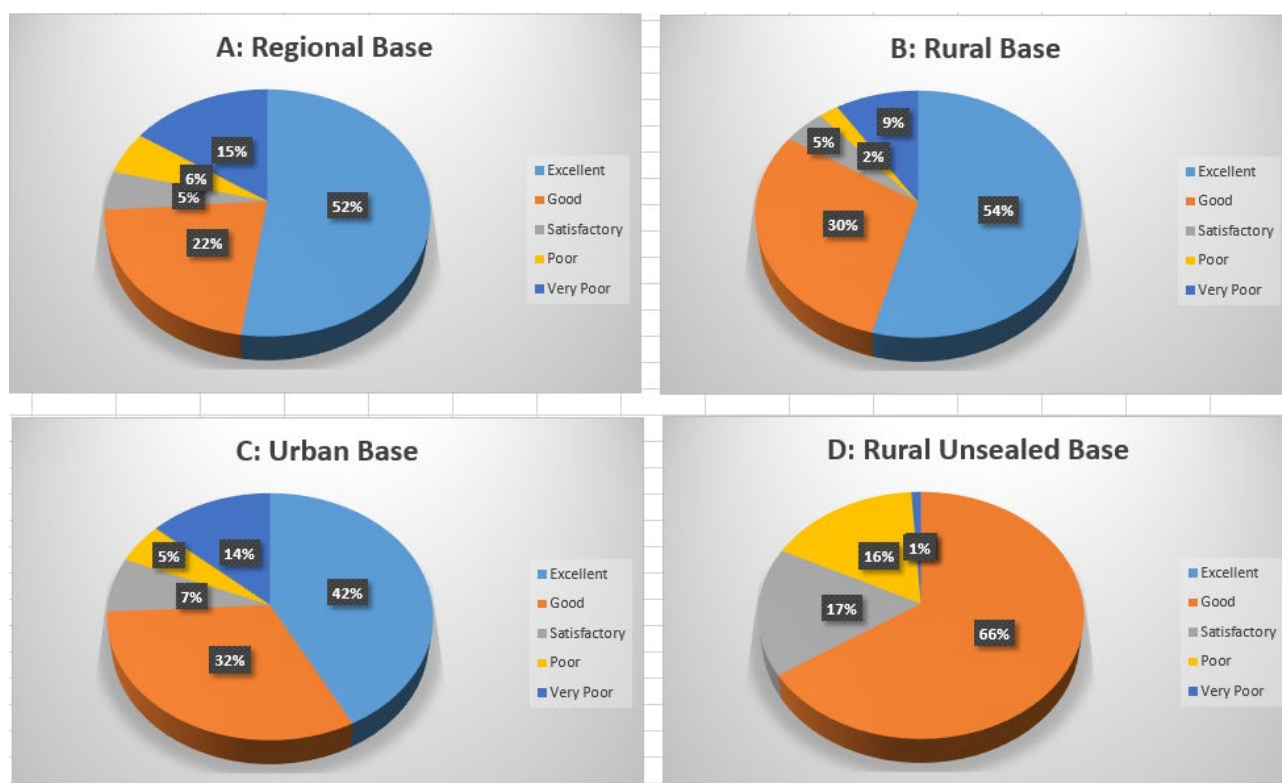


Figure 5.2 Condition profile of transport assets base layer based on the results of the 2021 condition assessment (A) regional, (B) rural, (C) urban and (D) unsealed roads as percentage of road length

Currently, Council is providing the service levels as shown in Table 5.5:

Table 5.5: 2021 Road asset type condition

Categories	Current Median Condition Level	Percentage at Median Level or better	Current Condition
Sealed roads - surface	2	56.3%	Good
Sealed roads - base	2	66.5%	Good
Unsealed roads - base	2	57.2%	Good
Bridges – concrete	3	88.2%	Satisfactory
Kerb and guttering	3	88.5%	Satisfactory
Footpaths	2	77.1%	Good

The current asset condition levels are being met or exceeded for sealed roads, unsealed roads, concrete bridges and kerb and guttering.

5.1.6 Asset valuations

The value of assets recorded in the asset register as at June 2021 covered by this asset management plan is shown in Table 5.6. Transport assets were last revalued as at June 2020.

Table 5.6: Value of transport assets at 30 June 2021

Asset category	Replacement Cost	Depreciated replacement cost	Annual depreciated expense
Roads, bridges, footpaths and K&G	\$176,776,000	\$116,673,000	\$2,995,000
Bulk earthworks	\$62,549,000	\$62,549,000	0
Capital renewals	\$2,974,000	na	na
Capital upgrades	\$350,000	na	na

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

Asset consumption (depreciation/depreciable amount)	\$2,995,000 / \$176,776,000	1.69%
Asset renewal (capital renewal expend/depreciable amount)	\$2,974,000 / \$176,776,000	1.68%
Asset renewal (capital renewal expend/depreciable amount, including bulk earthworks)	\$2,974,000 / \$239,325,000	1.24%
Asset renewal/depreciation (capital renewal expend/depreciable amount, including bulk earthworks)	\$2,974,000 / \$2,995,000	99.3%
Annual Upgrade/New (capital upgrade expend/depreciable amount)	\$350,000 / \$176,776,000	0.2%

Council is currently renewing assets at 0.99:1 of the rate they are being consumed and increasing its asset stock by 0.2% each year.

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

5.1.7 Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery. Council's service hierarchy is shown in Table 5.7.

Table 5.7: Asset service hierarchy

Service Hierarchy	Service Level Objective
Sealed Roads	Roughness < 140/ counts per 100m Rutting < 20mm
Unsealed Roads	Bus Routes remain open. Maintain all-weather access to permanently occupied residences
Bridges	No load restrictions. All bridges are at GML load carrying capacity or better
Footpaths	Pedestrian traffic comfort and safety Separation > 25 mm repaired promptly

Priorities also include consideration of school bus routes, traffic volumes, accident history, all-weather access and cost of maintenance level required.

5.2 Risk management plan

Council staff are assessing risks associated with service delivery by transport assets that will result in loss or reduction in service from physical assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks. Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in Table 5.8 below.

Table 5.8: Critical risks and treatment plans

Service or critical asset at Risk	What can happen	Risk rating (VH, H)	Risk treatment plan	Associated costs (proposed average annual expend)
Local Sealed Roads	Ride quality decreases	M	Programmed resealing on a cyclic basis is completed annually	\$344,966 / year
	Costs of treatment to bring back to a satisfactory condition escalate	H	Higher level of inspections required; at least twice per year. Intervention to rehabilitate road pavements occurs as soon as practicable after remaining useful life has been exhausted	\$847,922/ year
Regional Roads	Failures which deny or delay access	M	As above	Reseals \$156,600 Rehabs \$565,824
Unsealed Local Roads and Barraba Road	Roads become untrafficable in wet weather	M	Programmed gravel re-sheeting. Some upgrade works to extend the sealed network	\$709,000/ year
Kerb and Guttering	Minor flooding of adjoining properties	L	Annual extension of kerb and guttering with 50% contribution from adjoining owners	\$73,028/ year
	Trips and falls	L	Annual preventative maintenance and reactive response to complaints	\$29,638/ year
Concrete Footpaths	Trips and falls	M	Annual preventative maintenance and reactive response to complaints	\$76,017/ year
Unpaved Footpaths	Unightly and overgrown	L	Annual preventative maintenance and reactive response to complaints	

5.3 Routine maintenance plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities. Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

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

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including heavy patching, replacing protection fencing with guardrail etc.

Reactive maintenance is carried out in accordance with adopted response levels of service.

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Council provides funding for operation and maintenance of transport assets in forward budgets. The proposed budget allocations for the next ten years are shown below in Table 5.10.

Table 5.10: Proposed 10 year O&M budgets – all transport assets

Year	Proposed O&M
2022/23	\$2,134,288
2023/24	\$2,187,645
2024/25	\$2,242,336
2025/26	\$2,298,395
2026/27	\$2,355,855
2027/28	\$2,414,751
2028/29	\$2,475,120
2029/30	\$2,536,998
2030/31	\$2,600,423
2031/32	\$2,665,433
Total	\$23,911,244

5.3.2 Standards and specifications

Maintenance work is carried out in accordance with the following standards and specifications.

- Unsealed Roads Maintenance – Guidelines to Good Practice ARRB 1993
- Sealed Local Roads Manual – Guidelines to Good Practice for the Construction, Maintenance and Rehabilitation of Pavements 1995
- Local Roads Bridge Maintenance Manual – Guidelines to Good Practice

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditures are forecast to generally trend in line with the asset categories shown in Figure 5.3. The proportions are based on budget allocations for the year 2022/23.

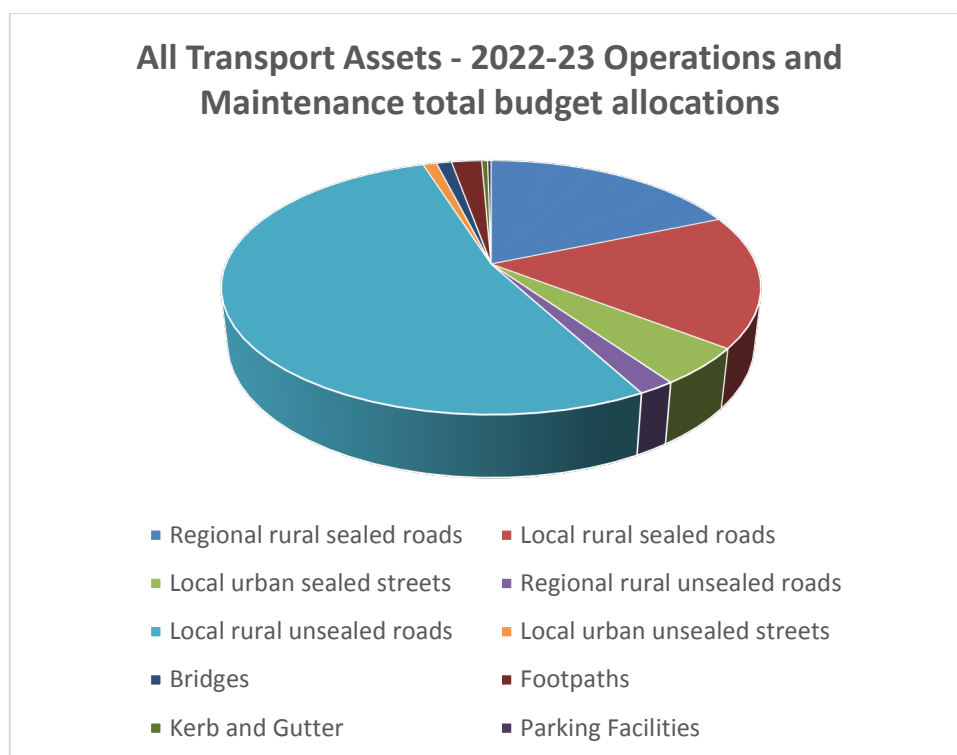


Figure 5.3: Projected operations and maintenance expenditure by category for 2021/22

Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan. Maintenance is funded from the operating budget. This is further discussed in Section 6.2.

5.4 Renewal/replacement plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from one of three methods:

- Method 1 uses asset register data to project the renewal costs for renewal years using acquisition year and useful life;
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as pavement management systems or detailed condition assessments);
- Method 3 uses a combination of average network renewals plus defect repairs in the renewal and defect repair plan worksheets on the 'expenditure template'.

Method 2 was used for this asset management plan .

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.

An example of a low cost renewal is the in-situ rehabilitation of sealed road pavements. This treatment involves removing the existing seal, treating localised failures, strengthening the pavement by the addition of 100 to 150mm of quality road base material then compacting, widening, reshaping and resealing the new pavement up to 7m or 8m (for regional roads) wide with a 2-coat bitumen seal.

5.4.2 Renewal standards

Renewal work is carried out in accordance with the following standards and specifications.

- Roads and Maritime Services
 - Roadwork specifications
 - Bridgeworks specifications
 - Materials specifications
- Austroad publications.
- Engineering Contract Documents

5.4.3 Summary of projected renewal capital expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs for regional roads are summarised in Figure 5.15, for local roads in Figure 5.16 and for all transport assets in Figure 5.17. All costs are shown in 2021/22 dollar values.

The proposed annual capital renewal program allocations for reseals, rehabilitations and re-sheeting are shown in Appendix C and below in graphical form in Figures 5.4, 5.5 and 5.6.

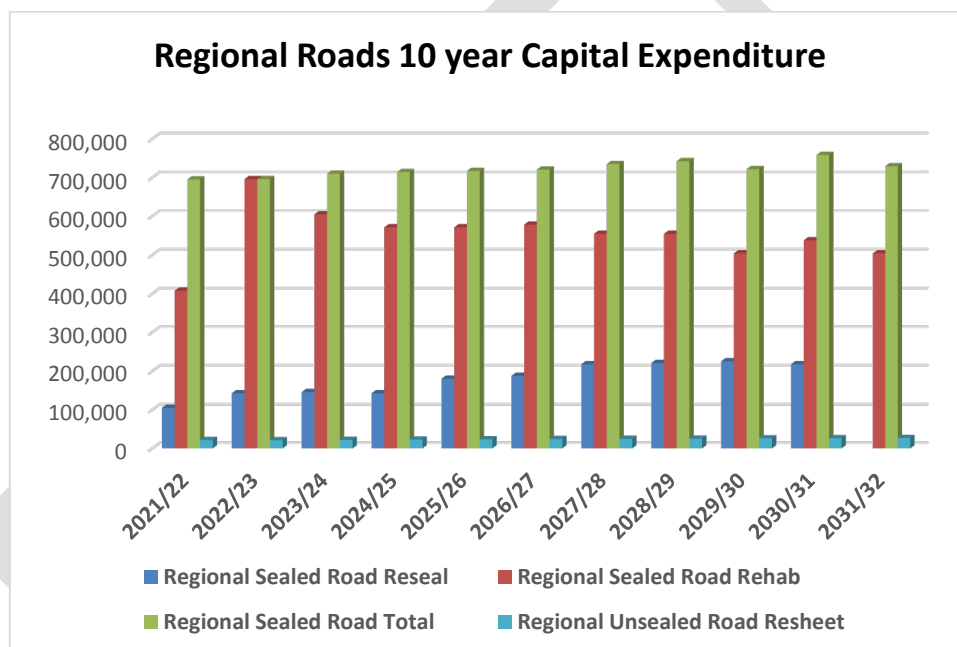


Figure 5.4: Projected capital renewal expenditure - regional roads

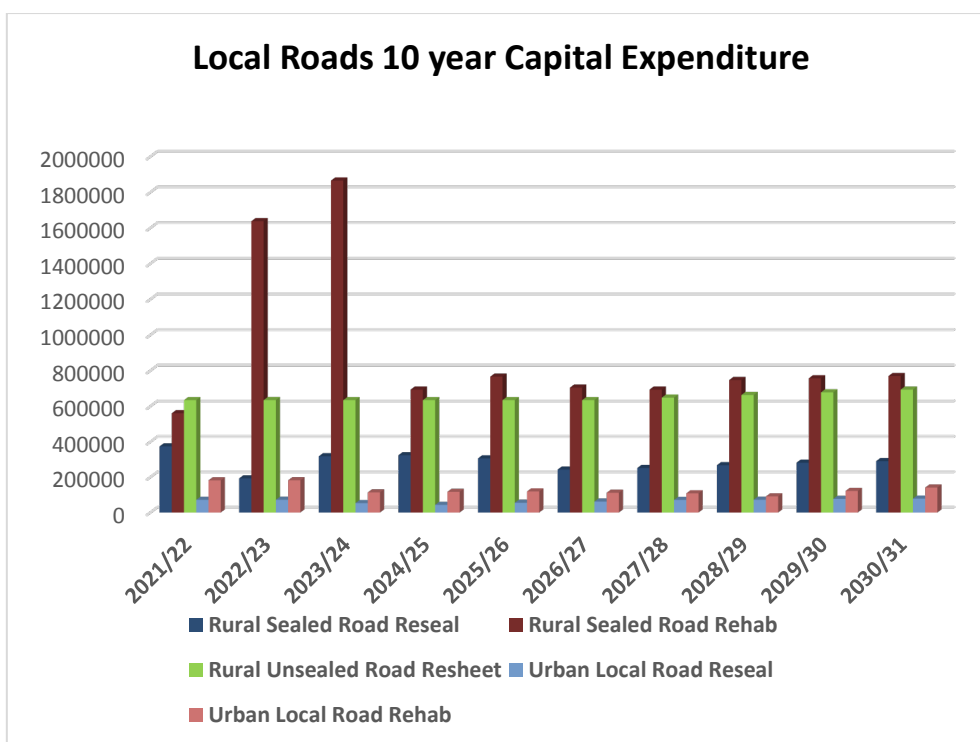


Figure 5.5: Projected capital renewal expenditure - local roads

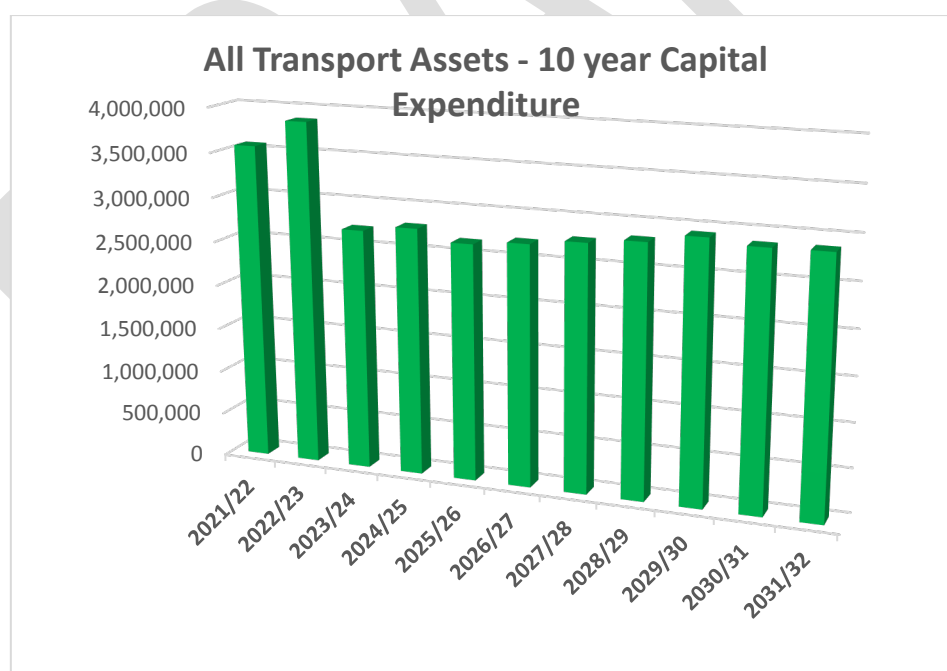


Figure 5.6: Proposed capital renewal expenditure – all transport assets

Figures 5.5 and 5.6 above include windfall grant funding for Hawthorne Drive (\$1,081,575) and Bergen Road (\$163,035) in the 2021/22 year.

5.4.4 Depreciation

As stated in various sections of this asset management plan, the funding of capital renewals is from fully funded non-cash depreciation whilst capital grants and budget appropriations of own-source income are generally used for capital improvements. The depreciation in the Ten Year Financial Plan takes into consideration the increases in value of assets due to revaluation increments and renewed, rehabilitated and new assets. The growth of the depreciation cost is demonstrated in Figure 5.7 below.

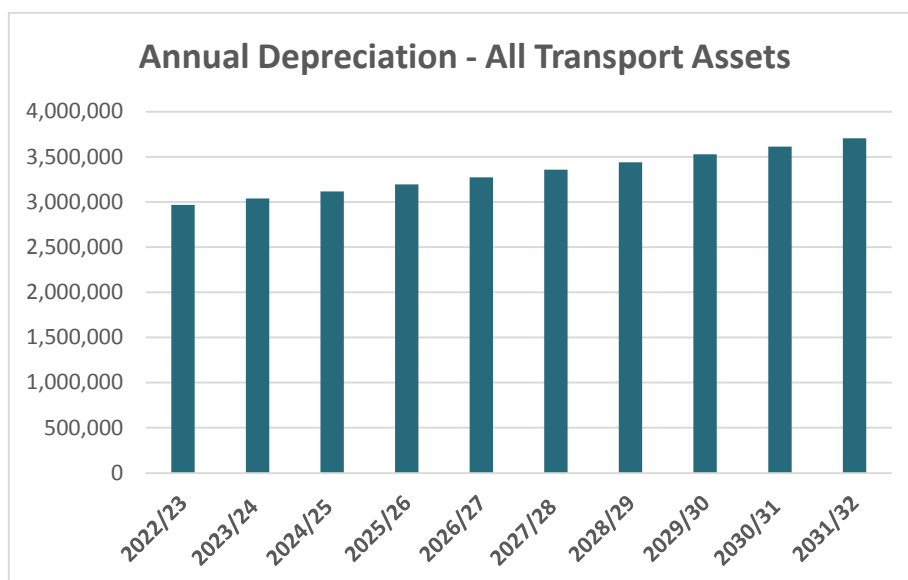


Figure 5.7: Projected depreciation expenditure

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

Renewals are to be funded from the capital works budget which would take into account any special one-off capital grants where available. This is further discussed in Section 6.2.

5.5 Creation/acquisition/upgrade plan

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

5.5.1 Selection criteria for upgrade works

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. Candidate projects are assessed by the Roads Assessment Model. The priority ranking criteria and scoring range used by the model to distinguish between like projects is detailed below in Table 5.11.

Table 5.11: Upgrade/new assets priority ranking criteria

Criteria for sealing of roads	Criteria score range
Traffic volumes	0 to 5
Percentage of heavy vehicles	0 to 5
Bus route (yes or no)	0 to 2
Pavement health	5 (if unsealed)
Tourist route (yes or no)	0 to 2
Initial seal (percentage of missing link gap)	0 to 4
Improves road alignment	0 to 5
Maintenance cost savings	2 to 5
Economics (cost of project)	0 to 2
Accident history	0 to 10

5.5.2 Standards and specifications

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

5.5.3 Summary of projected upgrade/new assets expenditure

The projected upgrade/new capital works program is shown in Appendix C. All costs are shown in 2021 dollar values.

New assets are acquired through the capital works program. The projects for upgrading of unsealed roads to sealed roads are determined by Council after taking into consideration the priority ranking criteria outlined above in Table 5.11.

6. FINANCIAL SUMMARY

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

6.1 Financial statements and projections

The financial projections for all transport assets (i.e. regional and local roads, bridges, kerb and gutter, footpaths and traffic facilities) are shown in Figure 6.1 for projected operating and maintenance (O&M) and capital renewal expenditure.

Note that all costs are shown in 2021/22 dollar values.

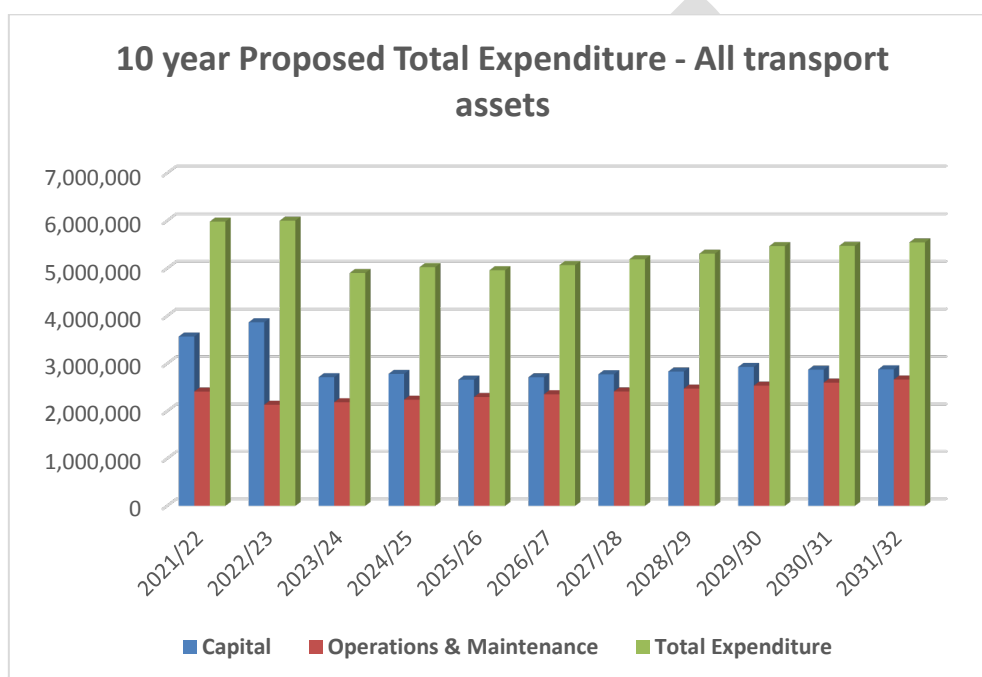


Figure 6.1: Projected operations and maintenance and capital renewal expenditure for all transport assets

The forward estimates in the Uralla Shire Council 10 Year Financial Plan make funding provision for the projected capital expenditure (renewal, rehabilitation and replacement) in addition to the ongoing level of operations and maintenance required to ensure the assets are fit for purpose.

The Council identifies properly funded and managed targeted maintenance as the fundamental principle in preserving the condition of its assets and thereby maintaining the high level of service delivery expected by our community.

Ideally, the forward estimates should provide more funds than are projected to be required, so that reasonable unforeseen eventualities can be met. Such eventualities include providing co-contribution funding to projects or programs funded from state and federal governments for road improvements.

6.1.1 Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period. The capacity to meet the projected/budgeted expenditures is dependent upon the capacity of the organisation to provide sufficient funding from its own resources to sustain the ongoing maintenance cost. In other words, Council must have a capacity to pay.

Whilst having fully funded capital expenditure for the renewal, rehabilitation of existing assets and/or new roads, streets, bridges, kerb and guttering and footpaths; it is imperative for the long term sustainability of the Council's transport assets for those assets to be fully maintained. The Council firstly has to be able to afford to fund the maintenance life cycle cost of holding assets.

The Uralla Shire Council has a history of fully funding its maintenance program with the application of an appropriate level of maintenance, funded from its own resources.

Long term - life cycle cost

Life cycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels over the longest asset life. Life cycle costs include the original purchase, operations and maintenance expenditure to hold the asset and the asset consumption (depreciation expense). The sustainability of Council requires fully funding the life cycle cost.

The estimated annual life cycle cost for the services covered in this asset management plan is \$5,386,591 for 2022/23 and \$5,247,986 for 2031/32 for the operation, maintenance and engineering administration costs plus depreciation expenditure. The life cycle proposed budget in the Council's Ten Year Financial Plan is \$4,732,353 for 2016/17 and \$4,393,626 in 2025/26. Life cycle expenditure will vary depending on the timing of asset renewals.

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

The life cycle gap for services covered by this asset management plan is \$4,839,399 for the ten year period or an average of \$480,000 per year.

Medium term – 10 year financial planning period

The Life Cycle proposed expenditure is \$42,300,519 for the ten years to 2031/32 and the life cycle costs are \$47,139,918 giving a life cycle sustainability index of 0.897. The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that funding will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan. Council's Ten Year Financial Plan is a 3,000 line individually calculated interactive spreadsheet that is based upon meeting a small increase in population and expansion of its road network to achieve 50% sealed road proportion within the 10 years to 2031/32.

This asset management plan therefore identifies the projected operations, maintenance and capital renewal expenditures required to provide that level of service to the community over a 10 year period. This plan provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

The projected required expenditures may be compared to budgeted expenditures in the 10 year period. Council's Ten Year Financial Plan provides sufficient funds over the short term to meet the life cycle costs of its transport assets but not over the full 10 year period.

Uralla Shire Council's long term practice of relying principally on maintenance of its road network, rather than making adequate provision for scheduled rehabilitation works, may need to be reviewed. In addition, the funding of renewal of a road asset (such as resealing sealed roads within the 15 year life of the surface) is a 'low-cost' renewal method as discussed in Section 5.4.1.

Financial sustainability indicators

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 asset management plan.

Figure 6.1 above shows the total projected operation and maintenance (O&M) and capital renewals expenditure required for all transport assets in the 10 year planning period.

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

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

This asset management plan will provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community. The impact of adopting different levels of service on the available funding has been discussed earlier in Section 3.5.

6.1.2 Expenditure projections for the 10 year term

The Ten Year Financial Plan expenditure projections are in current (non-inflated) values. In the normal course of operation Council does not dispose of any road, street, bridge, kerb and guttering or footpath assets.

From time to time there will be an impairment of one of these assets due to natural disaster. These are unforeseen events and not included in forward projections. Additionally, such natural events are generally accompanied by state and federal funding to replace the asset with only a small proportion of the cost to be matched by Council. Consequently such projections are not included in this asset management plan.

Upgrade works, other than those which have been approved by Council are not included in this section. These desired but unfunded upgrade works are detailed in Appendix D.

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 Council's Ten Year Financial Plan and detailed in Section 6.1.1.

6.3 Valuation forecasts

Asset values are forecast to increase as additional assets are added to the asset stock principally from construction and acquisition by Council and also from assets constructed by land developers and others donated to Council. Uralla Shire Council annually reviews the replacement cost of its Infrastructure Assets by incremental increases based upon the IPWEA (NSW) Roads and Transport Directorate Road and Bridge Construction Cost Indexes. This index, produced periodically, is also used to project future revaluation percentages for transport assets.

The projected value of the asset and the estimated revaluation increment is calculated in the non-current asset and depreciation spreadsheet (in the statutory form Projected Income, Cash Flow and Financial Position Statements years 2022/23 to 2031/32) for revaluation increment and depreciation.

The annual incremental increase smooths out the increase flowing from the periodic five year revaluation cycle of Council's assets. The next revaluation and assessment of asset condition of all transport assets is due in the year ended 30 June 2024.

The projected value of non-current transport assets depends also on the projection and funding in the forward estimates of renewals and upgrades expenditure.

The Net Transport Asset values is the net result of the Carried/Forward Net value plus revaluation increments and renewed, rehabilitated and new assets less depreciation and impairment, if any. The above projected depreciated replacement cost (current replacement cost less accumulated depreciation) will steadily increase over the forecast

period as Council is planning on increasing the sealed network by upgrading existing unsealed roads to seal when funding permits.

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:

- All costs are in 2021/22 dollars.
- RMS Block Grant funding will continue for regional roads
- Roads to Recovery grant funding will continue for local roads
- Roads and bridges component of the Financial Assistance Grants (FAGs) continuing from the federal government budget.
- The opportunity for windfall funding from grant programs e.g. Local Roads and Community Infrastructure (LRCI), Fixing Country Roads (FCR), Fixing Local Roads (FLR) etc. will continue to be available.

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

The financial system used by the Uralla Shire Council is Authority 6.6, through a managed service provider contract with Civica Australia. The system is managed by Council's Finance Section producing monthly financial reports, for both management and Council and annual financial statements for audit and production to the Uralla Community and other interested parties.

7.1.2 Accountabilities for financial systems

Council's significant accounting policies are set out in the annual financial statements Note C1-7.

7.1.3 Accounting standards and regulations

Council currently complies with the following standards and regulations with respect to asset accounting

- The Australian Accounting Standards and Australian Accounting Interpretations
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Act 1993 and Local Government (General) Regulation 2005

7.1.4 Capital/maintenance threshold

The determination of expenditure as capital or maintenance is a combination of purpose, value and economic life of the asset received from the expenditure. Capital costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

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

Currently infrastructure values, current replacement costs and written down values, are calculated from desktop audits and field condition surveys. With the development and improvement of this asset management plan the infrastructure values will be more accurate and will be reflected in the financial system.

7.2 Asset Management Systems

7.2.1 Asset management system and registers:

A number of systems and registers are used by the Uralla Shire Council for the purpose of this asset management plan:

- MapInfo® (Intramaps® from January 2014) - For the Geographical Information System (GIS). These systems hold the spatial information on the majority of asset groups
- Microsoft® Excel spreadsheets are used to manipulate and interrogate asset data
- Financial system: Civica® "Authority" software – maintains the capital value register and manages depreciation.
- document management and customer requests system is TRIM (© (HP Software Division)
- Council's current maintenance management system used for transport assets is via field work sheets and using Microsoft® Excel spreadsheets. Council is working, with Statewide Mutual Risk Officers, towards implementing a robust modern system based upon Risk Assessment tools. Other maintenance is undertaken on a reactive basis under direction from the Director Infrastructure and Development and Manager Civil Infrastructure.

7.2.2 Accountabilities for asset management system and data

The responsibility for operating and maintaining the core asset management systems is with the Director Infrastructure and Development. The development of an annual transport budget allocation within the Council budget is between the Director and the General Manager based upon the ten year financial plan forward estimates.

7.2.3 Linkage from asset management to financial system

Council utilises Civica Authority to link asset management to the financial system by managing the asset values including depreciation and revaluations. However, there are no direct links with operations and maintenance expenses and the individual asset.

7.2.4 Required changes to asset management system arising from this asset management plan

A system which provides a direct linkage between operations and maintenance expenditure and individual assets is required. The ongoing maintenance of this system should then become a core function within Council's operations.

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, annual budget and departmental business plans and budgets.

7.4 Standards and guidelines (to be updated)

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

- Council's Significant Accounting Policy (Note C1-7 to Annual Financial Statements)
- Roads and Maritime Services –Roadworks, Bridgeworks and Materials Specifications
- Unsealed Roads Manual – Guidelines to Good Practice ARRB 1993
- Sealed Local Roads Manual – Guidelines to Good Practice for the Construction, Maintenance and Rehabilitation of Pavements. ARRB 1995
- Local Roads Bridge Maintenance - Guidelines to Good Practice ARRB 2000
- Department of Housing Road Manual 1987 (urban works)

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

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

8.2 Improvement Plan

The following tasks in Table 8.1 have been identified to be included in future revisions of the asset management plan.

Table 8.1: Improvement plan

Task No	Task	Responsibility	Timeline
1	Quantify desired levels of service	MCI	By next revision
2	Develop an Age Profile for all transport assets	MCI	By next revision
3	Develop a formal process for asset assessment	MCI	By next revision
4	Improve financial projections as further information becomes available on desired levels of service.	MCI	After completion of Task 1
5	Inspection regime to be developed and funded	MCI	By end Year 1
6			

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.

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

REFERENCES

Uralla Shire Council – Ten Year Financial Plan 2022/23 to 2031/32

Uralla Shire Council – 2022/2023 Operational Plan

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

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

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

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

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

APPENDICES

Appendix A	Examples of Road Conditions; refer Table 5.1IIMM Descriptions of Condition
Appendix B	Breakdown of 2021 Transport Asset Valuations by asset type
Appendix C	Projected 10 Year Capital Renewal Works Program (reseals and re-sheeting)
Appendix D	Planned upgrade, rehabilitation or new transport infrastructure in the 10 year Capital Works Program
Appendix E	Glossary
Appendix F	Abbreviations

Appendix A – Examples of Road Conditions refer Table 5.1 IIMM Descriptions of Condition



(a) Sealed Road – Condition 1 (Eastern Avenue)



(b) Sealed Road – Condition 3 (Fitzroy Street)



(c) Unsealed Road – service level (Big Ridge Road)



(d) Sealed Road – Condition 2 (Torryburn Road))



(e) Sealed Road – Condition 4 (Burtons Lane)



(f) Unsealed Road – grade intervention level (Balala Road)



(g) Kerb and Guttering – condition 1 (Fitzroy Street)



(h) Footpath – Condition 1 (John street)



(i) Concrete Bridge replacing a timber bridge – Enmore Road,



(j) Kerb and Guttering – Condition 3 (Salisbury Street)

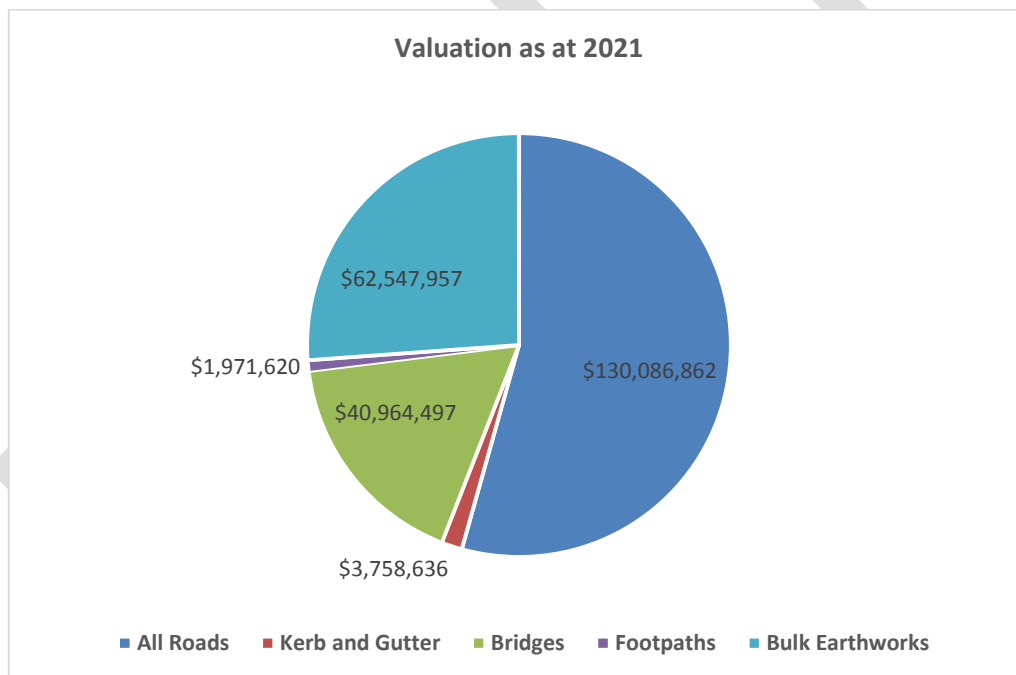


(k) Footpath – Condition 3 (Salisbury Street)

Appendix B – breakdown of 2021 Transport Valuations into transport asset type:

Asset Type	Valuation as at 2021
All Roads	\$130,086,862
Kerb and Gutter	\$3,758,636
Bridges	\$40,964,497
Footpaths	\$1,971,620
Bulk Earthworks	\$62,547,957

Total valuation \$239,329,572



Appendix C – Projected 10 year Capital Renewal Works (reseals and re-sheeting)

Regional Sealed Roads

Resealing of the surface layer of regional sealed roads based on estimates of remaining useful life in 2020 by Shepherd Services.

Regional Roads Proposed Expenditure		
Year	Reseals	Rehabs
2021/22	\$0	\$695,520
2022/23	\$105,000	\$604,800
2023/24	\$142,500	\$571,200
2024/25	\$145,500	\$571,200
2025/26	\$142,500	\$577,920
2026/27	\$180,000	\$554,400
2027/28	\$187,500	\$554,400
2028/29	\$217,500	\$504,000
2029/30	\$220,500	\$537,600
2030/31	\$225,000	\$504,000
Totals	\$1,566,000	\$5,675,040

The 10 year forward estimates of \$1,556,000 will reseal approximately 56.0 kilometres of the 126.5 kilometres of regional rural sealed road over the period of this plan.

Expenditure of \$5,675,040 over 10 years for pavement renewal of the base layer (rehabilitation) of regional sealed roads is based on estimates of remaining useful life in 2020 by Shepherd Services and addresses the backlog of renewals which are overdue.

Rural Local Sealed Roads

Resealing of the surface layer of rural sealed roads based on estimates of remaining useful life in 2020.

Rural Local Roads Proposed Expenditure		
Year	Reseals	Rehabs
2021/22	\$193,200	\$556,505
2022/23	\$318,614	\$729,048
2023/24	\$324,272	\$741,125
2024/25	\$306,673	\$744,359
2025/26	\$243,128	\$781,550
2026/27	\$252,209	\$720,913
2027/28	\$267,830	\$731,500
2028/29	\$282,210	\$725,725
2029/30	\$290,904	\$735,196
2030/31	\$307,133	\$747,362
Totals	\$2,786,174	\$7,213,283

The 10 year forward estimates of \$2,786,174 will re-seal approximately 105.4 kilometres of the 294.3km rural local road network over the period of this plan.

Expenditure of \$7,213,283 over 10 years for pavement renewal of the base layer (rehabilitation) of rural local sealed roads is based on estimates of remaining useful life in 2020 by Shepherd Services and addresses the backlog of overdue renewals.

Urban Local Sealed Roads

Resealing of urban sealed roads is based on estimates of remaining useful life in 2020.

Urban Local Roads Proposed Expenditure		
Year	Reseals	Rehabs
2021/22	\$72,109	\$182,573
2022/23	\$53,268	\$113,880
2023/24	\$43,194	\$116,983
2024/25	\$55,200	\$119,381
2025/26	\$62,100	\$111,891
2026/27	\$71,236	\$108,624
2027/28	\$72,229	\$91,250
2028/29	\$77,197	\$121,983
2029/30	\$78,688	\$141,401
2030/31	\$83,407	\$157,972
Totals	\$668,628	\$1,265,937

The 10 year forward estimates of \$668,628 will re-seal approximately 22.8 kilometres of the 27.6km urban local road network over the period of this plan.

Expenditure of \$1,265,937 over 10 years for pavement renewal of urban local sealed roads is based on estimates of remaining useful life in 2020 by Shepherd Services and addresses the backlog of overdue renewals.

Unsealed Roads gravel resheeting

The proposed expenditure for resheeting of regional and local unsealed roads over the 10 year period is shown below.

Unsealed Roads Proposed Expenditure		
Year	Regional	Local
2021/22	\$21,080	\$634,978
2022/23	\$22,000	\$634,769
2023/24	\$22,661	\$634,769
2024/25	\$23,341	\$634,769
2025/26	\$24,041	\$634,769
2026/27	\$24,582	\$649,051
2027/28	\$25,135	\$663,655
2028/29	\$25,701	\$678,567
2029/30	\$26,279	\$693,855
2030/31	\$26,870	\$709,467
Totals	\$241,690	\$6,568,649

The ten year forward estimates total of \$241,690 will re-sheet 6.5 kilometres of the Bundarra to Barraba Road whilst the proposed expenditure of \$6,568,649 over 10 years will maintain the rural local unsealed road network at a satisfactory standard.

Footpaths, Bike Track and Kerb & Gutter

The proposed capital expenditure for footpaths, bike track and K&G over the 10 year period is shown below.

Other Transport Proposed Expenditure		
Year	Footpaths & Bike Track	Kerb & Gutter
2021/22	\$60,256	\$70,320
2022/23	\$79,000	\$70,600
2023/24	\$94,035	\$70,600
2024/25	\$90,412	\$70,600
2025/26	\$90,900	\$70,600
2026/27	\$106,800	\$72,189
2027/28	\$92,686	\$73,813
2028/29	\$93,209	\$75,474
2029/30	\$93,744	\$77,172
2030/31	\$69,875	\$78,908
Totals	\$870,917	\$730,276

Appendix D – Planned upgrade, or new transport infrastructure in the 10 year Capital Works Program.

The following transport projects have been identified but are currently unfunded and are not included in the 10 year Capital Works Program unless noted otherwise:

Sealed Roads Renewals

Pavement strengthening and widening of Hawthorne Drive from 00 to 4.9km and 5.3 to 5.55km was identified as a priority for renewal and widening. Funding for Stage 1 (00 to 2.0km) has been received through the Fixing Local Roads Program and work was completed in 2021. Stage 2 (2.0 to 4.8km and 5.3 to 5.55km) has also received funding from the Fixing Local Roads Program and is programmed to be completed in 2022. The grant funding has been included in the 2021/22 capital works program. Sections of Kingstown, Gostwyck and Northeys Roads have also been identified as priorities for pavement renewal and these sections make up the successful application for funding under the Fixing Local Roads Program announced in 2022.

A list of candidate projects for future pavement renewal (after Shepherd) is shown in Table D below:

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Table D.1: List of local road candidate projects for future pavement renewal

Proposed Candidate Pavement Renewals (after Shepherd) - combined Rural and Urban local roads.									
Projects to be included in annual works programs are subject to validation in the field.									
Rural or Urban	Road category	Road Name	Ch Start	Ch End	Est Cost	Comments	FLR grant	Balance req'd from Council	Works proposed for 2022/23
Rural	C Collector	NORTHEYS ROAD	1000	1500	\$138,793	FLR R3 funding application successful	\$101,063	\$37,730	\$37,730
						Field inspection validates requirement for renewal concurrently with adjoining segments		\$277,585	\$277,585
Rural	C Collector	NORTHEYS ROAD	1500	2500	\$277,585			\$277,585	\$277,585
Rural	C Collector	NORTHEYS ROAD	2500	3250	\$208,189	FLR R3 funding application successful	\$151,594	\$56,595	\$56,595
Rural	C Collector	GOSTWYCK ROAD	8250	9250	\$277,585			\$277,585	\$277,585
Rural	C Collector	GOSTWYCK ROAD	10000	10750	\$208,189			\$208,189	
						Note works either programmed or the subject of pending grant applications between 00 and 2.75km. Also heavy patching completed up to Ch 10.0km		\$69,396	
Rural	B Sub-arterial	KINGSTOWN ROAD	6501	6751	\$69,396			\$69,396	
Rural	B Sub-arterial	KINGSTOWN ROAD	7501	7751	\$69,396			\$69,396	
Rural	B Sub-arterial	KINGSTOWN ROAD	8251	8751	\$138,793			\$138,793	
Rural	B Sub-arterial	KINGSTOWN ROAD	11501	12501	\$277,585	Worst sections have been heavy patched.		\$277,585	
Rural	B Sub-arterial	KINGSTOWN ROAD	18200	19000	\$222,068			\$222,068	\$277,585
Rural	B Sub-arterial	KINGSTOWN ROAD	19751	20001	\$69,396			\$69,396	
Rural	C Collector	KLIENDIENST ROAD	750	1262	\$142,124			\$142,124	
Rural	B Sub-arterial	KENTUCKY ROAD	3000	3810	\$224,844			\$224,844	
Rural	B Sub-arterial	ARDING ROAD	2250	3000	\$208,189			\$208,189	
Rural	B Sub-arterial	ARDING ROAD	4150	4800	\$180,430			\$180,430	
Urban	Arterial	BRIDGE STREET	Salisbury St	King St	\$171,200	Parking lanes only. Travel lanes are SH9.		\$171,200	
Rural	C Collector	BERGEN ROAD	250	2500	\$624,566			\$624,566	
						110m completed in 2021 north from Gostwyck St		\$41,530	
Urban	C Collector	SALISBURY STREET	Gostwyck Rd	Duke St	\$41,530			\$41,530	
Urban	C Collector	SALISBURY STREET	Bridge St	Queen St	\$74,160			\$74,160	
Urban	C Collector	SALISBURY STREET	Maitland St	Bridge St	\$71,600	Parking lanes only. Travel lanes are MR73.		\$71,600	
Urban	C Collector	HILL STREET	Bridge St	Queen St	\$76,600	Parking lanes only. Travel lanes are MR73.		\$76,600	
Urban	D Local access	FITZROY STREET	Munro Ave	Ivon Ct	\$39,119	15m south west of John Street		\$39,119	
Urban	E Lanes	BLIGH AVENUE	East Street	Park Street	\$79,722			\$79,722	
Urban	D Local access	URALLA STREET	John St	Park St	\$55,620			\$55,620	
Rural	C Collector	BARLEYFIELDS ROAD	1	251	\$69,396			\$69,396	
Rural	B Sub-arterial	KENTUCKY ROAD	1750	2000	\$69,396			\$69,396	
Rural	B Sub-arterial	DUMARESQ ROAD	1250	1750	\$138,793			\$138,793	
Rural	C Collector	EASTERN AVENUE	325	500	\$48,577	Check condition 500 to 750 =4(27). Include?		\$48,577	
Rural	C Collector	EASTERN AVENUE	750	1000	\$69,396			\$69,396	
Rural	C Collector	EASTERN AVENUE	3750	4000	\$69,396			\$69,396	
Rural	C Collector	NOALIMBA AVENUE	0	250	\$69,396	Check condition 250 to 500 =4(30). Include?		\$69,396	
Rural	C Collector	NOALIMBA AVENUE	500	750	\$69,396			\$69,396	
Rural	C Collector	NOALIMBA AVENUE	1750	2000	\$69,396			\$69,396	
Rural	D Local access	BINDAWALLA ROAD	1250	1500	\$59,483	Low traffic		\$59,483	
Urban	D Local access	FAULKNER STREET	Vincent St	End	\$28,292	Low traffic - deferred from 2022/23		\$28,292	
Urban	D Local access	VINCENT STREET	Faulkner St	End	\$28,255			\$28,255	
Urban	E Lanes	CHURCH AVENUE	John St	Park St	\$33,639			\$33,639	

Table D.2: List of regional road candidate projects for future pavement renewal

Proposed Candidate Pavement Renewals (after Shepherd) - combined rural and urban regional roads.									
Projects to be included in annual works programs are subject to validation in the field.									
Urban or Rural	Road Name	Section	From	To	Cost	Proposed Timing	Notes	USC Proposed budget	Works proposed for 2022/23
Rural	THUNDERBOLTS WAY	625	17750	18500	\$252,000	2022/23	Reseal 17.0 to 17.75 program 2022/23		\$252,000
Rural	THUNDERBOLTS WAY	625	19000	19750	\$252,000	2022/23	Reseal 18.5 to 19.0 program 2022/23		\$252,000
Rural	THUNDERBOLTS WAY	625	21750	22000	\$33,600	2022/23	Part segment only.		\$33,600
Rural	THUNDERBOLTS WAY	625	23500	23750	\$67,200	2022/23		\$604,800	\$67,200
Rural	THUNDERBOLTS WAY	653	21501	21751	\$84,000	2023/24	Heavy patch?		
Rural	THUNDERBOLTS WAY	653	24001	25251	\$420,000	2023/24			
Rural	THUNDERBOLTS WAY	653	25501	25751	\$67,200	2023/24	25251 to 25501 is condition 3(60)	\$571,200	
Rural	BUNDARRA ROAD	747	18500	19500	\$319,200	2024/25	Part segment only.		
Rural	BUNDARRA ROAD	747	17000	17750	\$252,000	2024/25		\$571,200	
Rural	THUNDERBOLTS WAY	653	9751	10001	\$73,920	2025/26	Check condition of CH10001 to 10251		
Rural	THUNDERBOLTS WAY	653	10251	11251	\$336,000	2025/26			
Rural	THUNDERBOLTS WAY	653	28001	28501	\$168,000	2025/26		\$577,920	
Urban	SALISBURY STREET	653	Maitland St	Bridge St	\$68,800	2026/27	Travel lanes only		
Rural	THUNDERBOLTS WAY	653	7501	8251	\$252,000	2026/27	Reseal 8.25 to 9.0 program 2023/24		
Rural	THUNDERBOLTS WAY	653	9001	9501	\$168,000	2026/27			
Rural	THUNDERBOLTS WAY	653	17501	17751	\$67,200	2026/27	Part segment only.		
Rural	THUNDERBOLTS WAY	653	49251	49501	\$67,200	2026/27		\$623,200	
Urban	HILL STREET	653	Bridge St	Queen St	\$73,600	2027/28	Travel lanes only		
Rural	THUNDERBOLTS WAY	653	22001	22251	\$50,400	2027/28	Part segment only.		
Rural	THUNDERBOLTS WAY	653	28751	30501	\$252,000	2027/28	Part full length only.		
Rural	THUNDERBOLTS WAY	653	37251	38001	\$252,000	2027/28		\$628,000	
Rural	THUNDERBOLTS WAY	653	13001	13751	\$252,000	2028/29			
Rural	THUNDERBOLTS WAY	653	22501	23001	\$168,000	2028/29			
Rural	THUNDERBOLTS WAY	653	64751	65001	\$84,000	2028/29		\$504,000	
Rural	THUNDERBOLTS WAY	653	44251	44751	\$168,000	2029/30			
Rural	THUNDERBOLTS WAY	653	46751	47251	\$168,000	2029/30			
Rural	THUNDERBOLTS WAY	653	60751	61501	\$134,400	2029/30	Part full length. Laura Creek section.		
Rural	THUNDERBOLTS WAY	653	62751	63251	\$67,200	2029/30	Part full length. Laura Creek section.	\$537,600	
Rural	THUNDERBOLTS WAY	625	9000	9500	\$168,000	2030/31			
Rural	BUNDARRA ROAD	747	14250	14500	\$84,000	2030/31			
Rural	BUNDARRA ROAD	747	18000	18250	\$84,000	2030/31			
Rural	BUNDARRA ROAD	747	20000	20500	\$168,000	2030/31		\$504,000	
Rural	THUNDERBOLTS WAY	625	22250	22750	\$168,000	2031/32			
Rural	THUNDERBOLTS WAY	653	40251	41001	\$252,000	2031/32			
Rural	THUNDERBOLTS WAY	653	64751	65001	\$67,200	2031/32			
Rural	THUNDERBOLTS WAY	653	66001	66251	\$67,200	2031/32		\$554,400	
Rural	BUNDARRA ROAD	747	12750	13000	\$84,000	2032/33			
Rural	THUNDERBOLTS WAY	625	11250	11750	\$168,000	2032/33			
Rural	THUNDERBOLTS WAY	625	21250	21500	\$84,000	2032/33			
Rural	THUNDERBOLTS WAY	653	3001	3251	\$67,200	2032/33			
Rural	THUNDERBOLTS WAY	653	41001	41251	\$63,000	2032/33			
Rural	THUNDERBOLTS WAY	653	60251	60501	\$84,000	2032/33		\$550,200	

Unsealed Roads to be upgraded:

At the Ordinary Meeting held on 25 May 2021, Council approved road upgrades to be funded by Local Roads and Community Infrastructure (LRCI) funding in 2021/22 being Old Gostwyck, Corey and Harriet Gully Roads. Further, Council adopted a prioritised list for subsequent years and placed other candidate roads on public exhibition to invite nominations from the community for further investigation and prioritisation in the future.

The prioritised list of road projects adopted by Council for upgrading from unsealed to sealed is:

Priority	Road section	Cost
1	Gostwyck Road 14.9 to 16.9km	\$490,000
2	Bendemeer Road 0.5 to 2.5km	\$490,000
3	Gostwyck Road 16.9 to 19.0km	\$515,000
4	Williams Road 0.2 to 2.0km	\$441,000

Other roads (not included above) which have been identified previously and/or suggested through the public exhibition period for upgrading are listed below. The list is not comprehensive and may change from time to time.

- Adina Road
- Andersons Road
- Bakers Creek Road
- Bakers Lane
- Balala Road
- Barloo Road
- Gostwyck Road
- Hillview Road
- Kooda Road
- Lentara Road
- Malapatinti Road
- Mihi Road 0.6 to 1.8 and 2.2 to 4.8km
- Munsies Road
- Nelsons Road
- Retreat Road 10.1 to 17.5km
- Rowbottoms Road

Council has yet to consider which of these roads should be adopted as candidate projects for upgrading.

Regional Roads:

MR132 Barraba Road – complete sealing of remaining unsealed length 9.75km at an estimated cost of \$3.8m.

Note: 1.86km of sealing works at the western end was funded from the Blackspot program in 2014/15.

Council plans to spend \$241,690 over 10 years on gravel resheeting works.

When future opportunities for funding arise from time to time, it is intended to propose the 2km unsealed section remaining on the western end hill section (to the Tamworth Regional Council boundary) for upgrading to a sealed surface.

Regional Bridges

Upgrade causeway on Barraba Road at Bakers Creek to a bridge structure at a cost in excess of \$1.5m. This project is currently being developed to concept design stage including cost estimate. The concept design and estimate will support grant funding applications for this unfunded project.

Urban Local:

- Extension of Uralla shared cycleway path in accordance with the PAMP

Causeways to be upgraded:

- Maitland Street
- Queen Street
- Gostwyck Road (on gravel Section)
- Kingstown Road near Balala
- Terrible Vale Road

Safety Issues to be addressed:

- Bundarra Road guardrail/ wire barrier at 3 locations on the Pinnacle
- Gwydir River Road – guardrail/ wire barrier on two bridge approaches
- Baldersleigh Road/ Thunderbolts Way intersection upgrade
- Eastern Avenue – realign corner near Wards
- Retreat Road - crest realignment
- Kingstown Road – in the vicinity of the bridge over Rocky River

Footpaths: Renew all sections at Condition Levels 4 and 5 and implement the schedule of works as contained in the Uralla PAMP.

At its Ordinary Meeting of 27th August 2019, Council resolved to adopt the Uralla Pedestrian Access Mobility Plan – August 2019. The 9 year allocation of \$575,400 will enable construction of the following priority footpath works contained in the Uralla PAMP Schedule of Works. Projects are yet to be adopted by Council.

1. King Street to rail overpass \$73,200
2. Dangar Street, Gostwyck Road to King Street \$138,200 (over 2 years)
3. Gostwyck Street to McCrossin Street \$84,500
4. East Street, Dumaresq Street to Gostwyck Road \$279,500 (over 4 years)

The PAMP also contains an item in the Schedule of Works to complete the shared path cycleway along Plane Avenue to the Sports Complex. An allocation has been made each year for the next 8 years in the proposed capital works program but would depend on successful grant applications under the Active Transport Program. In 2022/23 an application was submitted for a grant under this program of \$50,000 towards a total cost of \$79,000 for the next stage of the shared path. A total allocation of \$235,261 has been included in forward programmes for consideration by Council.

Kerb and Gutter: Renew all sections at Condition level 5 over the next 10 years and extend the network by 210m per year.

The 10 year allocation of \$730,276 will enable construction of approximately 2,100 metres of kerb and guttering, thus achieving the target of 210 metres per annum.

Identified kerb and guttering construction works include the following:

- Rowan Avenue, northern side Bridge Street west, 100m
- Queen Street, from East Street 60m both sides north, i.e. 120m
- Bowline Street opposite the Bundarra Central School
- Roman Street, 140m both sides i.e. 280m
- Warwick Street, from McCrossin Street both sides north.

Kerb and gutter projects are yet to be adopted by Council.

Appendix E – Glossary

Annual service cost (ASC)

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

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life

Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

- **Planned maintenance**

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

- **Reactive maintenance**

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

- **Significant maintenance**

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

- **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

Non-revenue generating investments

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

Operations expenditure

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

Operating expense

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course

of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Pavement

The layer below the sealed surface which provides the strength to support the traffic loads. Usually made up of two layers: a base and a sub-base.

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.

Reseal

A coating of bitumen and aggregate applied over an existing seal to restore the service potential of the road surface.

Resheet

A layer of gravel pavement material applied over an existing unsealed road to restore the service potential of the road surface.

Residual value

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

Revenue generating investments

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

Risk management

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

Seal

The surface or uppermost layer of a road. Usually consists of a thin layer of bitumen and crushed aggregate up to 20mm diameter or a thin layer of asphalt.

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).

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

Appendix F – Abbreviations

AAAC	Average annual asset consumption
AMP	Asset management plan
ARI	Average recurrence interval
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

For further information



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DRAFT

INFORMATION ABOUT THIS DOCUMENT

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Document Development Officer	Asset Manager		
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Doc No.	Date Amended	Details/Comments eg Resolution No.
1.0	March 2022	Draft document reviewed - Asset Manager
1.1	10 May 2022	Revised by Finance Advisory Committee
2		
3		

Further Document Information and Relationships

List here the related strategies, procedures, references, Strategy or other documents that have a bearing on this Strategy and that may be useful reference material for users of this Strategy.

Related Legislation*	Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation)
Related Policies	Uralla Shire Council Community Strategic Plan Uralla Shire Council Long Term Financial Plan Uralla Shire Council Asset Management Policy Uralla Shire Council Asset Management Strategy
Related Procedures/ Protocols, Statements, documents	Integrated Planning & Reporting Guidelines for Local Government in NSW International Infrastructure Management Manual (IPWEA, 2006) ISO 55000 Standards and Australian Accounting Standards

**Note: Any reference to Legislation will be updated in the Strategy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

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1. EXECUTIVE SUMMARY

1.1 Context

- 1.1.1 This asset management plan has been prepared to meet Uralla Shire Council's legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.
- 1.1.2 Uralla Shire Council and its employees will strive to uphold and follow the practices outlined in this Stormwater Drainage Asset Management Plan (SDAMP).
- 1.1.3 This SDAMP is one of eight asset management plans (AMPs) covering all community assets for which Council is responsible. These fall under Council's Asset Management Policy and Asset Management Strategy.
- 1.1.4 Asset management planning is a comprehensive process to facilitate service delivery from infrastructure assets in a financially sustainable manner.
- 1.1.5 Asset management plans detail information about infrastructure assets, including actions required to provide an agreed level of service in the most cost effective manner. This plan defines the services to be provided, how the services are provided, and what funds are required to provide the services.
- 1.1.6 Council stormwater drainage assets assist in providing the community with services that enable the adequate collection, transport and discharge of stormwater runoff effectively, efficiently and economically to reduce flooding, soil erosion, pollution, and improve water quality.
- 1.1.7 The critical issues factored into Council's stormwater asset management include:
- Maintenance and repair costs;
 - Replacement or Rehabilitation cost;
 - Age of assets;
 - Life cycle of asset;
 - Integrating new technologies;
 - Usage and data capture; and
 - Budget.
- 1.1.8 The stormwater service network is comprised of the following infrastructure assets:
- Stormwater drainage pipes (closed and open conduits);
 - Stormwater drainage box culverts;
 - Pits - junction pits, surface inlet pits, kerb inlet pits, headwalls/endwalls, manholes and converters; and Stormwater Quality Improvement Devices (SQIDs) – gross pollutant traps
- 1.1.9 As at 30 June 2021 these infrastructure assets have a replacement value of \$4,252,095.

1.2 What does it cost?

- 1.2.1 The projected outlays necessary to provide the services covered by this SDAMP includes maintenance and renewal of existing assets over the 10 year planning period. These costs do not include operations costs, and there are no confirmed upgrades at the time of writing this plan.
- 1.2.2 Council will fund these costs as per the forecast expenditure, therefore the estimated available funding for this period is also \$50,919 on average per year which is 91% of the cost to provide the service. This

is a funding shortfall of zero on average per year. Projected expenditure required to provide services in the SDAMP compared with planned expenditure currently included in the Long Term Financial Plan are shown in Figure 1.2.2.

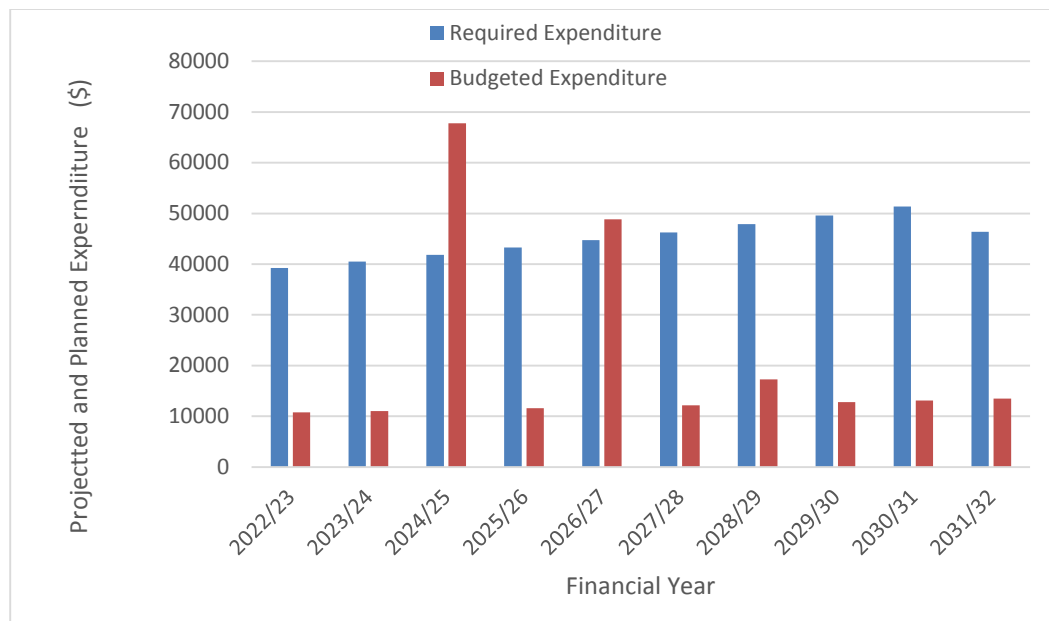


Figure 1.2.2: Stormwater Drainage Projected and Budget Expenditure

1.3 Managing the Risks

1.3.1. There are risks associated with providing the service and not being able to complete all activities and projects. Major risks have been identified as:

- Disruption to other Council operations and services
- Deferred maintenance and renewal resulting in large future expenditure
- Flooding.

1.3.2. Council will endeavour to manage these risks within available funding by:

- Prioritisation of maintenance and renewal works based on service levels and risks
- Monitoring known flooding hotspots.

1.4 Confidence Levels

1.4.1. This SDAMP is based on medium level of confidence information. Reliable asset and financial data has been used in preparation of this plan, which has been used to obtain financial ratios, expenditure requirement for each asset class, reporting and in the life cycle analysis. The expenditure allocations have been identified for renewals, operational and maintenance, which are to be integrated into the Long Term Financial Plan.

1.5 The Next Steps

- 1.5.1. The plan provides framework for good management of stormwater drainage assets by detailing:
- New established levels of service that have be prepared in detail with specific key performance indicators (KPIs). Further consultation is required with community for adaptation
 - New simplified improvement plan which highlights on-going or next items for continuous improvement in asset management.
- 1.5.2. The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$218,854 per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being \$21,885 per year. This indicates that Council has funded 49% of its required asset expenditure over the period of the plan.
- 1.5.3. The analysis of the asset data and expenditure data suggest that there is an under expenditure on asset maintenance.
- 1.5.4. This asset class is relatively small in size and value and as such one-off expenditure and minor maintenance expenditure can maintain the asset class in good condition. Council will need to have a good understanding of the capacity of its stormwater network, as this will likely drive asset replacement and upgrade expenditure into the future.

2. INTRODUCTION

2.1 Background

- 2.1.1 Aging infrastructure is a significant concern and the council struggles to operate, maintain, and improve systems and infrastructure assets installed decades ago. Uncertainty about the location and condition of infrastructure assets and lack of comprehensive planning often leads to a reactive approach to maintenance and the occurrence of emergency situations stemming from asset failures.
- 2.1.2 This asset management plan defines and demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates the funding needed to provide the required levels of service.
- 2.1.3 The asset management plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated Council planning documents:
- Community Strategic Plan
 - Delivery Plan
 - Operational Plan
 - Long Term Financial Plan
- 2.1.4 This SDAMP has a direct relationship with the following associated planning process and documents:



Figure 2.1 Asset management planning process within the Integrated Planning and Reporting Framework

- 2.1.5 Council's current stormwater drainage assets covered by this asset management plan are tabled in Appendix A.

2.2 Goals and Objectives of Asset Management

- 2.2.1 Council exists to provide services to its community. Most of these services (from a value perspective) are provided by infrastructure assets. Council acquires infrastructure assets by 'purchase', by contract, construction by Council staff, and by donation of assets constructed by developers and others to increase the levels of service over time.
- 2.2.2 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 cost management 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 future demand analysis and infrastructure investment;
 - Managing risks associated with asset failures;
 - Sustainable use of physical resources; and
 - Continuous improvement in asset management practices.
- 2.2.3 Assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs so that they:
- Reach their expected lifecycle;
 - Perform to their maximum capability;
 - Satisfy community expectations and needs;
 - Satisfy budget limitations; and
 - Meet safety and regulatory requirements.
- 2.2.4 The purpose of this SDAMP is to:
- Maintain, replace and develop assets over the long term to meet required delivery standards and foreseeable future needs at minimal cost;
 - Continually improve asset management practices and service delivery to the customers
 - Provide information to assist decision makers in trading off service levels, costs and risks to provide services in a financially sustainable manner.
 - Provide long term financial planning for stormwater assets
 - Demonstrate responsible and sustainable stewardship of the council and community assets
 - Provides the basis for forward works programs
 - Provides the basis of optimising whole life costs
 - Comply with strategic and regulatory requirements
 - Identify future funding requirements and service delivery in the context of current asset conditions and performance, levels of service, funding constraints, and forecast demands for infrastructure and services.

2.3 Core and Advanced Asset Management

- 2.3.1 This asset management plan is prepared as a first cut 'core' asset management plan in accordance with the International Infrastructure Management Manual (IPWEA, 2006). 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.

2.4 Community Consultation

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

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

- 3.1.1 Council has not yet carried out any formal research on customer expectations in relation to its stormwater drainage infrastructure. It is proposed that comments and submissions received during the document's public exhibition period be incorporated into the plan for Council's consideration.
- 3.1.2 Community consultation to determine customer expectations, needs and wishes for all Council services is conducted to inform the development of Council's overarching Community Strategic Plan, which will in turn influence future updates of this asset management plan.
- 3.1.3 Further investigation and consultation may be resourced should Council determine the need to do so.

3.2 Strategic and Corporate Goals

- 3.2.1 This SDAMP is prepared under the direction of Council's vision, mission, goals and objectives as set out in the Community Strategic Plan.
- 3.2.2 **Council's Vision:** In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.
- 3.2.3 **Council's Mission:** Uralla Shire Council listens to and facilitates the aspirations of the community.
- 3.2.4 **Council's Community Strategic Objectives:**
 - 1. We have an accessible, inclusive and sustainable community.
 - 2. We drive the economy to support prosperity.
 - 3. We are good custodians of our environment.
 - 4. We are an independent shire and well-governed community.
- 3.2.5 Infrastructure assets play both a direct and an indirect role in achieving the strategic objectives of the Community Strategic Plan. The following table indicates how Council's stormwater drainage assets play a role in the delivery of the key strategies linked to the Community Strategic Plan.

Table 3.2.5: Strategic Objectives

Theme	Strategic Objective	Strategy
Economy	<ul style="list-style-type: none">We drive the economy to support prosperity.	<ul style="list-style-type: none">Communities that are well serviced with essential infrastructure
Environment	<ul style="list-style-type: none">We are good custodians of our environment.	<ul style="list-style-type: none">Secure, sustainable and environmentally sound water-cycle infrastructure and services

- 3.2.6 With respect to this SDAMP, the relevant organisational objectives and goals relating to this plan are listed in Table 3.2.6 below.

Table 3.2.6: Organisational Objective and Goals

Organisational Objective	Organisation Goals	How Goal and Objectives are addressed
To plan, design, construct and manage new and additional stormwater drainage systems and catchment areas, to collect, transport and discharge stormwater runoff effectively, efficiently and economically to reduce flooding, soil erosion, pollution and improve water quality.	To have an effective system for the collection and dispersal of stormwater arising from rain events that meet the 1 in 100 year measure. Improved quality of water flow downstream at the Uralla boundary with the clean-up of environmental weeds along the surrounding Uralla Creek.	Continue current level of routine maintenance of existing storm water drainage system (5.6km). Maintain the retention basins. By encouraging the use in urban as well as rural areas of rain water tanks. By the removal of environmental weeds and replanting with appropriate vegetation in defined areas. Monitor the effectiveness of gross pollution traps.

3.3 Legislative Requirements

- 3.3.1 Council has to meet many legislative requirements including Australian and State legislation and State regulations. Key legislation which is relevant to this plan is listed in Table 3.3.1 below.

Table 3.3.1: Legislative Requirements

Legislation	Requirement
<i>Local Government Act 1993 and Local Government (General) Regulation 2021</i>	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.
<i>Environmental Planning and Assessment Act 1979 and Environmental Planning and Assessment Amendment Act 2008</i>	Set out the guidelines used by Council to provide sustainable and environmentally responsible planning, development and land use.
<i>Protection of the Environment Operations Act 1997</i>	Sets environmental standards, goals, protocols and guidelines to reduce pollution and environmental harm.
<i>Local Land Services Act 2013 and Biodiversity Conservation Act 2016</i>	Govern the clearing of native vegetation in NSW.
<i>Waste Avoidance and Recovery Act 2001</i>	Establishes the need to avoid/minimise waste, increase resource use efficiency/reduce natural resource consumption, and minimise environmental impact through ecologically sustainable development and sustainable waste management systems.
<i>Work Health and Safety Act 2011 and Work Health and Safety Regulation 2017</i>	Council must ensure a safe workplace for all its employees and the public.

3.4 Current Levels of Service

- 3.4.1 Council has defined service levels in two terms: community levels of service and technical levels of service.
- 3.4.2 **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.
- 3.4.3 Community levels of service measures used in the asset management plan are:
- Quality – How good is the service?
 - Function – Does it meet users' needs?
 - Safety – Is the service safe?
- 3.4.4 **Technical Levels of Service** are operational or technical measures of performance which support the community service levels. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.
- 3.4.5 Technical service measures are linked to annual budgets, covering:
- **Operations** – the regular activities to provide services, such as opening hours, cleansing frequency, mowing frequency, etc.
 - **Maintenance** – the activities necessary to retain an asset as near as practicable to its original condition (e.g. routine inspections and maintenance and clearing stormwater blockages.)
 - **Renewal/Rehabilitation** – the activities that return the service capability of an asset up to that which it was as new. Renewal refers to a complete changeover (old to new.) Rehabilitation refers to refurbishing and upgrading components.
 - **Upgrade** – the activities to provide a higher level of service (eg replacing a pipeline with a larger size) or a new service that did not exist previously (eg construction of a new structure).

3.5 Desired Levels of Service

- 3.5.1 Stormwater Levels of Service are measured by community feedback and on a technical basis.
- 3.5.2 Indications of desired levels of service are obtained from various sources including service requests and correspondence, feedback and maintenance schedules. These asset based level of service have not been fully consulted with the community and may likely be modified in time to fully match community expectations.
- 3.5.3 Council's current service levels are detailed in Table 3.5.2.

Table 3.5.2: Current and Desired Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Target Performance	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Services protect property and people from impacts of flooding	Customer complaints	Customer requests for service and complaints are addressed within agreed timeframes	90%
	Percent of assets in condition 3 or better	Condition assessment (Condition rating 1-5)	95% for all assets	84%
	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils	Total operating costs per km of network not greater than the industry average	100%
Function	Stormwater drains clear and clean	Frequency of inspections and maintenance	Stormwater pathways inspected once per year.	80%
Safety	Stormwater drains and grills are inspected for safety.	Number of injuries or accidents	Nil accidents.	100%
TECHNICAL LEVELS OF SERVICE				
Operations	Percent of network inspected by CCTV	Network inspection and monitoring	5% per year (within 5 years)	0%
	Percent compliance with Council's documented response time	CRMS data	90% CRMS to be actioned within time	100%
Maintenance	Continue current level of routine maintenance of existing storm water drainage system (5.6km), and maintain the retention basins.	Customer enquiries	≤ 1 complaint per quarter about drainage problems.	100%
		Budget	Cost of maintenance per km of existing stormwater pipe at \$1,000 per km per annum.	50%
		Clean retention basins	Retention basins clean, maintenance completed within budget.	10%
		Volume of gross pollutants	No more than 1 tonne gross pollutants recorded monthly	20%
Renewal / Rehabilitation	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	76.2%
		Renewal funding ratio	Between 90% and 110% (2018/19)	0%
		Long term funding ratio	Between 95% and 105%	95.9%
	Maintain appropriate vegetation around stormwater assets	Rate of removal of weeds and replanting of appropriate vegetation.	Undertaken 3 of times per year.	50%

3.6 Condition and Quality of Assets

- 3.6.1 The condition of Council's stormwater drainage assets is currently assessed every five years. This asset condition information is then used to plan the timing of our maintenance and capital renewal activities.
- 3.6.2 Quality has more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.
- 3.6.3 Condition is a measure of an assets physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Council's condition rating matrix is set out in Table 3.6.3 below.

Table 3.5.3: Description of Condition

Condition Rating	Condition	Description	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition.	Normal/planned maintenance required.	>86%	95%
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues.	Normal maintenance plus minor repairs required (to 5% or less of asset).	65 to 85%	80%
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues.	Significant maintenance and/or repairs required (to 10-20% of asset).	41 to 64%	55%
4	Poor	An asset in poor overall condition, moderate to high deterioration evident.	Significant renewal required (to 10-40% of asset).	10 to 40%	35%
5	Worn	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal.	<10%	5%

- 3.6.4 The intent of Council is not to undertake renewal on an asset until it reaches its intervention level. The intervention level is the condition level below which renewal is required based on the community's level of service expectations, legislative requirements and strategic goals of the council.
- 3.6.5 Typically, stormwater drainage assets in condition 4 will provide a poor level of service and will need to be renewed in the short- to medium-term. Assets in condition 5 may require urgent and immediate renewal or replacement. Funding may be needed to support the required level of renewals each year.

Council will be allocating funds to an asset renewal reserve each year to help in managing these funding needs.

- 3.6.6 The condition of each stormwater drainage asset has been assessed by estimating the proportion of each asset's expected useful life that has been consumed.
- 3.6.7 The current condition ratings of Council's stormwater drainage assets as at 30 June 2021 are summarised in Table 3.6.7 below (See Figure 3.1). It indicates that the 450mm pipes asset are in condition 5 and as asset register this particular set of pipes asset need urgent and immediate inspection in order to maintain their efficiency and effectiveness during their remaining lifespan of 22 years.

Table 3.6.7: Condition ratings, stormwater drainage assets (estimated gross replacement cost) as at 30 June 2021

Stormwater drainage assets category	Condition rating – value (\$)					Total (\$)
	1	2	3	4	5	
100mm pipes	-	1,801	-	-	-	1,801
150mm pipes	-	3,207	-	-	-	3,207
250mm pipes	-	-	4,782	-	-	4,782
300mm pipes	-	28,577	-	23,535	-	52,112
315mm pipes	-	-	-	9,956	-	9,956
375mm pipes	-	510,732	-	-	-	510,732
430mm pipes	-	-	-	3,433	-	3,433
450mm pipes	-	596,913	-	-	56,430 ¹	653,343
500mm pipes	-	-	3,176	-	-	3,176
525mm pipes	-	-	193,455	-	-	193,455
600mm pipes	-	743,960	-	-	-	743,960
625mm pipes	-	8,068	-	-	-	8,068
650mm pipes	-	-	94,011	-	-	94,011
750mm pipes	-	427,790	-	-	-	427,790
825mm pipes	-	-	31,149	-	-	31,149
900mm pipes	-	87,413	-	-	-	87,413
Box culverts	-	61,918	13,925	-	-	75,843
Drain	-	10,306	-	-	-	10,306
Retention basins	-	52,492	-	-	-	52,492
Gross Pollutant Traps (GPT)	-	134,399	-	-	-	134,399
Drainage pit	25,125	-	-	-	-	25,125
Total stormwater drainage assets	\$25,125	\$2,667,576	\$340,498	\$36,924	\$56,430	\$3,126,553

3.7 Responsiveness

- 3.7.1 Council places a high emphasis on customer service and its responsiveness to customer enquiries. Council will maintain assets in a workman-like manner and be responsive to the needs of the community now and into the future. Council implements strategies which maintain a high level of customer support.

3.8 Customer satisfaction

- 3.8.1 Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

¹ Need to be prioritised for CCTV inspection and renewal

3.9 Affordability

- 3.9.1 Council will maintain its infrastructure assets in a cost effective affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to maintain assets in their current condition.

3.10 Sustainability

- 3.10.1 Council will maintain its assets in a manner to enable the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

3.11 Health and Safety

- 3.11.1 Council will endeavour to identify and mitigate all key health and safety risks created by provision of services.
- 3.11.2 Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to maintain the asset portfolio to a satisfactory level, and also caters to the future demands of the community whilst balancing the potential risks to the community and the Council.

3.12 Financial Based Service Levels

- 3.12.1 The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the Levels of Service for Council's assets that have been used to provide the basis for the life cycle management strategies and works programme identified within this asset management plan.
- 3.12.2 Levels of Service is a generic term used to describe the quality of services provided by an asset. Specific financial based service levels are described in Table 3.12.2 below.

Table 3.12.2: Financial Based Service Levels

Asset Consumption Ratio	The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential.
Asset Sustainability Ratio	Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.
Asset Renewal and Renewals Funding Ratio	Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its long term financial plan to adequately fund asset renewals.

Asset Backlog Ratio	This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets.
Asset Maintenance Ratio	This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100%.



Figure 3.1: Gross Pollutant trap in condition 1

4. FUTURE DEMAND

4.1 Demand forecast

- 4.1.1 The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in population change, changes in demographics, lifestyle changes, residential occupancy levels, seasonal and climatic factors, consumer preferences and expectations, technological advancement, economic factors, agricultural practices, environmental awareness.
- 4.1.2 Demand factor trends and impacts on stormwater drainage assets are summarised in Table 4.1.2.

Table 4.1.2: Demand Factors, Projections and Impact on Services

Demand driver	Present position	Projection	Impact on services
Population	6,048 (2016 Census)	The NSW Department of Planning, Industry and Environment predicts minor population decrease between 2016 and 2041, from 6,150 to 5,450. ²	A minor population decrease will effect little change in demand to stormwater assets, however will result in decreased revenues without a corresponding reduction in stormwater drainage infrastructure service costs
Demographics	As of 2016, the median age of people in Uralla Shire was 46 years. People aged 65 years and over made up 20.5% of the population.	The working age population (aged 15-64) is estimated to decrease by 3,750 in 2016 to 2,900 in 2041. The number of people aged 65 and over is estimated to increase from 1,200 in 2016 to 1,700 by 2041.	Insignificant
Residential development	Growth rate reflects demand for residential development	Future growth rate is likely due to proximity to State Significant Development projects	Small increase in demand on services
Environmental awareness	The community and Council are more environmentally aware and responsible.	Decreasing water supply and increasing demand. Onsite and catchment stormwater reuse and change to parks and gardens plantings due to water restrictions.	Stormwater capture and reuse infrastructure may be identified as a priority
Climate	Extremes increasing	Higher intensity rainfalls in storm events	Significant spending required to manage greater flows and pollutant treatment measures
Catchment management	Direct stormwater discharge into creek environment with some pollution control measures and limited stormwater reuse	Regulated controls on quality of stormwater discharge and reuse	Infrastructure to control pollutants, capture and reuse stormwater

² <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections>

4.2 Changes in Technology

- 4.2.1 Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.
- 4.2.2 Technology changes are forecast to affect the delivery of services covered by this plan as shown in Table 4.2.2 below.

Table 4.2.2: Technology Changes

Technology Change	Effect on Service Delivery
Changes in construction techniques, available materials and improvements to plant and equipment will evolve	These changes will be assessed on merit and applied where efficiencies can be achieved in construction and maintenance practices.
Improvement to pollutant control devices	Higher level of pollution capture and treatment of stormwater
Asset data capture by video inspection and the transportation of this information onto Council's GIS	Spatial location and condition of assets able to be verified from GIS reducing the need for reactive inspections
Further development of urban stormwater sensitive devices and techniques.	Reduce stormwater run-off and increase reuse

4.3 Demand Management Plan

- 4.3.1 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.
- 4.3.2 Non-asset solutions focus on providing the required service without the need for the Council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another council area or public toilets provided in commercial premises.
- 4.3.3 Opportunities identified to date for demand management are shown in Table 4.3.3. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.3.3: Demand Management Plan Summary

Service Activity	Demand Management Plan
Maintenance	Conduct routine inspections and repairs according to work plans and community enquiries.
Upgrades	Monitor the condition and lifespan of assets and plan upgrades accordingly.
Customer service requests	Record all customer service requests relating to stormwater assets and analyse the data collected to identify shortfalls in assets or services, and implement solutions.

4.4 New Assets for Growth

- 4.4.1 New stormwater drainage assets are those assets that Council did not previously possess, or stormwater drainage expenditure that upgrades or improves an existing asset beyond its existing capacity.

- 4.4.2 New assets required to meet growth will be acquired from land developments and constructed/acquired by Council. New assets may also result from the need to support growth or environmental needs, or to create additional service level capacity.
- 4.4.3 New assets and upgrade/expansion of existing assets are identified from various sources such as staff, councillor or community requests, proposals identified by strategic plans or reports, analysis of external plant hire charges incurred, testing or demonstrations of new technologies, or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds are scheduled into replacement programs.
- 4.4.4 Acquiring these new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations and maintenance costs.
- 4.4.5 Council is not anticipating a significant increase in population and therefore anticipates there will be little change in demand for stormwater drainage assets.

5. LIFE CYCLE MANAGEMENT

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

5.1 Background Data

Physical Parameters

- 5.1.1 This Asset Management Plan covers the infrastructure assets that serve the Uralla Shire's community stormwater needs. These assets include pipes, pits (pits, endwalls, headwalls and converters are broadly classified as pits), culverts, channels, and gross pollutant traps (GPTs) (See examples in Figure 5.1) throughout the local government area that enable people to protect both life and property from larger storm events and minimise disturbances from minor storms.



Figure 5.1 Examples of stormwater assets (A) Box culvert, (B) Waterway gabion protection (C) and (D) Pipes.

- 5.1.2 The asset inventory, values and conditions as per the current asset register are set out in Tables 3.6.7 and 5.1.2.

Table 5.1.2: Asset Inventory, Value and Condition

Stormwater Assets							
Gross Replacement Cost	Written Down Value	Annual Depreciation Expense	Condition				
			1	2	3	4	5
\$4,252,095	\$3,126,552	\$48,918	8%	54%	23%	12%	4%

Asset capacity and performance

- 5.1.3 Council's services are generally provided to meet design standards where these are available.
- 5.1.4 Locations where deficiencies in service performance are known are detailed in Table 5.1.4 below. These service deficiencies were identified from the knowledge of Council management, community enquiries, and Council inspections.

Table 5.1.4: Known Service Performance Deficiencies

Location	Service Deficiency
Stormwater Drainage Network	Under capacity pipe and pit drainage, lack of drainage system and property flooding
Stormwater Pollution Control Measure	Not all stormwater outlets have pollution control measures
Stormwater Reuse	Limited or no infrastructure installed for stormwater reuse.

5.2 Operations and Maintenance Plan

Maintenance Plan

- 5.2.1 Council's maintenance activities for stormwater drainage include routine, proactive, specific and reactive maintenance.
- 5.2.2 Routine maintenance is the regular ongoing work that is necessary to keep assets operational and to help assets reach their useful life. It includes work on an asset where a portion may fail and needs immediate repair to make it operational again.
- 5.2.3 Proactive maintenance (or 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.
- 5.2.4 Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.
- 5.2.5 In addition to planned maintenance, which is defined and scheduled over the medium-term, Council must also repair unforeseen damage caused by storms or accidents. This type of maintenance is referred to as either reactive or unplanned maintenance.
- 5.2.6 Council's unplanned maintenance work is often carried out because of issues identified through customer requests for service.

- 5.2.7 Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.
- 5.2.8 Council's current maintenance expenditure level is less than the required maintenance, meaning that stormwater drainage assets are not maintained at a standard that is considered adequate to meet the desired service levels.

Standards and specifications

- 5.2.9 Maintenance work is carried out by Council staff in accordance with the current standards and capacity unless a reduced capacity can be justified.

Summary of future operations and maintenance expenditures

- 5.2.10 Future maintenance costs are forecast to trend in line with the value of the asset stock, 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 stock from construction and acquisition by Council and from assets constructed by land developers and others that are donated to Council.
- 5.2.11 Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded, are to be included in the risk assessment process in the infrastructure risk management plan.
- 5.2.12 Maintenance is funded from the operating budget and grants where available.

Operations and Maintenance Strategies

- 5.2.13 Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Effective operation and maintenance activities include:
- Scheduling operations activities to deliver the defined level of service in the most efficient manner;
 - Maintaining and reviewing a current infrastructure risk register for assets on an annual basis. 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 under-utilised 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; and
 - Review management of operations and maintenance activities to obtain best value for resources used.

5.3 Renewal/Replacement Plan

- 5.3.1 Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.
- 5.3.2 Capital renewal activities involve restoring, refurbishing or replacing an asset to bring it back to its original capacity and performance capability.

- 5.3.3 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.
- 5.3.4 The annual required renewal costs reflect the amount needed to be spent on assets that have deteriorated to a point at which renewal is required based on the community's level of service expectations.
- 5.3.5 Typically, stormwater drainage assets in condition 4 will provide a poor level of service and will need to be renewed in the short-to medium-term and assets in condition 5 may require urgent and immediate renewal or replacement.

Renewal plan

- 5.3.6 Assets requiring renewal are identified from estimates of remaining life obtained from the condition survey. The estimated service life of stormwater drainage assets is between 60-100 years. Based on the age profile from the asset register the remaining life of the majority of Council's drainage network is estimated to be a greater than 40 years.
- 5.3.7 Council's next scheduled assessment will examine the condition of the pipe network and determine the performance of the drainage network and renewal requirements. A renewal plan will be prepared on completion of assessment and included in future Asset Management Plans.
- 5.3.8 The decision criteria for major stormwater renewal includes, in descending importance:
- In combination with other works integrated with the drainage location;
 - Property damage reduction;
 - Flood frequency reduction;
 - Minor flooding; and
 - Maintenance hot spots.

Renewal and replacement strategies

- 5.3.9 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; and
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency;
 - 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; and
- Review management of capital renewal and replacement activities to obtain best value for resources used.

Renewal standards

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

Summary of projected renewal expenditure

- 5.3.11 Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The projected capital renewal program is shown in Appendix B.
- 5.3.12 Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs, are to be included in the risk assessment process in the risk management plan.
- 5.3.13 Renewals are to be funded from capital works programs and grants where available.

Impact of Deferring Renewal Works

- 5.3.14 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.
- 5.3.15 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.

5.4 Creation/Acquisition/Upgrade Plan

- 5.4.1 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.

Selection criteria

- 5.4.2 New assets and upgrade/expansion of existing assets are identified from various sources, including:
- Proposals identified by strategic plans or partnerships with other organisation;
 - Urban growth – increased development density and potential flooding;
 - Known property and street flooding locations;
 - Known drainage pipe and pit hydraulic deficiencies where the capacity is below 1 in 5 year event Average Recurrence Interval (ARI);
 - High level of pollutant locations (i.e. outlets into waterways);
 - Potential locations for stormwater storage and reuse; and
 - Poor condition, under capacity pipe/pit network locations.

- 5.4.3 In preparing future works programs to upgrade/expand the stormwater network consideration is given to the following:
- Extent of property and street flooding for existing and future developments including potential damage and hazards;
 - Capacity and condition of the existing stormwater system; and
 - Strategic locations to improve the quality and reuse of stormwater.
- 5.4.4 New assets and services are to be funded from capital works program and grants where available.

5.5 Disposal Plan

- 5.5.1 Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.
- 5.5.2 No stormwater drainage assets are currently identified for possible decommissioning and disposal.

6. RISK MANAGEMENT

6.1 Risk Assessment

- 6.1.1 Risk management is defined in AS/NZS 4360:2004 as “the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”.
- 6.1.2 Council is committed to the identification and elimination or reduction of risks associated with hazards that arise throughout Council’s operations as far as reasonably practicable. Our risk assessment process includes:
- Identifying credible risks;
 - Analysing the likelihood of the risk event occurring;
 - Assessing the consequences should the event occur;
 - Developing a risk rating (‘likelihood’ times ‘consequences’, as shown in Table 6.1.3 below);
 - Evaluating the risk; and
 - Detailing a risk treatment plan for non-acceptable risks.
- 6.1.3 An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’ to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Table 6.1.3: Uralla Shire Council Risk Matrix

	CONSEQUENCES				
LIKELIHOOD	Minimal	Minor	Moderate	Major	Catastrophic
Almost certain	Medium	Medium	High	Catastrophic	Catastrophic
Likely	Medium	Medium	High	Catastrophic	Catastrophic
Possible	Low	Medium	Medium	High	Catastrophic
Unlikely	Low	Low	Medium	High	High
Rare	Low	Low	Medium	Medium	High

6.2 Strategic Infrastructure Risks

- 6.2.1 Some high-level infrastructure based risks have been identified that are associated with the management of stormwater assets. These strategic risks are identified in Table 6.2.1.

Table 6.2.1: Strategic Infrastructure Risks

Risk Details / Event	Likelihood	Consequence	Risk	Existing Controls	Controls Adequate	Actions Needed / Treatment Plan
Poor design/construction causes damage or injury	Possible	Major	High	Designs prepared and construction projects supervised by suitably qualified and experienced people	Y	N/A
Damage caused by vandalism including graffiti	Possible	Moderate	Medium	Design and construct works to reduce susceptibility to damage	Y	
Overall condition of assets decrease due to inadequate renewal and maintenance programs	Likely	Moderate	High	Programs controlled by budget availability	N	Develop Asset Inspection strategy and long term renewals plan
Changes in legislation affect responsibilities of the Council	Unlikely	Moderate	Medium	Monitor legislative changes	Y	
Resource constraints affect the management of the assets	Possible	Major	High	None	N	Allocate funds to an asset renewal reserve
Failure of materials supplies	Possible	Major	High	None	N	Obtain alternative supply arrangements are in place for critical materials
Flooding	Possible	Major	High	<ul style="list-style-type: none"> • Monitor known flooding hot spots • Inspect and clear drain pipes quarterly • Conduct routine maintenance • Conduct renewal works as required • Allocate funds to an asset renewal reserve 	Y	
Impact on climate change on assets	Possible	Major	High	Monitor conditions of assets	Y	Develop environmental plan to identify impacts on assets and develop strategies to manage climate change

6.3 Critical Assets

- 6.3.1 Critical assets are specific assets which have a high consequence of failure but not necessarily a high likelihood of failure. For example, failure would cause a financial loss within the community or a marked reduction of service.
- 6.3.2 By identifying critical assets and critical failure modes, Council can target and refine inspection regimes, maintenance plans and capital expenditure plans at appropriate times.
- 6.3.3 Operations and maintenances activities may also be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency and higher maintenance intervention levels.
- 6.3.4 Given the importance of minimising flooding impacts within the townships of Uralla and Bundarra during heavy storms, Council has determined that all stormwater drainage assets are critical assets.

7. FINANCIAL SUMMARY

7.1 Financial Statements and Projections

- 7.1.1 This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide the sufficient level of service to the community over a 10 year period. This plan provides input into the long term financial plan aimed at providing the required services in a sustainable manner.
- 7.1.2 The total amount of expenditure for stormwater drainage operations, maintenance and capital over the next ten years is forecast to be approximately \$342098 with annual forecasted expenditure varying between \$19,824 to \$24, 758 per annum. Forecasted operational expenditure for the ten year cycle will be approximately \$220, 286 which equates to 43.2% of the total forecasted expenditure.
- 7.1.3 Projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding are set out in Table 7.1.3. Note that the Income is projected from 2021/2022 values and applying Long-Term Financial Plan percentage changes for the respective years. Expenditure projection based an average of last four years expenditure and taken as 2021/22 base values.

Table 7.1.3: Projected Operating and Capital Expenditure

DESCRIPTION	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
INCOME	33,724	34,567	35,431	36,317	37,225	38,156	39,110	40,087	41,089	42,117
Grants	0	0	0	0	0	0	0	0	0	0
Known grants for capital expansion	0	0	0	0	0	0	0	0	0	0
BORROWINGS										
TOTAL INCOME	33,724	34,567	35,431	36,317	37,225	38,156	39,110	40,087	41,089	42,117
Expenditure										
Operations and Maintenance	10,775	11,045	11,321	11,604	11,894	12,191	12,496	12,808	13,128	13,457
Capital renewal	9,049	9,275	9,507	9,745	9,988	10,238	10,494	10,757	11,025	11,301
Capital expansion	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	19,824	20,320	20,828	21,349	21,882	22,429	22,990	23,565	24,154	24,758
SURPLUS / (SHORTFALL)	\$13,900	\$14,247	\$14,603	\$14,968	\$15,343	(\$44,273)	\$16,120	\$16,522	(\$43,065)	\$17,359

Renewals

- 7.1.4 Asset age and condition based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

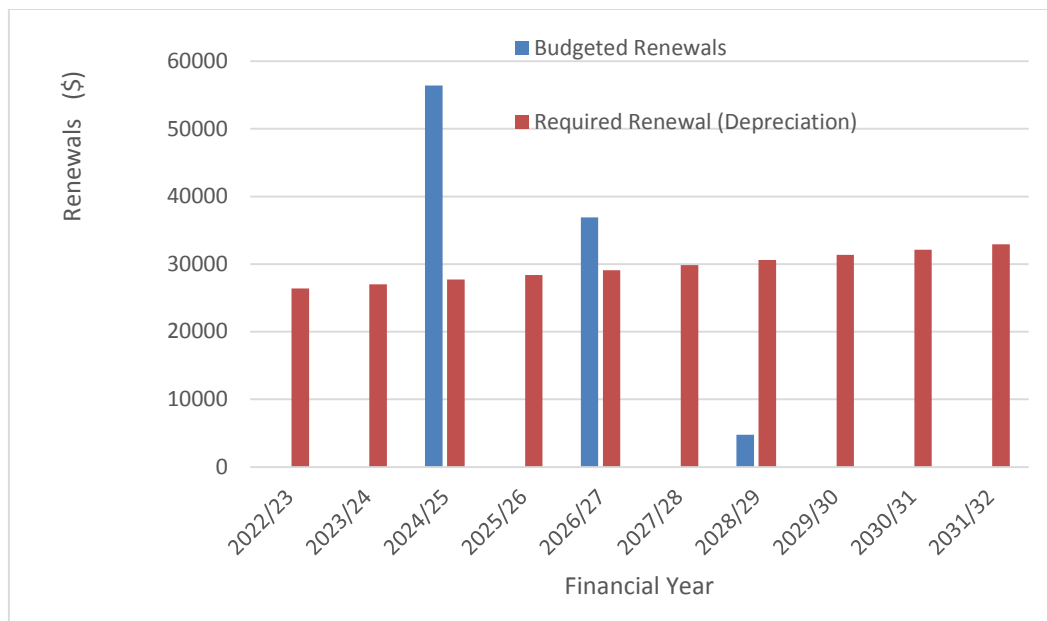


Figure 7.1.4.1 Stormwater Renewals

Operations and Maintenance

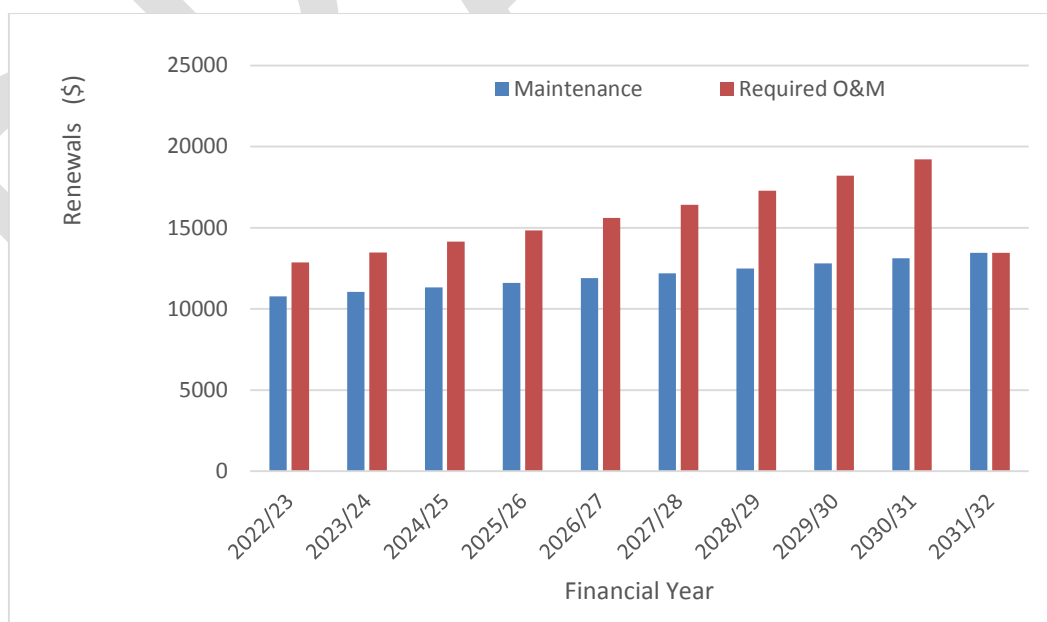


Figure 7.1.4.2 Stormwater Operations and Maintenance

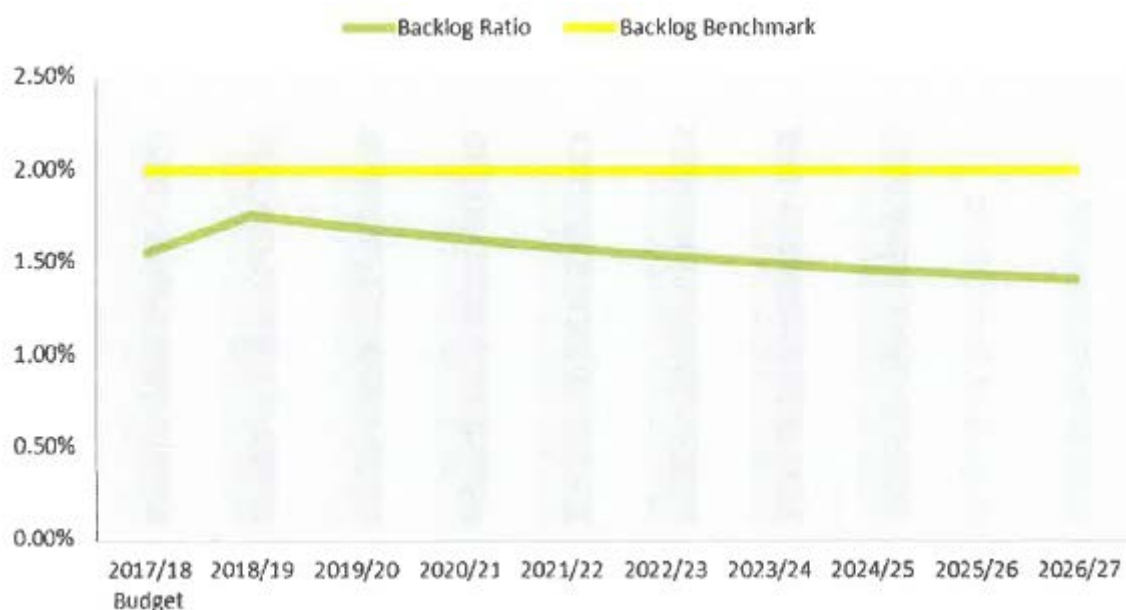


Figure 7.1.4.3 Stormwater Financial Ratios (2017 data)

Financial sustainability in service delivery

- 7.1.5 There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.
- 7.1.6 The capacity to meet the projected/budgeted expenditures is dependent upon the capacity of the organisation to provide sufficient funding from its own resources to sustain the ongoing costs.
- 7.1.7 **Life cycle costs** (or whole of life costs) are the total annual costs that are required to sustain the service levels over the assets life. Life cycle costs include the original purchase, operations, depreciation and maintenance expenditure to hold the asset over its period of use. The life cycle cost for the stormwater drainage services is \$ 50,212 per year (operations and maintenance expenditure plus depreciation expense in year 1).
- 7.1.8 A comparison should be used between the predicted life cycle costs and actual life cycle expenditure to highlight any differences. If the life cycle expenditure is more than that life cycle cost, it is most likely that charges will need to be increased to meet requirements.
- 7.1.9 Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.
- 7.1.10 A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

7.1.11 The expenditure projections in Table 7.1.11 below look at the annual expenditure gap by comparing planned budgets in the Long Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements.

Table 7.1.11: Annual Expenditure Gap

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ACTUAL										
Renewal	0	0	56430	0	36924	0	4782	0	0	0
New and Expanded Assets	0	0	0	0	0	0	0	0	0	0
Maintenance	10,775	11,045	11,321	11,604	11,894	12,191	12,496	12,808	13,128	13,457
Total Expenditure	10,775	11,045	67,751	11,604	48,818	12,191	17,278	12,808	13,128	13,457
REQUIRED										
Required Renewal (Depreciation)	26,377	27,036	27,712	28,405	29,115	29,843	30,589	31,354	32,138	32,941
New and Expanded Assets	0	0	0	0	0	0	0	0	0	0
Required O&M	12,868	13,483	14,141	14,847	15,603	16,414	17,284	18,218	19,220	13,457
Total	39,245	40,519	41,853	43,252	44,718	46,257	47,873	49,572	51,358	46,398
OVERALL (GAP)	-28,470	-29,475	25,897	-31,648	4,100	-34,066	-30,595	-36,763	-38,229	-32,941

7.1.12 The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

7.1.13 Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Financial Sustainability Indicators

7.1.14 Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and funding to achieve financial sustainability.

7.1.15 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.

- 7.1.16 A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.
- 7.1.17 We manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

7.2 Funding Strategy

- 7.2.1 Council funds stormwater drainage assets through its stormwater management levy, grants, general funds, and borrowings.
- 7.2.2 Grant funding is required when major projects need to be undertaken.
- 7.2.3 General funds are used in two ways for our stormwater drainage assets. Firstly, they are used to support the maintenance of our stormwater drainage assets. Secondly, they are used to build an asset renewal reserve each year. This will help in reducing Council's reliance on grant funding for renewal projects.
- 7.2.4 Council also has the option of borrowing to support investments in stormwater drainage assets. This option requires careful monitoring of Council's debt service ratio.

7.3 Valuations

Asset valuations

- 7.3.1 The value of assets recorded in the asset register as at 30 June 2021 covered by this asset management plan is shown below. Stormwater drainage assets were last revalued at 30 June 2020.

Current Replacement Cost	\$	4,347,767.16
Depreciable Amount	\$	1,125,542.94
Depreciated Replacement Cost	\$	3,216,553.87
Annual Depreciation Expense	\$	26,377

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)	2.6%
Asset renewal (Capital renewal exp/Depreciable amount)	1.8%
Annual Upgrade/New (Capital upgrade exp/Depreciable amount)	0%
Annual Upgrade/New (including contributed assets)	0%

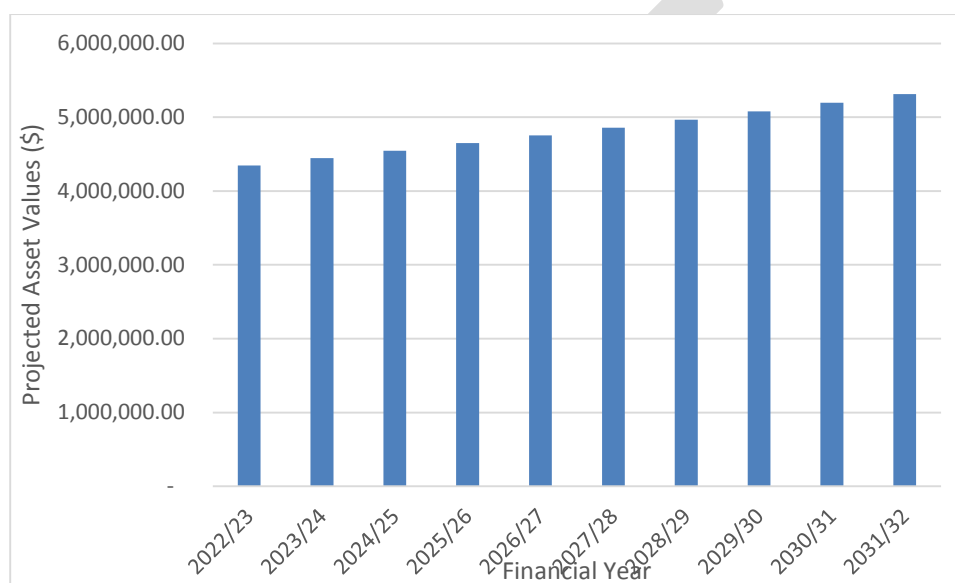
- 7.3.2 Council is currently renewing assets at 2% of the rate they are being consumed and increasing its asset stock by 0% each year.

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

Valuation Forecasts

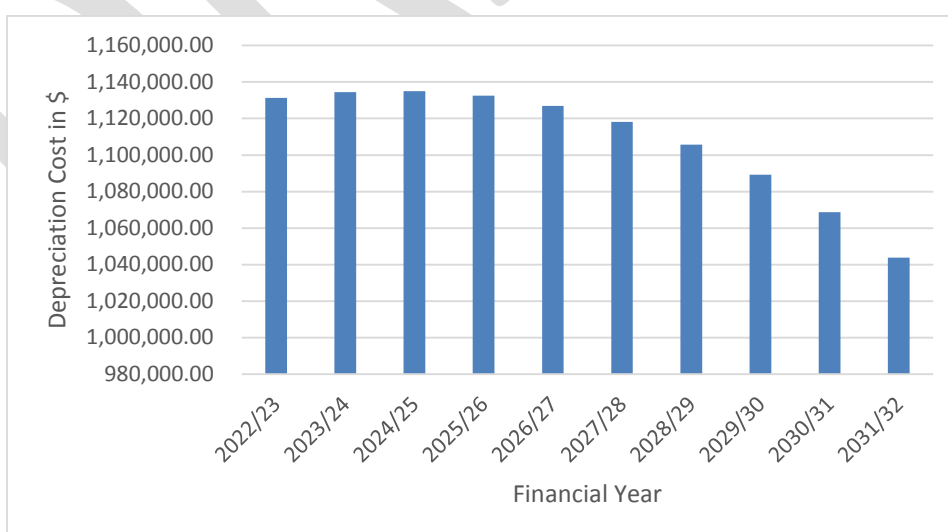
- 7.3.4 Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.
- 7.3.5 Figure 7.3.6 shows the projected replacement cost asset values over the planning period in 2022 dollar values.

Figure 7.3.6: Projected Asset Values



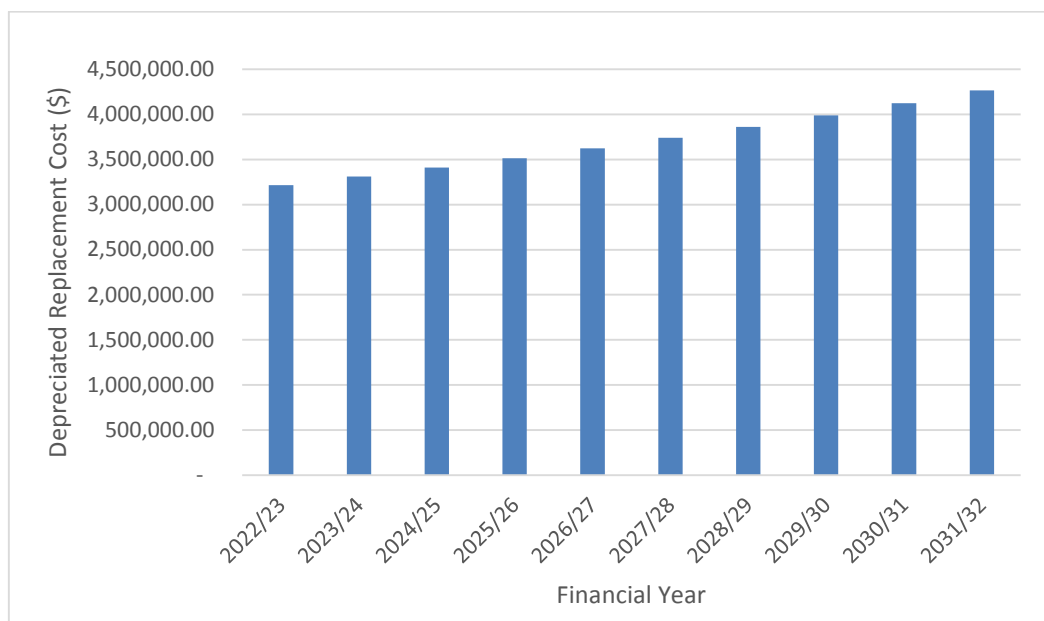
- 7.3.6 Depreciation expense values are forecast in line with asset values as shown in Figure 7.3.7.

Figure 7.3.7: Projected Depreciation Expense



- 7.3.7 The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 7.3.8

Figure 7.3.8: Projected Depreciated Replacement Cost



7.4 Factors affecting supply of stormwater drainage assets

Funding Uncertainties

- 7.4.1 Uralla Shire Council is highly reliant on grant funding and its rates revenues are limited.
- 7.4.2 Based on the size of our communities, it is difficult to fund the provision of our stormwater drainage assets. We need to seek ongoing government funding, where available, to maintain and enhance our stormwater drainage assets.

Council's asset renewal backlog

- 7.4.3 Assets that are below the minimum condition rating do not meet Council's minimum levels of service. Such assets will require renewal. These assets form part of Council's renewal backlog and Council should be ensuring that these assets are brought up to the agreed levels of service.
- 7.4.4 Council's asset renewal backlog will need to be funded.

Staff and resource shortages

- 7.4.5 As with financial constraints on the provision of our stormwater drainage assets, difficulties in recruiting and retaining staff can be a challenge for Council. As a large rural Council, Council often faces challenges in filling technical and managerial positions. When technical or managerial positions are vacant it can affect Council's ability to provide some of the services expected by the community.

8. IMPROVEMENT PLAN AND MONITORING

8.1 Asset Management Practices

Accounting/Financial Systems

- 8.1.1 Council uses Authority and Magiq software for its financial/accounting systems. The system is managed by Council's Finance section and produces quarterly financial reports for Council, while also producing reports for annual financial statements for audit and production to the Uralla Shire community.
- 8.1.2 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:
- Conduct regular asset valuations;
 - Ensure valuations match what is out in the field; and
 - Undertake regular updates to the system.

Accountabilities for Financial Systems

- 8.1.3 Under the *Local Government Act 1993*, Council must meet certain financial reporting requirements. These include budget reviews with all AMP sections within the Council. Council must also provide an annual report outlining the year's achievements, in terms of meeting its objectives and performance targets as it had set out. The annual report 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 Council's maintenance program for the year in relation to the work carried out.
- 8.1.4 The determination of expenditure as capital or maintenance is a combination of purpose, value and economic life of the asset received from the expenditure. The guidelines for the determination are set out in Note C1-7 of the Annual Financial Statements as adopted annually by Council.
- 8.1.5 **Initial Recognition:** All non-current assets purchased are capitalised as the expenditure is incurred and assets are depreciated from the first full year of use. For the initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition. Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition or date of exchange of the asset to arrive at fair value. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
- 8.1.6 **Materiality:** Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining and in annually reviewing such thresholds, regard is had to the nature of the asset and its estimated service life.
- 8.1.7 **Subsequent Costs:** Subsequent costs are added to an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.
- 8.1.8 **Maintenance:** All other expenditure on stormwater asset, including the excess of fair value addition expense noted above, is recorded as repairs and maintenance and charged to the Income Statement during the financial period in which they are incurred.

Asset Management Systems

- 8.1.9 A number of systems and registers are used by the Council for the purpose of stormwater drainage asset management:
- Microsoft® Excel spreadsheets – manipulate, interrogate and report on asset data
 - Civica© “Authority” software – finance system
 - TRIM (© (HP Software Division) – records and document management
- 8.1.10 The responsibility for operating and maintaining the core Asset Management systems relating to stormwater drainage assets is with the Manager Civil Infrastructure and the Director Infrastructure and Development. The development of an annual budget allocation is between the Director, the Chief Financial Officer, and the General Manager, based upon the ten year financial plan forward estimates. Further details on organisational responsibilities are set out in Appendix C.
- 8.1.11 Currently, there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are no direct links with operations and maintenance expenses and the individual asset.
- 8.1.12 The ongoing maintenance of this system should become a core function within Council’s operations. Linking Council’s asset management system and financial system (Authority) is identified as a key strategy to improve Council’s asset management practices.

Information Flow Requirements and Processes

- 8.1.13 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, and
 - Financial asset values.
- 8.1.14 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, and
 - Financial sustainability indicators.
- 8.1.15 The information flows listed above will impact the Long Term Financial Plan, annual budget, and departmental business plans and budgets.

8.2 Improvement Program

- 8.2.1 The stormwater drainage asset management improvement program generated from this asset management plan is shown in Table 8.2.1.

Table 8.2.1: Improvement Program

No	Action	Priority	Responsibility	Timeline
1	Review and confirm expenditure for all Stormwater sub-categories into renewals, new, maintenance and operational	High	Asset Manager/Manager Civil Infrastructure	2023/24
2	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually	High	Asset Manager/Manager Civil Infrastructure	2023/24
3	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog.	High	Asset Manager/Manager Civil Infrastructure	2023/24
4	Prioritise and plan Stormwater asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use.	Medium	Asset Manager/Manager Civil Infrastructure	2024/25
5	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs	Medium	Asset Manager/Manager Civil Infrastructure	2024/25

8.3 Monitoring and Review Procedures

- 8.3.1 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.
- 8.3.2 This plan will be updated annually accurately represent 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 Council's long term financial plan.
- 8.3.3 This plan has a life of four years and is due for complete revision and updating within twelve months of each Council election.

8.4 Performance Measures

8.4.1 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; and
- 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.

Key Performance Benchmarks

- 8.4.2 Council monitors and assesses its performance with respect to maintaining and renewing its assets using key performance benchmarks. These benchmarks are used to measure how well Council is meeting the community's expectations in relation to the condition of its assets.
- 8.4.3 Council recognises the importance of working with the local community when managing the Uralla Shire's assets on behalf of the community. Council works with the community in two important ways. Firstly, it creates community service expectations. These summarise what the community wants. Secondly, it measures its progress in meeting these community service expectations against key performance benchmarks.
- 8.4.4 By using community-focussed performance benchmarks, Council maintenance and improvements to stormwater drainage assets are directly relevant to the community.
- 8.4.5 The key performance benchmarks that have been established for the stormwater drainage assets are outlined in Table 3.5.2.

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APPENDICES

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|------------|---|
| Appendix A | Schedule of Assets |
| Appendix B | Projected Capital Renewal Program |
| Appendix C | Organisational Structure Responsibilities |
| Appendix D | Glossary of Terms |

Appendix A – Schedule of Assets

Stormwater Drainage Asset category	Condition (1-5)	Current value as at Dec 2021 \$	At cost value as at Dec 2021 \$
Stormwater Drainage pit - Rowan Ave (20-22)	1	12,562.51	12,758.25
Stormwater Drainage pit - Rowan Ave (20-22)	1	12,562.51	12,758.25
Stormwater Drainage - 100mm Uralla	2	1,801.45	2,248.00
Stormwater Drainage - 150mm Uralla	2	3,207.08	3,942.00
Stormwater Drainage - 300mm Uralla	2	28,576.64	33,114.00
Stormwater Drainage - 375mm Uralla	2	510,731.60	648,278.00
Stormwater Drainage - 450mm Uralla	2	596,913.08	777,702.00
Stormwater Drainage - 600mm Uralla	2	743,959.55	887,480.00
Stormwater Drainage - 625mm Uralla	2	8,068.18	9,125.00
Stormwater Drainage - 750mm Uralla	2	427,789.90	524,094.00
Stormwater Drainage - 900mm Uralla	2	87,413.00	104,523.51
Stormwater Drainage - Box Culverts - Type B - Uralla	2	44,390.49	56,302.00
Stormwater Drainage - Box Culverts - Type C - Uralla	2	17,527.84	21,878.00
Stormwater Drainage - Retention Basins Uralla	2	52,492.20	59,125.00
Stormwater Drainage - Drain Only Uralla	2	10,306.47	12,730.00
Stormwater Drainage Gross Pollutant Traps Uralla	2	134,399.03	167,750.00
Stormwater Drainage - 250mm Uralla	3	4,781.85	6,899.00
Stormwater Drainage - 525mm Uralla	3	193,454.73	291,481.00
Stormwater Drainage - 650mm Uralla	3	94,010.82	170,836.00
Stormwater Drainage - 825mm Uralla	3	31,148.57	44,933.00
Stormwater Drainage - Box Culverts - Type A Uralla	3	13,925.39	20,338.00
Stormwater Drainage - 500mm Uralla	3	3,175.51	5,771.00
Stormwater Drainage - 315mm Uralla	4	9,956.08	34,039.00
Stormwater Drainage - 430mm Uralla	4	3,432.99	11,737.00
Stormwater Drainage - 300mm Bundarra	4	23,534.76	92,838.00
Stormwater Drainage - 450mm Bundarra	5	56,429.85	239,415.00
TOTAL		\$3,126,552.08	\$4,252,095.02

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Appendix B – Projected Capital Renewal Program

Stormwater drainage assets category	Condition rating – value (\$)					Total Replacement Cost (\$)	Planned Capital Renewals Expenditure									
	1	2	3	4	5		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
100mm pipes	-	1,801	-	-	-	1,801	-	-	-	-	-	-	-	-	-	-
150mm pipes	-	3,207	-	-	-	3,207	-	-	-	-	-	-	-	-	-	-
250mm pipes	-	-	4,782	-	-	4,782	-	-	-	-	-	-	4,782	-	-	-
300mm pipes	-	28,577	-	23,535	-	52,112	-	-	-	-	23,535	-	-	-	-	-
315mm pipes	-	-	-	9,956	-	9,956	-	-	-	-	9,956	-	-	-	-	-
375mm pipes	-	510,732	-	-	-	510,732	-	-	-	-	-	-	-	-	-	-
430mm pipes	-	-	-	3,433	-	3,433	-	-	-	-	3,433	-	-	-	-	-
450mm pipes	-	596,913	-	-	56,430	653,343	-	-	56,430	-	-	-	-	-	-	-
500mm pipes	-	-	3,176	-	-	3,176	-	-	-	-	-	-	-	-	-	-
525mm pipes	-	-	193,455	-	-	193,455	-	-	-	-	-	-	-	-	-	-
600mm pipes	-	743,960	-	-	-	743,960	-	-	-	-	-	-	-	-	-	-
625mm pipes	-	8,068	-	-	-	8,068	-	-	-	-	-	-	-	-	-	-
650mm pipes	-	-	94,011	-	-	94,011	-	-	-	-	-	-	-	-	-	-

750mm pipes	-	427,790	-	-	-	427,790	-	-	-	-	-	-	-	-	-	-	-
825mm pipes	-	-	31,149	-	-	31,149	-	-	-	-	-	-	-	-	-	-	-
900mm pipes	-	87,413	-	-	-	87,413	-	-	-	-	-	-	-	-	-	-	-
Box culverts	-	61,918	13,925	-	-	75,843	-	-	-	-	-	-	-	-	-	-	-
Drain	-	10,306	-	-	-	10,306	-	-	-	-	-	-	-	-	-	-	-
Retention basins	-	52,492	-	-	-	52,492	-	-	-	-	-	-	-	-	-	-	-
Gross Pollutant Traps (GPT)	-	134,399	-	-	-	134,399	-	-	-	-	-	-	-	-	-	-	-
Drainage pit	25,125	-	-	-	-	25,125	-	-	-	-	-	-	-	-	-	-	-
Total stormwater drainage assets	\$25,125	\$2,667,576	\$340,498	\$36,924	\$56,430	\$3,126,553	0	0	\$56,430	0	\$36,924	0	\$4,782	0	0	0	0

Appendix C – Organisational Structure Responsibilities

Key person	Responsibilities
Councillors	<ul style="list-style-type: none">• Represent needs of community.
General Manager	<ul style="list-style-type: none">• Allocate resources to meet the organisation's objectives in providing services while managing risks.• Authorise Delegations of Authority to undertake AMP works.• Ensure organisation is financial sustainable.
Chief Financial Officer	<ul style="list-style-type: none">• Ensure organisation is financial sustainable.
Director Infrastructure & Development	<ul style="list-style-type: none">• Coordinate the budget and infrastructure development.• Identify changes in work flows or Council requirements.
Asset Manager/ Manager Civil Infrastructure	<ul style="list-style-type: none">• Schedule the works and maintenance as per the Asset Management Plan.• Oversee the works of the Asset Management Plan.
Contractors / Employees	<ul style="list-style-type: none">• Undertake the works as per the schedule.

Appendix D – Glossary of Terms

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 re-sheeting 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, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, egg 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 (egg 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 egg 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, egg. 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, egg 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 is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary



Water
Asset Management Plan
March 2022

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1. EXECUTIVE SUMMARY

Uralla Shire

Uralla Shire Council is a medium sized NSW rural Council with an area of 3,215 sq km and a shire population of 6,048 people located in the New England Tablelands region of NSW. Uralla is located approximately 545km by road north west of Sydney on the New England Highway. There are two urban centres within the local government area which have potable water supplies; Uralla (population 2743) and Bundarra (population 676)¹.

This Water Asset Management Plan is one of seven asset management plans covering all community assets for which Council is responsible. These fall under the Asset Management Policy and the Asset Management Strategy.

Council water assets assist in providing the community with safe, reliable water supply.

The critical issues facing Council's water assets include:

- Maintenance and upgrades
- Meeting safety and quality regulations
- Consistency of service

Water Service:

The water Service network comprises:

- Dams, weirs
- Water treatment plants
- Reservoirs
- Water pumping stations
- Water gauging stations
- Reticulation mains
- Transfer/trunk mains

These infrastructure assets have a replacement value of **\$30,943,320** as per the Valuation Report prepared by Australis in May 2017. A new valuation report will be prepared in 2022.

What does it Cost?

There are two key indicators of cost to provide the Water Supplies service:

- The life cycle cost being the average cost over the life cycle of the asset, and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council's long term financial plan.

The life cycle cost to provide the water supplies service is estimated at **\$2,084,850²** per annum. Council's planned life cycle expenditure for year 1 of the asset management plan is **\$2,179,569** which gives a life cycle sustainability index of 0.96.

The total maintenance and capital renewal expenditure required to provide the water supplies service up to 2029/30 is estimated at **\$18,936,636**.

This is an average of **\$2,104,071 per annum**.

¹ Population data from 2016 Census published by the Australian Bureau of Statistics.

² Figures in yellow highlight to be further reviewed and revised.

Council's maintenance and capital renewal expenditure for year 1 of the asset management plan of \$2,179,569 giving a 10 year sustainability index of 0.77.

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

What we will do

Council plans to operate and maintain the two water supply systems to achieve the following strategic outcomes:

- To provide sufficient safe drinking and general water use to areas connected to or capable of connecting to the Uralla or Bundarra water supply systems
- To complete the renewals and upgrading works necessary to maintain the assets covered under this management plan
- Meet the levels of service required by regulators.

What we cannot do

Provide levels of service above the regulated levels given the constraints of the available resources.

Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. The major risks have been identified as:

- Quality of water supplied
- Health and safety of public and staff
- Availability of supply.
- Dam Safety –Kentucky Creek Dam.
- Non- availability of current and up to date SCADA and Telemetry System for monitoring and producing reports

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

- Achieving systems compliance with the 12 elements in the Framework for Management of Drinking Water Quality in the ADWG (2011).
- Maintaining water supply infrastructure to a high standard and in accordance with adopted levels of service and making due provision for renewal and/or upgrading of assets.
- Responding promptly to service issues
- Inspect dam annually and following major flow events.
- Installing an industry compliant SCADA and Telemetry system for our water supply network.

The Next Steps

The actions resulting from this asset management plan are to:

- Carry out a network modelling and analysis;
- Analyse available performance data obtained from new SCADA and Telemetry System;
- Determine updated asset condition ratings;
- Revise asset failure modes and risks;
- Integrate the above into a comprehensive asset management system linked to Council's finance system;
- Regularly revise and update the renewals plan based on the above information.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Uralla and Bundarra communities' water services. These assets include dams, weirs, treatment plants, reservoirs, stations and mains throughout the Council area that enable people to have access to safe and high quality water supplies.

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?

Much of Council's two water supply schemes were constructed with funding from government grants which are often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

Many of these assets are now approaching the later years of their useful life and will require replacement. In addition, levels of service 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 and meet the capital renewals required for sustainable asset management and to cater for future growth.

What options do we have?

Resolving the funding shortfall involves several steps:

1. Raising the charges.
2. 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;
3. Improving our efficiency in operating, maintaining, replacing existing and constructing new assets to optimise life cycle costs;
4. Identifying and managing risks associated with providing services from infrastructure;
5. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure;
6. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs;
7. Consulting with the community to ensure that services and costs meet community needs and are affordable;
8. Developing partnership with other bodies, where available to provide services; and
9. 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 revenue is increased. For water, the service level reduction may include a reduction in reliability of the water supply and quality of water delivered to customers and more frequent restrictions on supply.

What can you do?

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

DRAFT

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 in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Uralla Shire Council Community Strategic Plan
- Uralla Shire Council Delivery Plan
- Uralla Shire Council Operational Plan.
- Uralla Shire Council Ten Year Financial Plan

This water asset management plan has a direct relationship with the following associated planning process and documents Figure 2-1:



Figure 2-1- Asset management planning process within the Integrated Planning and Reporting Framework

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

Table 2.1: Assets covered by this Plan

Asset category	Replacement Value at June 2017 \$
Water Treatment Capital – Uralla:	
Raw Water – Pump Stations (at Kentucky Creek Dam)	\$646,525
Raw Water Storage (Kentucky Creek Dam)	\$4,655,750
Potable Water – Pump Stations (Barleyfields Road)	\$30,550
Potable Water Storage (reservoirs at Mt Mutton and Summerhill)	\$2,892,201
Treatment - Chemical Dosing (Water Treatment Plant)	\$634,634
Treatment – Clearwater Storage (Water Treatment Plant)	\$237,572
Treatment - Clearwater Transfer (Water Treatment Plant)	\$508,300
Treatment- Disinfection (Water Treatment Plant)	\$76,050
Treatment – Filtration (Water Treatment Plant)	\$1,492,640
Treatment – Primary Flocculation (Water Treatment Plant)	\$128,700
Treatment- Sedimentation (Water Treatment Plant)	\$927,030
Treatment- Secondary Flocculation (Water Treatment Plant)	\$131,300
Siteworks – Buildings (Water Treatment Plant)	\$1,170,572
Siteworks- Services (Water Treatment Plant)	\$307,450
Filtration- Backwash Lagoons (Water Treatment Plant)	\$190,515
Reticulation (distribution pipework in Uralla)	\$8,933,096
Sub-total	\$24,368,186
Water Treatment Capital – Bundarra:	
Raw Water – Pump Stations (at Taylors Pond on Gwydir River)	\$91,250
Raw Water Storage (Taylors Pond)	\$56,250
Treatment - Chemical Dosing (Water Treatment Plant)	\$119,460
Treatment – Clearwater Storage (Water Treatment Plant)	\$242,222
Clearwater Transfer- Clearwater PS (Water Treatment Plant)	\$77,220
Disinfection- Cl Dosing (Water Treatment Plant)	\$34,320
Filtration –Backwash System (Water Treatment Plant)	\$77,880
Filtration –Gravity Filters (Water Treatment Plant)	\$196,284
Fluoridation System – Fluoride dosing (Water Treatment Plant)	\$33,660
Preliminary Treatment – Settling Lagoons (Water Treatment Plant)	\$180,840
Process (Water Treatment Plant)	\$415,800
Settled Water Feed- Settled Water PS(Water Treatment Plant)	\$84,480
Siteworks- Buildings (Water Treatment Plant)	\$138,996
Siteworks- Services (Water Treatment Plant)	\$93,390
Potable Water Storage (reservoirs Bakers Creek Rd and Burnett St)	\$763,069
Reticulation (distribution pipework in Bundarra)	\$1,880,019
Subtotal	\$4,485,141
Total	\$28,853,327

§ Water Supply assets are being revalued in 2022.

The key stakeholders in the preparation and implementation of this plan are:

- Residential water users (including those with special needs)
- Local businesses
- Sports and recreational clubs
- NSW Department of Planning, Industry and Environment
- NSW Health
- Environmental Protection Authority
- NSW Natural Resources Access Regulator (NRAR)
- NSW Local Land Services

2.2 Goals and Objectives of Asset Management

Part of the role of Council is 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 (i.e. considering both the cost of acquisition, operation, maintenance and disposal or renewal of assets over their entire lifetime)
- 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.³

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: In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.

Council's Mission is: Uralla Shire Council listens to and facilitates the aspirations of the community.

Council's Community Strategic Objectives:

1. We have an accessible, inclusive and sustainable community.
2. We drive the economy to support prosperity.
3. We are good custodians of our environment.
4. We are an independent shire and well-governed community.

³ IPWEA, 2006, *IIMM* Sec 1.1.3, p 1.3.

Assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs to ensure they:

- provide quality output of water supply;
- reach their expected lifecycle;
- perform to their maximum capability;
- satisfy community expectations and needs;
- satisfy budget limitations; and
- meet safety and regulatory requirements.

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 necessary 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

A road map for an Asset Management Plan is shown in Figure 2-2:

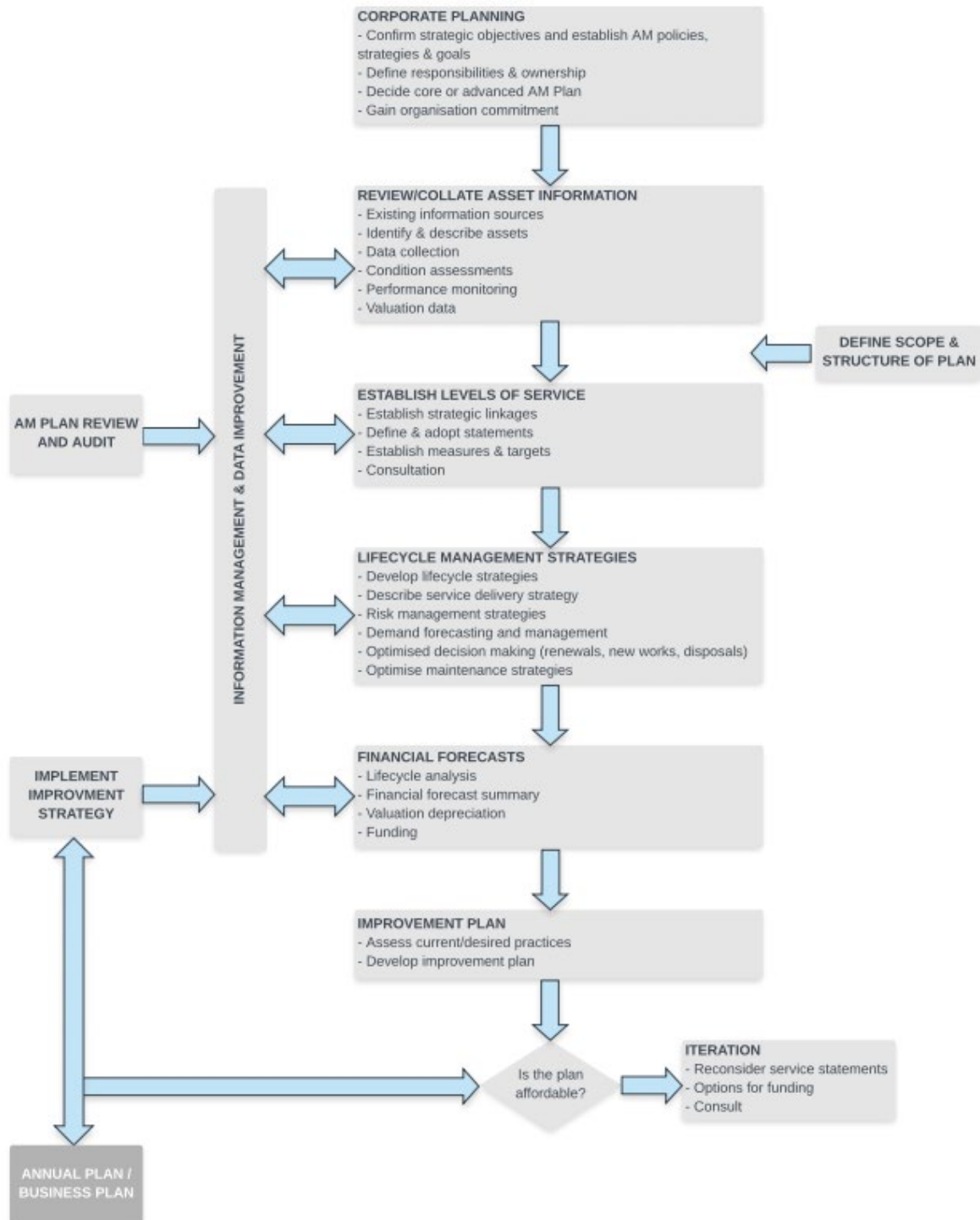


Figure 2-2- Road Map for Preparing an asset management plan
Source: IIMM Fig 1.5.1, p1.11

2.4 Core and Advanced Asset Management

This asset management plan is prepared as a first cut 'core' asset management plan in accordance with the International Infrastructure Management Manual⁴. It has been 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.

Importantly, future revisions of this asset management plan will move towards "advanced" asset management using a "bottom up" approach for gathering asset information for individual assets to support the optimisation and programs to meet agreed service levels. "Advanced" asset management is strongly driven by good quality and well-organised data about the assets to inform decision-making and target investments. Council needs to invest in gathering, organising and analysing data on its assets to refine its investment decisions on asset renewal, upgrade and disposal.

This asset management plan is to be read in conjunction with the following planning document, upon which current adopted levels of service, long term financial modelling and a capital works program to cater for predicted growth in service areas are based:

- USC Strategic Business Plan for Water Supply and Sewerage Services
- USC 10 year Long Term Financial Plan

2.5 Community Consultation

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

⁴ IPWEA, 2006.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not previously carried out any formal research on customer expectations. Existing levels of service have been determined through consultation with internal stakeholders i.e. Council staff and councillors. A system of recording complaints/requests is in place. Leaks and 'dirty' water are the most common issues. Further research to determine customer expectations will be carried out prior to future updates of the asset management plan.

Community group ZNET Uralla undertook survey of Uralla residents in 2020 regarding water security and found strong support for action to improve drought security.

3.2 Legislative Requirements

Councils have a responsibility to meet various legislative requirements including Australian and NSW legislation and regulation. Relevant legislation includes the items shown in Table 3.2 below:

Table 3.2: Legislative Requirements

Legislation	Requirement
Environmental Planning and Assessment Act 1979 (EP&A Act)	Sets out the guidelines used by Council to provide sustainable and environmentally responsible planning, development and land use.
Environmental Planning and Assessment Amendment Act 2008	Provides for Council control of local development and approval of infrastructure expansion.
Local Government Act 1993	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.
Protection of the Environment Operations Act 1997	Sets environmental standards, goals, protocols and guidelines to reduce pollution and environmental harm.
Work Health and Safety Act 2011	Guides employers and employees on their roles and responsibilities to provide and maintain a safe workplace which protects against harm to health, safety and welfare from hazards and risks arising from work as is reasonably practicable.
Water Management Act 2000	Regulates the sustainable extraction of water from rivers (water sharing plans and environmental flows).
Water Management Amendment Bill 2004	Amends the Water Management Act 2000 (the Principal Act) to facilitate the commencement of the Act and published water sharing plans and to deal with aspects of the National Water Initiative.
Public Health Act 2010	Guides the promotion, protection and improvement of public health, the control of risks to public health, the control of infectious diseases, and the prevention of the spread of infectious diseases.
Native Vegetation Act 2003	Regulates the clearing of native vegetation on land in NSW.
Fluoridation of Public Water Supplies Act 1957	This Act controls and regulates the addition of fluoride to a public water supply by a water supply authority, including Councils.
Australian Drinking Water Guidelines 2004	Provides guidance on the required quality of drinking water supplied by a local water utility.

3.3 Current Levels of Service

Council has defined service levels in two ways.

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

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

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

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

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (eg clean storage tanks, flush distribution system, clean chemical feed lines, repair leaking pipes etc.),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg pipeline relining/replacement),
- Upgrade – the activities to provide an higher level of service (eg , replacing a pipeline with a larger size),
- New - a new service that did not exist previously (eg a recycled water system).

Council's current service levels and desired levels of service are detailed below in Table 3.3.

Table 3.3: Current Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service (2019-2022)
COMMUNITY LEVELS OF SERVICE				
Quality	Provide an efficient and safe water supply to consumers.	Customer enquiries or complaints.	No more than 3 water quality complaints and 4 service complaints per 1,000 properties in each year.	Rate of quality complaints 9 per 1000 properties per year and 11 service complaints per 1000 properties per year (water meter faults)
	Provide a minimum static pressure.	Customer enquiries or complaints.	Minimum 20m head to urban water supply customers.	No guarantee of minimum pressure.
Function	Provide an uninterrupted water supply.	Scheduled and non-scheduled water interruptions.	Less than 10 unplanned interruptions to water supply per year.	Average of 9 water main and service connection breaks per 100 properties per year.
	Respond to customer complaints promptly.	Response and repair times.	Response within 1 hour. Average duration of interruption less than 3 hours.	Response times vary. Average duration 100 minutes.
Safety	Ensure the safety of the public and staff.	Number of incidents that could compromise safety.	No incidents.	Low level of staff lost time due to injury. No history of potential threats to public safety.

TECHNICAL LEVELS OF SERVICE				
Operations				
	Comply with health and quality regulations	Results of regular testing.	100% of treated water samples comply with the Australian Drinking Water Guidelines.	See results below (in Maintenance)
	Capacity to treat sufficient water to service future customer demand.	Capacity of Uralla WTP. Capacity of Bundarra WTP.	WTP has a design capacity of 5 ML/day. WTP has a design capacity of 0.8 ML/day.	Peak day 2.9 ML. Peak week 12.8 ML Peak day 0.34 ML Peak week 1.37ML
	Drought security	No. of annual water restrictions	Restrictions per the 5/10/10 Duration/Frequency/Severity rule. ie. less than 5% of time spent in water restrictions, less than 10% chance of restrictions being applied and restrictions require (on average) a 10% reduction in unrestricted demand.	Yields are insufficient to supply the future estimated dry year demand for Uralla. Historically Uralla has had few water restrictions but restrictions are frequently applied in Bundarra for even short dry spells.
	Economic efficiency	Operating cost per property	Operating cost to be below the median for NSW country LWUs.	\$689 (Water only) compared to the statewide weighted mean of \$492.
	Skilled operators	Level of qualification	Water operator and back up operator have Level III training in plant operation.	Most staff have Level III accreditation.
Accessibility				
	Provide access to water supply for residents in Uralla and Bundarra townships with rates applied fairly and consistently	User-pay system continued Average usage per year	At least 50% of residential revenue from Usage Charges (towns <4000 connections) Report to Council on the annual water consumption per connection.	Currently complies at 51%. Average Annual Residential water supplied (Potable) per connection: 154 kL.
	To ensure that rural residential dwellings have adequate available water supplies.	Amount of water sold.	Rural residents are able to purchase water at reasonable price.	Rural residents are able to purchase water at \$6.00 per kL.
Maintenance-Uralla WTP				Date range July 2020 to Jan 2022
	Provide regular water testing.	E.Coli	56 samples	100% complying
		pH	622 samples	99.84% complying
		Colour	44 samples	97.73% complying

		Turbidity	48 samples	99.82 % complying
		Total Coliforms (mpn/100 ml)	883 samples	97.92 % complying
Maintenance- Bundarra WTP				
Provide regular water inspections. ⁵	E. Coli	474 samples	97.26%	
	pH	222 samples	99.55%	
	Colour	41 samples	100%	
	Turbidity	45 samples	97.78%	
	Total Coliforms (mpn/100mL)	474 samples	87.55%	
Renewal				
	Replacement of pipe networks, storage reservoir roofs and electrical/mechanical components of water treatment plants (WTP) and pump stations as necessary.	Frequency of mains renewal <100 years. Identified WTP and pump station renewal works are completed.	Mains replacements are scheduled according to age. All programmed mains replacement and upgrade works are completed in the program year.	Mains replacement depends on funding availability and is less than sustainable.
Upgrade/New				
	Capacity to store sufficient raw water to meet projected future demand.	Raw water storage volumes.	Available storage meets projected 30 year demand for a secure yield based on the 5/10/10 security of supply rule.	Yields are insufficient to supply the future estimated dry year demand for Uralla. Bundarra yield does not meet the 5/10/10 rule.

3.4 Desired Levels of Service

At present, the above indications of desired levels of service have been obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify and formally adopt desired levels of service. This will be undertaken in future revisions of this asset management plan.

The Levels of Service in this plan have been developed with customer focus and grouped into core customer value areas that are referred to as 'Service Level Outcomes'. These service level outcomes (or sometimes referred to as service criteria) are things like:

- Accessibility and/or availability
- Affordability
- Health and Safety
- Quality/condition
- Reliability / Responsiveness
- Customer satisfaction
- Sustainability

⁵ To be updated.

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	Uralla 2743 (2016 Census)	The 2019 population projections by the Department of Planning show a predicted fall by 700 in the total LGA population from 6,150 to 5,450 by 2041. New projections will be released in 2022 from the 2021 Census.	Treatment plant, pump stations, reservoirs and trunk mains currently have adequate capacity.
	Bundarra 676 (2016 Census)	From 1996 to 2011 Bundarra population rose by 1.9% but is projected to remain relatively static going forward.	Treatment plant, pump stations, reservoirs and trunk mains currently have adequate capacity but raw water storage is inadequate.
Demographics	Median age of population is 44 years compared to 38 in NSW. Proportion of population over 55 years is higher in Uralla than NSW average. Proportion 20 to 54 years is lower than NSW average.	There will be an increasing percentage of older residents in the next two decades.	A high demand on aged care services and facilities over the next 20 years.
Electricity costs	Electricity costs are a significant part of operating costs especially to operate pumps and mixers	The Australian Energy Market Commission forecasts a decline of about 4% in electricity costs from 20/21 to 23/24.	Major facilities such as the treatment plants use significant amounts of power each month. Council will continue to pursue grant funding for additional solar panel systems to reduce grid usage.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Council will be required to implement further sustainability measures including reduced CO ₂ e emissions.	This will require a greater allocation of funds towards improving facilities and services to meet environmental standards.

Water levels	Currently, the secure yield from the catchment is insufficient to supply the current estimated dry year demand for both Uralla and Bundarra schemes.	Annual water resources could become less predictable due to changes in climate.	Water restrictions could become more frequent and more severe.
Climate change	Water infrastructure currently designed for historical rainfall regime and environments including design of stormwater management system and pollutant interception infrastructure.	Projections from 2021 studies in the Gwydir catchment are for reduced annual rainfall, prolonged droughts coupled with frequent short, sharp droughts, higher evaporation particularly in winter/spring and less replenishment of groundwater aquifers. Higher temperatures and reduced rainfall will also increase demand for water.	Water restrictions could become more frequent and more severe. Need for greater emphasis on water conservation. Potential for disruptions due to power outages in severe weather as well as supply chain disruptions (eg. delays getting materials, parts, etc)

4.2 Changes in Technology

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

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

Technology Change	Effect on Service Delivery
Use of reclaimed water becomes financially sustainable.	Will enable use of potable water for irrigation of recreation and sporting fields to be replaced by reclaimed water.
Telemetry improvements	Faster reaction time to address process incidents/problems, greater insight to water demands.
Smart water meters	Automated weekly or daily meter reads to replace manual six-monthly reads. Timely detection of hidden leaks in household plumbing, greater insight to domestic and commercial water use patterns, potential for customers to self-monitor their water usage

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, detailed investigation of problems to refine the scope and timing of renewals/new infrastructure, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as aquatic centres and libraries that may be in another council area or public toilets provided in commercial premises.

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

Table 4.3: Demand Management Plan Summary

Service Activity	Demand management plan
Maintenance	Conduct routine inspections and carry out timely repairs to water infrastructure assets according to work plans and community requests.
Upgrades and renewals	Monitor the condition and lifespan of assets and plan renewals and upgrades accordingly.
Customer Service requests	Record all customer service requests relating to water assets and analyse the data collected to identify shortcomings in asset performance affecting levels of service. Use the data collected to identify and implement solutions.
Leak detection survey/waterhammer management	Periodic acoustic survey to find undetected leaks and fix them. Reduction in mains breaks by arresting water hammer impacts (surge control)
Pricing	Inclined block tariff for water pricing to encourage water conservation
Water saving education / subsidies	Ongoing education to raise awareness of need for water conservation. Subsidies for water saving devices (appliances, storages) to reduce household water consumption.

4.4 New Assets for Growth

The new assets required to meet growth will be acquired free of cost from land developments and constructed by either the developer (e.g. reticulation) or Council (e.g. trunk mains) or a combination of the two.

Acquiring these new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and taken into account in developing forecasts of future operations and maintenance costs, as well as future renewal and replacement costs.

5. LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

5.1.1 Physical parameters and condition of existing assets

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

Water infrastructure asset profile information consisting of economic life, condition, capacity, age, function, purpose, and asset consumption rates is not currently available. This information is a guide to when the asset will need renewal or other intervention to keep it functioning satisfactorily. A water infrastructure asset profile will be developed in future revisions of this asset management plan.

Present Scheme Outline

Uralla Shire Council operates two water supply schemes which serve primarily the urban areas of Uralla and Bundarra. The surrounding rural areas mainly rely on rainwater tank supplies for domestic water. In drought times these rural areas can become dependent on urban water supplies for basic needs (eg. through water tankers).

Uralla

The water supply for Uralla township is sourced from Kentucky Creek Dam located approximately 5 km south west of Uralla. The dam has a total storage of 500 ML, of which 75 ML is assumed to be dead storage, leaving an effective storage of 425 ML. Current extraction of raw water for Uralla varies between 230 and 350 ML per annum. Uralla Shire Council is licensed to extract up to 621 ML per annum to meet urban demand from the Kentucky Creek catchment.

Raw water is pumped from the storage dam on Kentucky Creek through 85m of pipeline to the inlet of the Uralla Water Treatment Plant which is a conventional water treatment works.

Sodium hypochlorite and ammonia are added to the raw water. Alum, sodium hypochlorite, PAC and polymer are added using four rapid mixing compartments. The dosed water is then mixed in the flocculation chambers before entering a sedimentation tank. After sedimentation, more PAC is added and the water is then filtered through two sand filters. The filtered water is dosed with sodium hypochlorite for disinfection and soda ash for pH correction.

The dosed filtered water is then gravity fed to a clear water tank. The clear water is then fluoridated before being pumped to service reservoirs at Summerhill and Mt Mutton and reticulated to the Uralla urban area customers via gravity mains. A schematic diagram showing the layout of the Uralla water supply scheme is shown below in Figure 5-1.

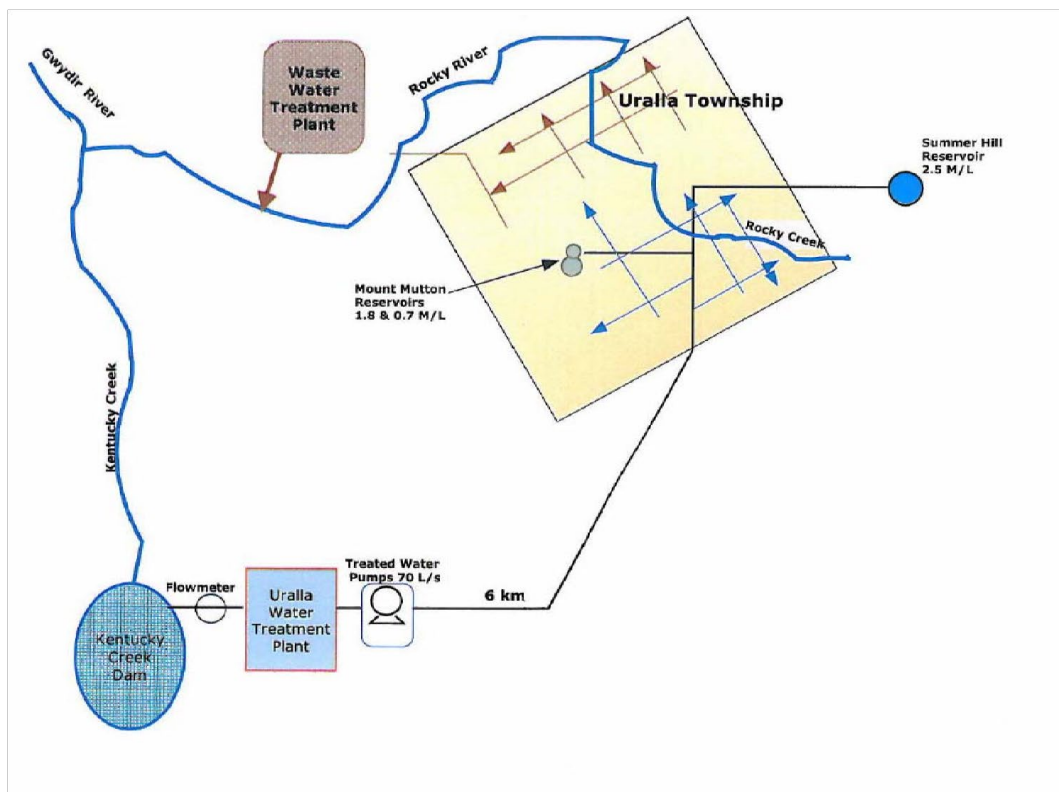


Figure 5-1 - Uralla Water Supply schematic

Bundarra

Bundarra is serviced by Taylors Pond on the Gwydir River which has a total storage capacity of around 83 ML of which 8 ML is dead storage, leaving an effective storage of 75 ML. Uralla Shire Council is licensed to extract up to 93 ML per annum from the Gwydir River for the urban supply at Bundarra. Records indicate that demand varies between 38 and 56 ML per annum with the average demand being 47 ML per annum.

There are currently 229 water assessments in Bundarra supplied from a conventional sedimentation and sand filtration water treatment plant similar in operation to the Uralla plant.

The plant has a design capacity of 0.8 ML per day plus a 20% hydraulic loading. Water is sourced from a pump well adjacent to Taylors Pond and following treatment, is pumped to two service reservoirs located on the northern and western extremities of the village.

A system of urban water restrictions is in place and restrictions in some form are applied to Bundarra water users in most years.

5.1.1.1 Storage dams and weirs

In 2013, Council commissioned NSW Public Works/SMEC to carry out a secure yield study on the catchments for both water supplies. The study projected that the modelled unrestricted dry year demand for the two supplies will increase from a current 381 ML to 433 ML in 2044 for Uralla and from a current 62 ML to 71 ML in 2044 for Bundarra.

The outcomes of the secure yield modelling gave an estimated secure yield of between 196 and 228 ML per annum for the Uralla supply and between 41 and 61 ML per annum for Bundarra, depending on the security of supply rule that Council adopts.

The study concluded that:

"The modelling indicates that the Uralla water supply system would need to be augmented to provide a secure yield which matches the dry year demand... and that the Bundarra system would need to be

augmented to provide a secure yield meeting the average current demand in climate change conditions applying the 5/10/10 rule.”

Consequently, Council will need to upgrade the Uralla water supply system and, should growth in Bundarra or predicted climate change conditions occur, additional storage will be required to maintain security of that supply. As the first step to sizing and costing these upgrades, in 2014 a preliminary headworks sizing was undertaken which looked at the potential increase in capacity of Kentucky Creek Dam and the sizing of an off-river storage to be constructed at Bundarra in order to supply the needs of both towns for the next 30 years. Preliminary estimates in 2014 indicated that the order-of-cost to upgrade the Uralla raw water storage dam is \$4m and to provide off-stream storage at Bundarra is \$260,000. Subsequent to the severe 2019 drought, with the help of the NSW Government, Council is investigating other source augmentation options such as development of groundwater bores. Testing drilling to see if a viable groundwater source is available near Uralla will occur in 2022.

5.1.1.2 Reservoirs

There are three storage reservoirs in Uralla and two in Bundarra. The Uralla structures were commissioned in the mid 1960s and are now about 60% through their expected 100 year life. The Bundarra reservoirs were built in 1985 so have more than 70% of useful life remaining albeit the southern reservoir had a serious leak repaired in 2020 using crack injection and will need to be further monitored. Whilst all structures are generally in good condition, all reservoirs have roofs which will need attention in the medium term (say within 10 years).

5.1.1.3 Pumping stations

The water pumping equipment at both Uralla and Bundarra are in good condition. The pumps and switchboards have been upgraded in the last 20 years and incorporate recent technology.

5.1.1.4 Water treatment facilities

Both water treatment plants (WTPs) use a similar basic operation as described in Section 5.1.1 above and are constantly maintained by trained operators. The Bundarra plant was changed from gas chlorine operation to sodium hypochlorite in 2003 and an activated carbon treatment was installed at Uralla in early 2000. The sand media in the Uralla WTP filters was replaced with granular activated carbon in 2020 to treat a drought-related spike in arsenic in the dam water. Further investigation of the arsenic source and type (organic/inorganic) is needed.

Whilst the current operations generally meet health testing requirements, the Uralla plant was not able to meet 100% compliance for total coliforms in 2010-11 and 2012-13 or Aluminium removal in 2013-14 and 2014-15. Bundarra was unable to meet 100% compliance for total coliforms and free chlorine in 2012-13.⁶

5.1.1.5 Trunk water mains

Trunk water mains from the 1980s upgrade are in good condition with most less than 50% through their expected life. There is some capacity to accommodate future growth. However older trunk mains in Uralla have burst several times in recent years which may be age-related or due to impacts from waterhammer.

5.1.1.6 Reticulation water mains

Many of the water reticulation mains are made from Asbestos Cement (AC) which was a common material for water pipes from the 1940s to 1980s. AC pipes typically have a life expectancy of 60-80 years, thus water mains installed in the 1940s are near the end of their useful life. Direct measurement of water pipe condition is difficult and expensive so the number of bursts/leaks is used as a surrogate. Information from operational staff is that short lengths of reticulation pipes have been replaced, usually in response to bursts though there are exceptions in King St, Queen St and Uralla St North where whole blocks have been renewed due to repeat bursts.

⁶ To be updated to current data.

The reticulation system is reported to have low numbers of recorded main breaks as listed below from data submitted by Council to the Local Water Utility Performance Reporting Database. Further checking of this data is required to be sure it is complete. Break rates per 100km of mains are higher than the statewide median for local water utilities. Breaks in mains (100mm diameter pipes or bigger) need to be distinguished from breaks in small components (small diameter pipes and meters) as typically it is the smaller components that leak the most. Burst mains interrupt water supply to customers and may temporarily result in 'dirty water' complaints which needs more flushing to clear dirty water from the pipes.

YEAR	Total mains breaks	Breaks per 100km mains (Uralla)	Breaks per 100km mains (Statewide median)
2015-16	8	12.90	8.90
2016-17	10	16.18	10.8
2017-18	19	30.74	9.05
2018-19	5	8.09	10.12
2019-20	Nil reported	n/a	11.58
2020-21	17	27.5	9.95

In 2011 Council engaged specialist consultants to carry out a study of the Uralla system to determine the level of leakage. The following is an extract from the Final Report - USC Leak Detection and Associated Services (2011):

"The types and numbers found were surprisingly lower than had been anticipated. We have no explanation as to why this is but compared to other systems we have recently completed, this produced the lowest number and lowest leakage of any system we have surveyed in the LGSA programme"



Figure 5-2 - Burst trunk main in Hill Street, Uralla (2021)

5.1.1.7 Hydrants and valves

Hydrants and valves are replaced or renewed on a periodic basis as required. The value of these assets is included with the valuation of the reticulation mains.

5.1.1.8 Customer meters

Common industry practice is to replace customer water meters after 10-15 years in service to ensure meters are accurately recording water usage for billing. Faulty or stopped meters are found during water meter reading and then scheduled for replacement. A program to routinely replace a set of old meters runs through each year.

5.1.1.9 Telemetry

The water supply telemetry communications and Supervisory Control and Data Acquisition (SCADA) system has been in place since 2001. A new system at Uralla Water Treatment Plant was commissioned in 2013. The SCADA and telemetry system are basic in nature and do not meet the current industry standards. A new, industry-standard SCADA to monitor the new Bundarra sewer scheme was commissioned in 2021 but it does not monitor Bundarra's water system. An expansion of that system to an industry-standard SCADA that monitors water and sewer at both Uralla and Bundarra is proposed in Council's 10 year Capital Works/Upgrade program for 2022-23. This will enable remote monitoring of water and sewer to operations in Uralla and Bundarra which will improve response times and efficiency.

5.1.2 Asset capacity and performance

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

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

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Uralla	Water quality – occasional taste and odour problems and ‘dirty’ water complaints
Uralla	Low water pressure for properties located close to supply reservoirs.
Uralla	High turbidity water in Kentucky Creek Dam from intense storms requires high level of chemical dosing to treat.
Bundarra	Low raw water supply during extended periods of low rainfall.
Bundarra	Hot weather impact on maintaining compliance for microbiological safety, boil water alerts in summer 2019 and 2020

The above service deficiencies were identified from the knowledge of Council management, community enquiries, and Council inspections.

5.1.3 Asset condition

Asset Condition is measured using a 1 – 5 rating system⁷ as detailed in Table 5.1.3.

Table 5.1.3: IIMM Description of Condition

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

Based on review of the asset condition data by Morrison Low (2018), most of Council’s water assets are in very good or good condition by value. However, the data also reveals that 26% of assets are approaching the end of their useful life and their condition is either category 4 or 5. As per Morrison Low report although the condition of the data in general is ‘reliable’ it often lacks key elements and collection procedures are uncertain which reduces confidence in the data. Details of Council’s asset condition reported in 2018 are tabulated below:

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Water Supply	5.4%	29.6%	39%	13.8%	12.2%

The condition is represented as a percentage of replacement cost value.

5.1.4 Asset valuations

The value of assets recorded in the asset register as at May 2017 covered by this asset management plan is shown below. A revaluation of water supply assets will occur in 2022.

⁷ IIMM 2006, Appendix B, p B:1-3 (‘cyclic’ modified to ‘planned’, ‘average’ changed to ‘fair’)

2017 Replacement Cost	\$28,853,327
Depreciable Amount	\$14,103,301
Depreciated Replacement Cost	\$14,750,026
Annual Depreciation Expense	\$485,005

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion. Asset Consumption is 1.68% (= \$485,005 depreciation ÷ \$28,853,327 replacement cost).

Data from the Annual Financial Statements below shows that between 2008/09 and 2020/21 Council spent \$0.587M on water asset renewals/additions while the accumulated depreciation in the same period was \$3.234M. This data may underestimate the amount Council has spent on renewals as operational staff report having replaced some water mains and service pipes though it is unclear if the costs were capitalised. A significant portion of water assets are approaching end-of-life. As renewals spending is not keeping up with depreciation this will increase the backlog of renewals work in the future. The Morrison Low (2018) report noted *"there is a significant under expenditure on asset renewals...a greater focus on renewals is required."* 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 so as to provide services in a financially sustainable manner.

Table 5.1.4 Water Supply asset movements from the USC Annual Financial Statements 2008/09 to 2020/21 (Note 9a Infrastructure Property Plan and Equipment) \$,000

FINANCIAL YEAR	Asset additions (Renewals)	Asset additions (New)	Carrying value asset disposals	Depreciation expense	Adjustments & transfers	Revaluation decrements to equity	Revaluation increments to equity	Gross carrying amount	Accumulated Depreciation	Net Carrying Amount
2009	30		0	-52	0	0	476	17087	-732	16355
2010	54		0	-54	0	0	480	17644	-809	16835
2011	92		0	-54	0	0	538	18301	-890	17411
2012	7		0	-246	0	0	429	18738	-1138	17600
2013	101		0	-247	0	-3497	0	15307	-1351	13957
2014	47		0	-181	0	0	387	15784	-1575	14209
2015	30		0	-184	0	0	405	16052	-1592	14460
2016	30	0	0	-242	0	0	213	16322	-1861	14461
2017	0	3	0	-246	0	-305	0	27543	-13629	13914
2018	15	0	0	-453	0	0	284	28137	-14377	13760
2019	0	0	0	-439	0	0	213	28587	-15053	13534
2020	0	13	0	-424	0	0	125	28872	-14624	13248
2021	157	8	0	-412	0	0	120	29304	-16184	13120

5.1.5 Asset hierarchy

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

Council is currently developing a service hierarchy which will be included in a later revision of this plan.

5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in Table 5.2.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Associated Costs (over 10 years)
Bulk Supply of water	Severe water shortage from drought due to insufficient water storage, including impacts on water quality	VH	Development of additional water supply source	\$2 million
Water Meters	Loss of revenues for Council /inaccurate reading due to old and faulty water meters	H	Replace old water meters over a period of 10 years	\$1 million
Treatment Plants	Non-efficient sludge and scum removal	H	Design, remove and replace Travelling Bridge for Clarifier Tank	\$350,000
Distribution System	Pipe bursts and infrastructure failure	H	Programmed mains replacement.	\$1,642,608 ⁸

5.3 Routine Maintenance Plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

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

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience,

⁸ Figure to be reviewed and revised.

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 replacement of UV bulbs, replacing valves, etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Table 5.3.1.

Table 5.3.1: Maintenance Expenditure Trends⁹

Year	Maintenance Expenditure
2018-19	\$1,438,000
2019-20	\$1,965,462

Current maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.3.2 Standards and specifications

Maintenance work is carried out in accordance with manufacturers Standards and Specifications and facilities operations and maintenance manuals.

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 4. The Operations and maintenance expenditures were calculated by Morrison Low (Water & Sewerage Asset Management Plan, August 2018) based on best practices which is reflected on Council's Long Term Financial Plan.

⁹ Table data to be updated.

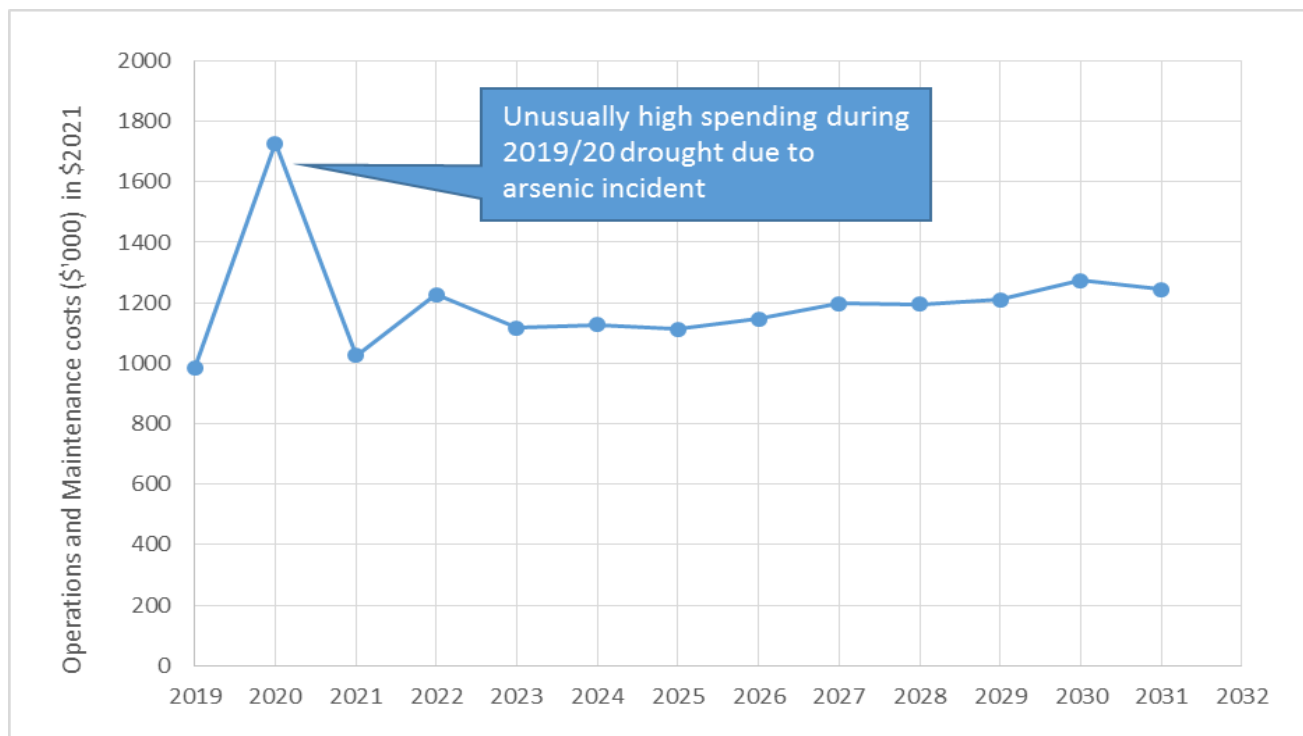


Figure 4: Projected Operations and Maintenance Expenditure¹⁰

Deferred maintenance, ie works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan.

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

5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure. As noted in Section 5.1.4 information in the Financial Statements indicates Council has not been renewing assets to match their consumption.

5.4.1 Renewal plan

Assets requiring renewal are identified from one of following three methods:

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from Water Network Modelling and Analysis, or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan*

Method 1 was used for this asset management plan.

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

¹⁰ Figure data to be reviewed.

Table 5.4.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Condition of asset	75%
Age (as a percentage of useful life)	25%
Total	100%

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

5.4.2 Renewal standards

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

- Water Services Association of Australia national codes for water supply
- Water Directorate guidelines
- Relevant international standards (eg. American Water and Wastewater Association)

5.4.3 Summary of projected renewal expenditure

As stated in Section 5.1.4 Council has spent limited funds on Water asset renewals in the past decade. Spending on renewals will need to catch up on the backlog of assets reaching their end of useful life. Collection and analysis of more asset condition information will help to refine future renewal decisions and cost estimates. Renewal costs are summarised in Figure 5. Note that all costs are shown in 2021 dollar values. The projected capital renewal program is shown in Appendix A.

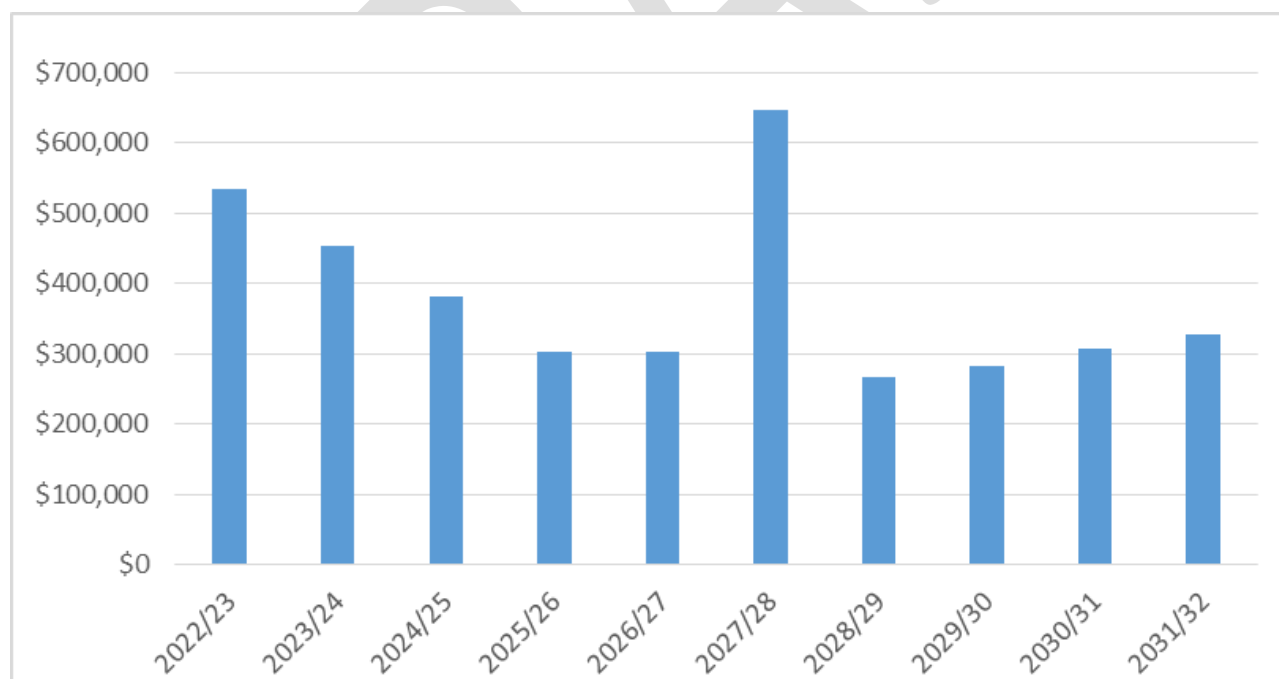


Figure 5: Projected Capital Renewal Expenditure

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

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

5.5 Creation/Acquisition/Upgrade Plan

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

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as water network modelling and analysis, demand management, councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: Upgrade/New Assets Priority Ranking Criteria

Criteria	Weighting
Strategic Business Plans	80%
Future demand	20%
Total	100%

5.5.2 Standards and specifications

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

5.5.3 Summary of projected upgrade/new assets expenditure

Currently, Council do not any have plans for acquiring new assets related to supply of water to the community or any plans for upgrade of existing system except for (i) the identified need for source augmentation of bulk water and (ii) some small extensions of reticulation to provide looped feeds (eg. Duke St to link to Rowan Ave). There will also be new water assets received by Council from the developers which will be maintained by the Council.

Council is proposing to do a water network modelling and analysis in FY 2023-24 to understand deficiencies in capacity of the distribution networks and this may result in addition of new assets to the network, upgrade of existing network or both.

These new assets are to be funded from a capital works loan program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Currently there are no assets identified for possible decommissioning and disposal except for those assets programmed for renewal. It is assumed that the residual value of replaced assets will be nil or scrap value only.

Should assets be identified for disposal in the future, cashflow projections from asset disposals will be developed and included in future revisions of this asset management 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 Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2021 dollar values.

Figure 6: Projected Operating and Capital Expenditure and Budget

6.1.1 Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

6.1.1.1 Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is not yet finalised as at the date of publication (operations and maintenance expenditure plus depreciation expense in year 1 (2021-22)).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is not yet finalised as at the date of publication (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1). A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

The life cycle sustainability index is 0.96.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

6.1.1.2 Medium term – 10 year (9 year at the time of review) financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected total operations, maintenance and capital renewal expenditure required up to FY 2031/32 is \$18,936,636 or \$2,104,071 per year.¹¹

Total estimated (budget) operations, maintenance and capital renewal funding is \$16,410,689 or \$ 1,823,410 per year giving a 9 year funding shortfall of -\$280,661 per year and a 9 year sustainability indicator of 0.88. This indicates that Council has 88 % of the projected expenditures needed to provide the services documented in the asset management plan.

6.1.1.3 Medium Term – 5 year financial planning period

The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$ 2,008,896 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$ 1,749,087 per year giving a 5 year funding shortfall of \$ 1,299,045. This is 87.1 % of projected expenditures giving a 5 year sustainability indicator of 0.87.

6.1.1.4 Financial Sustainability Indicators

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 plan.

Figure 5 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 6.

Table 6.1.1 shows the funding shortfall (or surplus) between projected and budgeted renewals.

Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall¹²

Year	Projected Renewals (\$000)	Planned Renewal Budget (\$000)	Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2022/23	535	503	-53	-53
2023/24	454	515	+119	+66
2024/25	381	507	+176	+242
2025/26	302	520	+218	+460
2026/27	302	548	+246	+706
2027/28	630	546	-84	+622
2028/29	267	559	+292	+914
2029/30	282	573	+291	+1205
2030/31	267	587	+320	+1525
2031/32	326	-	-	-

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

¹¹ Figures in yellow to be further reviewed and finalised.

¹² Table data to be reviewed.

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

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

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

6.1.2 Expenditure projections for long term financial plan

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

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

Table 6.1.2: Expenditure Projections for Long Term Financial Plan (\$000)¹³

Year	Operations and Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2021/22	1,674	556	0	0
2022/23	1,605	396	0	0
2023/24	1,627	331	0	0
2024/25	1,626	302	0	0
2025/26	1,674	302	0	0
2026/27	1,737	630	0	0
2027/28	1,750	267	0	0
2028/29	1,778	282	0	0
2029/30	1,855	267	0	0
2030/31	-	326	0	0

Note: All projected expenditures are in 2021 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 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:

- The existing asset data base is accurate in terms of length, age and type of pipes;

¹³ Table data to be reviewed.

- The condition of most of the assets are in good to very good condition.

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions:

- Improving the information on asset data;
- Undertake condition rating; and
- Reviewing useful lives for assets in conjunction with better condition assessment and development of suitable hierarchy within the asset categories.

DRAFT

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

The financial system used by the Uralla Shire Council is Authority 6.6, through a managed service provider contract with Civica Australia. The system is managed by Council's Finance Section producing monthly financial reports, for management and the Council's Finance Committee and annual financial statements for audit and production to the Uralla Community and other interested parties.

7.1.2 Accountabilities for financial systems

Council's significant accounting policies are set out in the annual financial statements Note 1.

7.1.3 Accounting standards and regulations

Council currently complies with the following standards and regulations with respect to asset accounting:

- The Australian Accounting Standards and Australian Accounting Interpretations.
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Act 1993 and Local Government (General) Regulation 2005.

7.1.4 Capital/maintenance threshold

- Equipment unreliable and spare parts difficult to source
- Maintenance costs >60% of new item
- Advances in technology make current equipment redundant

7.1.5 Required changes to accounting financial systems arising from this Water Asset Management Plan

- None identified.

7.2 Asset Management Systems

7.2.1 Asset management system and registers:

A number of systems and registers are used by the Uralla Shire Council for the purpose of this asset management:

- IPWEA NAMS PLUS 3
- MapInfo® (Intramaps® from January 2014) - For the Geographical Information System (GIS). These systems hold the spatial information on the majority of asset groups
- Microsoft® Excel spreadsheets are used to manipulate and interrogate asset data
- Civica® "Authority" software – customer billing, water meter register and customer water consumption information
- document management and customer requests system is TRIM © (HP Software Division)
- Council is working, with Statewide Mutual Risk Officers, towards implementing a robust modern system based upon Risk Assessment tools. Other maintenance is undertaken on a reactive basis under direction from the Director Infrastructure and Development.
- Financial system - Civica® Authority.

7.2.2 Accountabilities for asset management system and data

The Asset Manager has responsibility for operating and maintaining the core asset management systems within Council. The development of an annual water supply budget allocation within the Council budget is completed jointly by the Asset Manager and the Manager Water, Waste and Sewerage based upon the consultation with the Team Leader Water and Sewerage and the ten year financial plan forward estimates.

7.2.3 Linkage from asset management to financial system

Currently there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are currently no direct links with operations and maintenance expenses and the individual assets.

7.2.4 Required changes to asset management system arising from this Asset Management Plan

There is an identified need to implement a core corporate system for asset management with direct links between operations and maintenance expenses and the individual assets.

Once operational, the ongoing maintenance of such a system should then become a core function within Council's operations. However, as stated in the previous paragraph, there is no link between the asset management system and Authority and this is a required future improvement.

Council is currently investigating procurement of an asset management system that can be integrated with the Financial System and MapInfo for better management of the water assets.

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:

- NSW Office of Water Best Practice
- Individual suppliers Operations & Maintenance Manuals
- Water Services Association of Australia standards & Auspec specifications
- NSW Water Directorate guidelines
- Council's Significant Accounting Policy (Note 1 to Annual Financial Statements)

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents, and
- 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

An asset management improvement plan generated from this asset management plan in the form of Table 8.2.

Table 8.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Procurement of an Asset Management software that meets Council's need	Asset Manager	Budget/Funding	2022
2	Updating the MapInfo GIS System to capture all the water assets in the network after validation	Asset Manager	GIS consultant	2023
3	Condition Assessment of all critical assets	Asset Manager	Consultant	2023
4	Improved works reporting and capture of 'as-constructed' data	Manager Water Waste Sewerage	Budget/Funding	2022
5				

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.

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APPENDICES

Appendix A Projected 10 year Capital Renewal and Upgrades Works Program

Appendix B Abbreviations

Appendix C Glossary

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Appendix A Projected 10 year Capital Renewal Program

Appendix A: WATER- Uralla Shire Council- Detailed list of 10 year Capital Renewal Projects				
Year	Item No.	Capital Renewal Projects	Indicative Estimate	Cost
2022/23	1	Installation of Telemetry for USC Water Supply Network	\$250,000	
2022/23	2	Water hammer investigation / design – Engage Consultant	\$10,000	
2022/23	3	Depot Road - Water Main upgrade, from 100mm AC to 150mm PVC (140m)	\$23,392	
2022/23	4	Fitzroy St – Water Main renewal , 100mm AC to 100mm PVC (50m)	\$5,670	
2022/23	5	AC Water mains replacement (Condition 5) –other streets	\$110,327	
2022/23	6	Replace water meter (100 nos.)	\$100,000	
2022/23	7	Bathymetric survey of storage dams Bundarra and Uralla	\$35,000	
			2022/23	\$534,389
2023/24	1	Waterworks Road –Gravel Resheeting (2.4km , 100mm thick)	\$100,000	
2022/23	2	East St (Duke St to Prince Ave Railway track)- Water Main renewal , 100mm AC to 100mm PVC (240m)	\$27,211	
2023/24	3	AC Water Mains replacement - other sites	\$166,600	
2023/24	4	Apply Epoxy coating for Filter room floor (x2)	\$50,000	
2023/24	5	Replace water meter (100 nos.)	\$100,000	
2023/24	6	Retile Clear Water Chemical dosing pit	\$10,000	
			2023/24	\$453,811
2024/25	1	New water main Duke St (south of East Ave) to loop to Rowan Ave w/- creek crossing	\$60,000	
2024/25	2	Water Network Modelling and Analysis- consultant - model capacity of system	\$40,000	
2024/25	3	AC Water Mains replacement (Condition 5)	\$166,600	
2024/25	4	Replace water meter (100 nos.)	\$100,000	
2024/25	5	Replace Stop Valves – Bundarra Water Supply network (6 nos.)	\$4,500	
2024/25	6	Renewal of Pump electrical works -Bundarra	\$10,000	
			2024/25	\$381,100
2025/26	1	AC Water Mains replacement (Condition 5)	\$166,600	
2025/26	2	Replace water meter (100 nos.)	\$100,000	

2025/26	3	Cathodic Protection for the Water Inlet Works as per the recommendation of the consultant	\$10,000
2025/26	4	Soda Ash dosing plant/room Epoxy coating	\$25,000
			2025/26 \$301,600
2026/27	1	AC Water Mains replacement (Condition 5)	\$166,600
2026/27	2	Replace water meter (100 nos.)	\$100,000
2026/27	3	Replace Chemical dosing pumps (2 nos.)	\$10,000
2026/27	4	Apply Epoxy coating for Pumps floor	\$25,000
			2026/27 \$301,600
2027/28	1	AC Water Mains replacement (Condition 5)	\$166,600
2027/28	2	Replace water meter (100 nos.)	\$100,000
2027/28	3	Design, remove and replace Travelling Bridge for Clarifier Tank	\$350,000
2027/28	4	Replace Water Softner	\$3,000
			2027/28 \$619,600
2028/29	1	AC Water Mains replacement (Condition 5)	\$166,600
2028/29	2	Replace water meter (100 nos.)	\$100,000
			2028/29 \$266,600
2029/30	1	AC Water Mains replacement (Condition 5)	\$166,600
2029/30	2	Replace water meter (100 nos.)	\$100,000
2029/30	3	Renewal of Lab equipment	\$15,000
			2029/30 \$281,600
2030/31	1	Replace GAC (Granular Activated Carbon) for Gravity Sand Filter – Unit A and B	\$40,000
2030/31	2	AC Water Mains replacement (Condition 5)	\$166,600
2030/31	3	Replace water meter (100 nos.)	\$100,000
			2030/31 \$296,600
2031/32	1	AC Water Mains replacement (Condition 5)	\$166,600
2031/32	2	Replace water meter (100 nos.)	\$100,000
2031/32	3	Waterworks Road Grid Replacement (6nos)	\$60,000
			2031/32 \$326,000

Appendix B 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
WDV	Written down value

Appendix C Glossary

Annual service cost (ASC)

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

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition.

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition.

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

- **Planned maintenance**

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

- **Reactive maintenance**

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

- **Significant maintenance**

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

- **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

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

Operations expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, oncosts 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, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

Strategic Longer-Term Plan

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

Specific Maintenance

Replacement of higher value components/subcomponents 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



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1. EXECUTIVE SUMMARY

Uralla Shire

Uralla Shire Council is a medium sized NSW rural council with an area of 3,215 square km and a population of approximately 6,000 people located in the New England Tablelands region of NSW. Uralla is located approximately 545km by road North West of Sydney on the New England Highway. Council operates a sewerage system in Uralla, which currently has 1018 connections and serves a population of approximately 2,400 people and a new scheme in Bundarra servicing 175 premises commissioned in 2022.

This Sewer Asset Management Plan is one of seven asset management plans covering all community assets for which Council is responsible. These plans are supported by the council's Asset Management Policy and the Asset Management Strategy.

Council sewer assets assist in providing the community with safe, reliable collection and treatment of waste water.

The critical issues facing Council's sewer assets include:

- Maintenance and upgrades
- Meeting safety and quality regulations
- Consistency of service

Sewerage System:

The sewer network comprises the following components:

- One sewage treatment plant
- Six sewage pumping stations
- Reticulation mains
- Transfer/trunk mains
- Rising mains
- Telemetry

These infrastructure assets have a replacement value of \$13,678,621 as at 30 June 2017¹.

What does it Cost?

The projected costs to provide the services covered by this asset management plan over the 9 year planning period 2030-31 are as follows:

- Operation, maintenance and depreciation costs - \$9,389,000.
- Renewal and upgrade of existing assets - \$2,307,470.

Adding these components gives a total of \$11,696,470 over 9 years or an average of \$1,299,607 per year.

¹ Figures in yellow highlight are to be further reviewed and revised.

Using Council’s adopted 10 Year Financial Plan allocations, Council’s estimated available revenue income for this period is \$11,528,988 or an average of \$1,280,998 per year. This total assumes that the level of operation and maintenance funding will remain constant in real terms, however the allocation for expenditure on renewals will vary each year. Under this scenario, the projected revenue income meets 99% of the cost to provide the service over the next 9 years. This represents a funding shortfall of around \$18,609 per year.

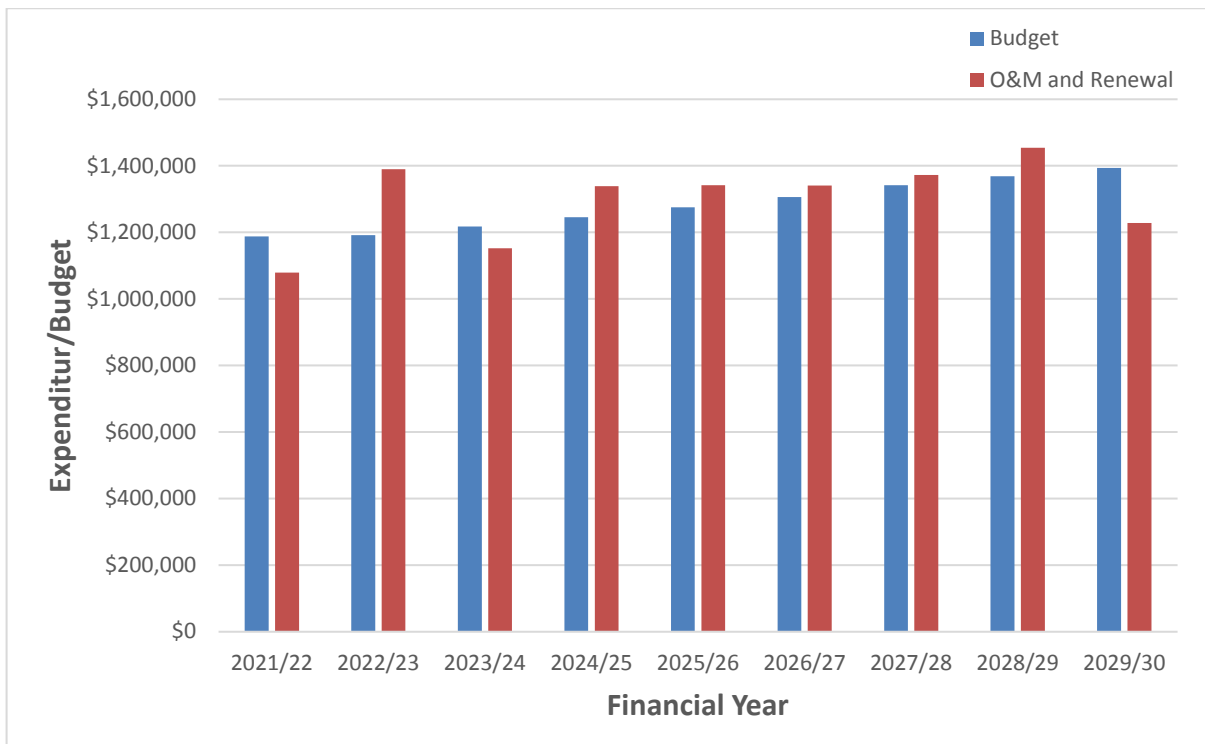


Figure 1: Year Financial project O&M, Renewals Vs Budget²

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

What we will do

Council plans to operate and maintain the Uralla and Bundarra sewerage systems to achieve the following strategic outcomes:

- To provide a safe and reliable sewage collection and treatment system to areas where demand exists and where financially feasible.
- To complete the renewals and upgrading works identified in this plan within the 10 year planning period.
- To comply with the licence conditions required by the regulator.

What we cannot do

Council does not have enough funding to provide all sewerage services at the desired service levels or to provide services to new areas unless additional sources of funding to meet the capital cost of extensions are forthcoming.

² Figures to be further reviewed and revised.

Managing the Risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. The major risks have been identified as:

- Quality of treated effluent to be discharged into waterways;
- Health and safety of public and staff; and
- Overflows to the environment.

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

- Achieving systems compliance with the requirements of the EPA;
- Maintaining infrastructure to a high standard and in accordance with adopted levels of service and making due provision for renewal and/or upgrading of assets; and
- Responding promptly to service issues including chokes and blockages.
- Acquiring and analysing detailed condition data on assets, especially 'critical' assets.

The Next Steps

The actions resulting from this asset management plan are to:

- Analyse available performance data;
- Determine updated asset condition ratings;
- Revise asset failure modes and risks;
- Integrate the above into a comprehensive asset management system linked to Council's finance system; and
- Regularly revise and update the renewals plan based on the above information.

Questions you may have

What is this plan about?

This asset management plan covers the infrastructure assets that serve the Uralla and Bundarra community's sewerage services. These assets include waste water treatment plants, pumping stations and mains throughout the Council area that enable people to have a high quality sewage collection and treatment system.

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.

Asset management plans detail 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?

Much of Council's sewerage scheme was constructed with funding from government grants which are often provided and accepted without consideration of ongoing operations, maintenance and replacement needs.

Some of these assets are now approaching the later years of their useful life and will require replacement. In addition, levels of service 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 and meet the capital renewals required for sustainable asset management and to cater for future growth.

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

What happens if we don't manage the shortfall?

It is likely that council will have a reduction in service levels in some areas and increasing backlog of renewals, unless new sources of revenue are found. For the sewerage system, the service level reduction may include an increase in blockages to the system and some inconsistent quality of the effluent discharged to the environment and intervention from government regulators.

What can we do?

Council can develop options and priorities for future sewer 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.

What can you do?

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

2. INTRODUCTION

2.1 Background

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

Uralla Shire Council is responsible for management of the sewerage system in Uralla town and now in Bundarra following the commissioning of a sewer scheme for that village in 2022. The Bundarra scheme is valued at \$8.5 million and majority of the funding was provided by NSW Government's Safe and Secure Water program.

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

- Uralla Shire Council Community Strategic Plan
- Uralla Shire Council Delivery Plan
- Uralla Shire Council Operational Plan
- Uralla Shire Council Ten Year Financial Plan

This sewerage asset management plan has a direct relationship with the following associated planning process and documents Figure 2.1:

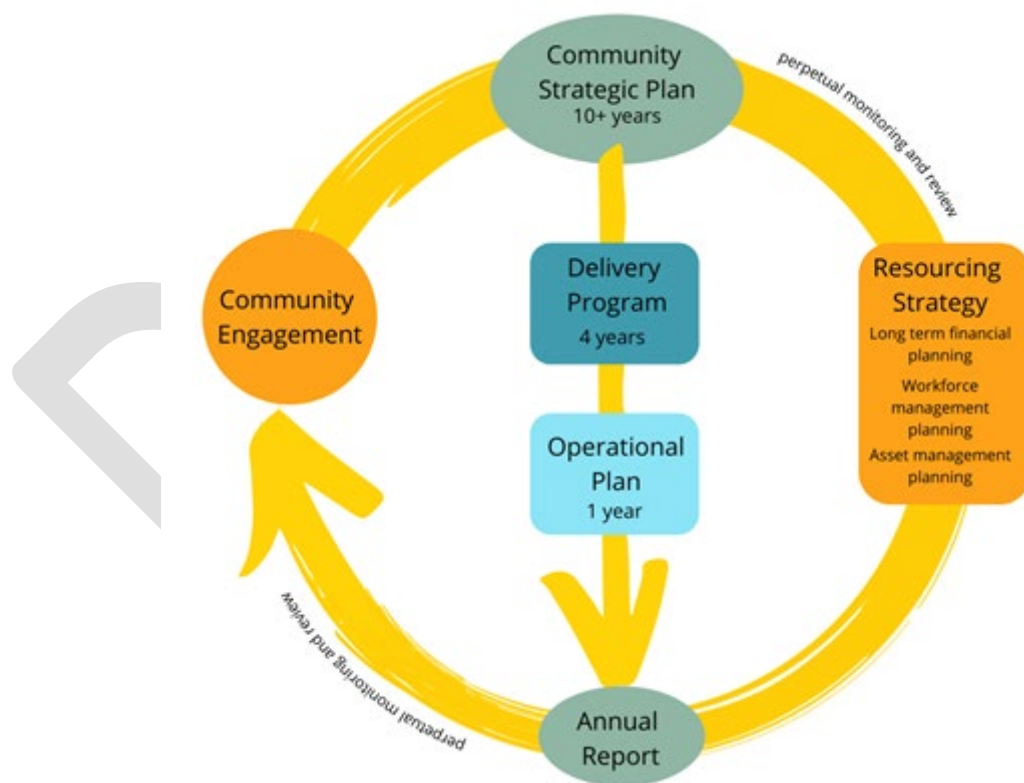


Figure 2.1: Asset management planning process within the Integrated Planning and Reporting Framework

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

Table 2.1: Assets covered by this Plan

Asset category	Quantity	Replacement Value at June 2017 (based on Australis Valuation Report June 2017) §
Sewerage System – Uralla		
Uralla Waste Water Treatment Plant	1	\$4,739,998
Sewage collection system (pipes)	67,811m	\$8,394,248
Sewage Pumping Stations	6	\$544,375
Sewer System - Bundarra		
Bundarra Waste Water Treatment Plant	1	\$2,560,402
Sewage collection system (pipes)	16096m	\$1,553,931
Sewage Pumping Station	1	\$714,842
Sewage rising main	2610m	\$831,700
Sewage ejection pump station (pods)	175	\$2,931,619
TOTAL		\$22,319,605

§ Sewerage assets will be revalued in 2022.

The key stakeholders in the preparation and implementation of this plan are as follows:

- Residential users connected to the system (including those with special needs)
- Local businesses
- Sports and recreational clubs
- NSW Department of Planning , Infrastructure and Environment
- NSW Environmental Protection Authority
- NSW Health
- NSW Local Land Services

2.2 Goals and Objectives of Asset Management

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 (i.e. considering both the cost of acquisition, operation, maintenance and disposal or renewal of assets over their entire lifetime);
- 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.³

The goal of this asset management plan is to:

- Document the services/service levels to be provided and the costs of providing the service;

³ IPWEA, 2006, IIMM Sec 1.1.3, p 1.3.

- 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, values, goals and objectives.

Council's Vision:

In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.

Council's Mission:

Uralla Shire Council listens to and facilitates the aspirations of the community.

Council's Community Strategic Objectives:

1. We have an accessible, inclusive and sustainable community.
2. We drive the economy to support prosperity.
3. We are good custodians of our environment.
4. We are an independent shire and well-governed community.

Uralla Shire Council's strategic objectives and organisational goals which relate to this plan are outlined in Table 2.2 and are addressed throughout this Sewer Asset Management Plan in the following way:

Assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs to ensure they:

- provide quality treatment so that discharged effluent meets appropriate standards;
- reach their expected lifecycle;
- perform to their maximum capability;
- satisfy community expectations and needs;
- satisfy budget limitations; and
- meet safety and regulatory requirements.

Table 2.2: Organisation Goals

Strategic Objective	Goals
To provide safe, cost effective and affordable sewerage facilities complying with all statutory requirements, for the benefit of both present and future residents of Uralla Shire.	Achieve 100% compliance with EPA discharge standards through adoption of best practice methods.
	To maintain the integrity and reliability of the sewerage systems in Uralla 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 as a first cut ‘core’ asset management plan in accordance with the International Infrastructure Management Manual⁴ and guided by ISO Asset Management Standards. These Standards, while framed on the management of physical assets, can be utilised for any asset type and by any sized organisation. They address the requirements for a management system (not software) for the management of assets and comprise:

- ISO 55000 Asset Management – Overview, principles and terminology
- ISO 55001 Asset Management – Management systems – Requirements
- ISO 55002 Asset Management – Management systems – Guidelines for the application of ISO 55001
- ISO 55010 – Asset Management – Aligning Financial and Non-Financial Functions in Asset Management

This plan has been 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.

Importantly, future revisions of this asset management plan will move towards “advanced” asset management using a “bottom up” approach for gathering asset information for individual assets to support the optimisation and programs to meet agreed service levels.

This asset management plan is to be read in conjunction with the following planning document, upon which current adopted levels of service, long term financial modelling and a capital works program to cater for predicted growth in service areas are based:

- USC Strategic Business Plan for Water Supply and Sewerage Services
- USC 10 Year Long Term Financial Plan

2.5 Community Consultation

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

⁴ IPWEA, 2006.
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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not previously carried out any formal research on customer expectations. Existing levels of service have been determined through consultation with internal stakeholders i.e. Council staff and councillors. A system of recording complaints/requests is in place but analysis of this data has not identified any recurring systemic shortcomings which would adversely affect the current levels of service. However, the operation of the treatment plant has a history of being unable to fully meet some criteria (principally removal of ammonia) because of limits on the hours of operation of the aerators due to noise restrictions. This issue has been addressed by Council in 2017 by replacing the noise generating components.

Further research to determine customer expectations will be carried out prior to future updates of the asset management plan.

3.2 Legislative Requirements

Councils have a responsibility to meet various legislative requirements including Australian and NSW legislation and regulation. Relevant legislation includes the items shown in Table 3.2 below:

Table 3.2: Legislative Requirements

Legislation	Requirement
<i>Environmental Planning and Assessment Act 1979 (EP&A Act) and Environmental Planning and Assessment Amendment Act 2008.</i>	Sets out the guidelines used by Council to provide sustainable and environmentally responsible planning, development and land use. Provides for Council control of local development and approval of infrastructure expansion.
<i>Local Government Act 1993</i>	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.
<i>Protection of the Environment Operations Act 1997</i>	Sets environmental standards, goals, protocols and guidelines to reduce pollution and environmental harm. Penalties apply for non-conformance. Operation of a sewage collection and treatment system in Uralla is licenced by the NSW Environment Protection Authority under this Act.
<i>Work Health and Safety Act 2011</i>	Guides employers and employees on their roles and responsibilities to provide and maintain a safe workplace which protects against harm to health, safety and welfare from hazards and risks arising from work as is reasonably practicable.
<i>Water Management Act 2000</i>	Regulates the sustainable extraction of water from rivers (water sharing plans and environmental flows).
<i>Water Management Act Amendment Bill 2004</i>	Amends the Water Management Act 2000 (the Principal Act) to facilitate the commencement of the Act and published water sharing plans and to deal with aspects of the National Water Initiative.
<i>Public Health Act 2010</i>	Guides the promotion, protection and improvement of public health, the control of risks to public health, the control of infectious diseases, and the prevention of the spread of infectious diseases.
<i>Native Vegetation Act 2003</i>	Regulates the clearing of native vegetation on land in NSW.

3.3 Current Levels of Service

Council has defined service levels in two terms.

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

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

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

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

Technical service measures are linked to annual budgets covering:

- **Operations** – the regular activities to provide services (e.g. energy costs, compliance testing, etc.)
- **Maintenance** – the activities necessary to retain an assets as near as practicable to its original condition (eg pump servicing and sewer main repairs, clearing blockages),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally (eg pipeline replacement of same size and/or reline existing sewer mains),
- **Upgrade** – the activities to provide a higher level of service (eg, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new sewer main or sewerage scheme).

Council's current service levels and desired levels of service are detailed below in Table 3.3.

Table 3.3: Current Service Levels

Key Performance Measure	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service (2020-21)
COMMUNITY LEVELS OF SERVICE				
Quality	Provide a reliable and safe sewerage system for consumers.	Customer enquiries or complaints.	No more than 4 service complaints per 1,000 properties in each year.	6 complaints per 1000 properties of chokes, service, billing or odour recorded, incl. new Bundarra scheme
Function	Provide an uninterrupted sewage collection service.	Scheduled and non-scheduled sewer interruptions.	Less than 6 unplanned interruptions (chokes, blockages) to sewerage system per year.	14 chokes recorded (LWU performance report).
	Respond to customer complaints promptly.	Response and repair times.	Response within 30 minutes. Average duration of repair less than 2 hours.	Response times vary. Average duration 60 minutes.
Safety	Ensure the safety of the public and staff.	Number of incidents that could compromise safety.	No incidents.	Low level of staff lost time due to injury. No history of potential threats to public safety.

TECHNICAL LEVELS OF SERVICE				
Operations				
	Comply with health and quality regulations	Results of regular testing.	100% of effluent discharge samples comply with the EPA licence conditions.	See results below (in Maintenance)
	Capacity to treat sufficient quantities to service future customer demand.	Capacity of Uralla WWTP.	WWTP has a design capacity of 4000 EP.	Annual flow 131 ML Peak day 827 kL. Peak week 4.2 ML
	Economic efficiency	Operating cost per property	Operating cost to be below the median for similar size LWUs (i.e. 200 to 1500 properties).	\$530 compared to statewide median of \$560.
	Skilled operators	Level of qualification	Sewer operator and back up operator have Level III training in plant operation.	Staff have Level II or Level III accreditation.
Accessibility				
	Provide access to a sewerage system for residents in Uralla and Bundarra with rates applied fairly.	User-pay system continued	Report to Council on the annual discharge per connection.	Currently complies.
Maintenance				Ref document UI/21/1912
	Provide regular sampling of discharge.		BOD5 TSS TOG pH NH3-N TN TP FC	100 % complying 100% complying 100% complying 100% complying 95% complying 100% complying 100% complying 100% complying
Renewal				
	Replacement of pipe networks, and electrical/mechanical components of waste water treatment plant (WWTP) and pump stations as necessary.	Frequency of mains renewal or relining <100 years. Identified WWTP and pump station renewal works are completed.	Main relining is scheduled according to age and condition. All programmed mains replacement and upgrade works are completed in the program year.	Mains relining depends on funding availability and is less than sustainable.
Upgrade/New				
	Except for the scheduled replacement of critical mechanical and electrical components and the relining of sewer mains, there are no new capital works planned in the next 10 years.			

3.4 Desired Levels of Service

At present, the above indications of desired levels of service have been obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify and formally adopt desired levels of service. This will be undertaken in future revisions of this asset management plan.

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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	Uralla 2743 (2016 Census)	The 2019 population projections by the Department of Planning show a predicted fall by 700 in the total LGA population from 6,150 to 5,450 by 2021.. New projections will be released in 2022 from the 2021 Census.	Treatment plant, pump stations, trunk and rising mains currently have adequate capacity. Unless there is an unexpected surge in population there will only be marginally increased pressure on Council's system.
	Bundarra 394 (2016 Census)	From 1996 to 2011 Bundarra population rose by 1.6% but is projected to remain relatively static going forward. New figures available in 2022 from the 2021 Census.	Bundarra Sewer Scheme currently has 175 connections with design capacity for over 300 connections.
Demographics	Median age of population is 45 years compared to 38 in NSW. Proportion of population over 55 years is higher in Uralla than NSW average. Proportion 20 to 54 years is lower than NSW average.	There will be an increasing percentage of older residents in the next two decades.	A higher demand on aged care services and facilities over the next 20 years.
Electricity costs	Electricity costs are a significant part of operating costs especially to operate pumps and mixers	The Australian Energy Market Commission forecasts a decline of about 4% in electricity costs from 20/21 to 23/24.	Major facilities such as the treatment plants use significant amounts of power each month. Council will continue to pursue grant funding for additional solar panel systems to reduce grid usage.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Council will be required to implement further sustainability measures.	This will require a greater allocation of funds towards improving facilities and services to meet environmental standards.

4.2 Changes in Technology

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

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

Technology Change	Effect on Service Delivery
Use of recycled water becomes financially sustainable.	Will enable existing use of potable water for irrigation of recreation and sporting fields to be replaced by recycled water.
Telemetry improvements	Faster reaction time to address process incidents/problems, greater insight to wastewater loadings, more automation, less manual water quality testing. Cheaper remote sensing to forewarn of capacity problems in critical sewers.
Trenchless renewals	Adoption of sewer pipe and manhole relining technologies can renew assets at much less than cost of traditional excavate and reconstruct method and with less customer disruption.

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.

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

Table 4.3: Demand Management Plan Summary

Service Activity	Demand Management Plan
Maintenance	Conduct routine inspections and carry out timely repairs or improvements to sewerage infrastructure assets according to prepared work plans and community requests.
Upgrades and renewals	Monitor the condition and lifespan of assets and plan renewals and upgrades accordingly.
Customer Service requests	Record all customer service requests relating to sewerage system and analyse the data collected to identify shortcomings in asset performance affecting levels of service. Use the data collected to identify and implement solutions.
Customer education	Ongoing education campaign to only flush the 3 Ps into the sewer and not inappropriate materials such as wipes, nappies, dishcloths, etc which cause blockages.
Reduce hydraulic loading on sewers	Inspections, repairs and enforcement to reduce excessive amount of rainwater / stormwater getting into the sewer network from defective infrastructure (eg. cracked pipes) and illegal plumbing (eg. roof downpipes plumbed into sewer)
Trade Waste inspections	Check maintenance and clean out of pre-treatment devices (eg. grease arrestors) to reduce amount of fats, oils, grease discharged to sewer.

4.4 New Assets for Growth

The new assets required to meet growth will be acquired free of cost from land developments and constructed by either the developer (e.g. collection mains) or Council (e.g. trunk or rising mains) or a combination of the two.

Acquiring these new assets will commit council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and taken into account in developing forecasts of future operations and maintenance costs, as well as future renewal and replacement costs.

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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 and condition of existing assets

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

The assets that are part of the Bundarra Sewer Scheme are not included in this plan. These assets will be included in the next review once the project is completed and handed over to Council.

Council, as the water and sewer authority, operates a sewerage collection and treatment system covering the urban area of Uralla. The scheme consists of:

- 66.3 km gravity collection mains
- 700 sewer manholes (access chambers)
- 1800m trunk mains
- 1236m of rising mains
- 6 pump stations
- One wastewater treatment plant

The treatment plant provides advanced secondary treatment and has a capacity to cater for approximately 3960 ET and has a current load of 450 kilolitres per day Average Dry Weather Flow (ADWF). The collection system comprises 25.6 km of reticulation mains initially constructed in 1968 and extended as necessary since then to meet the growth in development.

The area serviced by the Uralla Sewerage Scheme is outlined in Figure 5.1.1 below.

A new pressure sewer scheme for Bundarra was commissioned in 2022. The scheme consists of:

- 175 sewage ejection pump stations 'pods' situated on premises complete with boundary valve box and control panel (owned by Council)
- 16.1 km of small diameter pressure sewer
- One central sewage pumping station with barometric loop and odour control
- 2.6km pressure rising main with odour-control air valves
- One wastewater treatment plant and effluent irrigation system

The Bundarra scheme has 175 connections and has been designed to cope with a further 170 premises

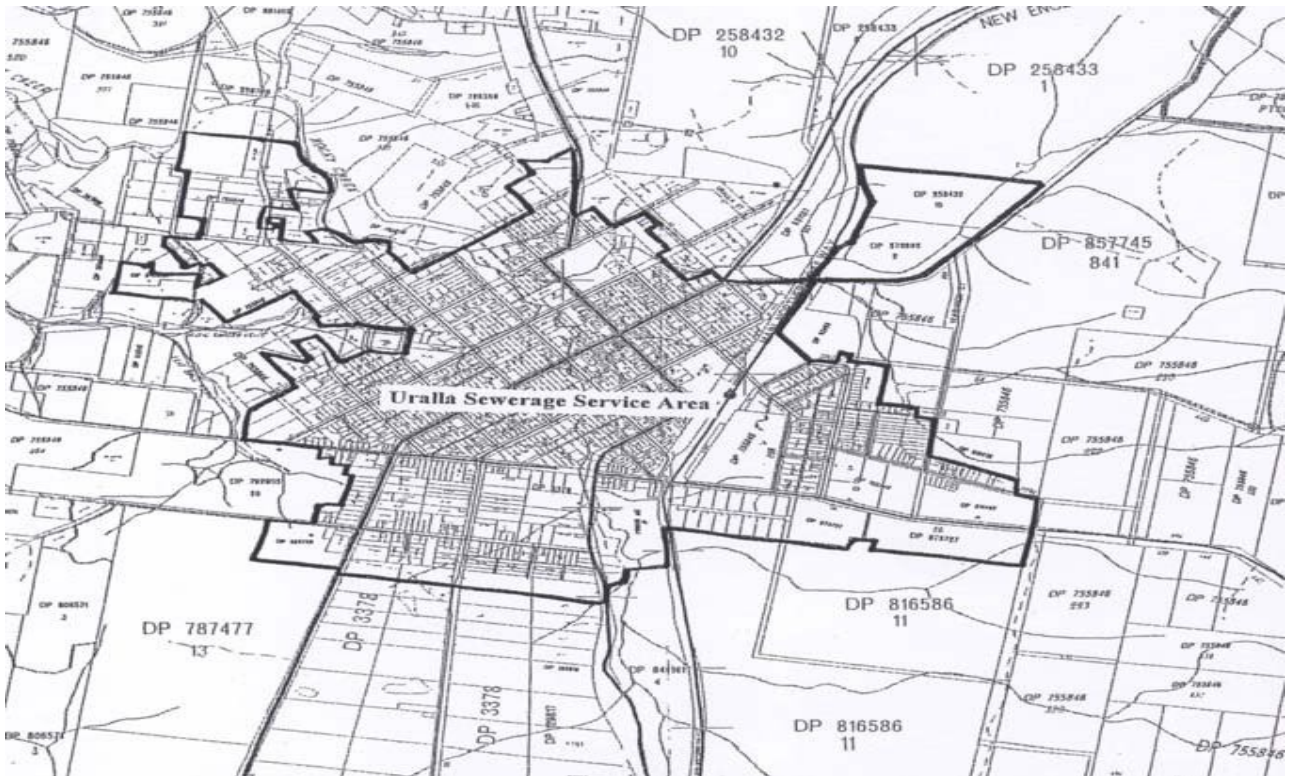


Figure 5.1.1 Map of Uralla Sewerage Scheme

5.1.1.1 Sewage treatment facilities

The original Uralla wastewater treatment plant (WWTP) was augmented in 1995 with the construction of a 3960 EP capacity continuous extended aeration (activated sludge) plant which replaced the original trickling filter unit. It is located 1.8 km downstream of Uralla on Rocky Creek, northwest of the town. The plant is relatively young but was designed without 'grit' capture which means coarse material (sand, gravels) accumulate in the primary aeration tank over time. Chemical dosing with alum is used to remove phosphorous. Effluent is disinfected with UV prior to discharge to Rocky Creek. A 35 kilowatt solar panel system was added to the plant in 2020 to reduce energy costs.

There are 6 sewage pumping stations with a combined capacity of 100 kL per day located strategically around the Uralla service area. The pumping stations are small capacity, not connected to a remote telemetry system to warn of faults and the switchboards are basic and not in good condition.

Sewage treatment at Bundarra consists of passive oxidation ponds & maturation ponds to reduce nutrient load in the sewage by microbiological degradation. No mechanical or electrical equipment is used to treat the sewage except a solar-powered irrigation system to apply treated effluent to land.

5.1.1.2 Trunk sewer mains

Whilst some sections of the 1800 m of trunk sewer mains in Uralla have been affected by hydrogen sulphide gas (see 5.1.2 below), the majority are in good condition with most less than 50% through their expected life. Flow measurements and feedback from operational staff is that trunk mains are near to capacity in wet when excessive amounts of rainwater is entering the sewerage network.

As the Bundarra sewer assets are brand new they are in excellent condition.

5.1.1.3 Gravity collection mains

A substantial amount of the Uralla sewerage scheme was built in the late 1960s and is thus about 55 years old, making it relatively young compared to sewers in other regional centres which were built prior to WW2. Council carries out internal inspections of mains using an in-line camera (CCTV) for operational purposes so that problematic lines can be identified and clearing of these mains can take place when blockages occur. Further systematic condition assessment using CCTV survey is needed to better understand the condition of the pipe network. This condition data can then be used to target renewal spending on those sewers in the worst condition or with the greatest risk from failure. Condition data on sewer manholes is presently not available.



Figure 5.1.2. Example image of a badly broken sewer pipe inspected with CCTV

To further reduce the incidence of sewer overflows in the reticulation network, Council has now acquired the necessary equipment to enable treatment of tree roots in selected gravity mains on an ongoing basis.

The collection system also has relatively low numbers of recorded main chokes and blockages as reporting in the NSW Local Water Utility Performance Reporting database as shown below. Generally the number of sewer blockages (chokes) is less than the state median.

YEAR	Number of chokes	Chokes per 100km sewer mains (Uralla)	Chokes per 100km sewer mains (Statewide median)
2015-16	15	43.0	38.0
2016-17	7	20.0	27.0
2017-18	9	25.7	33.0
2018-19	5	14.2	38.21

2019-20	Not reported	Not reported	32.9
2020-21	14	39.7	29.9

Overflows of sewage in 2016 and 2017 resulted in a caution from the Environment Protection Authority. Council has subsequently developed a pollution reduction program to reduce the risk of overflows, including better mapping, risk rating different sewer lines, upgrades to switchboards, annual CCTV inspections and development of a capacity model. More information (e.g. grades, pipe invert levels, flows) needs to be gathered order to develop a capacity model to understand what parts of the sewerage system are at or close to capacity and where new pipes are needed.

5.1.1.4 Telemetry

A sewerage telemetry system is installed to measure the inflow into the treatment plant. The system has been in place since 1996. The existing Telemetry System is outdated. A new, industry-standard SCADA to monitor the new Bundarra sewer scheme was commissioned in 2021 but it does not monitor Bundarra's water system. An expansion of that system to an industry-standard SCADA that monitors water supply and sewerage at both Uralla and Bundarra is proposed in Council's 10 year Capital Works/Upgrade program for 2022-23. This will enable remote monitoring of water and sewer to operations in Uralla and Bundarra which will improve response times and efficiency.

5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Uralla	Concentration of ammonia nitrogen (NH ₃ -N) above the licence limit of 1mg/L (5mg/L in winter) are recorded at the Uralla WWTP. This situation is ongoing and is likely to be a result of restrictions on the operating times of the surface aerators which are not able to be run at design capacity during the hours of 6pm to 6am. Despite many efforts to manage cycle times of surface aeration, levels of NH ₃ -N are sometimes slightly higher than licence requirements.
Uralla	The condition of some trunk mains has been affected by hydrogen sulphide (H ₂ S) gas. Whilst there has been a program of mains replacement, particularly at watercourse crossings near the treatment plant, the replacement of further sections is required.
Uralla	Large volumes of rainwater flow into the sewerage network during wet weather. This rainwater/stormwater is from a combination of defective infrastructure (eg.cracked pipes, openings in manholes) and illegal connection of household stormwater pipes to the sewer system. Flows into the Uralla STP during wet weather can be 10 times higher than that in dry weather, see Figure 5.1.3

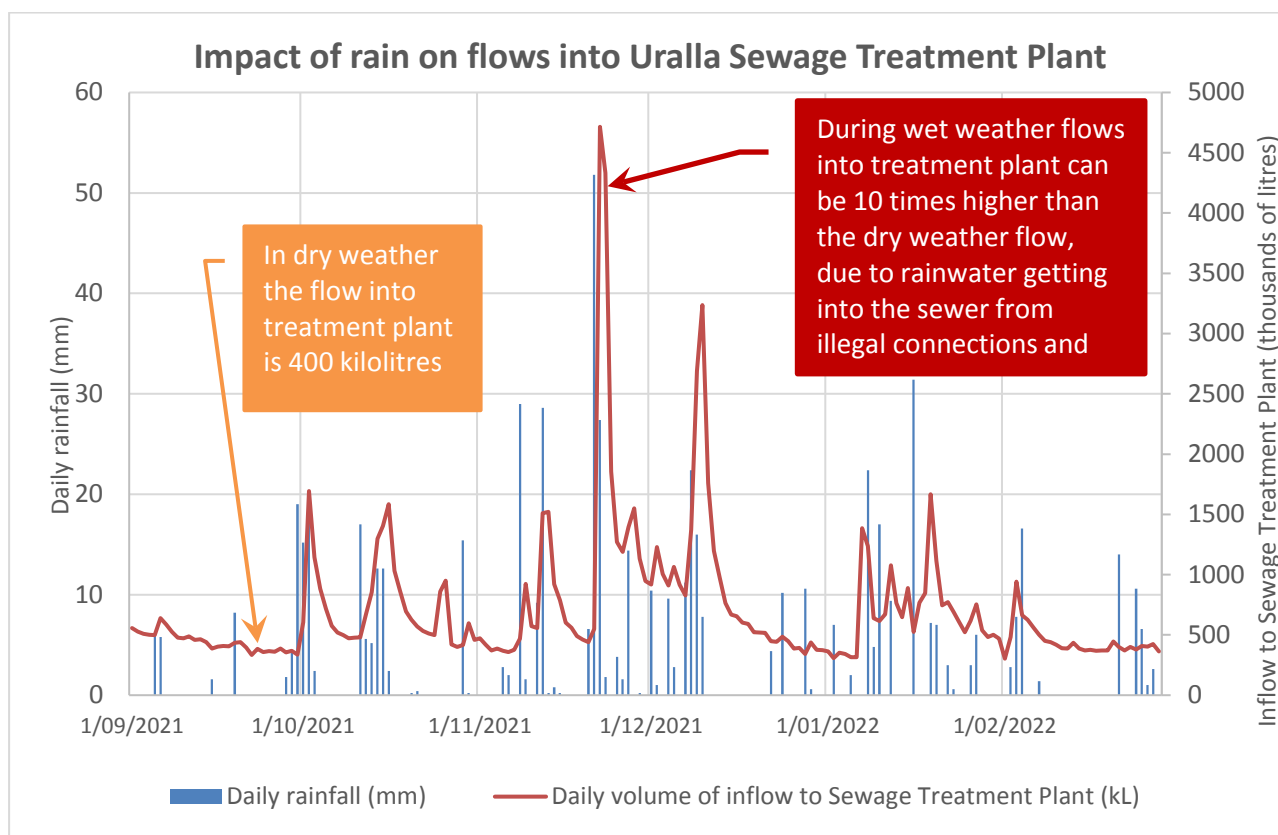


Figure 5.1.3: Impact of rain on flows into Uralla Sewage Treatment Plant

The above service deficiencies were identified from the knowledge of Council management, community enquiries and Council inspections.

5.1.3 Asset Condition

Condition is measured using a 1 – 5 rating system⁵ as detailed in Table 5.1.3.

Table 5.1.3: IIMM Description of Condition

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

Based on review of the asset condition data by Morrison Low (2018), most of Council's sewerage assets are in very good or good condition by value. However, the data also reveals that 26% of assets are approaching the end of their useful life and their condition is either category 4 or 5. As per the Morrison Low report, although the condition of the data in general is 'reliable' it often lacks key elements and collection procedures are uncertain. For instance Council does not have a history of doing systematic condition of assessment of its sewer mains using CCTV. A program of systematic condition assessment is in development

⁵ IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned', 'average' changed to 'fair').

that will inform decisions on priority sewers for trenchless relining.

Details of Council's asset condition reported in 2018 are tabulated below:

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Sewerage Network	28.8%	16.2%	29.2%	17.2%	8.6%

The condition is represented as a percentage of replacement cost value.

5.1.4 Asset valuations

The value of assets recorded in the asset register as at May 2017 covered by this asset management plan is shown below.

2017 Replacement Cost	\$13,678,621
Depreciable Amount	\$5,232,931
Depreciated Replacement Cost	\$8,445,690
Annual Depreciation Expense	\$223,247

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion. Asset consumption is 1.63% ($=\$223,247 \text{ depreciation} \div \$13,678,621 \text{ replacement cost}$).

Data from the Annual Financial Statements below shows that between 2008/09 and 2020/21 Council spent \$0.399M on sewer asset renewals/additions while the accumulated depreciation in the same period was \$2.058M. As renewals spending is not keeping up with depreciation this will increase the backlog of renewals work in the future. The Morrison Low (2018) report noted "*there is a significant under expenditure on asset renewals...a greater focus on renewals is required.*" 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.

Table 5.1.4: Sewer asset movements from the USC Annual Financial Statements 2008/09 to 2020/21 (Note 9a Infrastructure Property Plan and Equipment) \$,000

FINANCIAL YEAR	Asset additions (Renewals)	Asset additions (New)	Carrying value asset disposals	Depreciation expense	Adjustments & transfers	Revaluation decrement to equity	Revaluation increments to equity	Gross carrying amt	Accum. Depreciation	Net Carrying amt
2009	52		0	-13			201	7731	-772	6959
2010	39		0	-13	0		210	8003	-808	7195
2011	151		0	-13	0		237	8418	-848	7570
2012	24		0	-179	0		186	8628	-1026	7602
2013	7		0	-179	0	-1056	0	7409	-1036	6373
2014	4		0	-204	0		173	7621	1275	6346
2015	43		0	-200		0	105	7780	-1485	6295
2016	12	0	0	-198	0	0	92	7909	-1708	6201
2017	38	2	0	-203	0	0	2611	13881	-5232	8649
2018	6	0	0	-223	-400	0	169	13682	-5481	8201
2019	0	0	0	-216	0		126	13901	-5788	8113

2020	0	14	0	-212		0	76	14047	-6056	7991
2021	7	0	0	-205	0	0	72	14184	-6318	7856

5.1.5 Asset hierarchy

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

Council is currently developing a service hierarchy which will be included in a later revision of this plan.

5.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' – requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan are summarised in Table 5.2.

Table 5.2: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Associated Costs ⁶ (over 10 years)
Sewage Treatment Plant	Discharged effluent does not meet some licence conditions (eg. ammonia)	H	Replace aging electrical/mechanical components	\$110,000
Collection System	Mains chokes, blockages and leaks leading to discharge of raw sewage to the environment.	H	CCTV Inspection and Jet Cleaning, Replacement and relining of aging AC and VC Sewer mains and Sewer Manholes	\$1,890,950
Collection system	Excess inflow from rainwater leading to discharge of sewage to environment.	H	Program of CCTV and house drainage inspections to identify sources of rainwater, repairs to Council and private infrastructure to curtail inflow of rainwater	\$200,000

5.3 Routine Maintenance Plan

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

⁶ Figures to be revised

5.3.1 Maintenance plan

Maintenance includes reactive, planned and specific maintenance work activities.

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

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

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including servicing the pumps, sewer mains repair, replacement of UV lamps, etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

Current maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.3.2 Standards and specifications

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

- Uralla Sewage Treatment Works - Guidelines for Operations
- Bundarra Sewer Scheme – Operation & Maintenance Manuals
- Uralla Shire Council Safe Work Method Statements

5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock. Operations and maintenance expenditures were calculated by Morrison Low (Water & Sewerage Asset Management Plan, August 2018) based on best practices which is reflected on Council's Long Term Financial Plan Note that all costs are shown in 2021 dollar values.

Deferred maintenance, ie works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan.

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

5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from one of following three methods:

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life;
- Method 2 uses capital renewal expenditure projections from external Network modelling and Analysis; and
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan*.

Method 1 was used for this asset management plan.

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

Table 5.4.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Condition of asset	75%
Age (as a percentage of useful life)	25%
Total	100%

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost. Examples of low cost renewal include trenchless relining of sewer mains in lieu of excavation and spray linings of sewer manholes.

5.4.2 Renewal standards

Renewal work is carried out in accordance with the following standards and specifications:

- Water Services Association of Australia national codes for water supply
- Water Directorate guidelines
- Relevant international standards (eg. American Water and Wastewater Association)
- Manufacturers specification as applicable for specialist equipment

5.4.3 Summary of projected renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.4.3. Note that all costs are shown in 2021 dollar values.

The projected capital renewal program is shown in Appendix A.

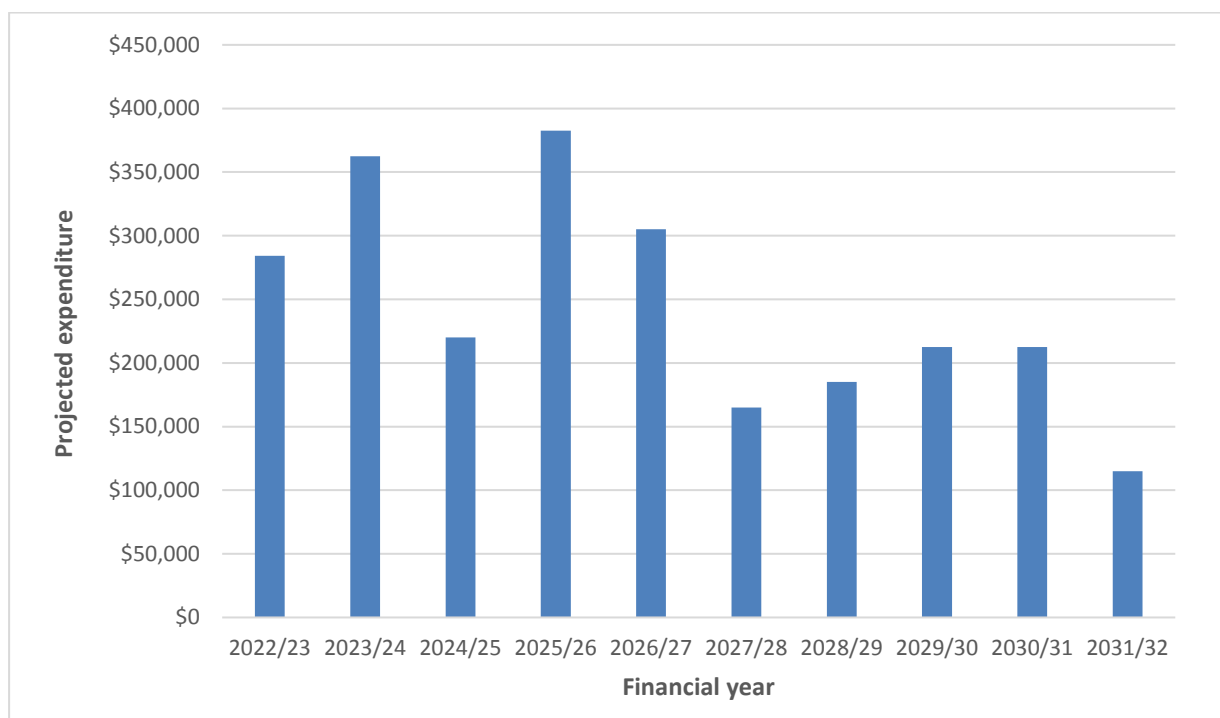


Figure 5.4.3: Projected Capital Renewal Expenditure for 10 years from 2021-22

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

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

5.5 Creation/Acquisition/Upgrade Plan

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

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as Sewerage Network modelling and Analysis, councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs. The priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: Upgrade/New Assets Priority Ranking Criteria

Criteria	Weighting
Strategic Business Plans	80%
Future demand	20%
Total	100%

5.5.2 Standards and specifications

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

5.5.3 Summary of projected upgrade/new assets expenditure

The new Bundarra Sewer Scheme Project is nearly complete with an estimated cost of \$8.5 million to provide reticulated sewerage infrastructure and services to approximately 175 properties within the Bundarra area. There are no identified major upgrade works required over the next 10 years in addition to this project.

These new assets were funded from a capital works loan program and grants where available. Of the total cost, approximately 33% is being funded by Council with the remaining 67% through the NSW Government's Safe and Secure Water Program.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Currently there are no assets identified for possible decommissioning and disposal except for those assets programmed for renewal. It is assumed that the residual value of replaced assets will be nil or scrap value only. One exception occurs with the residual value of sewer pipes that have been relined, where the existing pipe becomes a 'host' for the liner and thus retains some value.

Should assets be identified for disposal in the future, cashflow projections from asset disposals will be developed and included in future revisions of this asset management 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 Statements and Projections

The financial projections are shown in Figure 6.1 for projected operating (operations and maintenance) and capital expenditure (renewal and new assets), net disposal expenditure and estimated budget funding.

Note that all costs are shown in 2021 dollar values.

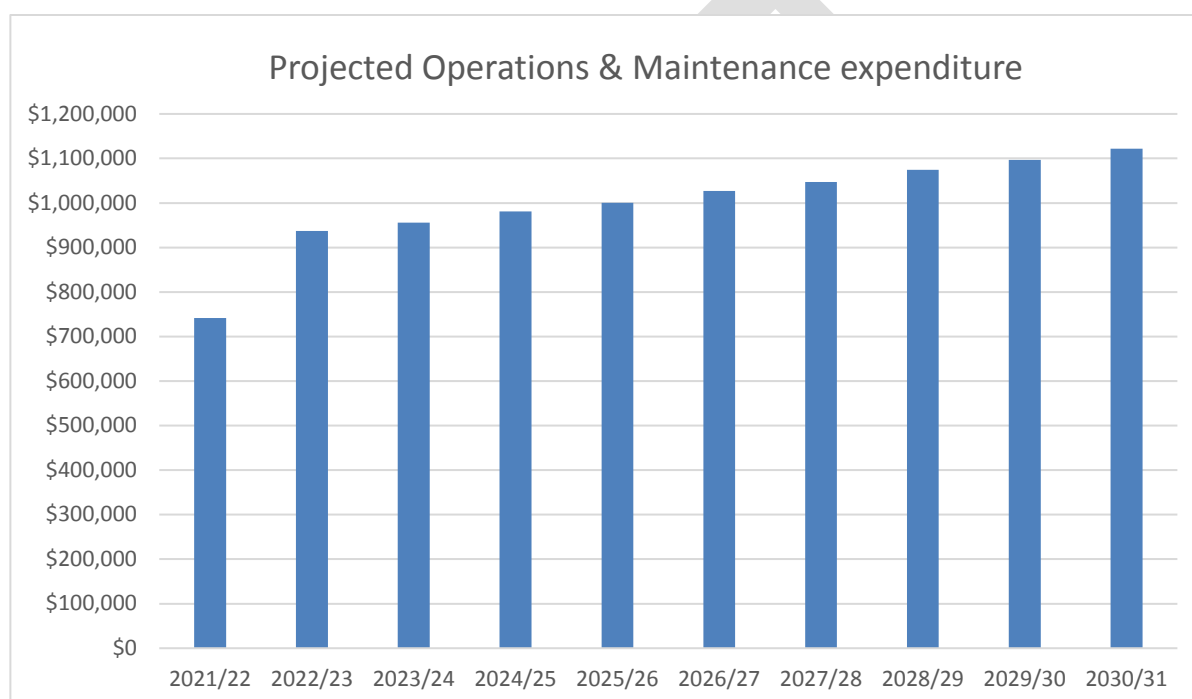


Figure 6.1: Projected Operating and Capital Expenditure and Budget⁷

6.1.1 Financial sustainability in service delivery

There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

6.1.1.1 Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is \$1,308,592⁸ per year (operations and maintenance expenditure plus depreciation

⁷ Figures to be finalised with Capex.

⁸ Figure to be validated.

expense in 2021-22 i.e. year 1).

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan has not yet been verified at date of publication (operations and maintenance expenditure plus budgeted capital renewal expenditure in year 1 (2021-22)).

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

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

6.1.1.2 Medium term – 10 year (9 year at the time of review) financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

The projected total operations, maintenance and capital renewal expenditure required up to FY 2029/30 is \$11,696,470 or \$1,299,607 per year.⁹

Total estimated (budget) operations, maintenance and capital renewal funding is \$11,528,988 over the 9 year period or \$1,280,998 per year giving a 9 year funding shortfall of \$18,609 per year and a 9 year sustainability indicator of 0.99. This indicates that Council has 99% of the projected expenditures needed to provide the services documented in the asset management plan over the next 9 years.

6.1.1.3 Medium Term – 5 year financial planning period

The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is \$1,260,166 per year.

Estimated (budget) operations, maintenance and capital renewal funding is \$1,223,755 per year giving a 5 year funding shortfall of \$36,411. This is 97.1% of projected expenditures giving a 5 year sustainability indicator of 0.97.

6.1.1.4 Financial Sustainability Indicators

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

⁹ Figures in yellow to be further analysed and finalised.

Figure 5.3.3 shows the projected asset renewal expenditure in the 10 year planning period from Appendix A. 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 6.1.

Table 6.1.1 shows the shortfall between projected and budgeted renewals.

Table 6.1.1: Projected and Budgeted Renewals and Expenditure Shortfall ¹⁰

Year	Projected Renewals (\$000)	Planned Renewal Budget (\$000)	Renewal Funding Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2021/22	129	317	+188	+188
2022/23	416	320	-96	+92
2023/24	158	326	+168	+260
2024/25	319	332	+13	+273
2025/26	301	339	+38	+311
2026/27	274	346	+72	+383
2027/28	284	358	+74	+457
2028/29	337	360	+23	+480
2029/30	88	360	+272	+752
2030/31	113	-	-	-

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

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

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

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

6.1.2 Expenditure projections for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan. Expenditure projections are in current (non-inflated) values. Disposals are shown as net expenditures (revenues are negative).

Table 6.1.2: Expenditure Projections for Long Term Financial Plan (\$000)¹¹

Year	Operations and Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2021/22	950	129	0	0
2022/23	974	416	0	0
2023/24	993	159	0	0
2024/25	1020	319	0	0
2025/26	1040	301	0	0

¹⁰ Figures to be further reviewed and finalised.

¹¹ Figures to be further reviewed and finalised.

2026/27	1067	274	0	0
2027/28	1088	284	0	0
2028/29	1117	337	0	0
2029/30	1140	88	0	0
2030/31	-		0	0

Note: All projected expenditures are in 2021 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 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:

- The current level of Operation and Maintenance funding is sufficient to maintain the assets in a satisfactory condition;
- Sewer reticulation and trunk mains will be relined in lieu of replacement;
- Pumps and electrical equipment in Pumping Stations will be progressively replaced after the useful life is consumed;
- Mechanical and electrical components of the Sewerage Treatment Plant will be replaced after 20 years' service life; and
- The timing for the replacement of the mechanical components of the Treatment Plant can be accommodated in accordance with the proposed 15 year Capital Renewal Plan.
- As the Bundarra sewer scheme is brand new, limited need for asset renewals save that some of the grinder pumps will need to be serviced periodically (say at 10 year intervals).

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

7.1.1 Accounting and financial systems

- The financial system used by the Uralla Shire Council is Authority 6.6, through a Managed Service Provider contract with Civica Australia. The system is managed by Council's Finance Section producing monthly financial reports, for management and the Council's Finance Committee and annual financial statements for audit and production to the Uralla Community and other interested parties.

7.1.2 Accountabilities for financial systems

- Council's Significant Accounting Policies are set out in the annual financial statements Note 1. Those applicable specifically to Property, Plant and Equipment are Sections 4, 6 and 10.

7.1.3 Accounting standards and regulations

Council complies with the following standards and regulations with respect to asset accounting:

- AASB116 – Property, Plant and Equipment and AASB 13 - Fair value measurement.
- The Australian Equivalents to International Financial Reporting Standards, to the extent that the Australian Accounting Standards and the New South Wales Local Government Act, Local Government (General) Regulation and Local Government Code of Accounting Practice and Financial Reporting require.
- The Local Government Code of Accounting and financial reporting.
- The *Local Government Act 1993* requires Council to prepare an annual report as to its achievements with respect to the objectives and performance targets set out in its management plan for that year.
- Australian Accounting Standard (AAS) 27 is applicable to financial reporting by local governments, and provides guidelines for accounting methods and procedures.

7.1.4 Capital/maintenance threshold

- Equipment unreliable and spare parts difficult to source
- Maintenance costs >60% of new item
- Advances in technology make current equipment redundant

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

- None identified.

7.2 Asset Management Systems

7.2.1 Asset management system and registers

A number of systems and registers are used by the Uralla Shire Council for the purpose of this asset management:

- IPWEA NAMS PLUS 3
- MapInfo® (Intramaps® from January 2014) - For the Geographical Information System (GIS). These systems hold the spatial information on the majority of asset groups
- Microsoft® Excel spreadsheets are used to manipulate and interrogate asset data
- Civica® "Authority" software – customer billing, water meter register and customer water consumption information
- Document management and customer requests system is TRIM © (HP Software Division)
- Council is working, with Statewide Mutual Risk Officers, towards implementing a robust modern system based upon Risk Assessment tools. Other maintenance is undertaken on a reactive basis under direction from the Director Infrastructure and Development.
- Financial system - Civica® Authority via Magiq

7.2.2 Accountabilities for asset management system and data

The Asset Manager has responsibility for operating and maintaining the core Asset Management systems within Council. The development of an annual water supply budget allocation within the Council budget is completed jointly by the Asset Manager and the Manager Water, Waste and Sewerage based upon the consultation with the Team Leader Water and Sewerage and the ten year financial plan forward estimates.

7.2.3 Linkage from asset management to financial system

Currently there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are currently no direct links with operations and maintenance expenses and the individual assets.

7.2.4 Required changes to asset management system arising from this Asset Management Plan

There is an identified need to implement a core corporate system for asset management with direct links between operations and maintenance expenses and the individual assets.

Once operational, the ongoing maintenance of such a system should then become a core function within Council's operations. However, as stated in the previous paragraph, there is no link between the Asset Management system and Authority and this is a required future improvement.

Council is currently investigating procurement of an Asset Management System that can be integrated with the Financial System and MapInfo for better management of the Water assets.

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 risk;

- Projections of various factors affecting future demand for services and new assets acquired by Council;
- Future capital works programs; and
- 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; and
- 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:

- NSW Department of Planning Industry and Environment (DPIE) Best Practice guidelines
- Individual suppliers Operations & Maintenance Manuals
- Water Services Association of Australia codes
- NSW Water Directorate guidelines

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents; and
- 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 when developed will be summarised in the format shown in Table 8.2.

Table 8.2: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	Procure & commission new SCADA system to monitor water and sewer assets	Manager Water	Budget/Funding	2023
2	Procurement of an Asset Management software that meets Council's need	Asset Manager	Budget/Funding	2023
3	Updating the MapInfo GIS System to capture all the sewer assets in the network after validation	Asset Manager	GIS consultant	2024
4	CCTV inspection of the Sewer mains to ascertain the condition and prepare a relining /replacement program	Asset Manager	Consultant	2023

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

- DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial>.
- IPWEA, 2006, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au.
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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 Projected 15 year Capital Renewal Works Program

Appendix B Abbreviations

Appendix C Glossary

DRAFT

Appendix A Projected 10 year Capital Renewal Works Program

SEWER- Uralla Shire Council- Detailed list of 10 Year Capital upgrade and New Projects				
Year	Item No.	Capital Upgrade and New Projects	Reference	Indicative Estimated Cost
2022/23	1	CCTV Inspection and Jet Cleaning – AC Sewer (Condition 4, 5 and installed in 1966), 4424m @\$10/m	Killard Quote	\$44,240
2022/23	2	Upgrading old existing SCADA system to ClearSCADA	UINT/19/4034	\$100,000
2022/23	3	Inspection of sewer manholes and relining program (200 nos)	FITT quote	\$20,000
2022/23	4	Replace sewage pumping station switchboards to level control with telemetry (3 nos)		\$80,000
2022/23	5	Infiltration survey (Operational project) - Part 1		\$30,000
2022/23	6	Uralla STP - alum bund - acid proof lining to bund		\$10,000
2022/23		Sub-Total		\$284,240
2023/24	1	Relining of AC Sewer mains (larger diameter critical sewers)		\$120,000
2023/24	2	Replace sewage pumping station switchboards to level control with telemetry (3 nos)	UINT/19/4034	\$80,000
2023/24	3	Implementation of GIS system for accurate depiction of Bundarra and Uralla Sewerage Network (rapid field survey, dGPS, inverts)		\$45,000
2023/24	4	Relining of Sewer Manhole (25 nos)	530 Manholes (10% condition 5 assumed), \$2500 each, Killard quote	\$62,500
2023/24	5	Critical sewer flow monitoring		\$25,000
2023/24	6	Infiltration survey (Operational project) - Part 2		\$30,000
2023/24		Sub-Total		\$362,500
2024/25	1	Relining of AC Sewer mains (10% of 4424m, 150mm sewers)	Condition based	\$70,000
2024/25	2	Relining of Sewer Manhole (28 nos)	Condition based	\$70,000
2024/25	3	Sewer Network modelling and Analysis – Engage consultant	Tonkin PRP estimate	\$50,000
	4	Infiltration survey (Operational project) - Part 3		\$30,000
2024/25		Sub-Total		\$220,000
2025/26	1	Extended Aeration Tank/ Contact Chamber – Protection of concrete block walls	PW- 9301314-11A	\$45,000
2025/26	2	Relining of AC Sewer mains (150mm sewers)	Condition based	\$250,000

2025/26	3	Replace Flocculator Baffle(Catch/Balance Pond) Polycarbonate sheeting	PW Drawing. 9301314-16	\$25,000
2025/26	4	Relining of Sewer Manhole (25 nos)	530 Manholes (10% condition 5 assumed), \$2500 each, Killard quote	\$62,500
2025/26		Sub-Total		\$382,500
2026/27	1	Park Street Sewer Pump Station –Renewal pumps	Condition based	\$15,000
2026/27	2	Relining of Vitrified Clay (VC) Sewer mains	Condition based	\$250,000
2026/27	3	CCTV Inspection and Jet Cleaning – AC Sewer (Condition 4, 5 and installed in 1966), further 4000m @\$10/m	Killard Quote	\$40,000
2026/27		Sub-Total		\$305,000
2027/28	1	Queen St Road Sewer Pump Station – Renewal pumps	Condition based	\$15,000
2027/28	2	Relining of AC Sewer mains (150mm sewers)	Condition based	\$150,000
2027/28		Sub-Total		\$165,000
2028/29	1	Renewal of Uralla WWTP Chemical Dosing Alum Dosing Electrical	Condition based	\$35,000
2028/29	2	Relining of AC Sewer mains (150mm sewers)	Condition based	\$150,000
2028/29		Sub-Total		\$185,000
2029/30	1	Relining of AC Sewer mains	Condition based	\$150,000
2029/30	2	Relining of Sewer Manhole (25 nos)	530 Manholes (10% condition 5 assumed), \$2500 each, Killard quote	\$62,500
2029/30		Sub-Total		\$212,500
2030/31	1	Relining of AC Sewer mains (150mm sewers)	Condition based	\$150,000
2030/31	2	Relining of Sewer Manhole (25 nos)	530 Manholes (10% condition 5 assumed), \$2500 each, Killard quote	\$62,500
2030/31		Sub-Total		\$212,500
2031/32	1	Relining of AC Sewer mains (150mm)	Condition based	\$100,000
2031/32	2	Leece Road Sewer Pump Station- Renewal pumps	Condition based	\$15,000
2031/32		Sub-Total		\$115,000
TOTAL				\$2,444,240

Appendix B 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 C Glossary

Annual service cost (ASC)

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

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Class of assets

See asset class definition

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Infrastructure assets

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

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

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

Planned maintenance

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

- **Reactive maintenance**

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

- **Significant maintenance**

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

- **Unplanned maintenance**

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

Non-revenue generating investments

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

Operations expenditure

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

Operating expense

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

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, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary



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1	March 2022	Document prepared
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2		

Further Document Information and Relationships

Related Legislation*	<i>Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation)</i>
Related Policies	Uralla Shire Council Community Strategic Plan Uralla Shire Council Long Term Financial Plan Uralla Shire Council Asset Management Policy Uralla Shire Council Asset Management Strategy
Related Procedures/ Protocols, Statements, documents	NSW Office of Local Government - Integrated Planning & Reporting Guidelines for Local Government in NSW International Infrastructure Management Manual (IPWEA, 2006) ISO 55000 Standards and Australian Accounting Standards

**Note: Any reference to Legislation will be updated in the Strategy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

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1. EXECUTIVE SUMMARY

1.1 Context

- 1.1.1 This asset management plan has been prepared to meet Uralla Shire Council's legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.
- 1.1.2 Council and its employees will strive to uphold and follow the practices outlined in this Open Spaces and Recreation Asset Management Plan (OSRAMP).
- 1.1.3 This OSRAMP is one of eight asset management plans (AMPs) covering all community assets for which Council is responsible. These fall under Council's Asset Management Policy and Asset Management Strategy.
- 1.1.4 Asset management planning is a comprehensive process to facilitate service delivery from infrastructure assets in a financially sustainable manner.
- 1.1.5 Asset management plans detail information about infrastructure assets, including actions required to provide an agreed level of service in the most cost effective manner. This plan defines the services to be provided, how the services are provided, and what funds are required to provide the services.
- 1.1.6 Council open spaces and recreation assets provide a valuable service to the community through safe and reliable open spaces and recreation facilities. These assets must be properly maintained and developed to continue to provide equitable benefits and services for future generations.
- 1.1.7 Council will undertake a review of community service levels expected of these assets, and prioritise works needed to meet these, and fund the ongoing management of these assets to maintain these service levels.
- 1.1.8 The critical issues factored into Council's management of its open spaces and recreation assets include:
 - Maintenance and repair costs
 - Replacement or Rehabilitation cost
 - Age of assets
 - Life cycle of asset
 - Usage and data capture, and
 - Budget.

1.2 Open Spaces and Recreation Assets

- 1.2.1 Council's open spaces and recreation assets comprise of:
 - Park and facility lighting
 - Park and facility signage
 - Playground and fitness equipment
 - Park infrastructure, e.g. shade structures, picnic shelters, park furniture, drinking fountains, BBQs
 - Recreation infrastructure (e.g. Tennis courts, Multipurpose courts, Skate park)
 - Fencing
 - Caravan parks infrastructure
 - Cemeteries infrastructure
- 1.2.2 As at 30 June 2021 these assets have a replacement value of \$2,854,439.

1.3 Managing the Risks

- 1.3.1 There are risks associated with providing the service and not being able to complete all identified activities and projects. Major risks have been identified as:
- Deferred maintenance and renewal resulting in large future expenditure
 - Poor design/construction causes damage or injury
 - Overall condition of assets decrease due to inadequate renewal and maintenance programs
 - Resource constraints affect the management of the assets
 - Assets are damaged or destroyed by fire, severe storm, or flooding
 - Impact on climate change on assets.
- 1.3.2 Council will endeavour to manage these risks within available funding by:
- Prioritisation of maintenance and renewal works based on service levels and risks
 - Accessing additional funding through grants where possible
 - Preparation of designs and project supervision by suitably qualified and experienced people
 - Inspecting assets regularly
 - Conducting routine maintenance and renewal work as required
 - Allocating funds to an asset renewal reserve.

1.4 Confidence Levels

- 1.4.1 This OSRAMP is based on an uncertain level of confidence. Asset data is based on sound records, procedures, investigations and analysis which is incomplete, unsupported, or an extrapolation from limited data. Council's open spaces and recreation assets data is contained in one register, but is comprised of different categories/descriptions. Additionally, a small number of assets are lacking asset condition and value data.

1.5 The Next Steps

- 1.5.1 The plan provides framework for good management of open spaces and recreation assets by detailing:
- New established levels of service that have be prepared in detail with specific key performance indicators (KPIs). Further consultation is required with the community for adaptation.
 - New simplified improvement plan which highlights on-going or next items for continuous improvement in asset management.
 - The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$152,000 per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being \$394,000 per year. This indicates that Council has funded 41% of its required asset expenditure over the period of the plan.
- 1.5.2 The analysis of the asset data and expenditure data suggest that there is an under expenditure on asset renewals and an over expenditure of asset maintenance.
- 1.5.3 This asset class is relatively small in size in value and as such one-off expenditure and minor maintenance expenditure can maintain the asset class in good condition. Council will need to have a good understanding of the functionality of its asset network, as this will likely drive replacement and upgrade expenditure into the future.

2. INTRODUCTION

2.1 Background

- 2.1.1 This OSRAMP defines and demonstrates responsive management of assets (and services provided from assets), compliance with regulatory requirements, and communicates the funding needed to provide the required levels of service.
- 2.1.2 The OSRAMP is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated Council planning documents:
- Community Strategic Plan
 - Delivery Plan
 - Operational Plan
 - Long Term Financial Plan
- 2.1.3 This plan has a direct relationship with the following associated planning process and documents, as set out in Figure 2.1.3.



Figure 2.1.3: Asset management planning process within the Integrated Planning and Reporting Framework

- 2.1.4 Council's current open spaces and recreation assets covered by this plan are tabled in Appendix A.

2.2 Goals and Objectives of Asset Management

- 2.2.1 Council exists to provide services to its community. Most of these services (from a value perspective) are provided by infrastructure assets. Council acquires infrastructure assets by 'purchase', by contract, construction by Council staff, and by donation of assets constructed by developers and others to increase the levels of service over time.
- 2.2.2 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 cost management 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 future demand analysis and infrastructure investment;
 - Managing risks associated with asset failures;
 - Sustainable use of physical resources; and
 - Continuous improvement in asset management practices.
- 2.2.3 Assets are inspected, maintained, upgraded and renewed as necessary or as specified in specific works programs so that they:
- Reach their expected lifecycle;
 - Perform to their maximum capability;
 - Satisfy community expectations and needs;
 - Satisfy budget limitations; and
 - Meet safety and regulatory requirements.
- 2.2.4 The purpose 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.

2.3 Core and Advanced Asset Management

- 2.3.1 This asset management plan is prepared as a 'core' asset management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual (IPWEA, 2006). 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.
- 2.3.2 Future revisions of this asset management plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels in a financially sustainable manner.

2.4 Community Consultation

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

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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

- 3.1.1 In December 2017, Council undertook consultation with the community via an online survey to better understand how the local community use the Shire's public open spaces and recognise how Council can better serve the community through future developments.
- 3.1.2 Key outcomes of the survey are listed below:
- 39% of respondents said they accessed parks within the Shire on a weekly basis.
 - The elements that the community liked the most about the open space facilities they visit was the proximity to their house and the shade amenity they provide.
 - Features that the community valued most or wanted most in a park included play equipment, additional shade tree planting, and an increase to safety levels.
 - Barriers for accessing open space facilities included lack of variety and issues relating to maintenance of the spaces.
- 3.1.3 Further consultation would provide better insight and information on customer expectations in relation to Council open spaces and recreation assets. It is proposed that comments and submissions received during the public exhibition period be incorporated into this plan for Council's consideration.
- 3.1.4 Community consultation to determine customer expectations, needs and wishes for all Council services is conducted to inform the development of Council's overarching Community Strategic Plan, which will in turn influence future updates of this asset management plan.
- 3.1.5 Further investigation and consultation may be resourced should Council determine the need to do so.

3.2 Strategic and Corporate Goals

- 3.2.1 This plan is prepared under the direction of Council's vision, mission, goals and objectives as set out in the Community Strategic Plan.
- 3.2.2 **Council's Vision:** In 2032 the Uralla Shire community will be vibrant with a growing economy supporting a sustainable quality of life that values its heritage.
- 3.2.3 **Council's Mission:** Uralla Shire Council listens to and facilitates the aspirations of the community.
- 3.2.4 **Council's Community Strategic Objectives:**
1. We have an accessible, inclusive and sustainable community.
 2. We drive the economy to support prosperity.
 3. We are good custodians of our environment.
 4. We are an independent shire and well-governed community.
- 3.2.5 Infrastructure assets play both a direct and an indirect role in achieving the strategic objectives of the Community Strategic Plan. The following table indicates how Council's open spaces and recreation assets play a role in the delivery of the key strategies linked to the Community Strategic Plan.

Table 3.2.5: Community Strategic Plan Strategic Objectives

Theme	Strategic Objective	Strategy
Society	We have an accessible, inclusive and sustainable community	<p>A growing community with an active volunteer base and participation in community events</p> <p>A safe, active and healthy shire</p> <p>A diverse and creative culture that celebrates our history.</p> <p>Access to and equity of services</p>
Economy	We drive the economy to support prosperity.	<p>An attractive environment for the business sector</p> <p>Grow and diversify employment, through existing and new businesses</p> <p>Communities that are well serviced with essential infrastructure</p>
Environment	We are good custodians of our environment.	<p>To preserve, protect and renew our beautiful natural environment</p> <p>Maintain a healthy balance between development and the environment</p> <p>Avoid, reduce, reuse (repair), and recycle (recover) wastage to minimise waste disposal</p> <p>Secure, sustainable and environmentally sound water-cycle infrastructure and services</p>
Leadership	We are an independent shire and well-governed community	<p>Informed and collaborative leadership in our community</p> <p>A strategic, accountable and representative Council</p> <p>An efficient and effective independent local government.</p>

3.2.6 The relevant organisational goals relating to this plan are listed in Table 3.2.6.

Table 3.2.6: Organisational Goals

Organisation Goals	How Goals are addressed
To effectively and responsibly manage, maintain and develop Council's infrastructure, operational and financial assets.	Maintenance and application of this plan. Implement recommended improvements, commit required expenditure to maintain and renew assets.
To provide cultural and recreational facilities to serve the expectations of the community	Development of service levels and community consultation plan. Application of these to prioritise asset works required to meet these community needs.
To ensure that the community is appropriately consulted and well-informed concerning Council's activities and to be responsive to the community's needs.	Development of service levels and community consultation plan. Communication of the content of this AMP in terms of the asset portfolio, its condition and estimated expenditure required to bring it up to, and maintain, those levels of service.

3.3 Legislative Requirements

- 3.3.1 Council has to meet many legislative requirements including Australian and state legislation and regulations. Key legislation which is relevant to this plan is listed in Table 3.3.1.

Table 3.3.1: Legislative Requirements and Standards

Legislation	Requirement
<i>Local Government Act 1993 and Local Government (General) Regulation 2021</i>	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.
<i>Environmental Planning and Assessment Act 1979 and Environmental Planning and Assessment Amendment Act 2008</i>	Sets the legislative requirements of public places to comply with the National Construction Codes.
Australian Accounting Standards	Sets out the financial reporting standards relating to the (re)valuation and depreciation of assets
<i>Disability Discrimination Act 1992</i>	An Act that bans discrimination of people based on a disability.
<i>Work Health and Safety Act 2011 and Work Health and Safety Regulation 2017</i>	Council must ensure a safe workplace for all its employees and the public.
<i>Civil Liability Act 2002</i>	Defines the liability of public authorities and the principles which establish the duty of care of a public authority.
<i>Protection of the Environment Act 1997</i>	To protect, restore and enhance the environment in NSW and to promote public access to information and involvement in environment protection.
<i>National Parks and Wildlife Act 1974</i>	Legislates conservation of nature and the conservation of cultural objects.
<i>Biodiversity Conservation Act 2016</i>	Sets the requirements to maintain a healthy, productive and resilient environment for the greatest well-being of the community.
<i>Cemeteries and Crematoria Act 2013 and Cemeteries and Crematoria Regulation 2014</i>	Sets the requirements for cemetery service providers.
<i>Crown Land Management Act 2016</i>	Provides for the consistent, efficient, fair and transparent management of Crown land reserves
Australian Standards for Playgrounds	Guides the development, installation, inspection, maintenance and operation of playgrounds.

3.4 Current Levels of Service

- 3.4.1 Council has defined service levels in two terms: community levels of service and technical levels of service.
- 3.4.2 **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.
- 3.4.3 Community levels of service measures used in the asset management plan are:
- Quality – How good is the service?
 - Function – Does it meet users' needs?
 - Safety – Is the service safe?
- 3.4.4 **Technical Levels of Service** are operational or technical measures of performance which support the community service levels. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.

3.4.5 Technical service measures are linked to annual budgets, covering:

- Operations – the regular activities to provide services, such as cleaning of amenities, mowing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to its original condition (e.g. routine inspections and maintenance.)
- Renewal/Rehabilitation – the activities that return the service capability of an asset up to that which it was as new. *Renewal* refers to a complete changeover (old to new.) *Rehabilitation* refers to refurbishing and upgrading components.
- Upgrade – the activities to provide a higher level of service (eg refurbishment of recreational facilities to accommodate additional services) or a new service that did not exist previously (eg construction of a new recreational facility).

3.5 Desired Levels of Service

3.5.1 Indications of desired levels of service are obtained from various sources including service requests and correspondence, feedback and maintenance schedules. These asset based level of service have not been fully consulted with the community and may likely be modified in time to fully match community expectations.

3.5.2 Council's current service levels are detailed in Table 3.5.2.

Table 3.5.2: Current and Desired Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Target Performance	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Parks and sporting facilities are well maintained, clean and safe to use	Inspections and maintenance activities are undertaken as scheduled	Frequency	90%
	Reduction of number of defects	Annual inspection	Reduce the number of high priority defects identified	100 90
	Compliance with Council's documented response time	Council complaints register	90%	100%
Function	Park facilities provide easy access and are accessible to everyone	Continuous monitoring as part of operational activities	Parks open and accessible to community 365 days/year, pending weather closures	100%
	Park facilities are provided that meet the needs of the community	Community satisfaction survey	< 10 complaints received per annum regarding overcrowding of facilities	90%
Safety	Safe park and sporting facilities are provided	Annual inspections, operational reports and safety audits	< 5 reported safety incidents per year in parks and reserves	100%
			Reduction of number of safety issues identified through audits	90%

Key Performance Measure	Level of Service	Performance Measure Process	Target Performance	Current Performance
TECHNICAL LEVELS OF SERVICE				
Operations	Access to facilities and services is affordable and cost effective	Review of benchmark with other councils	Total operating costs per hectare of park in line with benchmarking against comparable councils'	90%
Maintenance	Percent of physical assets in condition 3 or better	Condition assessment	80% for all assets	89%
Renewal / Rehabilitation	Assets are managed with respect for future generations	Life cycle approach to managing assets	Prepare a 10 year asset condition and age based renewals plan. Ensure the plan is approved by authorities and updated every 4 years.	100%
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	46.1%
		Renewal funding ratio	Between 90% and 110%	0%
		Long term funding ratio	Between 95% and 105%	0%

3.6 Condition and Quality of Assets

- 3.6.1 The condition of Council's open spaces and recreation assets is currently assessed every five years. This asset condition information is then used to plan the timing of our maintenance and capital renewal activities.
- 3.6.2 Quality has more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.
- 3.6.3 Condition is a measure of an assets physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Council's condition rating matrix is set out in Table 3.6.3.

Table 3.6.3: Description of Condition

Condition Rating	Condition	Description	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition.	Normal/planned maintenance required.	>86%	95%
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues.	Normal maintenance plus minor repairs required (to 5% or less of asset).	65 to 85%	80%
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues.	Significant maintenance and/or repairs required (to 10-20% of asset).	41 to 64%	55%

4	Poor	An asset in poor overall condition, moderate to high deterioration evident.	Significant renewal required (to 10-40% of asset).	10 to 40%	35%
5	Worn	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal.	<10%	5%

- 3.6.4 Open spaces and recreation assets in condition 4 will require renewal in the short- to medium-term. Assets in condition 5 may require urgent and immediate renewal or replacement. Funding may be needed to support the required level of renewals each year. Council will be allocating funds to an asset renewal reserve each year to help in managing these funding needs.
- 3.6.5 The condition of each open space and recreation asset has been assessed by estimating the proportion of each asset's expected useful life that has been consumed.
- 3.6.6 A majority of Council's open spaces and recreation assets (57%) have been commissioned in the last five years due to increased grant funding opportunities. Accordingly, a majority of assets are in excellent or good condition.
- 3.6.7 The current condition ratings of Council's open spaces and recreation assets as at 30 June 2021 are summarised in Figure 3.6.7.

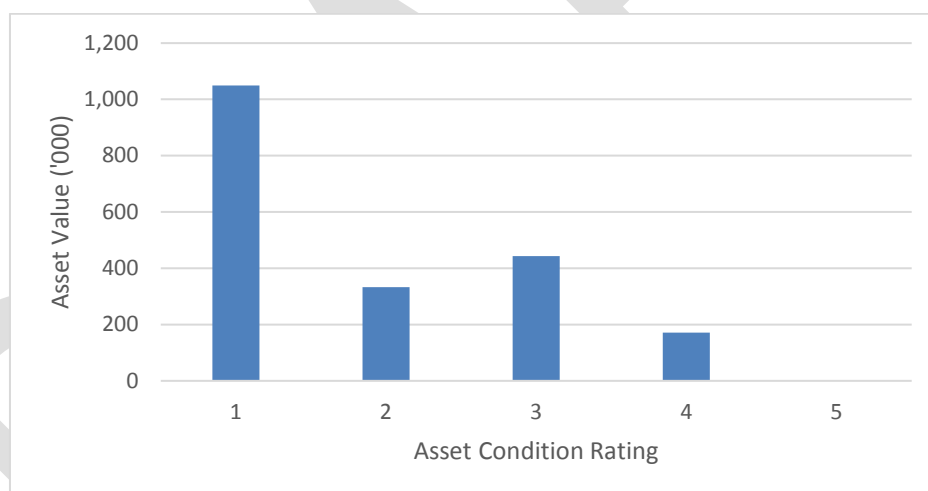


Figure 3.6.7: Asset Condition Profile as at 30 June 2021

3.7 Responsiveness

- 3.7.1 Council places a high emphasis on customer service and its responsiveness to customer enquiries. Council will maintain assets in a workman-like manner and be responsive to the needs of the community now and into the future. Council implements strategies which maintain a high level of customer support.

3.8 Customer satisfaction

- 3.8.1 Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

3.9 Affordability

- 3.9.1 Council will maintain its infrastructure assets in a cost effective affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to maintain assets in their current condition.

3.10 Sustainability

- 3.10.1 Council will maintain its assets in a manner to enable the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

3.11 Health and Safety

- 3.11.1 Council will endeavour to identify and mitigate all key health and safety risks created by provision of services.
- 3.11.2 Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to maintain the asset portfolio to a satisfactory level, and also caters to the future demands of the community whilst balancing the potential risks to the community and the Council.

3.12 Financial Based Service Levels

- 3.12.1 The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the Levels of Service for Council's assets that have been used to provide the basis for the life cycle management strategies and works programme identified within this asset management plan.
- 3.12.2 Levels of Service is a generic term used to describe the quality of services provided by an asset. Specific financial based service levels are described in Table 3.12.2.

Table 3.12.2: Financial Based Service Levels

Asset Consumption Ratio	The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential.
Asset Sustainability Ratio	Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.
Asset Renewal and Renewals Funding Ratio	Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its long term financial plan to adequately fund asset renewals.

Asset Backlog Ratio	This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets.
Asset Maintenance Ratio	This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100%.

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4. FUTURE DEMAND

4.1 Demand forecast

4.1.1 The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in population change, changes in demographics, lifestyle changes, residential occupancy levels, seasonal and climatic factors, consumer preferences and expectations, technological advancement, economic factors, agricultural practices, environmental awareness.

4.1.2 Demand factor trends and impacts on open spaces and recreation assets are summarised in Table 4.1.2.

Table 4.1.2: Demand Factors, Projections and Impact on Services

Demand driver	Present position	Projection	Impact on services
Population	6,048 (2016 Census)	The NSW Department of Planning, Industry and Environment predicts minor population decrease between 2016 and 2041, from 6,150 to 5,450. ¹	A decrease in population is anticipated to lead to decreased use of open spaces and recreation assets.
Demographics	As of 2016, the median age of people in Uralla Shire was 46 years. People aged 65 years and over made up 20.5% of the population.	The working age population (aged 15-64) is estimated to decrease by 3,750 in 2016 to 2,900 in 2041. The number of people aged 65 and over is estimated to increase from 1,200 in 2016 to 1,700 by 2041.	A decrease in younger population is anticipated to lead to decreased use of open spaces and recreation assets. Accessible facilities will be required to meet the demands of an ageing population.
Lifestyle	Sporting, recreational and cultural activities are organised and supported throughout the Shire.	Residents will continue to demand and utilise the sporting, recreational and cultural activities that are currently on offer.	Demand for open spaces and recreation infrastructure which supports sporting, recreational and cultural activities is anticipated to remain steady.
Environmental awareness	The community and Council are more environmentally aware and responsible.	Energy efficiency in Council facilities will be identified as a priority.	Additional resources will be required for energy efficiency upgrades to recreation facilities.
Climate	Extremes increasing	An increase in average maximum temperatures, may result in increased public demand for certain open spaces and recreation assets including shade structures/shelters and tree plantings.	Additional costs may be incurred to fund additional facilities or structures with increased capacity. Increased likelihood of drought conditions will result in higher maintenance cost of parks and gardens and necessitate native and/or drought resistant plantings.

¹ <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections>

Figures to be updated following release of 2021 census data (projected for June 2022.)

4.2 Changes in Technology

- 4.2.1 Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.
- 4.2.2 Technology changes are forecast to affect the delivery of services covered by this plan. Construction techniques, available materials and improvements to plant and equipment will evolve and will be assessed on merit and applied where efficiencies can be achieved in construction and maintenance practices.

4.3 Demand Management Plan

- 4.3.1 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.
- 4.3.2 Non-asset solutions focus on providing the required service without the need for the Council to own the assets. Examples of non-asset solutions include providing services from existing infrastructure such as State-managed parks or sporting facilities that may be in another council area.
- 4.3.3 Opportunities identified to date for demand management are shown in Table 4.3.3. Further opportunities will be developed in future revisions of this plan.

Table 4.3.3: Demand Management Plan Summary

Demand driver	Demand Management Plan
Population	Develop upgrade and renewal works after consultation with the community and other stakeholders that will address their needs and expectations.
Demographics	Identify grant opportunities to ensure renewals and upgrades meet accessibility requirements.
Climate Change	Identify grant and funding opportunities to implement energy efficient features, which can be maximised during renewals and upgrades.

4.4 New Assets for Growth

- 4.4.1 New open spaces and recreation assets are those assets that Council did not previously possess, or infrastructure expenditure that upgrades or improves an existing asset beyond its existing capacity.
- 4.4.2 New assets may result from the need to support growth or to create additional service level capacity.
- 4.4.3 New assets and upgrade/expansion of existing assets are identified from various sources such as staff, councillor or community requests, proposals identified by strategic plans or reports, analysis of external plant hire charges incurred, testing or demonstrations of new technologies, or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds are scheduled into replacement programs.
- 4.4.4 Acquiring new assets will commit Council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations and maintenance costs.
- 4.4.5 Council does not currently anticipate demand for new open spaces and recreation assets over the lifetime of this plan.

5. LIFE CYCLE MANAGEMENT

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

5.1 Background Data

Physical Parameters

- 5.1.1 This plan covers the open spaces and recreation assets that serve the Uralla Shire's community needs.
- 5.1.2 The asset inventory, values and conditions as per the current asset register are summarised in Table 5.1.2. A detailed asset inventory is set out in Appendix A.

Table 5.1.2: Asset inventory, values and conditions

Open Spaces and Recreation Assets								
Gross Replacement Cost	Written Down Value	Annual Depreciation Expense	Condition					
			1	2	3	4	5	Unknown
\$2,854,439	\$2,058,291	\$136,708	60%	21%	8%	2%	1%	8%

Asset capacity and performance

- 5.1.3 Council's services are generally provided to meet design standards where these are available.
- 5.1.4 No Known Service Performance Deficiencies are available, however deficiencies will be identified from the knowledge of Council management, community enquiries, and Council inspections in be included in the next update of this plan.

5.2 Operations and Maintenance Plan

Maintenance Plan

- 5.2.1 Council's maintenance activities for open spaces and recreation assets include routine, proactive, specific and reactive maintenance.
- 5.2.2 Routine maintenance is the regular ongoing work that is necessary to keep assets operational and to help assets reach their useful life. It includes work on an asset where a portion may fail and needs immediate repair to make it operational again.
- 5.2.3 Proactive maintenance (or 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.
- 5.2.4 Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

- 5.2.5 In addition to planned maintenance, which is defined and scheduled over the medium-term, Council must also repair unforeseen damage caused by storms or accidents. This type of maintenance is referred to as either reactive or unplanned maintenance.
- 5.2.6 Council's unplanned maintenance work is often carried out because of issues identified through customer requests for service.
- 5.2.7 Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

Standards and specifications

- 5.2.8 Maintenance work is carried out by Council staff in accordance with the relevant Standards and Specifications.

Summary of future operations and maintenance expenditures

- 5.2.9 Future maintenance costs are forecast to trend in line with the value of the asset stock, plus an allowance for increase in levels of service over the planning period. Asset values are forecast to increase as assets age and require maintenance and renewal.
- 5.2.10 Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded, are to be included in the risk assessment process in the infrastructure risk management plan.
- 5.2.11 Maintenance is funded from the operating budget and grants where available.

Operations and Maintenance Strategies

- 5.2.12 Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. Effective operation and maintenance activities include:
- Scheduling operations activities to deliver the defined level of service in the most efficient manner;
 - Maintaining and reviewing a current infrastructure risk register for assets on an annual basis. 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 under-utilised assets and appropriate remedies, and over-utilised assets and customer demand management options; and
 - Review management of operations and maintenance activities to obtain best value for resources used.

5.3 Renewal/Replacement Plan

- 5.3.1 Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.
- 5.3.2 Capital renewal activities involve restoring, refurbishing or replacing an asset to bring it back to its original capacity and performance capability.

- 5.3.3 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.
- 5.3.4 The annual required renewal costs reflect the amount needed to be spent on assets that have deteriorated to a point at which renewal is required based on the community's level of service expectations.
- 5.3.5 Typically, open spaces and recreation assets in condition 4 will provide a poor level of service and will need to be renewed in the short-to medium-term and assets in condition 5 may require urgent and immediate renewal or replacement.

Renewal plan

- 5.3.6 Assets requiring renewal are identified from estimates of remaining life obtained from the condition survey. The estimated service life of open spaces and recreation assets varies by asset type as set out in Table 5.3.6.

Table 5.3.6: Open Spaces and Recreation Asset Service Life

Asset type	Asset Service Life (Years)
Soft fall	5
Cricket pitch	5
Shade sails	5-50
Liberty Swing	10
Shelters – (Park, BBQ)	10-30
Lighting – (Tennis Courts, Park)	10-30
BBQs	10-25
Caravan Park Camp Kitchen	15
Cemetery infrastructure (eg pergola, beams)	15-30
Playground, fitness equipment	15-25
Park tables/seating	15-30
Park Signage	15
Drinking fountain	15
Park bins	15
Drainage	20
Fencing	20
Water tank	20
Skate park	30
Caravan park septic	30
Caravan park electrical	30
Tennis courts	30
Multipurpose courts	50
Cemetery niche wall	100

- 5.3.7 Based on the asset conditions recorded in the asset register, approximately 49% of Council's open spaces and recreation assets have a remaining life estimated to be greater than 15 years as shown in Figure 5.3.7.

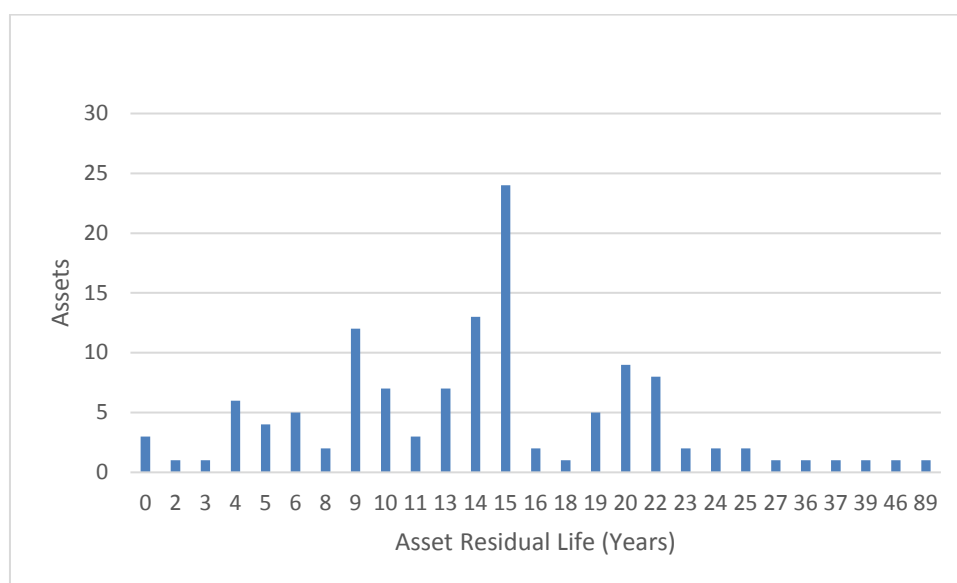


Figure 5.3.7: Open Spaces and Recreation Assets Residual Life as at 30 June 2021

- 5.3.8 Council's next scheduled assessment will examine the condition of the open spaces and recreation assets and determine renewal requirements. A renewal plan will be prepared on completion of assessment and included in future revisions of this plan.

Renewal and replacement strategies

- 5.3.9 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; and
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency;
 - 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; and
 - Review management of capital renewal and replacement activities to obtain best value for resources used.

Renewal standards

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

Summary of projected renewal expenditure

- 5.3.11 Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The projected capital renewal program is shown in Appendix B.
- 5.3.12 Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs, are to be included in the risk assessment process in the risk management plan.
- 5.3.13 Renewals are to be funded from capital works programs and grants where available.

Impact of Deferring Renewal Works

- 5.3.14 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.
- 5.3.15 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.

5.4 Creation/Acquisition/Upgrade Plan

- 5.4.1 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. These assets from growth are considered in Section 4.4.
- 5.4.2 Council does currently anticipate any new open spaces and recreation assets over the lifetime of this plan.

5.5 Disposal Plan

- 5.5.1 Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.
- 5.5.2 No open spaces and recreation assets are currently identified for possible decommissioning and disposal.

6. RISK MANAGEMENT

6.1 Risk Assessment

- 6.1.1 Risk management is defined in AS/NZS 4360:2004 as “the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”.
- 6.1.2 Council is committed to the identification and elimination or reduction of risks associated with hazards that arise throughout Council’s operations as far as reasonably practicable. Our risk assessment process includes:
- Identifying credible risks;
 - Analysing the likelihood of the risk event occurring;
 - Assessing the consequences should the event occur;
 - Developing a risk rating (‘likelihood’ times ‘consequences’, as shown in Table 6.1.3 below);
 - Evaluating the risk; and
 - Detailing a risk treatment plan for non-acceptable risks.
- 6.1.3 An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’ to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Table 6.1.3: Uralla Shire Council Risk Matrix

	CONSEQUENCES				
LIKELIHOOD	Minimal	Minor	Moderate	Major	Catastrophic
Almost certain	Medium	Medium	High	Catastrophic	Catastrophic
Likely	Medium	Medium	High	Catastrophic	Catastrophic
Possible	Low	Medium	Medium	High	Catastrophic
Unlikely	Low	Low	Medium	High	High
Rare	Low	Low	Medium	Medium	High

6.2 Strategic Infrastructure Risks

- 6.2.1 Some high-level infrastructure based risks have been identified that are associated with the management of open spaces and recreation assets. These strategic risks are identified in Table 6.2.1.

Table 6.2.1: Strategic Infrastructure Risks

Risk Details / Event	Likelihood	Consequence	Risk	Existing Controls	Controls Adequate	Actions Needed / Treatment Plan
Poor design/construction causes damage or injury	Unlikely	Major	High	<ul style="list-style-type: none"> • Designs prepared and construction projects supervised by suitably qualified and experienced people • Repair structural faults or hazards that may injure an occupant 	Y	N/A
Damage caused by vandalism including graffiti	Possible	Moderate	Medium	<ul style="list-style-type: none"> • Install security systems • Hold adequate insurance 	Y	
Overall condition of assets decrease due to inadequate renewal and maintenance programs	Likely	Moderate	High	<ul style="list-style-type: none"> • Inspect assets regularly • Conduct routine maintenance • Conduct renewal work as required • Allocate funds to asset renewal reserve 	N	Develop Asset Inspection strategy and long term renewals plan
Changes in legislation affect responsibilities of the Council	Unlikely	Moderate	Medium	Monitor legislative changes	Y	
Resource constraints affect the management of the assets	Possible	Major	High	None	N	Allocate funds to an asset renewal reserve
Failure of materials supplies	Possible	Moderate	Medium	None	N	Obtain alternative supply arrangements
Open spaces and recreation assets are damaged or destroyed by fire, severe storm, or flooding	Unlikely	Major	High	<ul style="list-style-type: none"> • Monitor known flooding hot spots and maintain stormwater drainage network per Stormwater Drainage AMP • Hold adequate insurance 	Y	
Impact on climate change on assets	Possible	Major	High	Monitor conditions of assets	Y	Develop environmental plan to identify impacts on assets. Develop strategies to manage climate change
Assets fail to meet the Disability Discrimination Act requirements or other codes	Possible	Minor	Medium	<ul style="list-style-type: none"> • Assess assets • Optimise funding 	Y	

6.3 Critical Assets

- 6.3.1 Critical assets are specific assets which have a high consequence of failure but not necessarily a high likelihood of failure. For example, failure would cause a financial loss within the community or a marked reduction of service.
- 6.3.2 By identifying critical assets and critical failure modes, Council can target and refine inspection regimes, maintenance plans and capital expenditure plans at appropriate times.
- 6.3.3 Operations and maintenances activities may also be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency and higher maintenance intervention levels.
- 6.3.4 Council has not identified any open spaces and recreation assets as critical assets.

7. FINANCIAL SUMMARY

7.1 Financial Statements and Projections

7.1.1 This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide the sufficient level of service to the community over a 10 year period. This plan provides input into the long term financial plan aimed at providing the required services in a sustainable manner.

7.1.2 The total amount of expenditure for open spaces and recreation operations, maintenance and capital over the next ten years has not been calculated at the date of publication.

Renewals

7.1.3 Asset age and condition based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

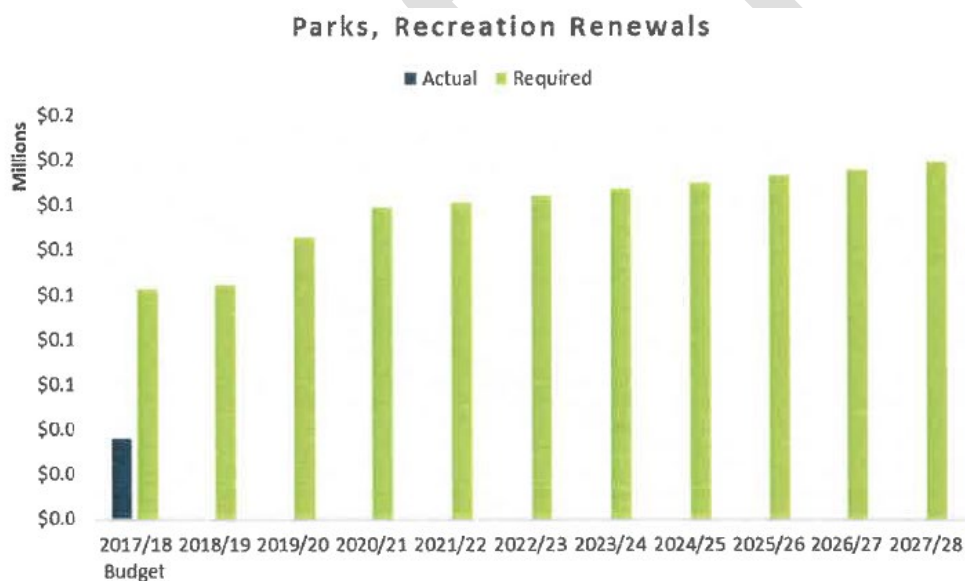


Figure 7.1.4.1 Open Spaces and Recreation Assets Renewal Costs (2017 data)

Operations and Maintenance

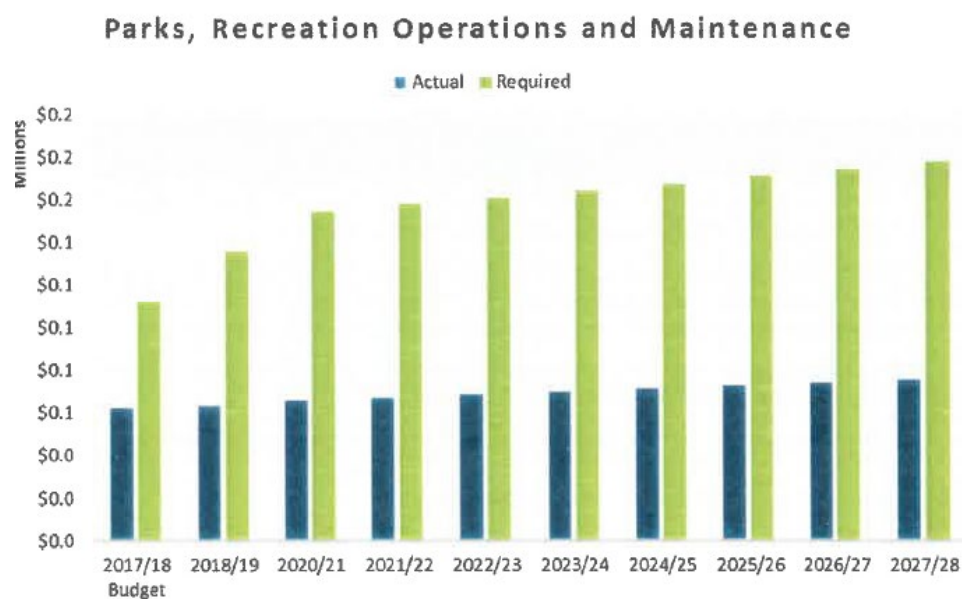


Figure 7.1.4.2 Open Spaces and Recreation Assets Operations and Maintenance Costs (2017 data)

Backlog

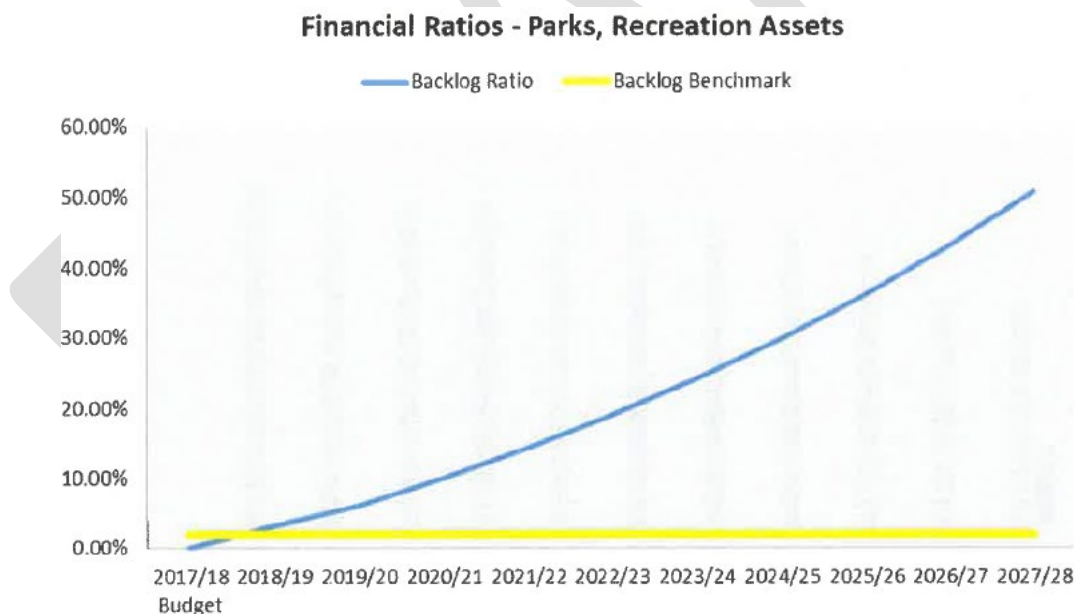


Figure 7.1.4.3 Open Spaces and Recreation Assets Financial Ratios (2017 data)

Financial sustainability in service delivery

- 7.1.4 There are three key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

- 7.1.5 The capacity to meet the projected/budgeted expenditures is dependent upon the capacity of the organisation to provide sufficient funding from its own resources to sustain the ongoing costs.
- 7.1.6 **Life cycle costs** (or whole of life costs) are the total annual costs that are required to sustain the service levels over the assets life. Life cycle costs include the original purchase, operations, depreciation and maintenance expenditure to hold the asset over its period of use.
- 7.1.7 A comparison should be used between the predicted life cycle costs and actual life cycle expenditure to highlight any differences. If the life cycle expenditure is more than that life cycle cost, it is most likely that charges will need to be increased to meet requirements.
- 7.1.8 Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals.
- 7.1.9 A shortfall between life cycle cost and life cycle expenditure is the life cycle gap.

7.1.10 The expenditure projections in Table 7.1.11 below look at the annual expenditure gap by comparing planned budgets in the Long Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements.

Table 7.1.11: Annual Expenditure Gap

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Actual ('000)										
Renewal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New and Expanded Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$67	\$69	\$70	\$71	\$73	\$74	\$76	\$77	\$79	\$80
Total Expenditure	\$67	\$69	\$70	\$71	\$73	\$74	\$76	\$77	\$79	\$80
Required ('000)										
Required Renewal (Depreciation)	\$141	\$144	\$147	\$150	\$153	\$156	\$159	\$162	\$165	\$168
New and Expanded Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Required O&S	\$158	\$161	\$164	\$168	\$171	\$174	\$178	\$181	\$184	\$188
Total	\$299	\$305	\$311	\$318	\$324	\$330	\$337	\$343	\$349	\$356
Overall (GAP)	(\$232)	(\$236)	(\$241)	(\$247)	(\$251)	(\$256)	(\$261)	(\$266)	(\$270)	(\$276)

7.1.11 The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

7.1.12 Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the asset management plans and long term financial plan.

Financial Sustainability Indicators

- 7.1.13 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. Projected asset renewals in the 10 year planning period are set out in Appendix B.
- 7.1.14 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.
- 7.1.15 A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.
- 7.1.16 We manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

7.2 Funding Strategy

- 7.2.1 Council funds open spaces and recreation assets through grants, general funds, and borrowings.
- 7.2.2 Grant funding is required when major projects need to be undertaken.
- 7.2.3 General funds are used in two ways for our open spaces and recreation assets. Firstly, they are used to support the maintenance of our open spaces and recreation assets. Secondly, they are used to build an asset renewal reserve each year. This will help in reducing Council's reliance on grant funding for renewal projects.
- 7.2.4 Council also has the option of borrowing to support investments in open spaces and recreation assets. This option requires careful monitoring of Council's debt service ratio.

7.3 Valuations

Asset valuations

- 7.3.1 The value of assets recorded in the asset register as at 30 June 2021 covered by this asset management plan is shown below. Open spaces and recreation assets were last revalued at 30 June 2021.

Current Replacement Cost	\$2,854,438
Depreciable Amount	Not verified
Depreciated Replacement Cost	Not verified
Annual Depreciation Expense	Not verified

- 7.3.2 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)	Not verified
Asset renewal (Capital renewal exp/Depreciable amount)	Not verified
Annual Upgrade/New (Capital upgrade exp/Depreciable amount)	Not verified

Annual Upgrade/New
(including contributed assets)

Not verified

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

7.4 Factors affecting open spaces and recreation assets

Funding Uncertainties

- 7.4.1 Uralla Shire Council is highly reliant on grant funding and its rates revenues are limited.
- 7.4.2 Based on the size of our communities, it is difficult to fund the provision of our open spaces and recreation assets. Council will need to seek ongoing government funding, where available, to maintain and enhance our open spaces and recreation assets.

Council's asset renewal backlog

- 7.4.3 Assets that are below the minimum condition rating do not meet Council's minimum levels of service. Such assets will require renewal. These assets form part of Council's renewal backlog and Council should be ensuring that these assets are brought up to the agreed levels of service.
- 7.4.4 Council's asset renewal backlog will need to be funded.

Staff and resource shortages

- 7.4.5 As with financial constraints on the provision of our open spaces and recreation assets, difficulties in recruiting and retaining staff can be a challenge for Council. As a large rural Council, Council often faces challenges in filling technical and managerial positions. When technical or managerial positions are vacant it can affect Council's ability to provide some of the services expected by the community.

8. IMPROVEMENT PLAN AND MONITORING

8.1 Asset Management Practices

Accounting/Financial Systems

- 8.1.1 Council uses Authority and Magiq software for its financial/accounting systems. The system is managed by Council's Finance section and produces quarterly financial reports for Council, while also producing reports for annual financial statements for audit and production to the Uralla Shire community.
- 8.1.2 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:
- Conduct regular asset valuations;
 - Ensure valuations match what is out in the field; and
 - Undertake regular updates to the system.

Accountabilities for Financial Systems

- 8.1.3 Under the *Local Government Act 1993*, Council must meet certain financial reporting requirements. These include budget reviews with all AMP sections within the Council. Council must also provide an annual report outlining the year's achievements, in terms of meeting its objectives and performance targets as it had set out. The annual report 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 Council's maintenance program for the year in relation to the work carried out.
- 8.1.4 The determination of expenditure as capital or maintenance is a combination of purpose, value and economic life of the asset received from the expenditure. The guidelines for the determination are set out in Note C1-7 of the Annual Financial Statements as adopted annually by Council.
- 8.1.5 **Initial Recognition:** All non-current assets purchased are capitalised as the expenditure is incurred and assets are depreciated from the first full year of use. For the initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition. Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition or date of exchange of the asset to arrive at fair value. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.
- 8.1.6 **Materiality:** Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining and in annually reviewing such thresholds, regard is had to the nature of the asset and its estimated service life.
- 8.1.7 **Subsequent Costs:** Subsequent costs are added to an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.
- 8.1.8 **Maintenance:** All other expenditure on open spaces and recreation assets, including the excess of fair value addition expense noted above, is recorded as repairs and maintenance and charged to the Income Statement during the financial period in which they are incurred.

Asset Management Systems

- 8.1.9 A number of systems and registers are used by the Council for the purpose of open spaces and recreation asset management:
- Microsoft® Excel spreadsheets – manipulate, interrogate and report on asset data
 - Civica® “Authority” software – finance system
 - TRIM (© (HP Software Division) – records and document management
- 8.1.10 The responsibility for operating and maintaining the core Asset Management systems relating to open spaces and recreation assets is with the Asset Manager and the Director Infrastructure and Development. The development of an annual budget allocation is between the Director, the Chief Financial Officer, and the General Manager, based upon the ten year financial plan forward estimates. Responsibilities of key stakeholders are set out in Appendix C.
- 8.1.11 Currently, there is no core corporate system for asset management thus various duplications of assets records exist in different databases and have misaligned information. There are no direct links with operations and maintenance expenses and the individual asset.
- 8.1.12 The ongoing maintenance of this system should become a core function within Council’s operations. Linking Council’s asset management system and financial system (Authority) is identified as a key strategy to improve Council’s asset management practices.

Information Flow Requirements and Processes

- 8.1.13 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, and
 - Financial asset values.
- 8.1.14 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, and
 - Financial sustainability indicators.
- 8.1.15 The information flows listed above will impact the Long Term Financial Plan, annual budget, and departmental business plans and budgets.

8.2 Improvement Program

8.2.1 The open spaces and recreation asset management improvement program generated from this asset management plan is shown in Table 8.2.1.

Table 8.2.1: Improvement Program

No	Action	Priority	Responsibility	Timeline
1	Review and confirm expenditure for all categories into renewals, new, maintenance and operational	High	Asset Manager	Two years
2	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually	High	Asset Manager	2024/25
3	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	Asset Manager	2023/24
4	Prioritise and plan asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use	High	Asset Manager	2023/2024
5	Prioritise and plan asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use	Medium	Asset Manager	2024
6	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs	Medium	Asset Manager	2024

8.3 Monitoring and Review Procedures

- 8.3.1 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.
- 8.3.2 This plan will be updated annually accurately represent 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 Council's long term financial plan.
- 8.3.3 This plan has a life of four years and is due for complete revision and updating within twelve months of each Council election.

8.4 Performance Measures

8.4.1 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; and
- 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.

Key Performance Benchmarks

8.4.2 Council monitors and assesses its performance with respect to maintaining and renewing its assets using key performance benchmarks. These benchmarks are used to measure how well Council is meeting the community's expectations in relation to the condition of its assets.

8.4.3 Council recognises the importance of working with the local community when managing the Uralla Shire's assets on behalf of the community. Council works with the community in two important ways. Firstly, it creates community service expectations. These summarise what the community wants. Secondly, it measures its progress in meeting these community service expectations against key performance benchmarks.

8.4.4 By using community-focussed performance benchmarks, Council maintenance and improvements to open spaces and recreation assets are directly relevant to the community.

8.4.5 The key performance benchmarks that have been established for the open spaces and recreation assets are outlined in Table 3.5.2.

REFERENCES

- 1 NSW Office of Local Government, 2021, *Integrated Planning & Reporting Handbook for Local Councils in NSW*, ISBN 978-1-922001-90-0, www.olg.nsw.gov.au.
- 2 DVC, 2006, *Asset Investment Guidelines*, Glossary, Department for Victorian Communities, Local Government Victoria, Melbourne, <http://www.dpcd.vic.gov.au/localgovernment/publications-and-research/asset-management-and-financial>.
- 3 IPWEA, 2006, *International Infrastructure Management Manual*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au.
- 4 IPWEA, 2008, *NAMS.PLUS Asset Management* Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus.
- 5 IPWEA, 2009, *Australian Infrastructure Financial Management Guidelines*, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.

APPENDICES

- | | |
|------------|-----------------------------------|
| Appendix A | Schedule of Assets |
| Appendix B | Projected Capital Renewal Program |
| Appendix C | Key Stakeholder Responsibilities |
| Appendix D | Glossary of Terms |

Appendix A – Schedule of Assets

Asset Description	Condition (1-5)	Current value 30 June 2021	At cost value 30 June 2021
Playground Improvements Preschool	Unknown	\$0	\$34,763
Skillion Awning 4x7 in Lysaght Firmlock Supply & Install	3	\$1,713	\$5,140
Earthsafe Septic System at Bundarra Caravan Park	1	\$14,110	\$17,600
Electrical improvements Bundarra Caravan Park	2	\$8,403	\$11,000
Uralla Caravan Park - Camp Kitchen	1	\$30,509	\$31,816
Fencing - Rolltop	Unknown	\$0	\$24,000
Drainage	Unknown	\$0	\$3,603
Cemetery Beams Uralla	2	\$6,496	\$9,126
Cemetery Beams Uralla 2002/2003	2	\$860	\$1,893
Cemetery Beams Bundarra 2002/2003	2	\$1,068	\$2,349
Niche Wall Bundarra Cemetery	2	\$2,634	\$2,993
Heritage Pergola for Entrance to Cemetery Construction	2	\$1,932	\$5,796
Fencing Decorative Steel Supply	2	\$6,762	\$13,523
Beam at Cemetery	1	\$6,880	\$8,487
Shade Sail Wood St Uralla	3	\$10,928	\$14,570
Shade Sails - Playground Equipment 17A Queen St Uralla	3	\$15,598	\$22,773
Statue & Platform	3	\$58,143	\$110,000
Lighting	3	\$367	\$11,000
Playground Equipment	Unknown	\$0	\$3,000
Equipment	Unknown	\$0	\$1,000
Fencing	Unknown	\$0	\$600
Equipment	Unknown	\$0	\$5,000
Equipment	Unknown	\$0	\$3,520
Kingstown Park - Playground Equipment	Unknown	\$0	\$19,812
Playground Equipment	5	\$0	\$1,489
Playground Equipment - Porter Park	2	\$3,520	\$22,000
Skate Park Uralla	2	\$26,020	\$84,055
Playground Equipment - Invergowrie	4	\$0	\$11,000
Fencing - Pool	2	\$349	\$857
Fencing - Gilmore Park	2	\$563	\$1,409
BBQ Invergowrie Park	Unknown	\$0	\$1,485
Tables & Chairs Uralla Creek (Pioneer Park)	3	\$660	\$6,600
Playground Equipment Kentucky Reserve	2	\$2,648	\$7,356
Creative Village Project - Uralla Creek Table & Seat Set - The Glen	3	\$854	\$2,200
Uralla Tennis Courts	3	\$224,806	\$380,586
Playground Equipment Kentucky Reserve	1	\$7,878	\$15,150
Creative Village Project - Uralla Creek Barbeque - The Glen	4	\$1,540	\$5,500
Cricket Nets	3	\$13,528	\$18,205
Tennis Club Lights	2	\$29,893	\$35,221
Park Upgrade Bundarra	2	\$20,167	\$27,500
Playground Shade Sail Structure	2	\$1,231	\$13,680
Kentucky Reserve - Play Equipment (Formerly located at Alma Park)	2	\$34,170	\$79,968
Cycling Track - Mt Mutton	2	\$9,827	\$35,219

Asset Description	Condition (1-5)	Current value 30 June 2021	At cost value 30 June 2021
Fencing - Mt Mutton	2	\$2,514	\$6,285
Alloy Disables Stairs Access	2	\$766	\$1,330
Shelter Bundarra	3	\$11,550	\$16,500
Sports Ground Lights Uralla	2	\$13,224	\$44,000
Playground Upgrade Brushgrove	2	\$9,200	\$18,399
Kentucky Playground Shade Cloth	4	\$26,719	\$34,202
BBQ Invergowrie	2	\$4,193	\$8,800
Fence at 158 Bridge Street Uralla	2	\$174	\$2,000
Brushgrove Playground Upgrade (Workorder 343)	2	\$0	\$789
Steel Seating at Kingstown Tennis Courts	2	\$372	\$3,978
Electric BBQ, Bundarra Caravan Park	1	\$3,960	\$5,500
Multipurpose Outdoor Courts - Uralla Sporting Complex	1	\$101,855	\$110,716
Liberty Swing at Alma Park	1	\$24,469	\$40,792
Slab at Skate Park	1	\$0	\$0
Play Equipment Penelope Park Invergowrie	1	\$72,659	\$81,064
Shade sails Penelope Park Invergowrie	1	\$6,905	\$11,679
Roll Top Shelter setting - Penelope Park, Invergowrie	1	\$15,321	\$17,750
Fencing - Uralla Tennis Courts	1	\$32,750	\$36,415
Signage at Mount Mutton Walking Trail	1	\$2,378	\$2,755
Shade Structure - Porter Park	1	\$6,310	\$7,884
Play Area fencing - Porter Park	1	\$5,518	\$6,130
BBQ - Porter Park	2	\$9,220	\$11,521
BBQ Shelter - Porter Park	2	\$16,382	\$18,899
Play Equipment - Porter Park	1	\$39,295	\$45,331
BBQ - Rotary Park	1	\$0	\$0
BBQ Shelter - Rotary Park	1	\$0	\$0
Outdoor Fitness Equipment - Hampden Park	1	\$45,559	\$51,181
Drinking Fountain - Hampden Park	1	\$4,055	\$4,759
Roll Top Shelter Combo - Hampden Park	1	\$0	\$0
Picnic Shelters - Uralla Swimming Pool	1	\$17,231	\$19,317
BBQ - Uralla Swimming Pool	1	\$7,339	\$8,758
Uralla Swimming Pool - Fencing	1	\$3,004	\$3,269
Alma Park Playground Structures (2020)	1	\$357,826	\$386,007
Alma Park Flying Fox (2020)	1	\$36,142	\$41,149
Alma Park Drinking Fountain	1	\$4,156	\$4,731
Alma Park Roll Top Shelters	1	\$37,189	\$42,341
Alma Park Light at Memorial Gates	1	\$6,716	\$7,646
Rotary Memorial Park - Roll Top Shelter	1	\$6,011	\$6,903
Uralla Sporting Complex BBQ and Shelter	1	\$29,876	\$34,199
Uralla Sporting Complex Shade Structure	1	\$6,389	\$7,884
Uralla Sporting Complex - Playground Equipment	1	\$41,345	\$45,676
Gilmore Park Playground Equipment	1	\$19,300	\$21,441
Hampden Park - Cricket Pitch	1	\$10,286	\$15,341
Hampden Park - Fencing	1	\$6,966	\$7,591
Pioneer Park - Drinking Fountain	1	\$3,823	\$4,295
Wooldridge Fossicking Area - 2 x BBQ's	1	\$14,757	\$15,568
Wooldridge Fossicking Area - Shelter and seating	1	\$24,747	\$27,488

Asset Description	Condition (1-5)	Current value 30 June 2021	At cost value 30 June 2021
Wooldridge Fossicking Area - Water tank	1	\$2,418	\$2,513
Wooldridge Fossicking Area - Gravel carpark with log barriers	1	\$25,862	\$26,863
Bundarra Sporting Complex - Practice cricket pitch	1	\$18,896	\$19,695
Bundarra Sporting Complex - Drinking fountain	1	\$2,539	\$2,623
Bundarra Sporting Complex - Grandstand	1	\$4,877	\$5,052
Kentucky Park - Lighting	1	\$2,760	\$2,957
Hampden Park - Basketball Court	1	\$14,000	\$14,997
BMX Park - Drinking Fountain	1	\$4,396	\$4,709
BMX Park - BBQ & Shelter	1	\$10,532	\$11,282
BMX Park - Picnic tables, seating and shelters	1	\$20,822	\$22,305
BMX Park - Bins & dog waste dispenser	1	\$3,456	\$3,702
BMX Park - Kids Bike Track (Synthetic grass, concrete and play	1	\$37,726	\$40,412
BMX Park - Shade Structure over Kids Bike Track	1	\$22,315	\$23,905
BMX Park - Gravel Carpark with Log Barriers	1	\$4,659	\$4,904
BMX Park - Bike Track	1	\$16,380	\$17,546
Bench seating - Penelope Park Invergowrie	1	\$2,672	\$2,863
Kingstown Park - Shade Sail Structure	1	\$15,400	\$15,400
Kingstown Park - Softfall	1	\$4,621	\$5,772
Bundarra Caravan Park - Shade sail structure	1	\$18,160	\$19,453
Bundarra Caravan Park - Soft fall	1	\$3,151	\$3,936
Kentucky Reserve - BBQ	1	\$6,862	\$7,351
Uralla Sporting Complex - Solar System	1	\$14,598	\$15,108
Uralla Sporting Complex - Drinking Fountain	1	\$4,841	\$5,167
Uralla Sporting Complex - Grandstand x 2	1	\$22,461	\$23,575
Uralla Sporting Complex - Outdoor Fitness Equipment	1	\$6,672	\$7,003
Uralla Sporting Complex - Bench Seats	1	\$3,611	\$3,853
Uralla Sporting Complex - Combination Rugby and Soccer Goal Posts	1	\$15,776	\$16,837
Uralla Sporting Complex - Table Settings with Shelters	1	\$21,458	\$22,901
Uralla Sporting Complex - Playground Equipment (silver climber)	1	\$23,795	\$24,976
Bundarra Main Street - Bins	1	\$12,778	\$13,563
Bundarra Main Street - Table settings with shelters	1	\$16,888	\$17,929
Uralla Sporting Complex - Sign	1	\$2,540	\$2,711
BBQ & Shelter Hampden Park	1	\$22,925	\$24,466
Uralla Sporting Complex - Cricket pitch on field	1	\$6,636	\$8,183
Mt Mutton Walking Track - Goldfields Sign	1	\$3,591	\$3,771
Mt Mutton Walking Track - Pedestrian Gate	1	\$4,714	\$5,050
Total		\$2,058,291	\$2,854,439

Appendix B – Projected Capital Renewal Program

\$1,995,462

The Glen \$800,000

Rotary Park \$600,000

Pioneer Park \$495,462

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Appendix C – Key Stakeholder Responsibilities

Stakeholder	Role in Open Spaces and Recreation Asset Management Plan
Councillors	<ul style="list-style-type: none">• Represent needs of community.
General Manager	<ul style="list-style-type: none">• Allocate resources to meet the organisation's objectives in providing services while managing risks.• Authorise Delegations of Authority to undertake AMP works.• Ensure organisation is financial sustainable.
Chief Financial Officer	<ul style="list-style-type: none">• Ensure organisation is financial sustainable.
Director Infrastructure & Development	<ul style="list-style-type: none">• Coordinate the budget.• Identify changes in work flows or Council requirements.
Asset Manager	<ul style="list-style-type: none">• Schedule the works and maintenance as per the Asset Management Plan.
Manager Planning & Development	<ul style="list-style-type: none">• Oversee the works of the Asset Management Plan.
Contractors / Employees	<ul style="list-style-type: none">• Undertake the works as per the schedule.

Appendix D – Glossary of Terms

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 re-sheeting 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, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Investment property

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

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

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, egg 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 (egg 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 egg 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, egg. 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, egg 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 is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary

15.9-8 Attachment – Gravel Road Upgrade Prioritisation – Summary Submission - Late Submissions – Previously Presented

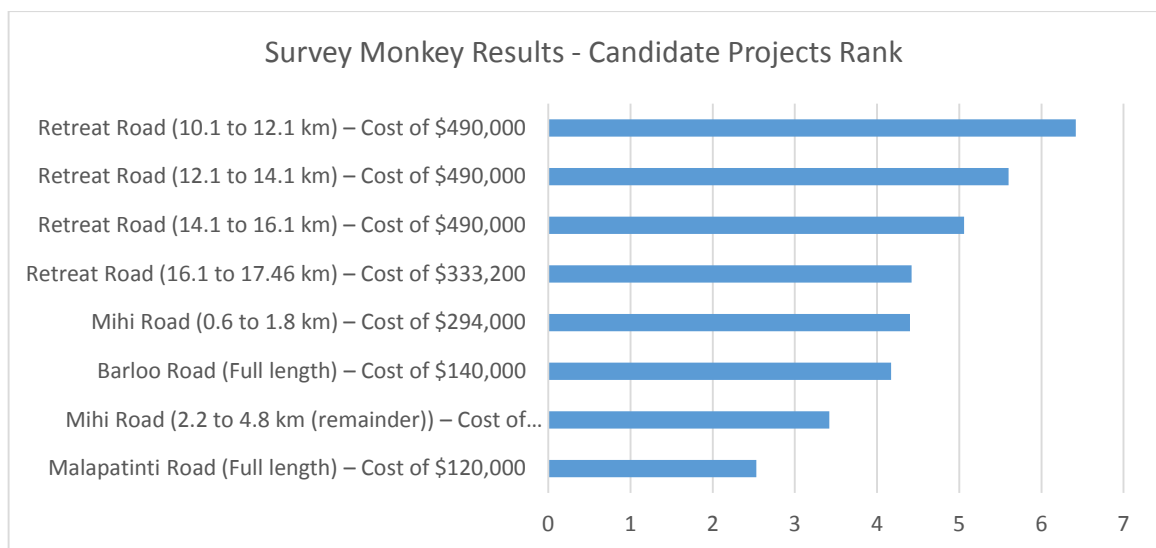
1. At its Ordinary Meeting held 22 February 2022, Council resolved at OM 18.02/22 as follows:

That the gravel roads upgrade prioritisation community submissions and survey results be returned to Council during consideration of the Transport Asset Management Plan.

2. As the Transport Asset Management Plan is presented to this meeting of Council, the gravel roads upgrade prioritisation community submissions and survey results are again presented to Council for consideration.
3. At its Ordinary Meeting held 27 May 2021, Council approved road upgrades utilising Local Roads and Community Infrastructure grant funding in 2021/22, adopted a prioritised list for subsequent years, and placed other candidate roads on public exhibition to invite nominations from the community for investigation and prioritisation in the future.
4. The candidate roads list adopted by Council is set out below and was placed on public exhibition from 25 June 2021 through 20 August 2021.

Road	Section	Cost
Retreat Road	10.1 to 12.1 km	\$490,000
Retreat Road	12.1 to 14.1 km	\$490,000
Retreat Road	14.1 to 16.1 km	\$490,000
Retreat Road	16.1 to 17.46 km	\$333,200
Mihi Road	0.6 to 1.8 km	\$294,000
Mihi Road	2.2 to 4.8 km (remainder)	\$637,000
Barloo Road	Full length	\$140,000
Malapatinti Road	Full length	\$120,000

5. A Survey Monkey submission form was open concurrently which enabled members of the public to make their submission through the online platform.
6. During the public exhibition period, 31 submissions were submitted to Council directly, including two petitions, and 72 responses submitted through the Survey Monkey online submission form. Four additional late submissions were received after the closing date.
7. The Survey Monkey online form asked submitters to rank the candidate projects on exhibition. The survey results are set out below:



8. Submissions and late submissions received by Council are attached to this report at Attachments 8 and 9. A summary of the submissions are set out in the table below:

Road(s) Nominated	Reason for upgrade
Malapatinti Road (Petition)	<ul style="list-style-type: none"> Request for "No Through Sign", dust. 8 households signed petition.
Rowbottoms Road (Petition)	<ul style="list-style-type: none"> Request drainage works and new concrete culverts. Poor road conditions which damage vehicles.
Adina Road	<ul style="list-style-type: none"> Driveways wash out in rains. Short cul de sac. Houses are close to road.
Andersons Road	<ul style="list-style-type: none"> No reason listed
Balala Road - to not seal	<ul style="list-style-type: none"> Submission to not seal Balala Road. Rural road not link road. Sealing will increase use and traffic. Enable people to drive faster and make unsafe for producers and stock.
Balala Road	<ul style="list-style-type: none"> Extremely rough corrugations, drainage, dangerous corners Increased traffic in recent years, trucks and cars.
Barraba Road	<ul style="list-style-type: none"> Only road to access Inverell, Armidale, and Tamworth. Crossing not passable in rains.
Bendemeer Road at Kingstown	<ul style="list-style-type: none"> High volume of traffic. Used as alternate route between Tamworth/Inverell. Large number B-doubles. TRC's sealing program will increase traffic. High dust and low visibility. Number of accidents over the years. Access route to waste transfer station. Used by school buses and tourists with caravans to Copeton Dam.
Gostwyck and Mihi Roads, Hillview Road, Balala Road	<ul style="list-style-type: none"> Gostwyck and Mihi Roads - major tourist routes, dangerous conditions, school bus route. Hillview and Balala Roads - most dangerous and rough.
All Roads - Hillview Road as example	<ul style="list-style-type: none"> Maintenance not addressing issues. Poor drainage on rural roads, priority to upgrade culverts. Photos attached in 2nd submission.
Hillview Road	<ul style="list-style-type: none"> Increase in local and tourist traffic. Soil easily degrades road condition in rain. Road narrow and not wide enough for caravans/cars to pass.
Kooda Road	<ul style="list-style-type: none"> There are 10 properties on our road which means that at times the traffic can be quite heavy which causes thick dust, which impacts all properties. Children also ride their bikes to and from the bus stop which is at the intersection of Kooda Road and Kendall Road. In heavy rains water driveway flows down on the turning circle of Kooda Road which causes the road to become eroded very quickly.
Lentara Road	<ul style="list-style-type: none"> Increased traffic/dust due to council weed management. Access to 14 properties. Hazardous pot holes, dusty when dry, slippery when wet. Sealing would be cheaper than ongoing maintenance Emergency access, environmental impact of pooling water/drainage. Council services e.g. garbage trucks
Mihi Road	<ul style="list-style-type: none"> Tourist drive, very busy road for stock trucks & residents. Unsafe areas and damaged quickly because of poor drainage.
Munsies Road	<ul style="list-style-type: none"> Dust and noise from frequent traffic utilising this road. Truck activity from quarry and regular stock transports and other trucks currently using this road. Also access point to New England Solar farm project. Traffic from quarry.
Nelsons Road	<ul style="list-style-type: none"> As Nelsons Road sits between Goodes Road and Hawthorne Drive sealing Nelsons Road would create the sealed link between Thunderbolt's Way and Arding and onto Invergowrie or to the New England Highway along Arding Road
Prioritisation Tool	<ul style="list-style-type: none"> Suggestions for other criteria to be included in prioritisation tool, such as sharp bends, gradients, soil types, gully and creek crossings, and direction of road. Re-work prioritisation assessments and undergo further consultation.
Retreat Road	<ul style="list-style-type: none"> Degraded by trucks. Increased traffic.

Road(s) Nominated	Reason for upgrade
	<ul style="list-style-type: none"> Increased traffic. Tourist drive. Dangerous conditions. Unsafe for caravans. Dangerous. Unable to ride motorcycle on unsealed road. High maintenance to vehicles. Rough road for ambulance. Local school buses to 3 schools. Difficulty travelling to work. Because residents have to take rubbish to waste management facility. Too narrow to pass oncoming traffic safely. Road deteriorates after rain. Dangerous road. Narrow road - does not allow for school bus or small truck to pass; in some places under 3m wide; culvert is continuously washed out; sealing road will reduce ongoing maintenance; dangerous driving Near misses. Narrow road. Breaking capacity for native wildlife. Eliminate dust. Provide all-weather access. Dust. Accidents. Water run off bad corrugations. Too many trucks destroying, hurt road.
Rocky River Road	<ul style="list-style-type: none"> Road is only access to 3 properties, only accessibly by large vehicle. Clients unable to access businesses located on road.
Bakers Creek Road (Late submission)	<ul style="list-style-type: none"> Heavy B-Double traffic and consistent washouts from creeks and valleys.
Bakers Lane (Late submission)	<ul style="list-style-type: none"> Only road exiting Noalimba Ave with more than two residents that is not sealed. Approximate 600m work will improve drainage, reduce maintenance costs, and encourage landowners to maintain verges.
Retreat Road (Late submission)	<ul style="list-style-type: none"> School bus route, emergency vehicles, safety hazards.
Hillview Road (Late submission)	<ul style="list-style-type: none"> Dust from road contaminates drinking water. Propose to seal segments adjacent to residences or use a different type of gravel (river gravel)

9. Other candidate roads nominated for consideration through the Survey Monkey submission form are listed in the table below:

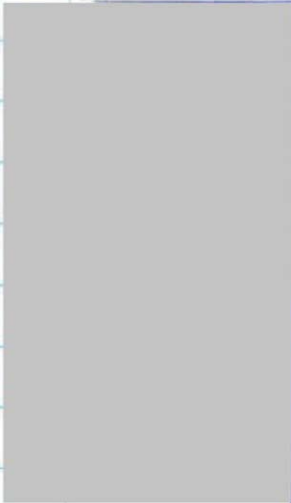
Other Candidate Roads
Budumba Road
Bullens Road
Danehurst Road
Green Gully Road
Hilltop Lane, Bundarra
Kalinda Road
Kingstown Road (already sealed)
Lana Road
Lindon Road
Marsh Lane, Uralla
McDonalds Lane
Old Kingstown Road
Rifle Range Road
Rose Hill Road, Arding
Salisbury Plains Road, Salisbury
Sawpit Gully Loop Road
Sawpit Gully Road
School Bus Routes
Swilks Road
The Gap Road, Salisbury Plains
Warrabah Road

10. Candidate roads nominated by the public have been included in the Transport Asset Management Plan (*Unsealed Roads to be upgraded*; page 46) noting that Council has yet to consider which of these roads should be adopted as candidate projects for upgrading.
11. All candidate road nominations will be assessed against the RMS Prioritisation Tool assessment criteria:
 - a. Vehicle usage - Traffic volumes, % heavy vehicles and school bus route.
 - b. Tourist Route
 - c. Impacts of sealing – missing link or only route
 - d. Road alignment
 - e. Economics
 - f. Road Safety
12. Supplementing the community submissions, the prioritisation tool provides an informed and objective process enabling Council to determine the gravel roads which should be upgraded to sealed roads, subject to the necessary additional grant funding.
13. The adoption of a program informs the community that road upgrades are being prioritised on an objective basis.
14. Further data regarding traffic volumes, school bus route etc. will be gathered for previously unidentified candidate roads and input into the prioritisation tool to inform Council in the development of a more extensive upgrading priority list. It is anticipated that this data collection could take up to 6 months given resources, number of traffic counters and other priorities.
15. Following this assessment, the priority list will be reported to Council for adoption.

Gravel Roads Prioritisation Consultation - Submissions

28/July 2021

Malapatinti Lane Petition road upgrade

name	address	concern/no. of cars <u>in household</u>
	54 MALAPATINTI	2 cars
	53 MALAPATINTI	5 classic cars + 1 other / rising dust
	51 Malapatinti Lane	3 cars
	25 MALAPATINTI	2 CARS A "no through rd" sign included
	44 Malapatinti Lane	2 cars so traffic doesn't come
	41 MALAPATINTI LANE	1 CAR
	37 Malapatinti Lane	Work cars / truck (4) + private cars

(7)

Received

PETITION
FOR
IMPROVED DRAINAGE AND SEALING OF ROWBOTTOMS ROAD

Dear Councillors,

We, the undersigned ratepayers and residents of Rowbottom's Road, Rocky River, respectfully request that the first 750 metres (at least) of Rowbottom's Road be sealed with bitumen as soon as possible.

We have had to put up with poor road conditions for a long time now, too boggy in wet weather, too dusty in dry weather, and bumpy and rough all year round, (except for a week or two shortly after it is graded.)

We are appreciative of the fact that Council has quite recently placed some gravel on the most damaged parts of the road, but unfortunately the traffic and wet weather has already completely nullified the effectiveness of that job. In fact, the traffic has produced corrugations in the loose gravel, adding to the already bumpy ride over the potholes. We shudder to think (pun intended) what is happening to the suspension of our cars, not all of which are large 4WD off-road vehicles.

Preparatory to sealing the road surface, we request that work be undertaken to improve significantly the drainage approaching both sides of the concrete culvert and around the bend of the road adjacent to the properties nos. 27, 30 and 33. We also request that permanent concrete culverts be installed at the 450 and 650 metre points along the road where there is an almost constant flow of water across the road.

Even if Council does not approve the sealing of the road, we request that at the very least Council will agree to improving the drainage by digging out some much more effective gutters in the vicinity of the aforementioned culvert and corner, and installing new culverts with appropriate drainage channels further along the road.

Respectfully yours,



From:
To: [Council](#)
Subject: Gravel road submissions
Date: Tuesday, 3 August 2021 1:44:04 PM

Sent from [Mail](#) for Windows 10

I wish to nominate Adina Rd Invergowrie as a priority for upgrading. We have been waiting for 40 years for this, with regular reassurance that we will be next! I think you can calculate the total rates paid over this period. Every time it rains our driveways wash out, then the garbage trucks come along and totally destroy our driveways and roads. We need culverts to stop the whole thing washing away! We are the shortest cul-de-sac so should be a quick job!! Several houses are close to the road and are very dust prone in dry times. Regards,

14 JUL 2021

Received

Dear Resident

Do you want your road sealed?

Council is currently calling for "nominations from the community for gravel road candidate projects for investigation and prioritisation". To nominate a road, click on:

[Public Exhibition: Gravel road upgrades prioritisation Uralla Shire Council \(nsw.gov.au\)](http://PublicExhibition:GravelroadupgradesprioritisationUrallaShireCouncil(nsw.gov.au))

Or Submit your priorities to: council @uralla.nsw.gov.au.

Or Submit your priorities to: Uralla Shire Council, PO Box 106, URALLA NSW 2358

Submissions must be in by 20th August.

Your submission could be as simple as, "I wish to nominate MY Road as a priority for upgrading". Signed and dated. Giving a reason would be good.

We believe roads that are transport routes for livestock, for school buses and for tourism along with the impact of dust on residents and road safety issues (accident history) are the key criteria that should be considered. However, don't let our thoughts constrain what you would like to see.

Recent Council decisions do not reflect this approach and we need to hear your priorities, and why.

Being on the list doesn't mean it will be done: Being not on the list means it probably won't.

If you want more information contact Council at 02 67786300

Or give one of us a call,

Cr Bob Crouch	Cr Robert Bell	Cr Tara Toomey
0428616885	0434244774	0434408163

This is not a Council approved publication. We believe that if council is conducting a survey that affects you, you need to know about it. Facebook and Council web page are not enough.

I wish to nominate ANDERSONS RD Road as a priority for upgrading.

Why:

Rocky River

Name:

Address:

Phone:

Signature:

14/7/21

Dear Resident

Do you want your road sealed?

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[Public Exhibition: Gravel road upgrades prioritisation Uralla Shire Council \(nsw.gov.au\)](http://PublicExhibition:GravelroadupgradesprioritisationUrallaShireCouncil(nsw.gov.au))

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~~DA LEAVE~~
I wish to nominate BALALA Road as a priority for upgrading.
Why: GRAVEL RD

Name:
Address:
Phone:
Signature

It is a rural rd and a sealed road would allow people to drive faster and make it unsafe for producers plus stock. I disagree for this Balala Rd to be sealed.

Do you want your road sealed?

We are disappointed with the way Council is currently allocating road funding and would like to see productive rural roads and tourist routes with a poor road safety record given priority.

Have your say in the council survey before 20th August 2021

USC

06 AUG 2021

Cr Bob Crouch
0428616885

Cr Robert Bell
0434244774

Cr Tara Toomey
0434408163

Received

This is not a Council approved publication. We believe that if council is conducting a survey that affects you, you need to know about it. Facebook and Council web page are not enough.

Where do link roads stop being sealed. These are rural rds and sealed roads will make drivers travel faster plus increase the usage of this road.

I strongly oppose Balala Rd being sealed.
Link Rds being Bundarra - Barrabarra
Kingstown to Bendemeer (I am sure there are others)
Gostwyck Rd to Enmore
local rd around the Old Gostwyck Rd and the
residential developments in that area of
Kellys Plains.

URALLA SHIRE COUNCIL	
F/N	
R/N	
A/P	

I wish to nominate BALALA Road as a priority for upgrading.
Why: Increased Traffic in recent years, trucks
↓ cars

Name:

Address:

Phone:

Signature:

USC

2 6 JUL 2021

Received

COPY 1 of 4

I wish to nominate BALALA Road as a priority for upgrading.

Why: Increased Traffic in recent years, trucks
↓ cars

Name:

Address:

Phone:

Signature:

USC

2 6 JUL 2021

Received

COPY
2 of 4

I wish to nominate BALALA Road as a priority for upgrading.

Why: Increased Traffic in recent years, trucks
↓ cars

Name:

Address:

Phone:

Signature:

USC

2 6 JUL 2021

Received

COPY
3 of 4

I wish to nominate BALALA Road as a priority for upgrading.

Why: Increased Traffic in recent years, trucks
↓ cars

Name:

Address:

Phone:

Signature:

USC

2 6 JUL 2021

Received

COPY
4 of 4

13 JUL 2021

Received

Dear Resident

Do you want your road sealed?

Council is currently calling for "nominations from the community for gravel road candidate projects for investigation and prioritisation". To nominate a road, click on:

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Or Submit your priorities to: Uralla Shire Council, PO Box 106, URALLA NSW 2358

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Your submission could be as simple as, "I wish to nominate MY Road as a priority for upgrading". Signed and dated. Giving a reason would be good.

We believe roads that are transport routes for livestock, for school buses and for tourism along with the impact of dust on residents and road safety issues (accident history) are the key criteria that should be considered. However, don't let our thoughts constrain what you would like to see.

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If you want more information contact Council at 02 67786300

Or give one of us a call,

Cr Bob Crouch	Cr Robert Bell	Cr Tara Toomey
0428616885	0434244774	0434408163

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I wish to nominate BALALA ROAD Road as a priority for upgrading.

Why: EXTREMELY ROUGH CORRUGATIONS, DRAINAGE, DANGEROUS CORNERS

Name:

Address:

Phone:

Signature:

02 AUG 2021

Received

Dear Resident

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I wish to nominate BARRABA ROAD Road as a priority for upgrading.

Why: *This is my only road to access Inverell, Armidale, Tamworth. I have done 5 tyres on my vehicle in 3 1/2 yrs. when it rains I cannot get over the crossing. Heavy traffic on this road.*


Name: 

Address: 

Phone: 

Signature: 

23/07/2021



TO WHOM IT MAY CONCERN,

I WISH TO NOMINATE BENDEMEER ROAD AT KINGSTOWN AS A PRIORITY FOR UPGRADING. THIS ROAD HAS A LARGE VOLUME OF TRAFFIC WHEN COMPARED TO RETREAT ROAD. IT IS USED AS AN ALTERNATE ROUTE BETWEEN TAMWORTH AND INVERELL.

THERE ARE A LARGE NUMBER OF B-DOUBLE TRUCKS WHICH USE IT FOR TRANSPORTING FODDER, LIVESTOCK, FERTILISER AND NUMEROUS OTHER PRODUCTS TO AND FROM LOCAL PROPERTIES.

TAMWORTH REGIONAL COUNCIL HAVE COMMITTED TO SEAL SEVEN KILOMETRES OF GRAVEL ON RETREAT ROAD FROM TILMUNDA TO WEST RETREAT AND ALSO REPLACE THE MCDONALD RIVER BRIDGE FROM SINGLE LANE TO A DOUBLE LANE BRIDGE. I BELIEVE THIS IMPROVEMENT WILL ALSO INCREASE THE TRAFFIC VOLUME FURTHER ON BENDEMEER ROAD ONCE THIS HAS BEEN COMPLETED.

THE AMOUNT OF DUST AT TIMES FROM VEHICLES PASSING CREATES A VISIBILITY HAZARD FOR ROAD USERS. ALSO THE DUST OFTEN ENDS UP SETTLING ON THE ROOF OF HOMES THEN WASHES INTO RAINWATER TANKS WHICH ARE USED FOR DRINKING WATER CREATING CONTAMINATED WATER.

I BELIEVE THE INCREASED TRAFFIC VOLUME WOULD ALSO HAVE A BENEFIT FOR THE LOCAL KINGSTOWN GENERAL STORE.

THERE HAVE BEEN A NUMBER OF ACCIDENTS OVER THE YEARS ON BENDEMEER ROAD AS WELL. IT ALSO IS THE ACCESS ROUTE TO THE LOCAL WASTE TRANSFER STATION.

SCHOOL BUSES AND TOURISTS TOWING CARAVANS ALSO TRAVEL ON THIS ROAD OFTEN TO COPETON DAM.

I BELIEVE AN UPGRADE OF BENDEMEER ROAD WOULD BENEFIT TRAVELLERS AND LOCAL RESIDENTS, WHICH WOULD HAVE A FLOW ON EFFECT FOR THE ENTIRE COMMUNITY.

REGARDS



From:
To: [Council](#)
Subject: Gravel road upgrades prioritisation
Date: Sunday, 25 July 2021 9:06:08 PM

Dear councillors,

I am writing in regards to your call for nominations for gravel roads to be prioritised for improvement.

I have completed the survey monkey survey, however could not find a section to write my reasons for my choices. I only found out about this survey from a leaflet dropped in my mailbox.

As a vet and a Uralla Shire resident who lives on a dirt road I spend a considerable amount of time on the districts dirt roads. Very often I am driving in the dark, with heavy fog on winding dirt roads with deep corrugations and pot holes, rough edges and loose surfaces.

I am glad to see Gostwyck Road is on the list for improvement. Both Gostwyck and Mihi Roads are on a major tourist route - I pass/follow many tourists driving the back way from Uralla to Dangars Falls or Armidale. The road is very rutted and full of potholes currently, it is dangerous and not a good advertisement for our shire given it is used by so many tourists. Many tourists are not familiar with driving in these conditions, adding to the danger. Adding in the roos and the trees growing very close to the road and it is only a matter of time before a serious accident occurs.

I have been in many dangerous situations where trucks and vehicles have taken blind corners on Mihi and Gostwyck roads too quickly in the dirt and almost lost control when they see me oncoming and they try and correct. We frequently have feed and stock trucks driving these roads to deliver/pick up from our property, and a bitumen road would make it much easier for them to traverse. We are fortunate to have the school bus pick our kids up at the end of our drive way, however there are times when it is difficult for the bus to travel down Linfield and Mihi Roads due to the condition of the roads and I would hate to lose this service due to the condition of the road. During wet weather the kids have to walk through sloppy mud on the road edges to get onto the bus.

Driving around the region, I generally find Hillview Rd and Balala Roads are often among the roughest/more dangerous to drive on. The part of Retreat Rd that has just been tarred is now excellent, it is 100% better than when it was dirt, and would love to see more of our dirt roads improved like this road has been.

Kind regards,

From:
To: [Council](#)
Subject: Road maintenance and possibility of sealing. Attention General manager and engineer.
Date: Thursday, 12 August 2021 10:07:09 PM

Dear General Manager and Shire Engineer.

There has been discussion lately as to what roads that residents would like to have sealed in the future. Virtually all roads that are currently not sealed will not be sealed, in my view, so maintenance of existing unsealed roads is a major priority.

Many gravel shire roads have poor drainage, due to blocked culverts as well as poorly designed or maintained mitre drains. This means that excess water during storm events is causing erosion at critical points on such roads- eg Hillview Rd where I live at Eastlake, - which then leads to more and more maintenance and need for gravel, which then washes away, because the cause of the issue is not addressed in the first place. A good starting point would be to examine such roads after rain events, compile a list of faulty/broken culverts or where maintenance or upgrading of drainage is needed and develop a strategic plan to logically deal with this backlog and possibly apply for funding to ameliorate the issues.

There are now sections on the Hillview Rd that have eroded again due to inadequate drainage- at times this is where a mitre drain has not been properly cleaned past where the grader can go- eg fence, (and the simple use of a shovel could have assisted the problem,) or asking the adjoining land owner for the grader to extend drains past the fence line. I have asked drivers to do this on occasion, which they have, or to make extra drains at critical places. As well I have often cleaned at culverts or extended drains myself to try to stop problems occurring.

I have no doubt that Hillview Rd is not the only road that suffers from this lack of maintenance and foresight and planning to avoid such ongoing issues, that could largely be avoided through due diligence and wise planning and spending of ratepayers money.

I am happy to meet anyone from the shire on my road to show examples my concerns.

Thank you for your consideration of this important matter.

Sincerely,

From:
To: [Council](#)
Subject: Hillview Road erosion/drainage issues- attention GM and engineer.
Date: Friday, 13 August 2021 8:33:03 PM

Dear General Manager and Engineer,

Please find attached some photos of erosion damage on the Hillview Rd, which has substantially been caused by blocked culverts and poor mitre drain cleaning.

These photos relate to the comments I made in a letter earlier this week.

Photo#1- Gravel and silt washed from the roadway, into the culvert/causeway blocking the pipe under the causeway. 500m east of Thunderbolts way.

#2- Causeway showing water pooling on either side of the road as well as running across the road, due to poor drainage towards the causeway. 500m East of Thunderbolts way.

#3- Incompletely cleaned mitre drain resulting in roadside erosion. This occurred after 2 X 20mm rainfall events. 28/29 July 2021. @ 1290 Hillview Rd.

#4- Mitre drain silting up 150m further on from #3, due to excess water not being able to be removed from #3 site, which has then overflowed and starting to erode just past white gum tree. The erosion gutter runs along the road from #3 to #4.

Thank you,

Sincerely,









From:
To: [Council](#)
Subject: Submission for gravel road upgrade
Date: Thursday, 19 August 2021 7:29:06 PM
Attachments: [Uralla Gravel road upgrade.pdf](#)

Please find attached my submission for the upgrade of Hillview Road. Extra local traffic and tourist traffic from Gostwyck Road side has lead to an increase in near misses, mainly people towing caravans. We have also had an increase of motorbike traffic and pushbike traffic.

Rain has deteriorated the condition of the road causing ruts across the entire width of the road and deep ruts on either side of the causeways.

Thankyou for the opportunity to submit our concerns.

Sent from [Mail](#) for Windows

Dear Resident

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Or give one of us a call,

Cr Bob Crouch	Cr Robert Bell	Cr Tara Toomey
0428616885	0434244774	0434408163

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I wish to nominate Hillview Road Road as a priority for upgrading.

Why: Local traffic has increased as well as tourist traffic. Soil type easily degrades road condition with rain. Road not wide enough for caravan + cars to pass.

Name:

Address:

Phone:

Signature:

From:
To: [Council](#)
Subject: Submission for sealed road - Kooda Road, Invergowrie
Date: Wednesday, 21 July 2021 10:23:32 AM
Attachments: [image001.png](#)

To whom it may concern,

I wish to nominate Kooda Road, Invergowrie as a priority for upgrading.

My husband and I currently own and reside in 36 Kooda Road which is at the very end of the road. There are 10 properties on our road which means that at times the traffic can be quite heavy which causes thick dust, which impacts all properties.

My children also ride their bikes to and from the bus stop which is at the intersection of Kooda Road and Kendall Road. I would feel much better knowing that they were able to ride their bike on a sealed road rather than a gravel road each day.

Also, because our property is elevated when we get heavy rain, the water from our driveway flows down on the turning circle of Kooda Road which causes the road to become eroded very quickly. We would definitely seal our driveway if Kooda Road was to be sealed.

Thanks very much for taking the time to consider my submission.

It would be greatly appreciated if our road could be added to the list for upgrading.

Kind regards,

I wish to nominate LENTARA ROAD Road as a priority for upgrading.

Why: *HAZOURDESS POT HOLES, DUST WHEN DRY, SLIPPERY WHEN WET
TARRING WOULD BE CHEAPER THAN ONGOING MAINTENANCE!*

Name:

Address:

Phone:

Signature:

USC

29 JUL 2021

Received

I wish to nominate LENTARA RD (INVERGOWRIE) Road as a priority for upgrading.
Why: INCREASED TRAFFIC/DUST + COUNCIL'S POISONING OF ROAD-SIDE,
(DUST-INHIBITING) VEGETATION. (14 PROPERTIES).

Name:

Address:

Phone:

Signature:

USC

28 JUL 2021

Received

Dear Resident

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I wish to nominate Lentara Road as a priority for upgrading.

Why: Emergency Access, Environmental Impact of pooling water / drainage, Council Services e.g Garbage Trucks.

Name:

Address:

Phone:

Signature:



26 JUL 2021

Received

Dear Resident

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I wish to nominate Mih: Rd Road as a priority for upgrading.

Why: It is a tourist drive as well as a very busy used road for stock trucks + residence. It has some very unsafe areas along this road + it gets very damaged quick because of the poor drainage.

Name: [REDACTED]

Address: [REDACTED]

Phone: [REDACTED]

Signature: [REDACTED]

From:
To: [Council](#)
Subject: Public Exhibition: Gravel road upgrades prioritisation
Date: Monday, 19 July 2021 12:17:37 PM

General Manager, Uralla Shire Council,

We would like to nominate **Munsies Road, Uralla** as a priority for upgrading with your current program for sealing gravel roads in the shire.

We live on Munsies Road and are impacted, along with our neighbours, by dust and noise from frequent traffic utilising this road. A recent Quarry that council approved for use by Mr D Adams has added more large truck activity to our road on top of the regular stock transports and other trucks currently using this road. There is also the New England Solar farm project, currently in progress, that details an access point to the Solar Farm from the end of Munsies Road that will no doubt add more traffic to our road.

We appreciate this opportunity to have Munsies Road added to the priority list and ask that it be seriously considered with urgency.

Regards

From:
To: [Council](#)
Subject: GRAVEL ROADS PRIORITISATION LIST
Date: Friday, 20 August 2021 10:43:16 AM

To Whom It May Concern

We wish to nominate Munsies Road for a proposed upgrade, especially now that Council approved David Adams to remove gravel from a site on his property, using Munsies Road as an exit road.

Kind regards,

From:
To: [Council](#)
Subject: Submission for Council's gravel road upgrades prioritisation list.
Date: Tuesday, 20 July 2021 5:57:17 PM

I would like to put in a Submission to Council for the upgrade of Nelsons Road. Currently, Hawthorne Drive is undergoing major reconstruction to create a Tourist route for our region and a bypass to the New England Highway in the event of an emergency. As Nelsons Road sits between Goodes Road and Hawthorne Drive sealing Nelsons Road would create the sealed link between Thunderbolt's Way and Arding and onto Invergowrie or to the New England Highway along Arding Road. Recently Nelsons Road has had reconstruction due to water issues and the road surface. Sealing Nelsons Road would be a cost-saving in the long term in the gravel road maintenance programs. The sealed section in front of our property was done by Council at a cost to us. Thank you for your attention to this submission

Gravel road upgrade prioritisation

Submission

Dear Councillors @ General Manager.

In the March Council Business Papers (page 428) it is mentioned that a prioritising tool has been developed to give a more objective assessment for the prioritising of roads. This has been introduced to improve on what was described as an ad-hoc approach to road upgrades.

In the Councils online survey, a question is asked for the preferred priority of the candidate roads. How is this an objective method of prioritising roads? Unless a person has knowledge of all the unsealed roads in Uralla Shire, then their opinion can not be objective. What Council is getting is prioritising by popular opinion and that is ad-hoc.

The prioritisation tool that has been created from the RMS assessment tool, is too vague and needs to be more detailed. The seven independent Assessment Criteria,(which I can only find six of), are open to interpretation and interpretation leads to misunderstanding and errors.

The prioritising tool should also include such things as . 1 Sharp bends. 2.Gradients. 3. Types of soil. 4. Gully and creek crossings. 5. Direction of road.(ie: Drivers on roads that run east west, are subject to morning and afternoon sun blinding). I understand that these points could come under the headings in the Assessment Criteria, but it is not made clear that they are, if they are.

The Local Road Projects for Upgrade list, is lacking in it's explanation as to how the roads achieved their rankings. For a road to be given a score, for the sake of transparency ,there needs to be some detail to explain why that road has been given that score and ranking.

When it was mentioned some months ago that Council was putting together a method to work out the priority of unsealed roads, I and other members of RRAG,(Retreat Road Action Group), felt that this was an excellent opportunity for USC to have a complete dossier of all the unsealed roads in the Shire and anyone could easily find where any road sat on the priority list and why it had been given that ranking. It would also make life easier for Councillors and council staff. If there was an inquiry about a road, the person making the inquiry would be easily directed to the priority list to show where the road was listed and why it was ranked there. It would also help people to understand that their issue has been recognised by Council and staff.

As was also explained in the RRAG submission, by having an idea when a road was planned to be upgraded, gave residents time to talk to Council and staff about any planned realignments as well as removal of vegetation so that offset planting could take place.

There is an opportunity for USC to lead the way in setting a standard for a model on road prioritisation.

I would suggest that Council. 1: Consult with the staff who work on the roads and the community who live along those roads.

2: Make sure that the community agree with the priority assessment criteria before it is used.

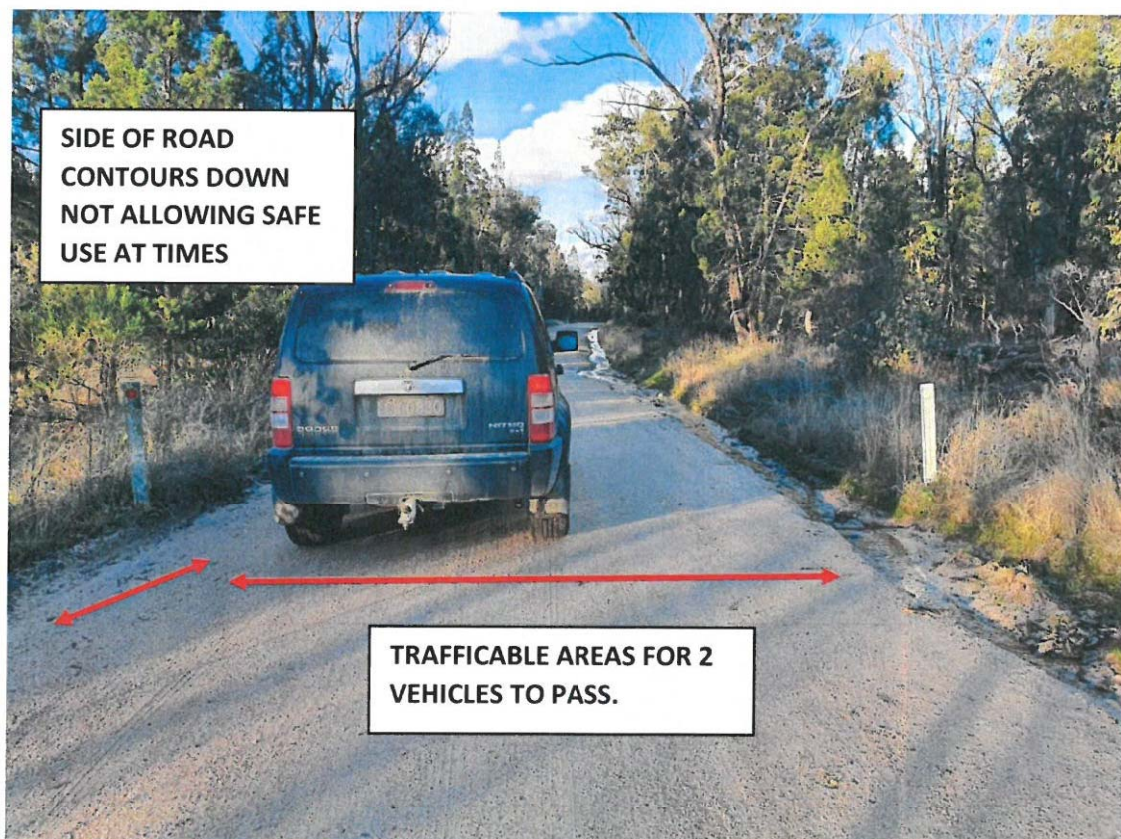
- 3: Make a list of every unsealed road in Uralla Shire
- 4: Video all the roads and explain on the video the issues with that road.
- 5: Do a draft of the rankings of road priorities.
- 6: Have public meetings at various locations in Uralla Shire, displaying the draft report and showing the videos.
- 7: Take a Report to Council.

This may seem like a lot of work, but once it is done, it doesn't need to be done again, unless something significant happens on a particular road. Also considering that roads make up a large part of the Council budget, I feel that it would be well worth the effort.

Regards.

I wish to nominate **Retreat Road** as a priority for upgrading and here are a few reasons as to why. Please see below photos to support these statements.

- The width of the road does not allow the local school bus and small truck (let alone a MR or HR truck to pass) to pass without one of the vehicles moving off to one side of the road.
- The width of the road is questionable in places, in some places under 3m of trafficable road for 2 "lanes" of traffic to pass.
- The last culvert on the road in the Uralla Shire is continuously washed out. Despite the several attempts to rectify the damage caused from continuous water running over the culvert and flooding onto the road, this issue is still ongoing even after additional gravel and blue stone material has been added, the road still washes out leaving great potholes either side of the culvert
- Sealing of this road will reduce local Council's ongoing costs of maintaining the unsurfaced road network, as would sealing any gravel roads, but currently the time taken to travel to the end of the Council jurisdiction on Retreat Road takes approximately 30 - 35minutes. The financial gain to the Council of saving on return travel time of their employees alone would be a minimum of 3hrs per day (given the maintenance crew consists only of grader, roller, and watercart operator) this is 15hrs per week, 30hrs per fortnight. Not to mention the costs savings on the annual road maintenance which can take several weeks on end at times.
- Hoons are forever driving erratically, which is dangerous and would be eliminated somewhat if the road was sealed instead of gravel. I have come across multiple accidents over the time where people have lost control of their vehicle and experienced an accident.










**DAMAGE TO NEWLY GRADED ROAD. WASH
OUT ACROSS ENTIRE ROAD.
Photo taken 1 week after USC maintenance
carried out.**



**ROAD WASHING OUT AGAIN – SAME
AREA AS PREVIOUS PHOTO
Photo taken 1 day after reworks carried
out (1 week after original maintenance.)**



I wish to nominate **Retreat Road** as a priority for upgrading and here are just a few reasons why:

- The amount of near miss accidents along this road is concerning – I, myself have had a near miss of a head on collision due to an oncoming car traveling at speed around a blind corner narrowly missing me.
- The roads are very narrow in places, sometimes not allowing a safe pass without pulling over in the ditch to miss not only the other vehicle, but also guideposts or rough patches which has the potential to throw the car off course.
- Braking capacity is more limited when native fauna is on the roads, increasing the striking rate causing damage to vehicles and/or killing of native fauna such as koalas and kangaroos.
- Eliminating the generation of dust which may result in increased yields for the neighbouring farmers and
- Provide all weather access (including in high rains) to and from our properties to essential services such as food shops, medical centres etc.
- Dust suppression to help those suffering from respiratory related illnesses for the good health of the local community residing along or visiting Retreat Road.



Retreat Road Resident



21 JUL 2021

Received

Dear Resident

Do you want your road sealed?

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0428616885	0434244774	0434408163

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I wish to nominate Reat Retrest Road as a priority for upgrading.

Why: Dust. Accidents. Water run off bad corrugations. Too Many Trucks destroying dirt road.

Name: [REDACTED]

Address: [REDACTED]

Phone: [REDACTED]

Signature: [REDACTED]

Dear Resident

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If you want more information contact Council at 02 67786300

Or give one of us a call,

USC

02 AUG 2021

Received

Cr Bob Crouch Cr Robert Bell Cr Tara Toomey

0428616885 0434244774 0434408163

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I wish to nominate RETREAT Rd Road as a priority for upgrading.

Why: BECAUSE OF THE INCREASED AMOUNT OF TRAFFIC ON A ROAD THAT IS SUB

Name: STANDARD

Address: [REDACTED]

Phone: [REDACTED]

Signature: [REDACTED]

Dear Resident

Do you want your road sealed?

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[Public Exhibition: Gravel road upgrades prioritisation Uralla Shire Council \(nsw.gov.au\)](https://nsw.gov.au/public-exhibition/gravel-road-upgrades-prioritisation-uralla-shire-council)

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I wish to nominate MY ROAD "RETREAT" Road as a priority for upgrading.

Why: IT IS FOREVER BEING DEGRADED BY

WEATHER & TRUCKS AS WELL AS A INCREASE OF

Name: 

Address: 

Phone: 

Signature: 

TRAFFIC.

USC

26 JUL 2021

Received

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I wish to nominate RETREAT ROAD. Road as a priority for upgrading.

Why: BECAUSE WHEN I TRAVEL OVER IT IN THE AMBULANCE.

Name: IT IS VERR ROUGH

Address:

Phone:

Signature:

From: [Robert Bell](#)
To: [Council](#)
Subject: Fwd: Seal my road I can't ride my bike all ways fixing my car to many accidents
Date: Friday, 6 August 2021 8:16:52 AM

Please find attached request for the upgrading of Retreat Road.
Regards
Robert Bell

Sent from my iPad

Begin forwarded message:

From:
Date: 20 July 2021 at 9:07:33 am AEST
To: Robert Bell
Subject: Re: Seal my road I can't ride my bike all ways fixing my car to many accidents

My road is 7.5 km from we're the end of the tar ends to the end of the shire of uralla on retreat road balala nsw ..it is unsealed road and is dangerous when it rains for a while it washes out the road and the crossings as my kids go to school in Kingstown nsw and the road is all so unsealed and in maintained ... I can't ride my motorcycle as I am on a unsealed road and my car is continually getting fixed due to the unsealed and in maintaining of retreat road .

Sent from my iPhone

On 19 Jul 2021, at 11:05 am,
wrote:

Sent from my iPhone

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I wish to nominate RETREAT Rd. Road as a priority for upgrading.

Why: THIS ROAD IS SUPPOSED TO BE A TOURIST DRIVE 90% OF THE YEAR IT IS IN A DANGEROUS CONDITION. UNSAFE FOR CARAVANS.

Name: [REDACTED]


Address: [REDACTED]

Phone: [REDACTED]

Signature: [REDACTED]



I wish to nominate **Retreat Road** as a priority for upgrading and here are a few reasons as why:

- The local school bus which services three local schools (Uralla Central, St Josephs and Kingstown) daily, along with the lack of regular maintenance on such a rough gravel road not only serves at a risk to their general safety including physical harm; resulting from either a collision but also the severe corrugations along the road causing bodily harm (bumped limbs or head on the seats for example) but also the ongoing health concerns related to dust inhalation of the children, in particular for sufferers of asthma which I know travel on this bus.
 - I have previously experienced difficulties travelling to work at Uralla McMaugh Gardens, due to road conditions and flooding following rain events.
 - Retreat Road residents have no waste disposal option unlike majority of other Uralla Shire residents. We are to pay for waste disposal at the Uralla Waste Management Facility, it would be nice to have some form of 'luxury' for residents who currently live along the rough Retreat Road
 - Limited room in areas to safely pass oncoming traffic due to the edges of the road washed out reducing trafficable lanes even further
 - Retreat Road has recently undergone maintenance, 1 week later the USC are back attending to issues along the road and already the next day the road is already delapidating once again
 - The road is dangerous with so many blind corners and rises
- 

22nd July 2021

Uralla Shire Council
C/- Department of Roads & Infrastructure
32 Salisbury Street
Uralla NSW 2358

To Whom it May Concern,

I am drafting this letter with pure desperation, to plea for an upgrade of existing road/laneway located on Rocky River Road, Rocky River. This road is severely damaged and currently unable to access with a smaller vehicle or SUV (only a larger vehicle can access any property on this lane way). This access lane is used by my own property and also three neighbouring properties, in turn means there are several vehicles needing to use this road daily. This is **the only access** to three of the four properties, so the fact this road is unusable, is quite significant! All properties are rate payers and fall well within the Uralla Shire, and atleast two of these properties are business owners. We operate two businesses from our premises and with the road in its current state, clients are unable to access our property. This is a substantial loss for us at the moment.

I am pleading, please consider this request for 292, 294 and 296 Rocky River to, at minimum, have the road regrated or ideally upgraded to bitumen road to ensure the safety, stability and access to the properties.

Kind Regards

Gravel Roads Prioritisation Consultation - Late Submissions

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0428616885 0434244774 0434408163

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I wish to nominate Baker Cr Rd Bundarra Road as a priority for upgrading.

Why: Heavy B Double traffic from Sundown Valley

Name: and consistent washouts from creeks and valleys

Address: from the hills to the west

Phone: Baker Cr Rd Bundarra NSW 2359

Signature: _____

**The Manager,
Uralla Shire Council,
PO Box 106,
URALLA NSW 2358**

Dear Ms Jessep,

RE: GRAVEL ROADS PRIORITISATION LIST

We, the residents of Bakers Lane Kentucky NSW 2354, request that Bakers Lane be placed on the priority list for upgrading to a sealed road.

Bakers Lane is the only road exiting Noalimba Avenue that has more than two residents and is not sealed. The appropriate road works of approximately 600 metres, would improve drainage, reduce maintenance costs and encourage the land owners to maintain the verges in an attractive manner.

[REDACTED] 23 Bakers Lane Kentucky 2354
[REDACTED]

[REDACTED] 30 Bakers Lane Kentucky 2354
[REDACTED]

[REDACTED] 38 Bakers Lane Kentucky 2354
[REDACTED]

[REDACTED] 46 Bakers Lane Kentucky 2354
[REDACTED]

[REDACTED] 49 Bakers Lane Kentucky 2354
[REDACTED]

[REDACTED] 59 Bakers Lane Kentucky 2354
[REDACTED]

Thank you for your attention to this matter.
We await your positive response.
Yours faithfully,

[REDACTED]
On behalf of the Bakers Lane Land Owners.

RETREAT ROAD

FURTHER PROPOSAL AND
SUBMISSION
TO
URALLA SHIRE COUCIL

Compiled by the RETREAT ROAD ACTION GROUP

On 6th September 2021.

We are once again documenting our grave concerns about the state of Retreat Road and now incorporating a request for answers regarding the upkeep and maintenance of the Kingstown Road in the Uralla Shire.

Firstly, we thank the Uralla Shire Council for sealing 2.4 klms of Retreat Road in 2020/21, this has certainly made this one part of the road safer to travel.

Surely this 2.4 klms of road is not the only section of concern to the Shire. It certainly is not for the residents and users of Retreat Road. We refer to our previous proposal which included surveys from residents and users stating vehicle damage, accidents and near misses on many areas of this road.

This first Proposal to the Uralla Shire Council in March 2020 clearly outlines our concerns for the safety of the users of this road. It contained surveys from resident and users and their experiences on this road.

We also refer to a letter to Uralla Shire Council sent on 22nd March 2021 requesting an explanation of the method by which the priority list of road upgrades is obtained. To date, we have not received a satisfactory explanation. Three roads which have been placed above Retreat Road on this priority list are Harriet Gully Road, Corey Road and Old Gostwyck Road which we believe to be no through roads.

Again, we list the many important reasons why Retreat Road should be sealed in its entirety to the Shire Boundary.

First and foremost – Retreat Road is a school bus route travelling twice daily in the school term.

Emergency Services – Fire, Ambulance and Police have been hindered, delayed, slowed down in many call-outs due to the road condition, wildlife – kangaroos, wallabies, deer and pigs – the overgrown vegetation in many areas is a big problem, hindering line of sight which has resulted in many accidents. We need assurance that the road will be maintained in good condition as there is no guarantee that ambulances are sent from the nearest station.

Main roads such as this should be considered a fire break not creating the hazard with overgrown regrowth trees and Coolatai grass.

There is a clear lack of signage along this road – to warn drivers of culverts, bends, wildlife and horse riders

- Retreat Road is a Tourist Road used by many travellers towing caravans, trailers in all seasons.
- Is Retreat Road a designated B-double route? There are certainly many B-doubles and large trucks regularly travelling this road.
 - Where are the signs?
- Retreat Road is used by Livestock carriers and various transport companies – the weight of these vehicles contributes greatly to the demise of the condition of the road.
- With our ageing population, the road and it's hazards are more of a concern – many older people have difficulty addressing incidents such as a flat tyre or collisions with wildlife for example. In general older drivers have a slower response time.
- This past month alone there has been four single car accidents and one near miss.
- The Balala Rural Fire Service has written to Council expressing their concerns – letter is copied and pasted below.

The Retreat Road Action Group – on behalf of all residents and users of this road and including the Kingstown Road to Uralla are once again submitting a request to Uralla Shire Council to reconsider the placement of Retreat Road on the Priority list of road upgrades.

We are again requesting an explanation of the method by which road upgrades are prioritised.

We want Council to address as a matter of urgency the overgrown vegetation, undergrowth and areas of dense Tee trees. This issue has caused accidents and near misses, especially in high wind – i.e. branches falling on or close to vehicles and the aforementioned problem with poor line of sight resulting in accidents with wildlife. We acknowledge that the road is windy and narrow in some areas however the vegetation problem only adds to the unsafe road conditions.

We also want it noted that the pot holes and huge deterioration of the Kingstown Road is causing immense problems for anyone travelling along that road. You are aware of course that the number of Trucks travelling to and from the Solar farm are the cause of the road damage. A friend recently had a very near miss with one of these trucks, had to move further across the road and her tyre exploded when the car hit a pot hole –this was so close to being a tragic accident. This is a documented incident which we are sure you will be made aware of if not already.

At our June meeting we moved a motion," *That we, as a concerned group of residents, seek information from the Office of Local Government as to the procedure in regard to a Boundary Adjustment with Tamworth Regional Council.*" We have commenced investigations into that matter.

There are many residents of the Uralla Shire Council who are frustrated, angry and fed up with the lack of communication and poor management of the Council. Emails and letters remain unanswered, phones not answered, messages not responded to, safety issues are rarely addressed and general day to day business is handled poorly. The governance administration and management of Uralla Shire Council is in a very poor state.

THIS ROAD IS A TICKING TIME BOMB –IT IS ONLY A MATTER OF TIME BEFORE SOMEONE IS KILLED

Thank you for your time and we look forward to a favourable response.



BALALA RURAL FIRE BRIGADE



6th September 2020

Dear Retreat Rd Action Group

On behalf of the Balala Rural Fire Brigade we would like to support your issues raised re the dangers of Retreat Rd. The overhanging branches, particularly those near the Brushgrove Church but in other areas as well, are a hazard for the fire trucks and road users. The condition of the dirt stretch of Retreat Rd is extremely dangerous for emergency response. The corrugations and slippery gravel surface together with the width of the road create a danger to the residents and the fire fighters in case of responding to an emergency. We request that the Shire Councils that maintain this road seriously consider upgrading Retreat Rd before a serious accident occurs.

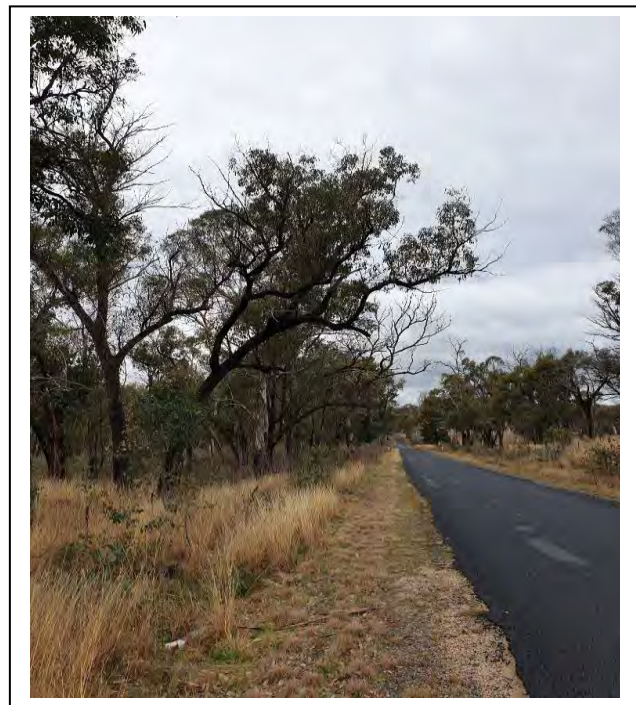
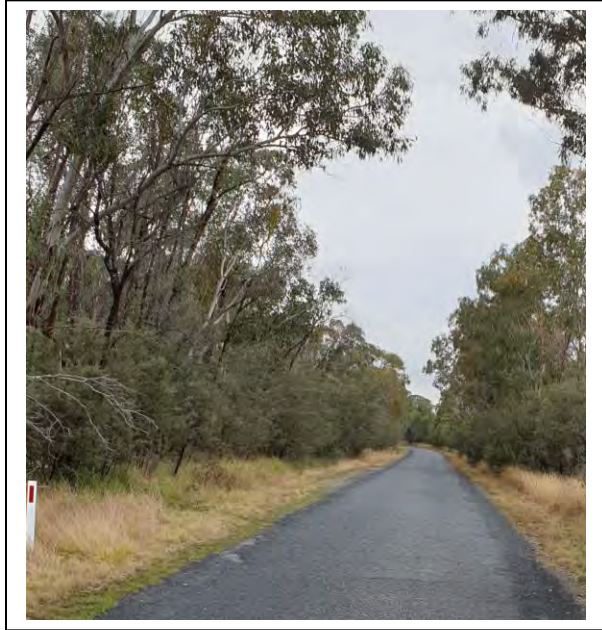
Yours sincerely,

Balala brigade Captain

and

Balala brigade Secretary

PROBLEM TREE AREAS ALONG RETREAT ROAD –
PHOTOS TAKEN 4TH SEPTEMBER 2021



DAMAGE TO VEHICLES AS A RESULT OF THE CONDITION OF RETREAT ROAD- THE
SCHOOL BUS AND A RECENT TYRE BLOW OUT DUE TO THE ROAD DAMAGE



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I wish to nominate Hillview Road as a priority for upgrading.

Why: Dust over homes contaminates the drinking water. To keep costs down just seal adjacent to the few homes on this road, or different gravel here, say river gravel.

Name: Hazel Rohde.

Address:

Phone:

Signature: