



Infrastructure & Asset Management Plan 2017-2026

**Public Consultation Draft – August
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1. Executive Summary

This section is intended to give the reader a snap shot of the key items that are covered by this plan.

The plan covers the following 3 categories of assets:

- Transportation Assets
- Buildings & Structures
- Plant & Equipment

A separate asset management plan has been established and adopted for Councils Community & Wastewater Management System.

1.1 Asset Values

The current replacement costs of the entire stock of each classification of asset listed above are as follows:

• Transportation Assets	\$ 31.0M
• Buildings & Structures	\$ 13.4M
• Plant & Equipment	\$ 3.6M
Total Current Replacement Costs	\$ 48.0M

1.2 Forecast Capital Expenditure on Infrastructure, Property & Equipment for the next 10 Years

The forecast total cost per asset category for the next 10 years in relation to replacing existing assets is:

• Transportation Assets	\$ 2.3M
• Buildings & Structures	\$ 1.0M
• Plant & Equipment	\$ 2.9M
10 Year cost of replacing existing	\$ 6.2M

The forecast total cost per asset category for the next 10 years in relation to building new or upgraded assets is:

• Transportation Assets	\$ 306k
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The \$306k cost constructing new assets of is covered in Councils' Annual Business Plan 2016-17. No other new assets are intended to be constructed or purchased throughout the life of this asset management plan.

2. Introduction

2.1 Background

The requirement to have an asset management plan is outlined in the following extract from the Local Government Act 1999

122—Strategic management plans

(1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—

(a) a long-term financial plan for a period of at least 10 years; and

(b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,

(and these plans will also be taken to form part of the council's strategic management plans).

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.

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

The asset management plan is to be read with the following associated planning documents:

- District Council of Kimba Strategic Plan (currently under review)
- District Council of Kimba Long Term Financial Plan 2017-2017
- District Council of Kimba Annual Business Plan & Annual Budget 2016-17

2.2 The Purpose of Asset Management

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

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers.

The key elements of infrastructure asset management are:

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

2.3 Strategic Goals & Objectives of Council

The District of Kimba is a progressive, innovative and resilient community, predominantly structured around agricultural industry. As such the community and businesses can be impacted by the vagaries of the seasons.

To support the development of the Kimba Township and district, Council has identified five thematic areas to focus its energies and resources on that will assist in supporting business growth and improving services to the community and its visitors.

The themes adopted by Council are complimentary to requirements identified in Section 122 of the Local Government Act 1999 as being integral in the ongoing development of the region and necessary to ensure responsible, efficient and effective services are delivered to the community.

The goals are reflective of current and future issues and pressures facing the district of Kimba:

1. Infrastructure - Quality in construction and maintenance.

Council has an extensive network of sealed and unsealed roads, vital to support the regional economy. A key goal is to ensure road maintenance and build quality is kept to the best of council's ability with available materials and climatic conditions.

Community facilities and buildings are to be maintained and developed to encourage maximum usage and participation.

Increasing the number and quality of walking trails and continuing to improve parks, gardens and sporting facilities for local community and visitors is a key goal.

2. Economy - Dynamic, sustainable, diversified and growing.

Council recognises that a vibrant and prospering business community is a key foundation for a growing community. Developing a business growth strategy inclusive of supporting improved tourism infrastructure development has been recognised and is a goal council has set to achieve.

3. Built & Natural Environment - Enhanced appreciation & management.

Developing partnerships with regional bodies such as the Eyre Peninsula Natural Resources Management Board to assist in developing and protecting the natural environment through joint projects for mutual benefit is important.

Council's diverse natural attractions need infrastructure improvements to maximise the visitor and community experience.

Investigating and implementing storm water capture and re-use opportunities will continue.

Re-vegetation opportunities and planning to 'green' the township will be incorporated into the main street upgrade programs.

4. Community & Culture - Vibrant, cohesive and diverse participation.

Improving community buildings and their patronage with a multitude of community user groups is a priority for council.

Assisting the community to develop a diverse culture of arts, community functions, sporting activities and recognition of culture and heritage is a goal of council.

Diversity of interest and participation by all age groups will build community depth and spirit. Attention to developing a positive youth culture of participation and involvement in the community has been recognised by council with supporting strategies to be actioned.

5. Business Governance - Excellence in leadership and financial management.

Prudential financial management and visionary leadership are goals of council.

Being inclusive with community in decision making, transparent and engaging are traits council wants to be recognised for by the community.

Statutory compliance, relevant policy and sustainable community development are non-negotiable goals of council.

2.4 Asset Management Plan Framework

Key elements of the plan are

- Levels of service
- 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.
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives.
- Asset management improvement plan

2.5 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.

2.6 Importance of accurate asset management data to long term financial sustainability

Financial asset data has two types of use. Firstly it is used to calculate depreciation in the Statement of Comprehensive income (Operating Statement) as well as the fair value of Property, Plant & Equipment in the Statement of Financial Position (Balance Sheet). The second use for financial asset data is to determine how much an asset will cost to replace and which year it is likely to need to be replaced.

In summary the financial statements use the financial data to report current consumption of assets and current values and also use the data from a future perspective when preparing asset management renewal programs.

Depreciation is one of the largest numbers in the operating statement, fair value of Property, Plant & equipment is the largest value in the balance sheet and the capital renewal expenditure (as contained in the asset management capital renewal programs) are the usually the most material cash outflows contained in the Long Term Financial Plan. There is an obvious connection between these items and long term financial sustainability.

If the asset data that underpins the depreciation charge, fair value and the asset renewal expenditure is inaccurate then Council will by default also have an inaccurate assessment of its future likely levels of financial sustainability.

Up to date data is essential as situations change over time, hence the need to update the asset management renewal programs only a timely basis and at least on an annual basis as part of the legislatively required review of the Long Term Financial Plan.

3. Levels of Service

This plan has been prepared on the assumption that current service standards are adequate to meet the expectations of the community. Further to this the LTFP indicates that Council is in a strong financially sustainable position. Accordingly scenario analysis has not been undertaken at this stage to determine the relative increases or decreases in costs associated with providing increased or decreased service ranges and levels.

Future iterations of this plan intend to comprehensively record the range and levels of both operating services as well as asset services. This then provides Council with solid decision making data to analyse the impact of various scenarios on Councils long term financial position where services are increased or decreased should the need arise at a future time.

Service levels will be defined in two terms:

3.1 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?

3.2 Technical Levels of Service

Supporting the community service levels are also technical measures of performance. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

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

4. Future 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.

The view taken in the preparation of this plan as well as the LTFP is that there will be minimal shifts either upwards or downwards in current population levels. Should this change over time then both the AMP & LTFP will need to be updated.

5. 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.

Maintenance includes reactive, planned and specific maintenance work activities.

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

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

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

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.

6. Types of Capital Expenditure. Renewal / Replacement vs New / Upgrade

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.

e.g. Resheeting a road to its previous width & depth.

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.

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.

e.g. Installing a CWMS for the first time

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.

It is possible for capital expenditure to be a combination of renewal as well as upgrade.

e.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless less essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads) cannot be sold and will need to be maintained and eventually replaced.

7. Transportation Assets

7.1 Description

Transportation assets include sealed roads, unsealed roads, footpaths, kerb & guttering and drainage assets. These assets have a total current replacement cost of \$31M.

The Unsealed road network forms a significant portion of the Transport assets category.

7.2 Forecast Capital Expenditure on Councils Transportation Assets:

The following table summarises the annual forecast renewal costs by transportation asset sub class. The estimates are based on Councils current asset data and recently undertaken condition assessments. These will be reviewed on an annual basis as part of the Annual Business Planning process.

The rolling three year average cost has been funded as identified in section 9 of the Long Term Financial Plan.

Year / Sub Category	2018	2019	2020	2021	2022	2023	2024	2025	2026
	'000	'000	'000	'000	'000	'000	'000	'000	'000
Total p.a.	437	217	80	259	445	380	291	141	93
3 year ave	245			361			175		

7.3 Road Hierarchy & Service Standards

The appendix of Councils' unsealed roads policy identifies the specific segments of each road in Councils unsealed roads network fall into the categories that follow:

Category 1: Main

These include only the major roads within the Council area that serve as local arterial roads. These roads can be described as major re-sheeted arterial roads and include freight, social and tourism usage.

Generally constructed to the following standards:

- Formation width 12 metres including side drains
- Sheeted width 10 metres
- Sheeted material thickness 150mm (Ave useful life 35 years)
- Sheeted material – local rubble gridded or crushed
- Sub Base thickness 50mm (Total depth of road = 200mm)
- Sub base and earthworks have an average useful life 210yrs (6 times useful life of sheeting)

Maintain the following standards dependant on seasonal conditions and traffic movements:

- 3-4 grades per year
- Repair surface damage as required
- Drainage cleaned as required
- Signage replaced as required

7. Transportation Assets con't

Category 2: Secondary

These include roads that link to the major arterial roads and sealed road network. Category 2 roads predominantly carry local traffic for both freight and social usage, with sheeted sections along their length.

Generally constructed to the following standards:

- Formation width 10 - 12 metres including side drains
- Sheeted material width 8 metres
- Sheeted material thickness 100mm (Ave useful life 45 years)
- Sheeted material – local rubble gridded or crushed
- Sub Base thickness 50mm (Total depth of road = 150mm)
- Sub base and earthworks have an average useful life 270yrs (6 times useful life of sheeting)

Maintained the following standards dependant on seasonal conditions and traffic movements:

- 2-3 grades per year
- Repair surface damage as required
- Drainage cleaned as required
- Signage replaced as required

Category 3: Tertiary

This category of road has been separated into 2 sub categories.

Category 3A includes roads that provide access to rural residences currently being used. This is consistent with stated objectives included in Councils Strategic Management Plan and are constructed to the following standards

- Carriageway formed to a width of 10 - 12 meters where practical
- Sections of carriageway may be unsheeted dependant on individual use
- Sheeted material width 8 metres
- Sheeted material thickness 50mm (Ave useful life 55 years)
- Sheeted material – local rubble gridded
- Sub Base thickness 50mm (Total depth of road = 100mm)
- Sub base and earthworks have an average useful life 330yrs (6 times useful life of sheeting)

Maintained the following standards dependant on seasonal conditions and traffic movements:

- 1-2 grades per year
- Repair surface blowouts
- Drainage cleaned as required
- Signage replaced as required

Category 3B Include roads that are described as formed natural surface roads with some sections of sheeted material in some areas. There is no intention to re-sheet this category of road. Maintenance will be undertaken on an as needs basis and form part of the operating expenses budget.

7. Transportation Assets con't

Category 4: Property 1

These include roads that are unformed and provide farm gate access, property access and carry only local traffic, predominantly landholders.

Generally constructed to the following standards

- Unformed width 8 - 10 metres
- Minimal drainage

Maintained the following standards dependant on seasonal conditions

- Minimal attention
- 0-1 grades per year

Category 5: Undeveloped

These include remainder of undeveloped road reserves within the district boundary.

This category of road is not maintained by Council.

Buildings & Structures

8.1 Asset Class Description & Value

Buildings include Council owned buildings such as the depot, administration, town hall, health centre, Country Fire Service and staff accommodation. Structures include items such as playground equipment, shelters for picnic areas, seating, fencing and sheds. This class of asset has a current replacement cost of \$13.4M.

8.2 Forecast Capital Expenditure on Buildings & Structures:

A revaluation was undertaken during the 2015-16 year. The data from this revaluation has been used as a starting point for staff to develop an asset renewal work program that reflects the priorities based on need and remaining useful life.

Based on this data an allocation of \$107k p.a. has been funded in the Long Term Financial Plan.

Additional work is scheduled be undertaken to further review the revaluation data as well as to develop and cost an ongoing detailed buildings & structures maintenance program.

9 Plant & Equipment

9.1 Asset Class Description & Value

Plant & Equipment are a significant class of asset and include large pieces of equipment such as graders and tractors as well as the small fleet of Council cars and utilities. The current replacement cost of this class of assets as recorded in the financial statements is \$2.6M.

9.2 Forecast Capital Expenditure on Plant & Equipment:

Council's plant & equipment replacement program has been used to populate the following table. The amounts below have been funded in the relevant year of the Long Term Financial Plan 2018-2026.

Item	2018	2019	2020	2021	2022	2023	2024	2025	2026
	'000	'000	'000	'000	'000	'000	'000	'000	'000
John Deere 770 CH Grader	-	-	-	250	-	-	-	-	-
CAT 120M Grader	-	-	-	-	-	-	-	250	-
Kubota 5470	-	-	-	-	60	-	-	-	-
Water Tanker	-	120	-	-	-	-	-	-	-
Backhoe Loader Caterpillar	-	-	-	-	130	-	-	-	-
Cat DR711 Dozer	-	-	-	-	400	-	-	-	-
Ford Ranger 4x2	-	-	-	-	-	40	-	-	-
Holden Colorado W/Shop	35	-	-	-	-	-	40	-	-
Toyota Hilux	-	-	40	-	-	-	-	-	-
Holden Colorado 4x4	-	-	-	40	-	-	-	-	-
Holden Colorado 4x4	-	-	-	-	40	-	-	-	-
Bravo BT 50	35	-	35	-	40	-	40	-	40
Toyota Camry Atara S	-	-	25	-	-	-	30	-	-
Toyota Prado	-	35	-	-	35	-	-	40	-
Mack Vision	-	-	-	-	-	200	-	-	-
Mack Fleetliner	150	-	-	-	-	-	-	-	-
Komatsu Loader	150	-	-	-	-	-	-	-	-
Isuzu Compactor	-	-	-	-	-	50	-	-	-
Mack Truck (orange)	-	150	-	-	-	-	-	-	-
Road Sweeper	-	-	-	-	-	-	180	-	-
Isuzu Tipper	-	-	-	50	-	-	-	-	50
Skidsteer Loader	-	-	-	-	-	-	-	60	-
Komatsu Forklift	-	-	-	-	-	-	-	30	-
Total Expenditure	370	305	100	340	705	290	290	380	90