ASSET MANAGEMENT PLAN

Southern Mallee District Council Infrastructure 2023

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide transport services for vehicular and pedestrian users through the provision of safe and effective road and footpath networks, Community Wastewater collection networks and effective management of stormwater control and disposal.

The Infrastructure network comprises:

- Road Pavement Assets
- Unsealed and Sealed surfaces
- Kerb and Water table assets
- Pedestrian footpath assets
- Collection Nodes and Pipes
- Pump Stations
- Wastewater Treatment Plan and Lagoon
- Water Reuse Assets
- Stormwater Pits
- Stormwater Drains
- Stormwater Pumping Stations
- Basins

The above infrastructure assets have replacement value estimated at \$88,900,161.

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planned period.

The main service consequences of the Planned Budget are:

- Capacity and reliability of existing pump stations
- Adequate renewal of assets as they reach the end of their useful lives

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population growth
- Climate change and resulting weather events
- Tourism
- Environment
- Changes in regulations, codes and best practice.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the period is estimated as \$31,649,842 or \$3,164,984 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$31,649,742 or \$3,164,974 on average per year as per the Long-Term Financial Plan or Planned Budget. This is 100% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Infrastructure Assets leaves a shortfall of \$0 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.



Forecast Lifecycle Costs and Planned Budgets

Figure Values are indexed by an estimated 3% CPI per year.

We plan to provide Infrastructure services for the following:

- Operation, maintenance, renewal and acquisition of Stormwater, CWMS & Road Network to meet service levels set by Council in annual budgets.
- No Major renewals/acquisitions have been planned beyond the 2023/2024 financial year.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Increased asset capacity
- Increase network assets should there be future demand
- Footpath renewal outside of like for like replacement. It may be necessary to replace existing footpaths
 with crusher dust where they are not deemed critical and due to their condition present risks to Council
 and pedestrian users.

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Maintenance processes and a reliance on reactive maintenance
- Compliance with legislation, codes and best practice on limited resources, particularly availability of adequate materials for unsealed network applications.
- Asset Management Maturity

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

- Ensuring continuous improvement of Council's Asset Management System
- Development of Operational Plans to drive asset management objectives.
- Identifying efficiencies
- Seeking innovative ways to undertake asset renewal

1.7 Asset Management Planning Practices

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate Method was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a medium level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Development of Operational Plans to include and validate levels of service and cyclic maintenance requirements, asset functionality and 'fit for purpose' considerations and inspection regimes
- Engage with the community around expectations and current community satisfaction levels
- Asset Maturity Assessment

2.0 REFERENCES

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- IPWEA, 2014, Practice Note 8 Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, <u>https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8</u>
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management Guidelines
- Southern Mallee District Council 'Strategic Plan 2021 2025'
- Southern Mallee District Council 'Annual Business Plan and Budget'

3.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

Year	Project	Estimate		
2023	Kulkami Road	\$	1,000,000	
2023	Harvey Street		60,000	
2023	Pinnaroo Avenue	\$	140,000	
2023	Adelaide Road	\$	55,000	
2023	Gilbert Avenue	\$	70,552	
2023	Main Street Parilla	\$	20,000	
2023	Pinnaroo CWMS	\$	1,634,432	
2024	Entrance to Viterra Lameroo	\$	100,000	

A.2 – Acquisition Forecast Summary

Table A2 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	2,979,985	0	0
2024	100,000	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Figures within this asset management plan are reviewed annually as part of Council's long term financial plan review process and amended to recognise and changes in service levels, valuations, conditions and/or resources available to provide those services. Below are the anticipated operating costs based on actuals for 2022 financial year.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2023	50,334	0	50,334
2024	54,089	0	54,089
2025	55,712	0	55,712
2026	57,383	0	57,383
2027	59,105	0	59,105
2028	60,878	0	60,878
2029	62,704	0	62,704
2030	64,585	0	64,585
2031	66,523	0	66,523
2032	68,518	0	68,518

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Figures within this asset management plan are reviewed annually as part of Council's long term financial plan review process and amended to recognise and changes in service levels, valuations, conditions and/or resources available to provide those services. Below are the anticipated operating costs based on actuals for 2022 financial year.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	819,292	0	819,292
2024	977,127	0	977,127
2025	1,006,441	0	1,006,441
2026	1,036,634	0	1,036,634
2027	1,067,733	0	1,067,733
2028	1,099,765	0	1,099,765
2029	1,132,758	0	1,132,758
2030	1,166,741	0	1,166,741
2031	1,201,743	0	1,201,743
2032	1,237,795	0	1,237,795

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Replacement of Infrastructure Assets has been based on 2022 actual costs and indexed by 3% CPI rate per year

D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are included here.

Year	Project	Stimate
2023	Road Resheeting	\$ 1,363,000
2024	Road Resheeting	\$ 1,305,000
2024	Road Reseals	\$ 230,000
2025	Road Resheeting	\$ 1,344,150
2025	Road Reseals	\$ 236,900
2025	CWMS Pump Replacements	\$ 30,000
2026	Road Resheeting	\$ 1,384,475
2026	Road Reseals	\$ 244,007
2026	CWMS Pump Replacements	\$ 30,900
2027	Road Resheeting	\$ 1,426,009
2027	Road Reseals	\$ 251,327
2027	CWMS Pump Replacements	\$ 31,827
2028	Road Resheeting	\$ 1,468,789
2028	Road Reseals	\$ 258,867
2028	CWMS Pump Replacements	\$ 32,782
2029	Road Resheeting	\$ 1,512,853
2029	Road Reseals	\$ 266,633
2029	CWMS Pump Replacements	\$ 33,765
2030	Road Resheeting	\$ 1,558,238
2030	Road Reseals	\$ 274,632
2030	CWMS Pump Replacements	\$ 34,778
2031	Road Resheeting	\$ 1,604,985
2031	Road Reseals	\$ 282,871
2031	CWMS Pump Replacements	\$ 35,822
2032	Road Resheeting	\$ 1,653,135
2032	Road Reseals	\$ 291,357
2032	CWMS Pump Replacements	\$ 36,896

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	1,363,000	1,363,000
2024	1,535,000	1,535,000
2025	1,611,050	1,581,050
2026	1,659,382	1,628,481
2027	1,709,163	1,677,335
2028	1,760,438	1,727,656
2029	1,813,251	1,779,485
2030	1,867,649	1,832,870
2031	1,923,678	1,887,856
2032	1,981,388	1,944,492

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

Has been assumed that the infrastructure has reached the end of its useful life upon disposal

E.2 – Disposal Project Summary

All assets disposed have no residual value

E.3 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0

Appendix F Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	2,979,884	50,334	819,292	1,363,000	0	5,212,510
2024	100,000	54,089	977,127	1,535,000	0	2,666,216
2025	0	55,712	1,006,441	1,581,050	0	2,643,203
2026	0	57,383	1,036,634	1,628,481	0	2,722,498
2027	0	59,105	1,067,733	1,677,335	0	2,804,173
2028	0	60,878	1,099,765	1,727,656	0	2,888,299
2029	0	62,704	1,132,758	1,779,485	0	2,974,947
2030	0	64,585	1,166,741	1,832,870	0	3,064,196
2031	0	66,523	1,201,743	1,887,856	0	3,156,122
2032	0	68,518	1,237,795	1,944,492	0	3,250,806

Table F1 – Budget Summary by Lifecycle Activity