WEST WIMMERA SHIRE COUNCIL

DRAFT ASSET MANAGEMENT PLAN 2022-2032

WEST WIMMERA SHIRE COUNCIL

MARCH 2, 2022

Document Control	Asset Management Plan

Document ID :

Rev No	Date	Revision Details	Author	Reviewer	Approver
1.0	10/08/2021	Introductory information and specific commentary added to template.	J Magee	J Griffiths	Director
2.0	13/10/2021	Financial data for renewal included.	J Magee	J Griffiths	Director
3.0	15/02/2022	Modifications after workshop consisting of Director Infrastructure Development and Works, Manager Infrastructure Engineering, Manager Financial Services and Assets GIS Coordinator. Inclusion of links to Council Plan 2021-2025 and other minor modifications.	J Magee	J Griffiths	R Upadhyaya

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 2022-2032 period. The AM Plan will link to a Long-Term Financial Plan which is also reflects the 10-year planning period.

1.2 Asset Description

This plan covers the following infrastructure assets.

The Council asset network comprises:

- Sealed Road Pavements
- Sealed Road Surfaces
- Unsealed Road Pavements
- Kerbing
- Footpaths
- Buildings
- Land Improvements (including parks and playgrounds)
- Fixed Assets (including equipment, furniture, and fittings)
- Plant and Fleet
- Bridges and culverts

The above infrastructure assets have replacement value estimated at $302,107,155 (current at time of adoption of report).

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planning period and to provide renewal at the prescribed intervention level for the 10-year period.

The main service consequences of the Planned Budget are:

- Fund renewal of road, footpath replacement at a minimum of 90% of projected renewal requirement and higher if external funding allows.
- Continue maintenance at similar levels to current.
- Minimisation of new capital works unless significant supporting funding is available.
- Most of the capital spend is directed to renewal of current assets.
- Upgrades will occur generally for category 3 roads with significant heavy traffic as well as challenging terrain and alignment, with a view to improving safety and productivity.
- Upgrades and renewal of buildings will generally occur when external sources of funding are available which Council will provide the required contribution.

1.4 Future Demand

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

- Steady progression and development of the agricultural industry.

- Gradual increase in the freight task.
- Demand for larger trucks at speed requiring upgrading of sealed width for safety and productivity with desirable seal width being 6.2m minimum.
- Limited urban expansion or subdivision.
- Spasmodic but continuing demand from the timber industry
- Slight population decline over time.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Provision of new assets will be limited and sustaining those existing will be the priority. 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, this plan has adopted 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, with the total expenditure and income for the ten-year period being estimated to be $23,702,200 per year. The average capital works per annum for the ten-year period is $7,813,200. while the corresponding figure allocated for renewal is $6,893,200.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period on average per year for renewal is $6,893,200, as per the Long-Term Financial plan or Planned Budget. This is 100% of the cost to sustain the current level of service and restricting the level of over intervention assets to a similar level to what is current status, which is at a reasonable and sustainable standard. The renewal costs for sealed road pavements, sealed road surfaces, unsealed road pavements, kerbing and footpaths is ascertained from the Moloney Management System survey and financial analysis. The confidence level for renewal forecast of these assets is quite reasonable.

Renewal predictions for other assets have less scientific basis and may be identified specifically in the Improvement Plan (see section 8.0). A key initiative of this plan is to improve the data and confidence level for renewal forecasting for buildings as well as bridges and culverts.

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.

West Wimmera Shire Council relies heavily on external grants to help fund renewal of its comparatively large asset base. These will be monitored closely as will the asset condition and forecast after each assessment of the Moloney Management System.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to provide some upgrades which may be deemed as appropriate by some members of the community, or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Upgrade footpaths or roads if incompatible with Road Hierarchy
- Upgrade road widths until time of renewal unless specific safety priority or external funding provided.
- Undertake new construction or major upgrade to buildings without significant external funding.
- Install new kerb and channelling as renewal the priority unless

- Construction and or maintenance of timber cartage roads without support from timber industry.
- Broad scale widening of 3.6m seals to 6.2m or wider.
- Maintain gravel surface on roads in category 6.
- Take on additional services that may be a cost shifting exercise by State or Federal Government, community groups or other organisations.
- Upgrade timber roads without third party financial assistance.

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:

- Large, unprecedented impacts by the timber industry.
- Being impacted by large natural disaster events without support being provided by government for rectification of damage.
- Decline of asset base earlier than predicted life span.
- Loss of external funding for road rehabilitation.
- We will endeavour to manage these risks within available funding by:
- Having agreements in place with timber industry stakeholders to rectify damage caused to roads.
- Ensure that photographic evidence is obtained for all paved and sealed roads to satisfy natural disaster funding criteria.
- Ensure that the annual reseal program is appropriately funded to protect the large pavement asset under the sealed road network.
- Developing capital works programs with emphasis on higher priority roads.
- Having regular asset life and condition assessments done on major assets (three yearly via the Moloney Maintenance Management System).
- Programming maintenance at an appropriate time to minimise overall cost of subsequent works.
- Minimising expenditure on new assets and limiting upgrades with concentration on renewal.
- Continue to lobby for continuation of Roads to Recovery and other external capital funding.
- Ensuring that required renewal allocations are provided during years when financial resources are available.

1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

Annual budget allocations for capital works will be made considering the data provided by the Moloney Asset Management system for the following assets:

- Sealed road pavements
- Reseals
- Unsealed Road pavements
- Kerbing
- Footpaths

- AssetAsyst will continue to be utilised for safety defect inspections and maintenance management on roads, footpaths, and playgrounds. Alternative asset management software will be taken into consideration as part of ongoing improvement considerations, if such a system is seen as financially viable and the implementation and operation requirements are deemed achievable by a small rural Council.
- Plant and fleet replacement budgets will be consistent as far as is practicable to provide certainty for planning practices in the longer term.
- Upgrades and renewal of buildings will occur when external sources of funding are available which Council will provide the required contribution.
- A valuation of buildings will be undertaken in 2023 and every three years thereafter.
- Bridges and major culverts will have a level 2 bridge inspection undertaken in 2023 and every three years thereafter targeting condition, safety and maintenance requirements and valuation.

Assets requiring renewal are identified from a combination of asset register data, community requests, road hierarchy, Road Management Plan inspections and regular cyclical inspections for the various assets.

- The timing of capital renewals is usually based upon on the asset condition recorded in latest survey combined with a physical inspection,
- Alternatively, on-ground staff, supervisors or community feedback may identify areas requiring rectification or renewal.

The Moloney Asset Management System was used to forecast the renewal lifecycle costs for the majority of assets in this AM Plan.

This AM Plan is based on a high level of confidence with respect to the information provided by the Moloney Management System as the same mechanism for performance of the assets has been utilised consistently since 2003. Less confidence is placed in the data for buildings, parks, reserves and playgrounds however their value is drastically smaller than the “roads” portfolio, so this is thought to be of acceptable risk to Council although improvements items are programmed within this plan to improve asset management in those areas.

1.8 Monitoring and Improvement Program

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

- Continue to engage Moloney Asset Management Systems to undertake the 3 yearly asset survey and financial modelling.
- Development of an asset acquisition policy.
- Development of a Resilience Register which includes the type of threats and hazards and the current and future measures that the organisation takes to ensure service delivery resilience.
- Continually monitor the Road Hierarchy with a formal review every four years.
- Update AssetAsyst software to cloud based with unlimited licences to improve efficiency of inspection and data recording.
- Inclusion of bridges and major culvert data onto AssetAsyst.
- Undertake a condition assessment of all buildings.
- Development of a ten-year maintenance and operations forecast.
- Development of a ten-year capital works program for buildings.
- Investigate the use of emerging technology, practices, or equipment to maintain or renew assets or purchase more efficient equipment.
- Implementation of a system to allow photographic evidence to be obtained for all paved and sealed roads to satisfy natural disaster funding criteria.

- Undertake an external valuation of buildings every three years during the 10-year period of this AM plan.
- Place a focus upon the sourcing of additional funding for rehabilitation or replacement of large assets.
- Undertake condition assessment of drainage network to provide renewal information.
- Undertake external assessment and valuation of bridges and major culverts every three years.
- Implement annual formal documented inspection of Council buildings, with a view to improving maintenance practices and renewal information.

1.8 Asset 'Control' and Committees of Management

This plan includes all building, recreation and open space assets where Council has a 'control' of that asset. Where **'control' is defined as: Council has the controlling interest, the final say, in decision making**.

Based on differing arrangements of land ownership and who is the facility manager the matrix below generally describes where council has 'control' (shown clear).

Land and buildings can be owned by either:

- Crown
- Council (i.e., Council holds freehold title to the land)
- Road Reserve (ownership can be either Crown or Council)

If the Crown appoints Council as the Committee of Management (COM) for crown land, Council inherits the responsibility for the management of facilities on that Crown land, and Council then manages the facilities as if they were the owner. This includes situations where Council has entered into agreements with third parties for occupation of all or part of these reserves.

This plan may also address assets where council has an 'interest' in the asset which may place council in some form of risk exposure or maintenance responsibility. This may result from circumstances due to:

- Council land occupied by others
- Facility management and/or maintenance responsibility for buildings on land owned by others
- Some other form of possible exposure to liability

Similarly, if the Crown appoints a local COM for crown land, the local COM inherits the responsibility for the management of facilities on that Crown land, and not Council.

If Council has facilities on Road Reserves, then Council is responsible for the management of these facilities.

At present Council does not have any committees of management appointed via section 65 of the Local Government Act 2020, however the following table gives an outline of who is responsible in the various management scenarios that can exist.

	Asset Owner			
Occupier/ Land Ownership	**Council**	**Section 65 Committee**	**User Committee**	**Private Individual or Single Club or Organisation**
Council	Council	Council appointed S65	Council with agreement in place	Council depending on lease conditions
				Occupier depending on lease conditions

Crown Road Reserve	Council	Council appointed S65	Council with agreement in place	Occupier with lease from council in place
Crown Reserve	Council as DELWP Committee	Council as DELWP Committee Council appointed S65	DELWP Committee of Management	Council if lease/licence holder
				Occupier by lease/licence
Private	Council depending on lease conditions	Private Owner	Private	Private
	Private owner depending on lease conditions			

1.8.1 Assets Not Included in this Plan

The AMP shall not list assets specifically excluded from the plan; however, they would include:

- Non-council assets
- Where Council does not have 'control' of the asset

1.8.2 Relationship to Council Plan 2021-2025, Community Vision, Long Term Financial Plan and Consultation with the Community

The Shaping West Wimmera consultation process was held during June and July 2021. The consultation was undertaken knowing that Community Vision, Council Plan (incorporating the Municipal Public Health and Wellbeing Plan) and Long-Term Financial Plan would be developed and adopted within the following 12-month period. Council has undertaken an extensive engagement process. Council convened a Community Panel by inviting expressions of interest from community members to participate on a citizen Panel to consider the Community Vision, Council Plan (incorporating the Municipal Health and Wellbeing Plan) and Long-Term Financial Plan. The plans below support and feed into this AMP.

Council Plan 2021-2025

The Council Plan 2021-2025 went through the community consultation phase during 2021. The consultation was relevant to the develop of this plan and there are clear links. Key themes of the consultation relating to assets were:

- maintaining and improving the road network was important to the community
- the condition of roads was seen as variable
- attractive and viable town centres are a community focus
- upgrade of community facilities is required
- recreational facilities need to be improved

The following Initiatives from the Council Plan 2021-2025 are directly related to this Asset Management Plan.

1.1.1 Review and improve Council's Asset Management System to manage Council buildings and facilities in accordance with legislative requirements.
1.1.2 Actively support Committees of Management in management of community facilities.
1.1.3 Ensure key infrastructure (Roads & Buildings) is maintained and renewed as required to support our economy, community use and involvement.
1.3.1 Review and improve Council's Asset Management System to manage Council buildings and facilities in accordance with legislative requirements.
1.3.2 Actively support Committees of Management in management of community facilities.
1.3.2 Ensure key infrastructure (Roads & Buildings) is maintained and renewed as required to support our economy, community use and involvement.
1.3.3 Actively assist community groups in applying for funding to upgrade sport and recreation community infrastructure in line with the Municipal Sport and Recreation Strategy.
1.3.4 Continue to extend Council's footpath network in towns and seek funding to develop and extend trails in accordance with Recreational Trails Strategy.
1.4.1 Partner with key stakeholders to complete a study of current and future childcare requirements across the shire and define Council's role in the planning, service development and facility provision requirements.
1.4.7 Secure ongoing, flexible, rural appropriate funding to support Maternal and Child Health and other Early Years initiatives.
1.5.1 Through membership of the Wimmera Regional Library Corporation continue to provide Library services which are relevant and contemporary.
2.4.1 Seek funding and partnership opportunities to implement streetscape plans for Edenhope and Kaniva.
2.4.2 Continue to maintain and expand footpaths and shared paths in town centres.
2.4.5 Complete streetscape master plans for Harrow, Apsley, Serviceton, Dergholm and Goroke.
2.4.6 Actively work to improve the appearance of main streets and town entrances across the shire.
2.5.1 Review the Road Management Plan (RMP) within 12 months of the Council election.
2.5.2 Continue the programmed maintenance of the sealed and unsealed road network in accordance with the RMP and Moloney Report.
2.5.3 Implement the Annual Capital Works program in line with RMP and road network reporting requirements.
2.5.4 Implement Asset Management System to monitor and plan road and asset maintenance and renewal.
2.5.5 Advocate for additional external funding for roads and bridges.
2.5.7 Seek funding to upgrade local roads throughout the shire to support freight routes, heavy vehicles, and high traffic volumes
2.6.4 Advocate for the improvement of roads to meet requirements for road trains.
3.1.7 Advocate to relevant stakeholders to maintain safe infrastructure (i.e., Roads, Furniture, Signage) on public land for recreation (lakes, parks, and natural environments).
4.1.1 Prepare and implement a 10 Year Financial Plan.
4.1.2 Prepare and implement long term Asset Plan.
4.1.3 Provide quarterly financial reports tracking Council performance including Annual Plan performance measures and Capital Works Program.
4.1.5 Maximise income from alternative sources.

Community Vision

To prepare the Community Vision, Council undertook a deliberative engagement process. The learnings of these deliberations have provided the following information which is relevant to the AMP.

Two key deliverables of the Community Vision were:

- improving the road network
- public and community transport

- the vision also received the following feedback from the community:

- the condition of our roads is variable, and in some locations very poor. Our roads should enable the safe and efficient transport of goods and people.
- our community infrastructure needs to be improved so we can attract visitors and better support our community.

"Future directions" identified during the consultation and listed in the Community Vision include:

- safe and sustainable road network supporting businesses, community, and visitors.
- attractive and viable town centres.
- taking advantage of our strengths in farming, business, and tourism to generate employment and share our prosperity.
- sport and recreation facilities that encourage participation in physical activity and add to community life.

Long Term Financial Plan

The purpose of the Financial Plan is to:

- Aid in decision-making for West Wimmera Shire Council's approach to delivering infrastructure and services to the community in a financially sustainable manner.
- Establish a framework for the next 10 years to plan for the achievement of the goals and objectives outlined in the Council Plan.
- To assess and plan for the financial sustainability of Council into the future.

The LTFP objectives include:

- To ensure Council maintains a sound financial position whilst meeting the service needs of the community now and into the future.
- To enable adequate investment in capital works and meet the asset renewal requirements of Council's infrastructure as outlined in asset management planning.
- To meet the financial requirements of the goals, objectives and initiatives outlined in the Council Plan.

The data contained in the LTFP is utilised in this AMP.

Further consultation of Council's Asset Management Plan.

This plan, in its draft form will be advertised for public comment by resolution at a Council meeting. Council, after considering any public submissions, will make any necessary changes that the Council sees as necessary or appropriate before final adoption of the AMP.

Introduction

1.9 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with other West Wimmera Shire Council policy documents as per the following:

- Asset Management Policy
- Asset Management Strategy
- Long Term Financial Plan
- 2021-2025 Council Plan

The infrastructure assets covered by this AM Plan include roads, footpaths, kerbing, drainage, land improvements, bridges, culverts, fixed assets and buildings. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

The infrastructure assets included in this plan have a total replacement value of $302,107,155 as current during the 2021/2022 financial year.

Key stakeholders in the preparation and implementation of this AM Plan are shown in table below.

Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
West Wimmera Shire Council	• Represent needs of community/shareholders, • Allocate resources to meet planning objectives in providing services while managing risks. • Ensure service sustainability.
Director Infrastructure, Development and Works	Provision of structure and final approval of plan before submission to Council.
Manager Infrastructure, Development and Works	Guidance in the development of AMP and reviewing of such plan.
Assets GIS Coordinator	Combining data and information from various asset management and financial sources to develop the AMP.
Director Corporate and Community Services	Oversee that plan aligns with corporate policies.
Chief Financial Officer	Development of Long-Term Financial Plan.

1.10 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers, while providing enough budget to allow renewal of assets to at a sustainable rate. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance.
- Managing the impact of growth through demand management and infrastructure investment.
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service.
- Identifying, assessing and appropriately controlling risks.
- Linking to a Long-Term Financial Plan to ensure required expenditure can be allocated over the period of the plan.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided.
- Risk Management.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service.
- Financial summary – what funds are required to provide the defined services.
- Asset management practices – how we manage provision of the services.
- Monitoring – how the plan will be monitored to ensure objectives are met.
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 1
- ISO 550002

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

2.0 LEVELS OF SERVICE

2.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the West Wimmera Shire Council. Future revisions of the AM Plan will incorporate customer consultation on service levels in accordance with Council's Community Engagement Policy. This will assist the West Wimmera Shire Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Table 3.4 summarises the results from the annual Customer Satisfaction Survey. Results from 2020 and 2021 are provided.

2.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the West Wimmera Shire Council vision, mission, goals and objectives.

Our vision is:

Our West Wimmera community is healthy, thriving, diverse, harmonious, prosperous and self-sustaining, with regional and global connectivity.

Strategic goals have been set by the West Wimmera Shire Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in table below.

Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Goal 1.	Livable and Healthy Community.	The plan provides the data to fund satisfactory renewal of assets is undertaken.
Goal 2.	Diverse and Prosperous Economy.	Enable the Council to scope and provide the capital funds required to sustain the Council and community infrastructure.
Goal 4.	Good Governance.	New and upgrade of assets will sometimes be required, as well as renewal, so provision and planning take into account the content of this plan.

2.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the asset services are outlined in the table below.

Legislative Requirements

Legislation	Requirement
Local Government Act 2020	Section 92 Asset Plan requirements
Local Government Act 2020	Financial Plan
Road Management Act 2004	Requirements for Road Management Plan

Road Management (General) Regulations 2016	Review of Road Management Plan
Transport Act 1983	Transport Requirements
Local Government Act 2020	Community Engagement Requirements
Local Government Act 1989	Provision of appropriate services

2.4 Customer Satisfaction and levels of service

Service levels are defined in three ways, customer satisfaction scores, customer levels of service and technical levels of service.

West Wimmera Council participates in the Annual Customer Satisfaction Survey. This helps the Council to identify:

- What aspects of the service are important to the customer.
- Whether the community see value in what is currently provided.
- The likely trend over-time based on the current budget provision.

Community Satisfaction Survey Results

Customer Values	Customer Satisfaction Score (2020 survey)	Customer Satisfaction Score (2021 survey)	Average for small rural Councils 2021
Overall performance of Council	63	60	60
Appearance of public places	78	78	75
Waste Management	69	71	68
Local Streets and footpaths	68	66	58
Sealed Local Roads	55	54	53
Slashing and weed control on roads	57	53	49
Unsealed Roads	50	46	44

2.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Condition How good is the service? What is the condition or quality of the service?

Function Is it suitable for its intended purpose? Is it the right service?

Capacity/Use Is the service over or under used? Do we need more or less of these assets?

It is Council's intention to specify levels of service for each asset category via individual asset management plans. This will be an improvement action nominated within this AMP.

Currently the Council relies upon the Annual Community Satisfaction Survey as well as direct consultation with the community by Councilors' and staff for feedback from the community.

The number of customer requests from the Civica Customer Request Management Module are also monitored. The results for the 2020/21 financial year are:

Urban Road Maintenance 23

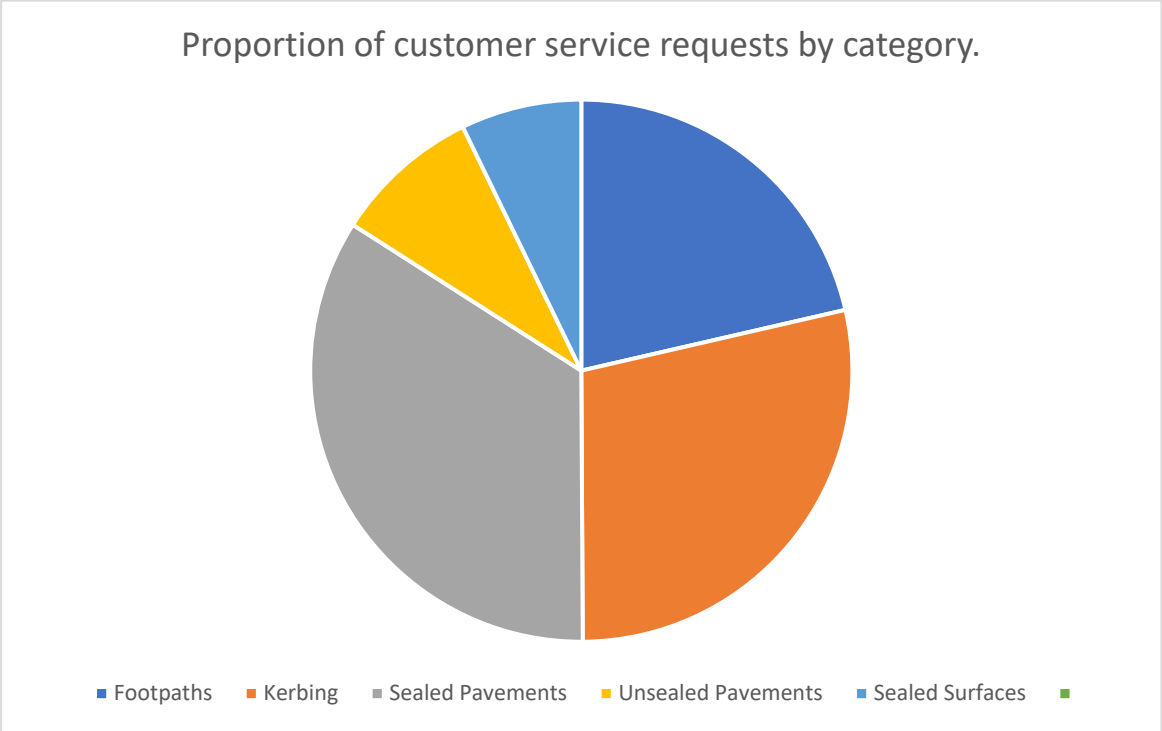
Sealed Road maintenance 34

Sealed Road Emergency 28

Rural Unsealed Road Maintenance 82

Building Maintenance 2

Footpath Maintenance 22



2.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition or upgrade** – the activities to provide a 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).
- **Operation** – the regular activities to provide services.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (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 provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

The table below shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition or upgrade	Road widening. Renewal projects may be modified to include improvement. (See note below table).	Upgrade of seal width.	Where safety and/or traffic increase triggers upgrade with finance available, or where upgrade of Priority Routes recommended by Regional Transport Strategy.	Upgrade to 6.2m seal.
	Upgrade to gravel from unsealed surface.	Change in hierarchy or use of road.	Earth formation.	Gravel pavement of 100mm depth.
	Footpaths.	Extension of, upgrade or new footpath.	Council recognises the importance of footpaths within. townships. Currently endeavor to provide capital allocation each year for new or upgraded paths as financial constraints allow.	Continue to commit to improving connectivity and standard of footpaths within available resources.
	Kerb and channel.		Focus is on replacement of kerbing nearing intervention level	New kerbing may be built in to an urban construction or upgrade project or where specific drainage benefits result.
	Recreation or open space assets.	Safety requirement or external funding support.	Upgrade for safety reasons as required however generally opportunistic as funding support becomes available.	Continue to seek external funding and have strategies in place with shovel ready projects that have had community consultation.
	New building or upgrade/renovation.	As specified	Where safety or service level change occurs.	To standard approved by Council. External funding sought on most occasions.

[3] IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Upgrade to seal from gravel surface.	Change in hierarchy or use of road.	Unsealed but paved surface.	Seal to appropriate width with approval by Council.
Operation and maintenance	Sealed Roads	Potholes	>400mm diameter and 75mm deep	Rectify within one month
		Edge breaks	5m long and >300mm wide	Rectify within three months
	Unsealed Roads	Potholes	>500mm diameter and 75mm deep	Rectify within two months
		Corrugations	*>100mm deep over 50m*	Rectify within two months
		Depression, wheel rut, shoving, scouring >150mm deep over 1.2m traverse or 3m longitudinal	>150mm deep over 1.2m traverse or 3m longitudinal	Rectify within two months
	All roads	Dead animals	On road or trafficable portion of shoulder	Rectify within 72hours
		Fallen trees/limbs in traffic lane.	If presenting a danger to traffic.	Rectify within 72hours.
		Guideposts.	2 in a row missing on outside of curve or more than 20% missing at critical location.	Rectify within 2 months.
		Ponding of water.	>200mm deep in trafficable area.	Rectify within 72hours.
		Other obstructions, materials or spills.	If presenting a danger and in trafficable lane.	Rectify within 72hours.
		Culverts.	Blocked with water over road or showing structural distortion.	Rectify within 2 months.
		Vegetation.	Trees, shrubs, or grass obscuring regulatory or warning signs.	Rectify within 3 months.
		Line marking.	Not visible at critical location.	Rectify within 2 months.
		Safety barrier.	Detached or damaged making substantially ineffective.	Rectify within 2 months.
		Depression, wheel rut, shoving, scouring.	>150mm deep over 1.2m traverse or 3m longitudinal.	Rectify within 2 months.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		Edge drop-off.	100mm deep.	Rectify within two months.
		Warning or regulatory signs.	Faded or illegible.	Rectify within two months.
	Playgrounds.	Inspection for safety requirements.	Regular maintenance inspections recorded via AssetAsyst and annual external inspection.	To satisfy safety standards where practicable.
	Buildings.	Inspection for maintenance and safety requirements.	Fire safety inspections annually.	Annual maintenance inspections recorded in AssetAsyst. Rectification according to resource availability.
Renewal	Gravel Road resheeting.	Gravel pavement.	Resheeting required when condition reaches intervention level 5. Specific site inspection during wet weather will override a condition level as safety or special traffic requirements may take precedence.	Typically apply gravel resheet layer of 100mm thickness. Heavy traffic or specific site conditions may prompt a thicker layer, while in some instances a layer of less than 100mm may be deemed satisfactory. For example, where reasonable depth of pavement is in place, but quality is poor, a 50mm layer of higher quality material may be utilised.
	Sealed Roads	Pavement	Rehabilitation and overlay if condition reaches intervention level of 7.0 (6.9 for link and collector roads) however early intervention at 6.0 preferred if financial resources allow.	Rip and recompact existing, apply gravel overlay minimum 100mm.
	Sealed Road Shoulders	Gravel shoulder	Resheeting required when condition reaches intervention level of 5. Specific site inspection may be required to ascertain specific onsite conditions and safety requirements and may take precedence to condition rating.	Apply gravel resheet layer 100mm thick or as otherwise deemed appropriate when site conditions are considered.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Sealed surface	Bitumen chip seal	Reseal required when condition reaches intervention level of condition rating 7.0 (6.5 for link and collector roads).	Apply 7, 10 or 14mm reseal
	Kerb and channel	Concrete	Replacement if condition level reaches intervention level of 7.5.	Replace with appropriate standard kerb profile.
	Footpaths	Concrete or pavers	Replacement required if condition reaches intervention level of 6.0.	Reconstruct with minimum 100mm reinforced concrete
	Playgrounds	Replacement of item.	Renewal as per safety requirements if justified by usage. Consider removal only if minimal usage.	Continue current practice but develop strategies for improved play space areas and have shovel ready projects when external funding available to promote earlier renewal.
	Buildings	Renew aspects for safety or preservation of building.	Renewal for safety reasons or building preservation as required however generally opportunistic as funding support becomes available.	Continue to seek external funding and have strategies in place with shovel ready projects.
Disposal	If assets are no longer required or their cost cannot be justified.	Applies to the following assets: -roads -footpaths -buildings -land and land improvements -Parks and open space -plant and equipment -bridges -drainage	Assets identified by responsible officers with report to Council and decision by Council	Disposal in accordance with Council's Asset Disposal Policy

Note: Renewal projects may be modified to include improvement. Safety concerns, a focus to reduce ongoing maintenance costs, an endeavor to cater for more efficient freight transport and external funding are facilitators that may prompt a section of asset with a condition rating less than the intervention, being rehabilitated and widened as part of an improvement project.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

3.0 FUTURE DEMAND

3.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

3.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

3.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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 can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in the table below. Further opportunities will be developed in future revisions of this AM Plan.

Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population.	Declining at gradual rate.	Continuation of gradual decline.	Little if any change as minimum service levels often apply anyway.	Continue to monitor to see if service level can be reduced or assets can be disposed of.
Greater freight task with increasing number and size of trucks.	Increasing safety requirement to widen narrow sealed roads.	Trend to continue.	Greater demand for better quality freight routes.	Reconstruct priority roads to upgraded standard including greater width at renewal time while seeking external funding support.
Securing of employment and retention for professional staff.	Ongoing difficulties. Availability of child care an issue.	No change.	Greater degree of difficulty in provision of some services and probable increase in unit cost.	Upskilling of local employees and utilisation of shared services if available. Utilisation of remote work by professionals. Support of child care initiatives.
Aging population.	Percentage of aged has increased.	Continued increase likely.	Greater demand for aged care and general care services.	Lobby for increased support for aged care from State and Federal Government.
Production of grain and hay.	Increasing with acreage and efficiencies.	Efficiency will drive further production increase.	Impact on integrity of roads and perception of decreased safety.	Reconstruct priority roads to upgraded standard including greater width at renewal time while seeking external funding support.
Timber production.	Spasmodic but substantial transport of timber product in southern portion of shire.	Trend will continue.	Can have significant deterioration on specific local roads over a relatively short haulage period.	Having agreements in place with timber industry stakeholders to rectify damage caused to roads or up-

				grade prior to commencement. Also, discussions and agreement on most appropriate haulage route important.
Gravel supply	Decline in availability and quality of local sources	Trend to continue	Increased unit costs as material from further afield is sourced.	External gravel sources have been imported in recent years and unit rates for renewal and upgrade have been adjusted. Stabilisation of local material with addition of product to increase its performance can be undertaken where cost effective.
Freight	Increase in number of axles allows more freight per trip	Trend to continue with longer, larger vehicles becoming more common.	Impact on integrity of roads and perception of decreased safety.	Reconstruct priority roads to upgraded standard including width at renewal time, while seeking external funding.
Age of assets	Major assets including roads, drainage and footpaths increasing in age.	Trend to continue in medium term.	Predicted to be an increasing renewal demand over time.	Obtain regular condition assessments at least every three years and examine modelling to see if additional budgets are required to reach renewal requirement.
Early failure of some assets	Not uncommon for sections of road and other assets.	Trend to continue	Predicted to be an increasing renewal demand over time.	Obtain regular condition assessments at least every three years and examine modelling to see if additional budgets are required to reach renewal requirement.

3.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the West Wimmera Shire to ongoing operations, maintenance and renewal 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, maintenance and renewal costs for inclusion in the long-term financial plan.

3.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[4]

[4] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Flash flooding	Increased frequency and intensity of storms.	Damage to assets	Where assets are severely damaged after storm event, take opportunity to reconstruct to more resilient standard. Additional maintenance or cleaning may be required.
Drought	Increased frequency and severity	Less water sources for roadworks increasing cost and decreasing effectiveness. More maintenance may be required.	Maintain and upgrade current bores and construct additional bores. Lobby for extension of pipelines into WWSC. Increase unit rates for maintenance and construction.
Impact on works staff	Greater difficulty maintaining productivity and efficiency in summer months due to high temperatures	Reduction in amount or quality of maintenance.	Provide more mechanised equipment with less reliance for personnel on the ground. Greater capital allocation potentially required in plant replacement.
Fire risk	Harsher and longer fire season.	Damage to assets or unable to access certain areas during high-risk times to perform works.	Undertake works in sensitive fire risk areas outside of the fire season where practicable.
Storm Intensity	More extreme weather events.	Inundation of buildings.	Improve stormwater system is maintained. Upgrade may be required.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained.
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The following table summarises some asset climate change resilience opportunities.

Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact on these assets?	Build Resilience in New Works
Bridges and culverts	Greater capacity required	Design additional capacity where required at renewal or after damage from a natural disaster.
Floodways	Potential for more damage during events.	More resilient design at renewal or after damage during storm or flood event.
Buildings	Fire damage risk	Upgrade design standards.
	Increased energy use.	Additional insulation and design focus on energy sustainability. Install solar panels or improve insulation.
	Increased demand for water and restriction on supply.	Installation of water tanks and dual supply considered for all new developments, renovations, and renewals. Water sensitive design utilised for new works.
	Greater demand for power and hence increases to operational costs.	Solar hot water and photo voltaic panels considered for all new developments, renovations, and renewals.
Plant	There may be a need to purchase plant with less reliance on labour where personnel are exposed to extreme weather.	Utilisation of Jet patcher or similar equipment for bitumen maintenance to be considered.
Unsealed roads	Greater maintenance and renewal requirement if greater occurrence of extreme weather.	Use of better-quality materials or utilising stabilisation additives to enhance longevity.
Sealed roads	Greater drainage requirements.	Design additional drainage capacity at renewal.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

4.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the West Wimmera Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

4.1 Background Data

4.1.1 Physical parameters

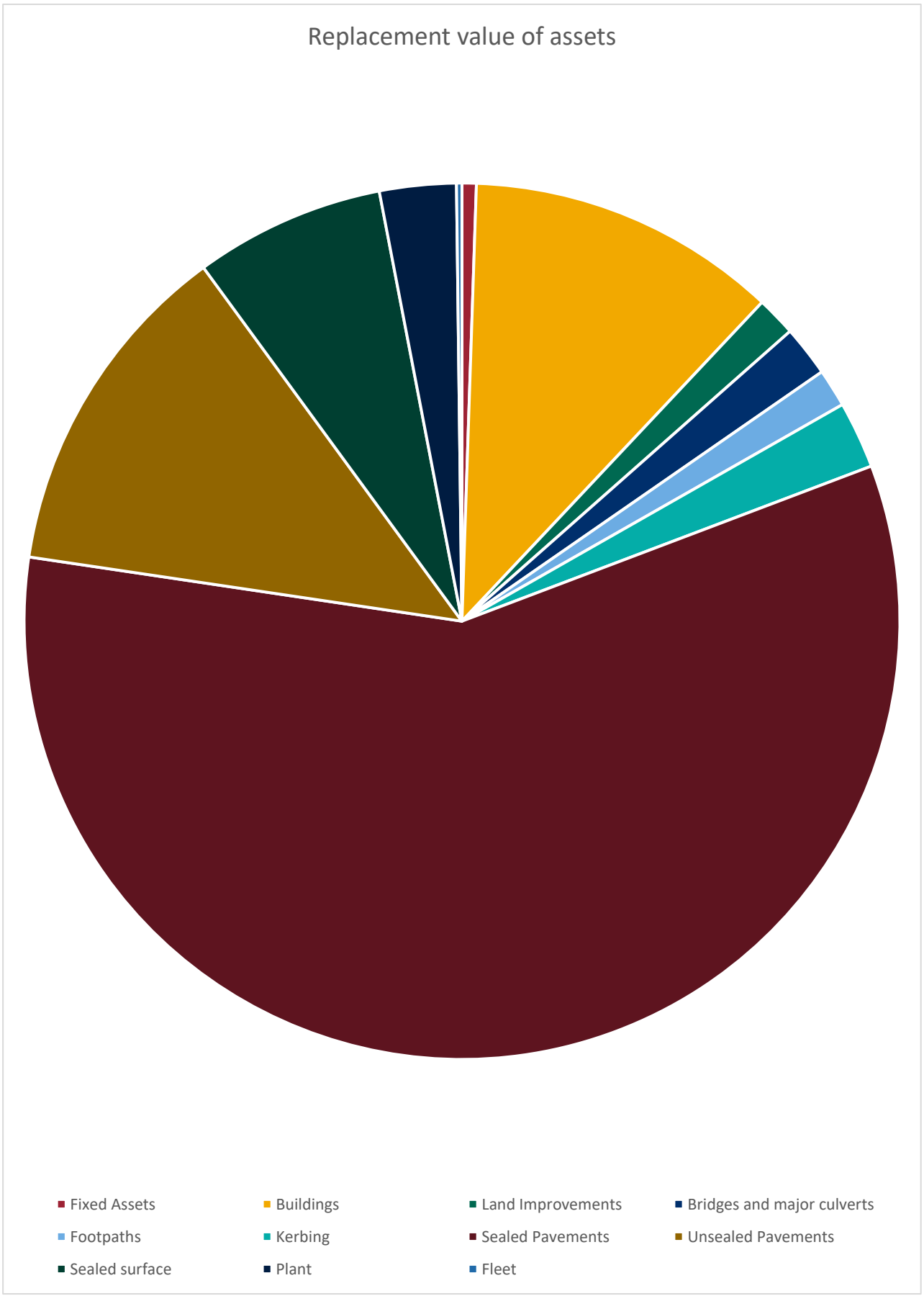
The assets covered by this AM Plan are shown in Table 4.1.1.

- Fixed Assets
- Buildings
- Land Improvements
- Bridges and culverts
- Footpath
- Kerbing
- Sealed Pavements
- Unsealed pavements
- Sealed Surface
- Plant
- Fleet

Table 4.1.1: Assets covered by this Plan

Asset Category	Description	Replacement Value
Fixed Assets (Furniture and equipment)	Various equipment, furniture, and fittings.	$1,596,666
Buildings	Various Council-owned or controlled buildings.	$34,724,911
Land Improvements	Playgrounds, bores, streetscape, transfer stations, amenities.	$4,424,825
Bridges and culverts	Bridges and major culverts.	$5,661,248
Footpath	36,908m2	$4,247,641
Kerbing	48,108m	$7,471,906
Sealed Pavements	4,822754 m2	$175,533,922
Unsealed pavements	6,309,469 m2	$38,080,625
Sealed Surface	4,032,002 m2	$21,222,024
Plant	Heavy plant and equipment	$8,543,155
Fleet	Sedans, SUVs	$600,232
TOTAL		**$302,107,155**

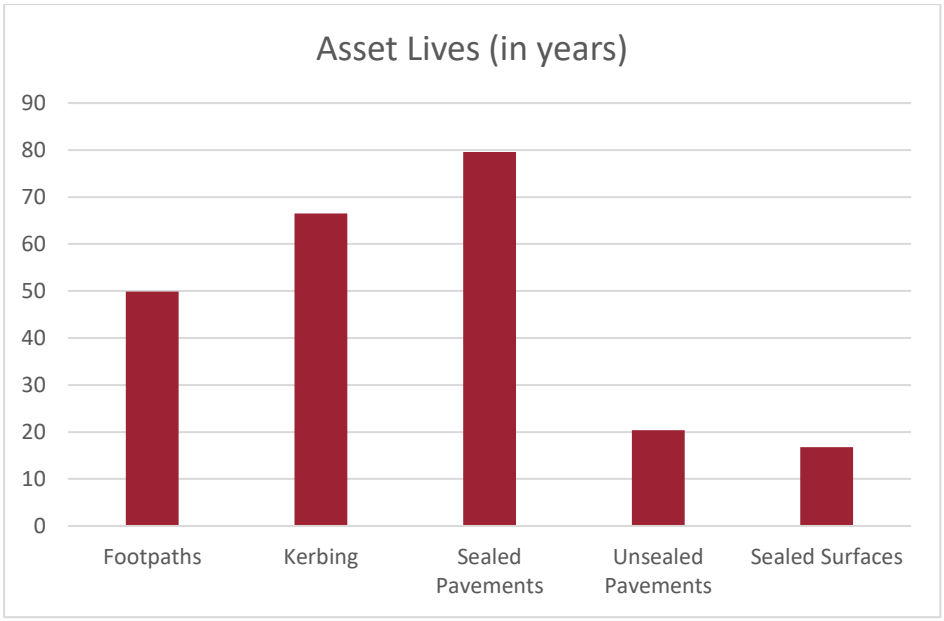
All figure values are shown in current day dollars and current at the time of adoption of this plan. (Figures will change as an assessment is undertaken annually with adjusted figures adopted).


Replacement value of assets
Fixed Assets
Buildings
Land Improvements
Bridges and major culverts
Footpaths
Kerbing
Sealed Pavements
Unsealed Pavements
Sealed surface
Plant
Fleet

Age Profile.

Asset lives have been adopted for the following assets:

Asset	Age profile
Footpaths	49.9yrs
Kerbing	66.5yrs
Sealed Pavements	79.6yrs
Unsealed Pavements	20.4yrs
Sealed surfaces	16.8yrs



Road and footpath assets make up 82% by valuation of the total asset portfolio of West Wimmera Council. As such the asset life and original construction dates and current condition are very important factors which determine the renewal requirements into the future. A peak in construction of road assets occurred in the 1960's which indicates a lot of renewal may be required in the next 20 years.

West Wimmera Council uses the Moloney Asset Management System to financially model the renewal requirements based on current condition and utilising a degradation curve. The software provides a recommended renewal funding profile that will deliver the cost to maintain assets at a certain condition.

4.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 4.1.2.

Table 4.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Unsealed roads with sandstone gravel surface.	Pavement may have sufficient depth but be of poor quality, being problematic in sustained wet weather and requiring additional maintenance which may be beyond resources. Resheeting with higher quality alternative material may be solution but subject to budgetary restraints as additional cost is incurred.
Sealed roads with 3.6m width.	Ideally should be wider where traffic or safety requirements are a trigger, high number of heavy vehicles or where there are horizontal or vertical alignment challenges. The priorities for widening for safety or heavy vehicle productivity are listed in the Wimmera Southern Mallee Transport Strategy. These will be updated as specific conditions or situations arise.
Reconstruction of sealed roads	As Councils biggest renewal requirement falls in this sector, external funding to supplement this area is required for Council to approach its renewal target. Sufficient external funding is currently available however if it is reduced or withdrawn Council will be deficient in this area.
Knowledge of asset condition of drainage assets	Minimal knowledge of asset condition. Condition assessment required as part of improvement plan.

4.1.3 Asset condition

Condition is currently monitored using the Moloney Management System for the footpaths, kerbing, sealed pavements, unsealed pavements and sealed surfaces.

The purpose of condition surveys of the assets is to evaluate the condition and performance of the asset.

Assets are condition rated on a scheduled frequency based on the risk of failure of the asset and the rate of deterioration. Each AMP will specify the:

- Asset.
- Survey name.

- Survey frequency which may vary across the asset hierarchy.
- The criteria to be evaluated and scored.
- Responsibility for undertaking the survey.
- Dates of any previous surveys completed.

It is important that suitably experienced personnel undertake inspections and surveys to ensure consistency in surveys. Induction and training are provided prior to commencing any inspections and surveys.

4.1.4 Condition Rating

Asset condition is rated on a 0 (good) to 10 (poor) system as per below via the Moloney Asset Management System. This rating method is applied to sealed road pavements, sealed road surfaces, unsealed road pavements, kerbing and footpaths.

Rating	Description	
0 = GOOD	New	New or an asset recently rehabilitated back to new condition.
1	Near new	Near new no visible signs of deterioration often based upon the time since construction rather than observed condition decline.
2	Excellent	Excellent. Very slight condition decline obvious, no longer in new condition.
3	Very good	Very good early stages of deterioration minor no serviceability problems.
4	Good	Good some obvious deterioration evident slightly impaired serviceability.
5	Fair	Fair obvious deterioration some serviceability loss.
6	Fair to poor	Fair to poor. Quite obvious deterioration serviceability would be affected and rising maintenance cost.
7	Poor.	Poor severe deterioration serviceability limited high maintenance cost
8	Very poor.	Very poor serviceability heavily impacted. Very high maintenance cost needed to be rehabilitated.
9	Extremely poor	Extremely poor severe serviceability problems needing rehabilitation immediately. Could also be a risk to remain in service
10 = POOR	Failed.	Failed no longer serviceable and should not remain in service extreme risk

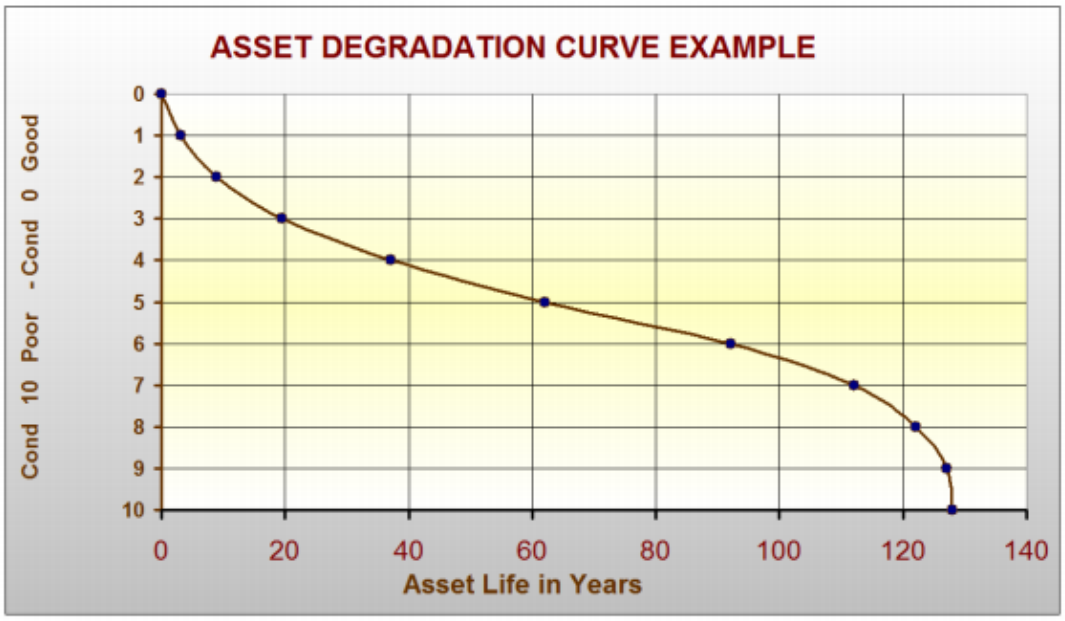
4.1.5 Deterioration Curves

Deterioration curves provide a plot of the condition of the asset against the age of the asset and are best developed from the results of the condition survey. The curve demonstrates the assets performance as it ages.

Asset degradation or performance curves, unique to the district, can be developed once two or more consistent condition surveys have been undertaken. This is done in the Moloney system by examining all assets within a given condition rating following the first survey and determining which have degraded by the time of the second and or subsequent surveys.

The condition change between surveys is used to predict the annual statistical probability of an asset degrading from one asset condition to the next. In turn this equates to an expected average life within each condition rating. The degradation curves serve two very important functions. Firstly they are used within the financial modelling section of the Moloney system to predict future asset condition movement and financial demand. Secondly they should form the basis of the justification for the selection of depreciation or service life cycles within the accounting system.

The term Degradation Curve comes from a particular format that the degradation data can be presented in. Figure B 1 below is a graphical representation of one of the pavement groups to be modelled and shows how an average asset within the group would perform. In this case it commences at year zero in condition zero at the top left side of the graph and progresses to reach condition 10 after 128 - years.



Degradation curves were produced for West Wimmera Shire by analysing the change in asset condition over up to six condition surveys between 2003 and 2020.

The degradation curves are specific for sealed pavements, sealed surfaces, unsealed pavements, kerbs and footpaths can be viewed in the 2020 Moloney Asset Management System report.

4.1.6 Asset Useful Lives & Intervention Level & Basis for Adopting Useful Lives

Useful Life: The period over which a depreciable asset is expected to be used.

Intervention Level: The Intervention Level is that point in time the assets are at the end of their useful life. I.e., the condition of the asset no longer meets the agreed level of service and requires renewal or replacement.

The deterioration graph may be used to estimate the Useful Life of the asset. Based on Council's adopted condition intervention level the corresponding age will be the Useful Life.

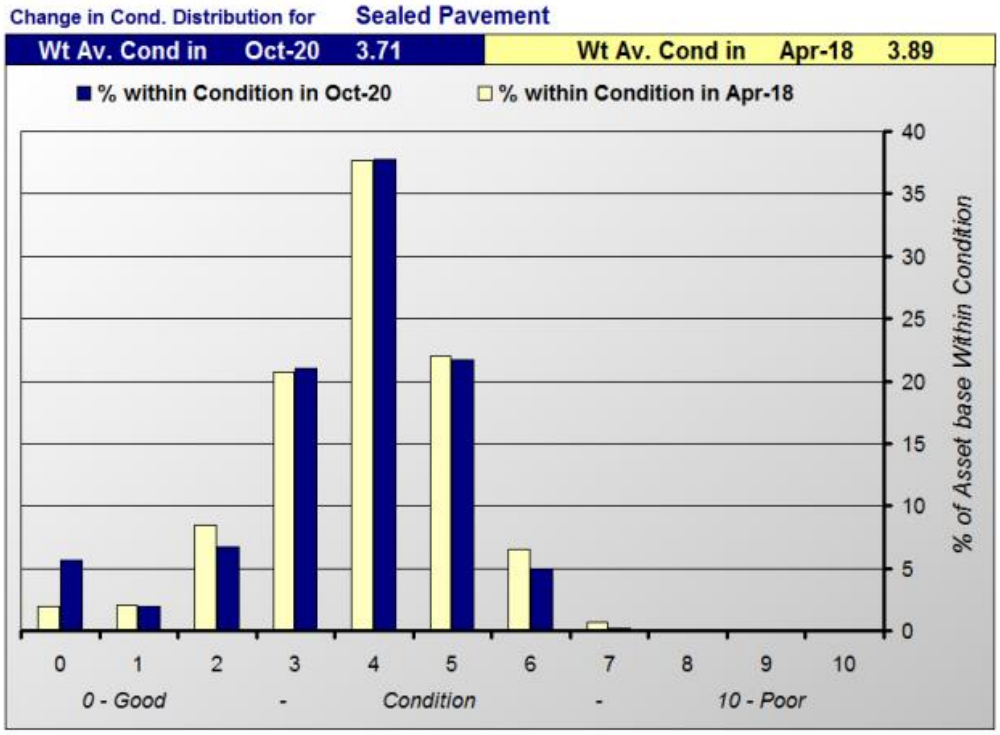
Intervention levels should be derived from current levels of service.

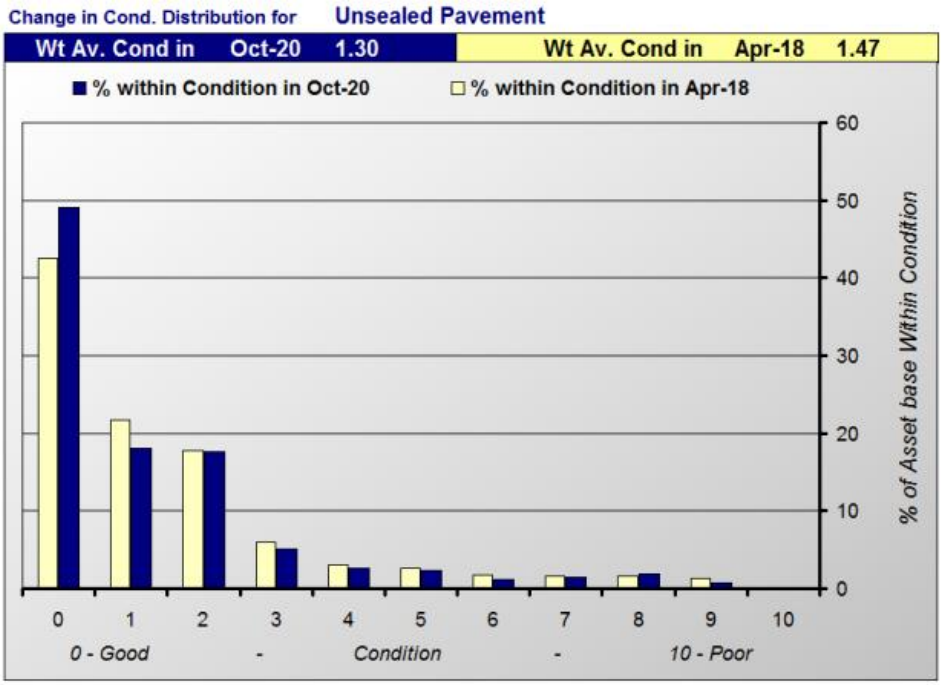
The AMP will detail the Intervention Level and Useful Life and the basis by which each has been adopted. The asset lives are reviewed annually and are detailed in the Valuations Justification Report.

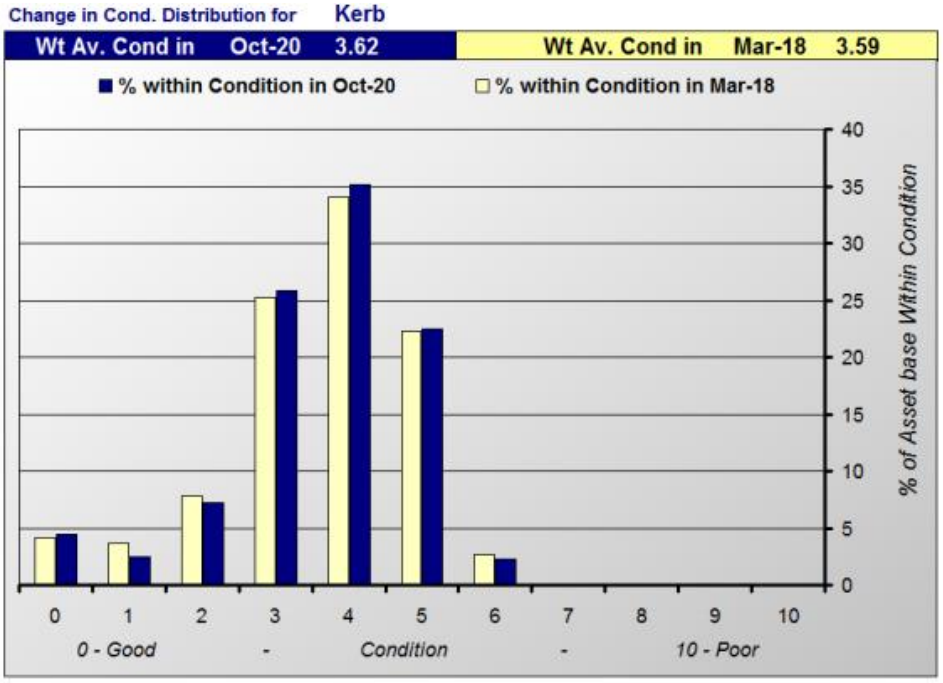
4.1.7 Asset Condition

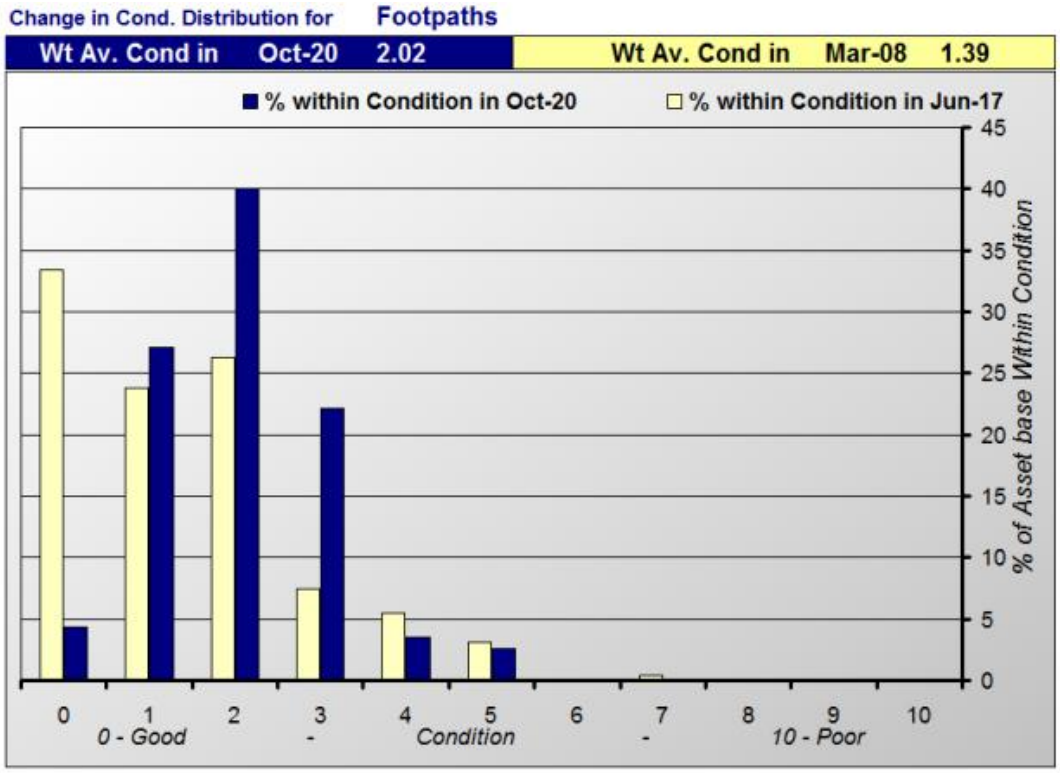
The condition profile of West Wimmera Shire major assets is shown below. (The graphs show the condition distribution for the various assets and has a comparison for the last two inspections being in 2018 and 2020)

Asset Condition Profiles




Change in Cond. Distribution for Unsealed Pavement
Wt Av. Cond in Oct-20 1.30
Wt Av. Cond in Apr-18 1.47
% within Condition in Oct-20
% within Condition in Apr-18
60
50
40
30
20
10
0
% of Asset base Within Condition
0 1 2 3 4 5 6 7 8 9 10
0 - Good - Condition - 10 - Poor


Change in Cond. Distribution for Kerb
Wt Av. Cond in Oct-20 3.62
Wt Av. Cond in Mar-18 3.59
% within Condition in Oct-20
% within Condition in Mar-18
40
35
30
25
20
15
10
5
0
% of Asset base Within Condition
0 1 2 3 4 5 6 7 8 9 10
0 - Good - Condition - 10 - Poor



4.2 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 is used for service planning and delivery.

In determining both the standard of road construction and maintenance, as well as the road design standard, it is useful to have in place a hierarchy for the major assets. This is certainly the case with roads in West Wimmera Shire. Standards of road construction and maintenance can then be assigned to the various hierarchy categories. Also, frequencies of inspection as detailed in the Road Management Plan are specific to the hierarchy.

Hierarchies exist for roads, kerbing and footpaths.

Road Hierarchy

Council has developed the following road hierarchy system for its road network:

- Highways – State Highways managed by Department of Transport.
- Arterial Roads – Declared arterial roads managed by Department of Transport.
- Link Roads – category 3
- Collector Roads – category 4
- Access-Dwelling Roads – category 5A
- Access-Property Roads – category 5B
- Minor Roads – category 6A
- Minor Roads (not maintained) – category 6B

Link Roads; Category 3

Provide a link between highways, main roads, suburbs, or access to major tourist facilities, industrial centres, commercial areas and housing areas. Definition: A link road between townships and major rural communities and the arterial road network. Generally have traffic volumes in excess of 60 vehicles per day. Provide major access routes for heavy vehicles. These are sealed roads.

Collector Roads; Category 4

Provide connection between higher class roads, or access to major public facilities, smaller commercial centres, minor tourist facilities and industrial centres. Definition: A road that links communities to arterial roads and local link roads. These are both sealed and unsealed

Access-Dwelling Roads; Category 5a

These roads serve as primary all weather access to at least one dwelling.

Definition: Serve at least one occupied dwelling and link individual houses to higher classification roads, generally have traffic volumes less than 30 vehicles per day. Most of these roads are unsealed with a small percentage being sealed.

Access-Property Roads; Category 5b.

These roads serve as all-weather access to rural, commercial, or industrial properties. Definition: Serve as access to non-residential properties only and link those non-residential properties to higher classification roads, they generally have average traffic volumes of less than 30 vehicles per day and have imported pavement material placed upon them.

Minor Roads; Category 6A

Provide dry weather access to rural, commercial or industrial properties.Definition: Serve as access to non-residential properties only and link those non-residential properties to higher classification roads, they generally have average traffic volumes of less than 10 vehicles per day and generally have no imported pavement material placed upon them.

Minor Roads (not maintained); Category 6B

Category 6B Roads are not proactively maintained by Council. These roads may be on Council's Road Register. They are unconstructed roads.

Definition: Unconstructed roads within a road reserve which are not proactively maintained by council.

Footpath Hierarchy

Council has developed the following footpath and kerb and channel hierarchy system.

High Usage Areas; Category 1:

- Locations within 100m of commercial areas.
- Locations within 100m of schools and links to commercial areas.
- Links between commercial areas, schools and other high-use areas which may include recreational areas, child care facilities or Early Learning Centres.

Medium Usage Areas; Category 2:

- All other areas where footpaths are constructed.

4.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, 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 considered to be an acquisition or upgrade resulting in additional future operations and maintenance costs.

4.4 Renewal/Replacement Plan

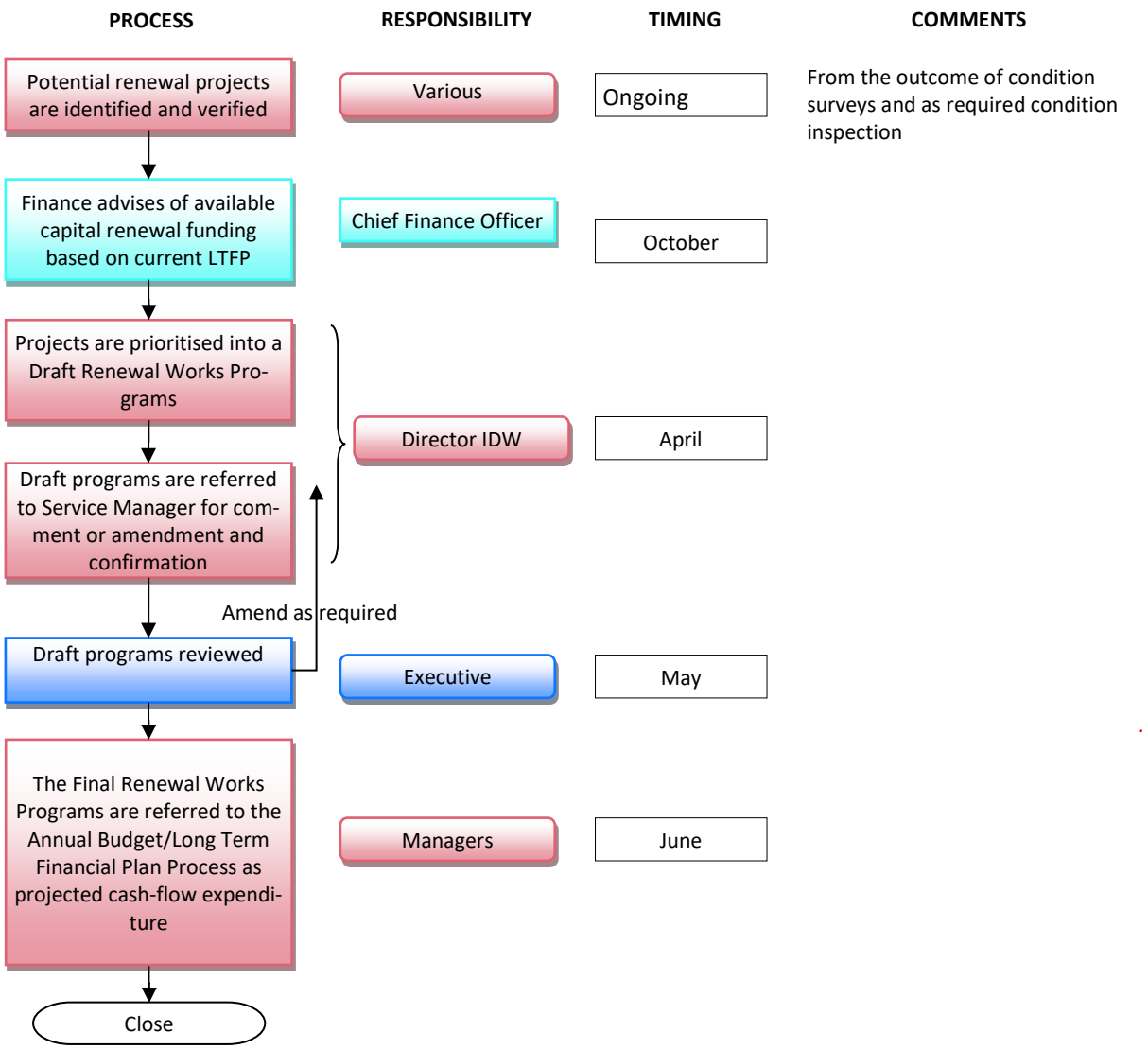
Renewal: Major work which does not increase the assets design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Work over and above restoring an asset to original capacity is new works expenditure.

This section addresses how renewal projects are:

- Are identified and planned for,
- The standards which apply, and
- Establishing the basis for determining future renewal costs.

4.4.1 Renewal Planning Process

Council's process for identifying and undertaking renewal works is shown below:



4.4.2 Renewal Capital Works Program

The Renewal Works Programs are developed from the condition ratings, age, or priority rankings.

4.4.3 Renewal Priority Ranking

All renewal works programs are developed based on either of the following.

Typically, the methodology may be based on:

- 'Sorting' by a certain number of criteria. E.g., condition then by hierarchy, etc., or
- 'Weighting' where a range of criteria are each scored against pre-set values, allocated a relative %. The ranking is determined by the sum of the criteria scores multiplied by the weighting %.

4.4.4 Treatment Options

Various treatments will be considered for each renewal. Particular attention is given to the possible use of low-cost treatments and utilisation of existing pavements where practicable.

4.4.5 Renewal Modelling and Renewal Rates

To estimate renewal expenditure over the medium- and long-term Council utilises the:

- Moloney Renewal Modeling Software (for road, footpath and kerb and channel infrastructure).

The model requires the following input data:

Input Data	Source
Intervention level	Section 5.1.6
Useful life	Section 5.1.1
Condition rating distribution	Asset Register
Annual renewal expenditure	Annual budget/LTFP
Annual maintenance expenditure	Annual budget
Asset quantity	Asset register
Renewal rates for road, footpath and kerb and channel infrastructure.	Moloney Management System
Deterioration graph profile for road, footpath and kerb and channel infrastructure.	Moloney Management System

Within each Asset Group Council, based on its asset hierarchy, determines which assets shall be modelled, considering:

- Differences in performance (asset life)
- Differences in renewal rates
- Materiality/total valuation

This AMP shall document the asset sets that are modelled and the basis for the renewal rate used. Typically, for budgeting on a year-to-year basis, the renewal rate shall be derived from actual costs incurred by Council in previous years with adjustments for inflation and specific parameters of each individual job where required.

4.4.5.1 Renewal Demand and the Renewal Gap

The Moloney Asset Management System model can forecast the Renewal Demand and the Renewal Gap, where:

Renewal Demand: The predicted renewal funding required to meet the prescribed standards.

Renewal Gap: The shortfall in renewal funding. The difference between the predicted Renewal Demand and the actual/available funding.

The model produces graphs including:

a) The annual renewal demand and gap for the asset group
b) The annual renewal demand and gap for each asset set within the asset group
c) The cumulative renewal gap over time
d) The % of assets that are forecast to exceed the nominated intervention level over time

The renewal gap provides an indicator of the scale of the funding problem.

The Moloney Model is based estimates of the 'average' performance of assets and produces a high-level forecast of renewal costs. It is useful as a tool for directly creating works programs, but individual assets will perform differently into the future. All works programs shall be subject to verification on the ground.

Currently, the Council utilises Moloney Asset Management System for the prediction modelling of road, footpath and kerb and channel infrastructure. There is a limitation in data for other infrastructure like buildings, recreation and open space facilities.

4.4.5.2 Renewal Funding Solution

The funding required to address the renewal gap forecast is referred to the Long-Term Financial Plan for consideration. Should the available funding be less than the required funding a renewal funding solution must be developed.

The Model may then be used to test 'what-if' scenarios based on changing the funding scenario and predicting the percentage of assets that will exceed intervention. The Moloney Management System is utilised for this purpose.

The manager of the asset shall assess the possible consequences resulting from any underfunding of renewal. These consequences may relate to:

- Risk,
- Customer satisfaction,
- Increased maintenance costs.
- Compounding of the required renewal amount in later years.

It is noted that the renewal gap forecasts will only substantially change because of a new condition survey.

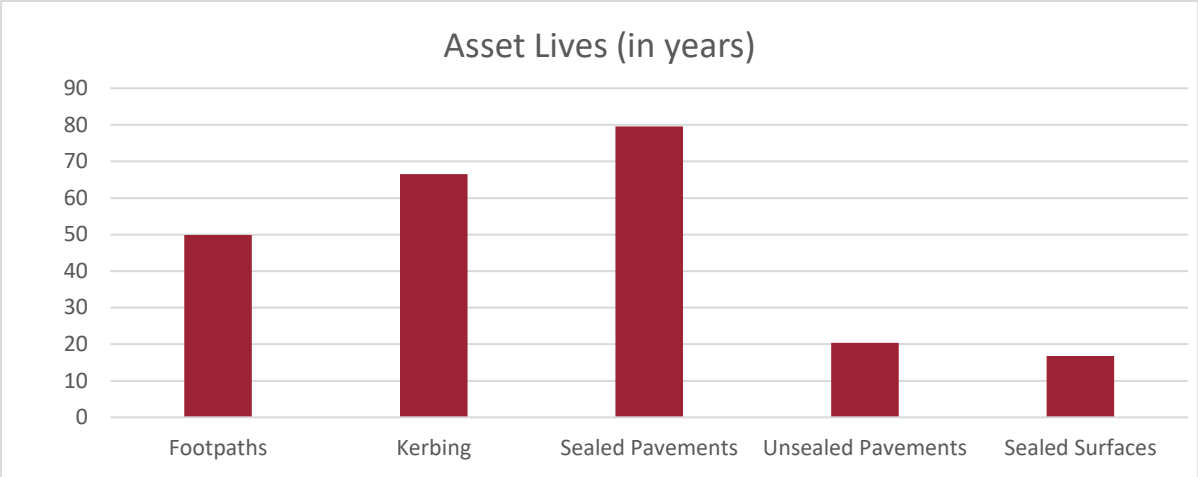
Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Moloney Asset Management System data to project the renewal costs (current replacement cost) and renewal timing. This applies to the assets Sealed Surfaces, Sealed Road pavements, Unsealed Road Pavements, Footpaths and Kerbs.
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e., condition modelling system, staff judgement, average network renewals, or other). This is applied to assets not listed for the first method. Sometimes a combination of the two approaches can be used.

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in the table below. The asset lives were last reviewed in 2020.

Useful Lives of Assets

Asset (Sub)Category	Useful life
Footpaths	49.9yrs
Kerbing	66.5yrs
Sealed Pavements	79.6yrs
Unsealed Pavements	20.4yrs
Sealed Surfaces	16.8yrs



The estimates for renewals in this AM Plan were based on the Moloney Management System for Sealed Surfaces, Sealed Road pavements, Unsealed Road Pavements, Footpaths and Kerbs.

4.4.6 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g., replacing a bridge that has a 5-t load limit with a similar capacity bridge), or;
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a playground).[5]

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure.
- Have high use and subsequent impact on users would be significant.
- Have higher than expected operational or maintenance costs.
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[6]

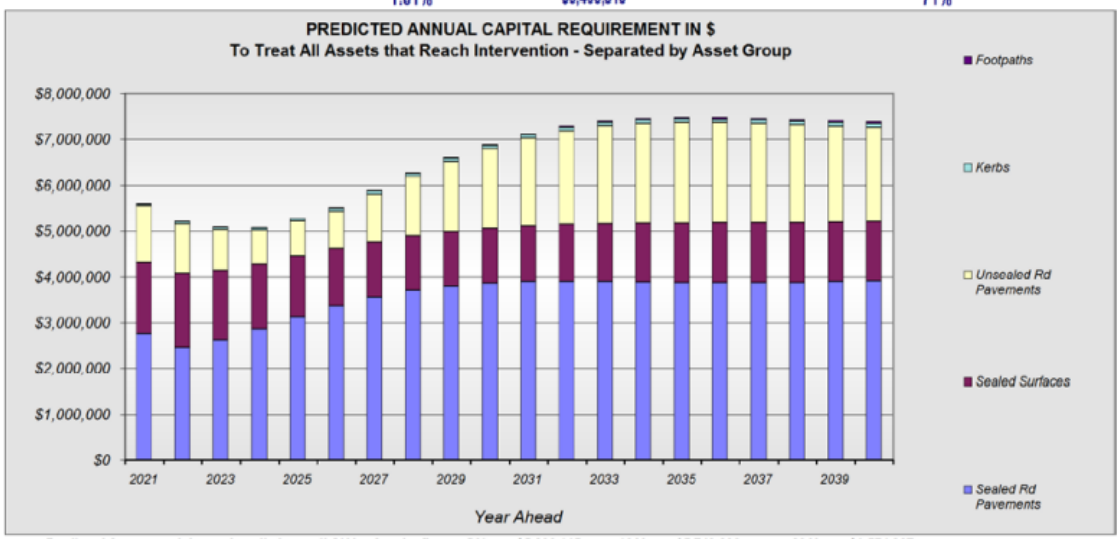
4.5 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in the chart below. A detailed summary of the forecast renewal costs is shown in Appendix D.

[5] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[6] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Graph AA 2 **All Asset Groups**

Present % of OIA's	Present Value OIA's	Present level of OIA's as % of 1-years Annual Liability
1.81%	$5,400,810	71%



Predicted Av. renewal demand to eliminate all OIA's after the first 5 Years $5,260,115 10 Years $5,749,809 20 Years $6,574,287

Graph AA 1 **All Asset Groups**

Present % of OIA's	Present Value OIA's	Present level of OIA's as % of 1-years Annual Liability
1.81%	$5,400,623	70%

Graphs in today's dollars with no indexation. Formulated October 2020.

All figure values are shown in current day dollars.

	A	B	C	D	E	F	G	H	I
Sub Asset Description	Average renewal expenditure since the time of last survey	Average Planned renewal expenditure for the next 5 Years	Average Annual Liability (Based upon modelling lives and valuations) (AL)	Annual Depreciation based on Accounting valuations and lives (AD)	Average Capital Renewal Demand for next 5-years to eliminate all over intervention assets	Year of Condition Inspection	Recommended Commencing Year 1 funding level with no annual compounding increase for 10 years	Planned renewal expenditure (Column B) as a % of the Annual Liability	Recommended Funding level (Column G) as a % of the Annual Liability Rate
Sealed Pavements	$2,263,780	$2,300,000	$4,234,466	$2,427,078	$2,765,000	2020	$2,605,000	54%	62%
Sealed Surfaces	$1,493,441	$1,500,000	$1,263,864	$1,644,714	$1,485,000	2020	$1,195,000	119%	95%
Unsealed Pavements	$1,096,250	$1,200,000	$1,991,279	$1,904,031	$946,000	2020	$1,235,000	60%	62%
Kerbs	$51,000	$50,000	$77,874	$109,203	$47,000	2020	$49,000	64%	63%
Footpaths	$37,000	$50,000	$56,788	$85,046	$15,000	2020	$16,000	88%	28%
Totals	$4,941,471	$5,100,000	$7,624,271	$6,170,072	$5,243,000		$5,100,000	67%	67%
C - B Estimated Annual Consumption Rate		$2,682,800							

The Moloney financial modelling was used to deliver the table above which provides the recommended funding levels for the asset prescribed. The funding amounts are listed in column G.

A description of the content of each of the columns of the table is given below:

A - This is the planned upgrade or new asset expenditure. You may or may not have this data, but it is often very important to consider and perhaps re-allocate some of this expenditure to the renewal program if you are under funding the renewals in Column B

B - The planned average renewal expenditure over the next 5 years. Note also that Column H provides your planned expenditure expressed as a percentage of the annual liability rate in Column C.

C - "Average annual liability" is the average annual renewal expenditure needed over the long term in order to maintain your asset base. The figure is similar to the accounting term "Annual Depreciation", but is calculated in a different way by directly linking it to the unit renewal rates and life cycles as used within the financial model. It can differ quite markedly from "Annual depreciation" because of the requirement for annual depreciation to comply with Australian and international accounting standards, which promote the delivery a tax deductible figure for "Annual depreciation", often with little regard to what your actual future annual liability is.

D - "Annual Depreciation" - This is similar to C above, but is designed to deliver a figure that a business can claim as a tax deduction rather than providing an estimate of your ongoing liability to maintain the capital value of your assets.

E - "Average capital renewal demand over the first 5 years". This figure comes from the Moloney "Predicted Capital Requirement" model. It is the estimated renewal expenditure necessary to eliminate all over intervention assets within five years. The average figure over the first 5 years is used because in some cases where early renew demand is high the model eases in the demand over a 5 year period. In all cases if this average figure was allocated then the model predicts that all over intervention assets would be eliminated after 5 years.

F - This is a record of the year that the condition data was collected. It may vary between the asset sets if not all inspected at the same time.

G - The year one recommended commencing funding level. This comes from the Moloney funding scenario finder and mostly aims at a total commencing expenditure that is the same or close to your current expenditure in column B. Note that within the title row there may be an annual compounding future percentage increase that is used to bring down the year one expenditure to more closely match your current total expenditure.

If the current renewal funding level is very low there may be a recommendation to lift the year one spend to a level above the planned total spend in column B. This would be done to avoid excessively high annual compounding percentage increases.

For West Wimmera it was found that the total planned renewal expenditure of $5,100,000 pa was at an appropriate total level for the next 10 years. This assumes that the total funding level will be lifted in line with CPI increases as appropriate.

H + I - Two useful comparisons figures relating to the percentage of the annual liability rate being met by the planned renewal expenditure in Column B and the recommended in column G.

4.6 Acquisition Plan

Acquisition assets are new assets that did not previously exist or function at the required level. They may require upgrading or improving an existing asset beyond its existing capacity. This may be caused by growth, demand, social or environmental needs. Upgrade may also occur by an increase in design standards or to improve safety.

The predominant reason for upgrade of road assets within West Wimmera Shire would occur to improve safety, particularly in the category of sealed roads where the seal width is 3.7m. Having a wider seal has demonstrated safety benefits particularly with high traffic or heavy vehicle counts or a combination of the two. Undulating or winding road alignments can also prompt upgrade for safety and productivity reasons.

Assets may also be donated to the West Wimmera Shire. West Wimmera Shire would only take on an asset that was deemed to be in reasonable condition, that was in the community interest, and at acceptable immediate and ongoing cost to Council. A policy for the acquisition of assets could be considered for development by Council and will be included in the improvement plan.

4.6.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Changing standards, government or safety requirements could be the trigger for the improvement works. Potential upgrade and new works should be reviewed to verify that they are essential to the entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

Outside of plant, fixed assets and fleet, new assets are only occasionally acquired at WWSC. Plant and fleet items are generally replaced at the end of their practical life or at an opportune time to maximise return from sale of trade in.

Restricted urban development means that subdivision or new estates are not required, although some industrial estate development has been undertaken in the past ten years. There are no current plans for industrial development in the next 10 years.

New assets in the road area are rare but generally upgrades for safety reasons are undertaken each year and are generally achieved at renewal time. External funding in part is often sought for these upgrades.

Upgrade of road assets however is relatively common with widening of narrow sealed roads at renewal time quite common particularly for category 3 roads.

Where community requests for upgrading footpaths or in particular new footpath assets are requested, Council may consider requesting a contribution from residents via a special charge scheme or another shared arrangement. Council may also choose to allocate 100% of the funding.

For building assets, new or upgraded assets are generally only supported where there is external funding in collaboration with a Council contribution. Whole of life costs and alternative solutions such as multi use of existing facilities are to be considered and encouraged.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in the figure below and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Acquisition (Constructed) Summary

	NOTES	Forecast Actual 2020/21 $'000	Budget 2021/22 $'000	2022/23 $'000	Projections 2023/24 $'000	2024/25 $'000
New Asset Expenditure		418	467	99	100	102

All figure values are shown in current day dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

4.7 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 4.7. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Disposal of assets will be undertaken in accordance with Council's "Asset Disposal Policy".

Table 4.7: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
Roach St, Kaniva, Water Tower	Redundant and safety concerns	2021	$50,000 (demolition and removal of debris)	$1000
Charam Hall, Charam	Surplus to Council needs	2022	$4000 (legal costs)	$3000

5.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[7].

An assessment of risks[8] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

5.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 5.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 5.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Road network	Deterioration leading to safety concerns and lack of productivity.	Loss of productivity, damage to vehicles and safety concerns
Urban drainage system	Blockage or collapse	Water over streets or roads, safety issues and inundation of property
Council Offices	Fire/explosion	Customer service interruption
Server/software systems	Failure	Disruption to all services to varying degrees
Bridges and culverts	Collapse or blockage	Large detours, safety concerns, productivity loss
Early Learning Centres	Fire/explosion	Education service interruption/relocation of services

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

[7] ISO 31000:2009, p 2

[8] Corporate or Infrastructure Risk Management Plan

5.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

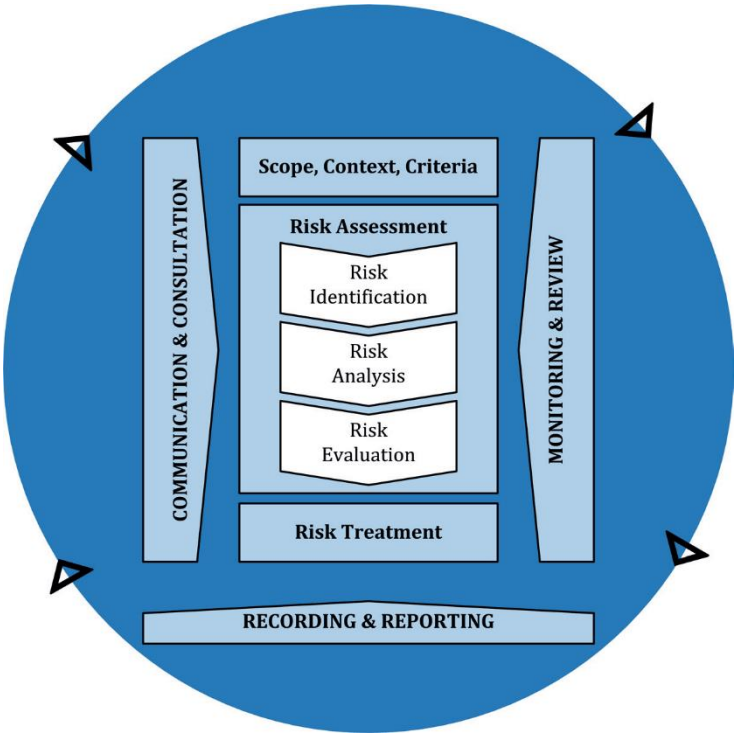


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council of West Wimmera Shire.

Table 5.2: Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk	Treatment Costs
Road network.	Deterioration leading to safety concerns and lack of productivity.	H	Regular inspections via Road Management Plan and provision of renewal requirement allocation.	L	As per renewal forecast requirement via Moloney Asset Management System.
Urban drainage system.	Blockage or collapse.	VH	Undertake asset condition assessment.	H	Est. $40,000.
Council Offices.	Fire/explosion.	M	Develop Business Continuity Plan. Utilise alternative venue and remote working.	L	Ongoing costs in operation budget.
Server/software systems.	Failure.	M	Develop Business Continuity Plan.	L	Ongoing costs in operation budget.
Bridges and culverts.	Collapse or blockage.	VH	Annual inspections and provision of renewal budget.	H	Annual budget set in accordance with immediate needs on year-by-year basis.
Buildings with community usage (Early Learning Centres).	Deteriorate to a standard not acceptable to public or able to satisfy regulations. Fire.	H	Annual inspections and provision of renewal budget. Relocate service.	M	Annual budget set in accordance with immediate needs on year-by-year basis. Include in business continuity plan.
Plant.	Plant becomes old, noncompliant, unsafe or have high maintenance and running costs.	H	Ensure plant replacement budget is adequate and have a 5-year replacement plan in place as a minimum.	M	Annual budget allocation.

Asset Data	Lack of quality data for asset management planning for assets other than roads, footpaths and kerb and channel.	H	Ensure sufficient funding is available to undertake routine condition assessment of each of the asset classes.	M	$80,000 for buildings. $60,000 for recreation and open space assets. $25,000 for bridges and major culverts.

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

5.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change, risk assessment and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan and is included as an Improvement item is this plan.

5.4 Service and Risk Trade-Offs of Additional Assets

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

5.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Construction and or maintenance of timber cartage roads without support from timber industry.
- Broad-scale widening of 3.7m seals to 6.2m or wider.
- Maintain gravel surface on roads in category 6.
- Upgrade of gravel surface to sealed (unless specific criteria exist and approved by Council).

5.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Reduction in the amount of upgrade works including widening of narrow seals.
- Reduction in the annual coverage of the reseal program.
- Reduction in available contact time for services.
- Adjustment of renewal rates for all assets.
- Reduction in maintenance frequencies of all category roads.
- Possible amendment of Road Hierarchy or Road Management Plan.

5.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- A decrease in the overall condition of assets.
- An increase in the forward projection of renewal requirements.
- Impact on the cost and efficiency of freight transportation.
- Community dissatisfaction with level of service provided by Council.
- Increased safety concerns while utilising Council's assets.
- Reduction in available contact time for services.

6.0 FINANCIAL SUMMARY

The following is the summary of findings from the Moloney Asset Management System after the last asset inspection in October 2020. It is an extract and references to tables or appendices in section 6.0 refer to the Moloney Management System report produced for West Wimmera Shire in October 2020.

Major Findings

1. *The road assets within West Wimmera Shire were found to be in "Excellent" overall condition when benchmarked against all 70 councils assessed by Moloney Asset Management Systems (MAMS). This condition rating being based upon the extent of Over Intervention Assets (OIA's) present (the extent of poor condition Assets).*
2. *Your extent of over intervention assets (OIA's) is rated at "Exceptionally good" when we apply the standardised intervention levels to your situation. It changes to "Excellent" when we apply your slightly lower intervention levels (you have a slightly higher than average level of service).*
3. *There was a modest overall condition improvement found with the sealed road pavements, unsealed road pavements and sealed surface asset group.*
4. *The kerb assets were both found to be in Good overall condition and had generally declined in condition a little since our last survey.*
5. *The footpath assets were found to be in excellent overall condition and were found to have very low levels of poor condition assets.*
6. *The total present renewal shortfall or backlog of over intervention assets (OIA's) for the whole roads group is estimated at $5,400,810 representing 1.81% of the total road asset valuation. This equates to 71% of one full year's annual liability for the renewal of the assets and as such is considered to be within the "Excellent" Condition range (see Appendix D - Figure D 1 for details).*
7. *Council is currently funding road network renewals at $4,941,471 pa, while the consumption rate (Average annual liability) is estimated at $7,624,271 pa. Hence, the assets are currently being consumed at around $2,682,800 pa. This is in no way meant as a criticism, as the present condition of the assets dictates that renewal demand has not yet reached the estimated level of the full annual liability (annual consumption).*
8. *The current planned future renewal funding level of $5,100,000 pa for the road assets is considered to be at an appropriate total level for the whole road network for the next 10 years subject to CPI annual increases as appropriate.*
9. *The recommended funding level should be considered as an average figure over the next 10 years. It may vary year to year depending on project size and council priorities. It may also vary between the sub asset classes year to year.*
10. *The recommended funding strategy in 8 above is predicted to deliver a very slightly higher level of "OIA's" after 10 years than presently exists. But the level at 91.0% of the amount of one years annual liability remains within the Moloney "Excellent" condition rating (See Appendix D).*
11. *The recommended funding strategy is just one available option. With all data now within the Moloney model, different funding scenarios can be examined quite easily. Council is encouraged to use the model to deliver a funding strategy that best meets their needs.*
12. *All financial reporting within this document is based in today's values with no allowance for any CPI movement. The Moloney software has the capacity to adjust all outputs for an adopted annual CPI increase at the touch of a button. But it is felt that reporting with CPI included can present some difficult to interpret results.*
13. *Council has done an outstanding job in managing it's road assets not just over the last 3 years but over the full term of our involvement with your condition inspections.*
14. *It is recommended that council review it's asset service lives for accounting purposes in light of the degradation curve analysis undertaken as part of this condition survey and report.*

Other Important Findings

1. *Unique degradation curves have been produced based on actual condition change over six condition surveys undertaken in 2003 and 2020. This has greatly enhanced the financial modelling results within this report.*
2. *Key performance indicators have been developed at a sub asset level that accurately benchmark asset condition change since the last survey*
3. *The same key performance indicators have been used to benchmark West Wimmera Shire externally against all 70 councils assessed by MAMS.*

6.1 Financial Sustainability and Projections

The following table highlights Council's current and projected performance across a range of financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

The financial performance indicators below are those prescribed by Part 3 of Schedule 3 of the Local Government (Planning and Reporting) Regulations 2020.

Indicator	Measure	Forecast	Budget	Projections								Trend
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	+/o/-
Operating position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-9.17%	-7.07%	-7.16%	-7.12%	-7.08%	-7.45%	-7.62%	-7.79%	-7.76%	-7.73%	-7.69%	+
Liquidity													
Working Capital	Current assets / current liabilities	509.43%	486.41%	467.29%	447.09%	426.00%	435.50%	431.28%	429.63%	426.11%	426.34%	424.61%	-
Unrestricted cash	Unrestricted cash / current liabilities	325.88%	288.76%	265.47%	241.29%	219.45%	228.36%	226.09%	226.37%	224.70%	226.74%	226.77%	-
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Indebtedness	Non-current liabilities / own source revenue	5.92%	6.04%	6.07%	6.11%	6.14%	6.16%	6.18%	6.19%	6.19%	6.18%	6.17%	-
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	96.44%	94.87%	97.76%	98.26%	98.75%	88.84%	89.37%	87.56%	88.08%	86.31%	86.82%	-
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	39.77%	38.52%	38.58%	38.55%	38.52%	38.77%	39.01%	39.25%	39.61%	39.96%	40.32%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.26%	0.22%	0.21%	0.21%	0.20%	0.19%	0.19%	0.19%	0.18%	0.18%	0.18%	-
Efficiency													
Expenditure level	Total expenses/ no. of property assessments	$4,597.90	$4,678.59	$4,750.31	$4,823.23	$4,897.39	$5,052.62	$5,154.91	$5,259.73	$5,367.08	$5,476.95	$5,589.56	-
Revenue level	Total rate revenue / no. of property assessments	$1,675.05	$1,700.74	$1,726.26	$1,752.15	$1,778.43	$1,822.89	$1,868.47	$1,915.18	$1,972.63	$2,031.81	$2,092.77	+

Key to Forecast Trend:

+ Forecasts improvement in Council's financial performance/financial position indicator
o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

6.1.1 Sustainability of service delivery

The financial performance indicators give an indication of Council's financial position and its ability to renew its assets at the required level and appropriate timing. Some explanation and commentary of the indicators is provided below:

Key Financial Indicators Summary

Adjusted Underlying Result

An indicator of the sustainable operating required to enable Council to continue to provide core services and meet its objectives. A steady trend predicted over the long term.

Working Capital

The proportion of current liabilities represented by current assets. Working capital is slightly in decline due to increasing current liabilities (provisions).

Unrestricted Cash

This indicator represents unrestricted cash as a percentage of current liabilities. Slight decrease over time projected due to slightly increasing current liabilities.

Loans and Borrowings

Council does not currently have borrowings, and none are projected in the financial plan.

Indebtedness

Non-current liabilities as a percentage of Council's own-sourced revenue. The trend is slightly increasing over time indicating a higher rate of increase in liabilities than that of rate and other internal income.

Asset Renewal

An indicator to see if asset renewals and upgrades are in line with annual depreciation. Long term trend is slight decline however it is noted that Council is still exceeding the minimum renewal requirements as per the Moloney Asset Management Plan.

Rates Concentration

Rates concentration is expected to increase slightly over time, predominantly due to no increase in capital grants being projected in years 5-10. The trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.

Rates Effort

The indicator shows rate revenue as a percentage of Capital Improved Value (CIV) of rateable properties. The long-range decline is due to the historic rise in CIV of properties significantly outweighing the increase in property rates.

Expenditure Level

Expenditure when compared to number of property assessments is increasing over time, noting the number of property assessments is projected to remain constant for the life of the Financial Plan.

Revenue Level

Revenue level is projected to increase over time, again noting the number of property assessments is to remain constant for the life of the plan

Asset Renewal Funding Ratio

It is important to note that Council is exceeding the minimum renewal requirements as projected for the next 10-year period for the roads, kerbing, footpaths and bridges portfolio which make up 85% of its assets. This will be monitored closely particularly after each asset condition review with the next one due in 2023.

Medium term – 10-year financial planning period

This AM Plan in conjunction with the LTFP identifies the forecast operations, maintenance and renewal costs 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.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast renewal costs over the 10 year planning period is $6,895,200 on average per year.

The forecast total capital works for the ten-year period averages $7,813,200 per year.

Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

6.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term Financial Plan. The table below is an extract from that plan.

The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences.

PROJECTED STATEMENT OF CAPITAL WORKS

	Forecast Actual	Budget	Projections								
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property											
Land	-	23	-	-	-	-	-	-	-	-	-
Land improvements	-	29	-	-	-	20	20	20	20	20	20
Total land	-	52	-	-	-	**20**	**20**	**20**	**20**	**20**	**20**
Buildings	724	138	140	142	144	350	355	361	366	371	377
Total buildings	724	138	140	142	144	350	355	361	366	371	377
Total property	**724**	**190**	**140**	**142**	**144**	**370**	**375**	**381**	**386**	**391**	**397**
Plant and equipment											
Plant, machinery and equipment	828	1,247	1,266	1,285	1,304	986	1,001	1,016	1,031	1,047	1,062
Computers and telecommunications	50	175	51	53	54	50	50	50	50	50	50
Total plant and equipment	**878**	**1,422**	**1,317**	**1,338**	**1,358**	**1,036**	**1,051**	**1,066**	**1,081**	**1,097**	**1,112**
Infrastructure											
Roads	5,865	5,916	6,005	6,095	6,186	5,800	5,800	5,800	5,800	5,800	5,800
Bridges	400	110	112	113	115	-	100	-	100	-	100
Footpaths and cycleways	140	192	195	198	201	100	100	100	100	100	100
Drainage	65	65	66	67	68	50	50	50	50	50	50
Parks, open space and streetscapes	60	180	183	185	188	150	150	150	150	150	150
Total infrastructure	**6,530**	**6,463**	**6,560**	**6,658**	**6,758**	**6,100**	**6,200**	**6,100**	**6,200**	**6,100**	**6,200**
Total capital works expenditure	**8,131**	**8,075**	**8,017**	**8,138**	**8,260**	**7,506**	**7,626**	**7,546**	**7,667**	**7,588**	**7,709**
Represented by:											
New asset expenditure	418	467	99	100	102	92	94	93	94	93	95
Asset renewal expenditure	7,386	6,755	7,117	7,225	7,334	6,664	6,770	6,700	6,807	6,737	6,844
Asset upgrade expenditure	327	853	801	813	825	750	762	754	766	758	770
Total capital works expenditure	**8,131**	**8,075**	**8,017**	**8,138**	**8,260**	**7,506**	**7,626**	**7,546**	**7,667**	**7,588**	**7,709**
Funding sources represented by:											
Grants	3,640	3,713	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions	201	229	264	268	272	247	251	248	252	250	254
Council cash	4,290	4,133	4,006	4,067	4,128	3,398	3,514	3,437	3,554	3,477	3,595
Total capital works expenditure	**8,131**	**8,075**	**8,017**	**8,138**	**8,260**	**7,506**	**7,626**	**7,546**	**7,667**	**7,588**	**7,709**

6.3 Valuation Forecasts

6.3.1 Asset valuations

Following the completion of the survey the data was placed into the Moloney asset management system and the table below represents a summary of the overall asset quantities and valuations. The annual depreciation figure of $6,170,072 pa is based upon the best available accounting greenfields construction costs and the adopted accounting service lives.

Annual Depreciation has not been used within this report as the basis of the average long term renewal demand. We have adopted what we call the "Annual Liability" for this purpose. See Appendix E for the definitions of both figures.

The annual liability figures are all based on the estimated rehabilitation costs (Not greenfields construction costs) and we have more flexibility to set service lives that are closer to the lives coming out of the degradation curve analysis. In this way our financial modelling results can be more accurate and we can compare planned or recommended expenditure levels to the actual average annual long term liability rather than the annual depreciation which is designed to deliver a tax deductible figure for use in business tax calculations.

ASSET DESCRIPTION	Total Quantity	Units	Replace. Value $	Asset Life in Years	Written Down Value $	Accumul. Deprec. $	Annual Deprec. $	Average Date of Cond. Assessment	Annual Liability from Modelling inputs
Footpath	19,957	Lin. Met	4,247,641	49.9	3,389,071	858,569	85,046	7-Oct-20	$56,788
Kerb	53,031	Lin. Met	7,471,906	66.5	4,769,620	2,702,287	109,203	7-Oct-20	$77,874
Sealed Pavements	829,164	Lin. Met	175,533,922	79.6	110,405,926	65,127,996	2,427,078	7-Oct-20	$4,234,466
Unsealed Pavement	1,481,301	Lin Met	38,080,625	20.4	33,143,159	4,937,466	1,904,031	7-Oct-20	$1,991,279
Sealed Surface	829,164	Lin. Met	21,222,024	16.8	13,952,109	7,269,915	1,644,714	7-Oct-20	$1,263,864
			$246,556,118		**$165,659,886**	**$80,896,232**	**$6,170,072**		**$7,624,271**

Figure 3.1 Table of asset valuations for financial modelling purposes

There is some variation between the annual depreciation and annual liability figures within Figure 3.1. Accounting valuations are restricted by Australian and international accounting standards that are more focused on delivering an annual depreciation (AD) figure for taxation purposes rather than an annual ongoing liability (AL) estimate.

We tend to ignore the accounting unit rates and life cycles if we feel they do not relate to the delivery of an accurate "annual liability" figure. The unit rates and life cycles used within the modelling process are focused on the best and most accurate actual financial outcomes and can vary from a strict interpretation of the accounting standards.

For more details relating to the difference between the AD and AL figures for West Wimmera Shire refer to the second last paragraph in the main body of the report above.

Council is advised to check and approve all of the inputs into the asset valuations within Figure 3.1 before adopting them for accounting purposes.

6.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Capital grant revenue increase at 1.5% for first 4 years but static for years 5-10. A conservative judgement has been made here.
- A 1.5% rate cap for first four years, 2.5% in years 5,6 and 7 and 3% from year 8.
- Operating grants expected to rise by 1.5% each year for first four years and then increase with CPI.

- Employee costs to increase by 2.1% for first four years, 3.5% in year 5, 3% annual increase thereafter.
- Materials and services costs to increase at 1.5% for first four years and 2.0% thereafter.
- Depreciation to increase by 1.0% each year.
- The number of property assessments will not change much at all.
- Subdivision and industrial development will be minimal.
- Population will generally be static or a slight decline.
- Moloney Management System will be utilised for the assets it is currently servicing for the foreseeable future.
- New asset acquisition will be minimal and will often be supported by external income.
- Upgrading of road assets will continue on similar levels to existing while externally sourced funds are provided at similar levels to both.

A table below provides a summary of the escalation factors utilised by Council over the ten-year period.

Escalation Factors % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rates and charges	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%
Statutory fees and fines	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
User fees	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Grants - Operating	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Grants - Capital	1.5%	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Contributions - monetary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Other income	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Employee costs	2.1%	2.1%	2.1%	2.1%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Materials and services	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Depreciation	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Other expenses	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Escalation factor % increase	2	3	4	5	6	7	8	9	0	1
Materials and services	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

6.5 Forecast Reliability and Confidence

Council has a moderate to high confidence level in the reliability of the data provided by the Moloney Management System. The same system of inspection and analysis has been utilised six successive times since 2003 building up an accurate data set and being able to monitor the network over this period. This is utilised for the asset's footpaths, kerb and channel, sealed pavements, unsealed pavements, and sealed surface.

The forecast costs, proposed budgets, and valuation projections in this AM Plan for other assets are based on the best available data, however there are deficiencies in the data and these are identified and improvements nominated in section 7.0.

7.0 PLAN IMPROVEMENT AND MONITORING

7.1 Status of Asset Management Practices[9]

7.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the Long Term Financial Plan, the Moloney Asset Management System, the 2021 Land Register spreadsheet, 2021 2021 Asset Register Buildings spreadsheet and 2021 Plant Register and depreciation spreadsheet as provided by WWSC Chief Financial Officer.

7.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the asset data is Moloney Management System, AssetAsyst and various spreadsheets.

7.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in the table below.

Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Development of an Asset Acquisition Policy	Director Corporate and Community Services	Benchmarking with similar policies from other sources	2023
2	Development of a cyclic annual inspection regime of buildings utilising AssetAsyst for recording of defects and renewal data for budgeting purposes	Assets GIS Coordinator	AssetAsyst software upgrade	2022
3	Development of a Resilience Register which includes the type of threats and hazards and the current and future measures that the organisation takes to ensure service delivery resilience.	Occupational Health, Safety and Risk Coordinator	Analysis by Managers and Directors	2024
4	Update of the asset management software to cloud based to allow tablet use by additional users enabling more efficient inspection, data recording and defect signoff.	Assets GIS Coordinator	Software upgrade of current system	2023
5	Inclusion of bridges and culverts data on to AssetAsyst enabling renewal data to be generated.	Assets GIS Coordinator	Software upgrade of current system	2025
6	Development of a 10-year maintenance and operations forecast.	Works and Finance departments	Judgement on future trends for maintenance and operations.	2025

[9] ISO 55000 Refers to this as the Asset Management System

7	Development of a 10-year capital works program for buildings.	Director of Infrastructure, Development and Works.	Annual inspection data showing costed capital renewal tasks and urgency.	2025
8	Asset condition assessment and valuation of underground drainage system.	Manager Infrastructure and Engineering.	Camera assessment with condition rating.	2027
9	Asset condition assessment and valuation of assets with Moloney Asset Management System.	Assets GIS Coordinator.	Ensure in budget.	2023, 2026, 2029 & 2032
10	Asset condition assessment and valuation of bridges and culverts.	Assets GIS Coordinator.	Ensure in budget.	2023, 2026, 2029 & 2032
11.	Implementation of a system to provide photographic evidence of existing condition is obtained for all paved and sealed roads to satisfy natural disaster funding criteria.	Assets GIS Coordinator.	Equipment purchased. Need to implement survey, retrieve, and store data.	2023
12.	Develop individual Asset Management Plans with service levels included for each category of asset as deemed necessary by Council.	Manager Infrastructure and Engineering.	Condition, asset life and depreciation information required.	2024 - 2029
13.	Develop implementation plan for roll out of individual Asset Management Plans.	Director Infrastructure, Development and Works.	Timeline for AMP roll out.	2023.
14.	Enable computer generated depreciation for majority of assets.	Director Infrastructure, Development and Works and Chief Financial Officer.	To satisfy audit recommendation.	2024.
15.	Undertake external valuation of all buildings.	Chief Financial Officer.	Undertaken every three years.	2023. 2026, 2029 & 2032
16.	Undertake condition assessment of all buildings.	Director Infrastructure, Development and Works.	To enable renewal and depreciation calculations.	2024
17.	Develop a policy for replacement of plant and fleet.	Contracts and Procurement Manager.	Develop policy.	2022.
18.	Continually review the road hierarchy on an annual basis with a formal review every four years.	Assets GIS Coordinator.	Report to Council.	Next formal review 2025

7.3 Monitoring and Review Procedures

This AM Plan will be monitored during the annual budget planning process and revised if required to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be monitored annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for revision and updating by 31 October in the year following each West Wimmera Shire Council election.

7.4 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan.
- The degree to which the Improvement Plan is delivered.
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans.
- The Asset Renewal Funding Ratio achieving the target.

8.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- West Wimmera Shire Asset Management Strategy
- West Wimmera Shire Asset Management Policy
- West Wimmera Shire Council Plan 2021-2025

9.0 APPENDICES

Appendix A Comprehensive Income Statement (10years)

	Forecast Actual	Budget	Projections								
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income											
Rates and charges	7,958	8,080	8,201	8,324	8,449	8,661	8,877	9,099	9,372	9,653	9,943
Statutory fees and fines	121	131	133	135	137	140	143	145	148	151	154
User fees	689	714	725	736	747	762	777	792	808	824	841
Grants - Operating	7,611	7,623	7,690	7,805	7,922	8,081	8,242	8,407	8,575	8,747	8,922
Grants - Capital	3,475	3,692	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions - monetary	182	6	6	6	6	6	6	6	6	6	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	95	100	102	103	105	107	109	111	113	115	118
Other income	1,828	1,681	1,706	1,732	1,758	1,775	1,793	1,811	1,829	1,847	1,866
Total income	21,959	22,027	22,310	22,644	22,984	23,391	23,807	24,232	24,712	25,205	25,710
Expenses											
Employee costs	7,891	8,152	8,323	8,498	8,676	8,980	9,250	9,527	9,813	10,107	10,410
Materials and services	5,681	5,992	6,060	6,150	6,243	6,368	6,495	6,625	6,758	6,893	7,031
Depreciation	7,998	8,019	8,099	8,180	8,262	8,345	8,428	8,512	8,597	8,683	8,770
Other expenses	275	297	300	303	306	312	318	325	331	338	345
Total expenses	21,845	22,460	22,782	23,131	23,487	24,005	24,491	24,989	25,499	26,021	26,556
Surplus/(deficit) for the year	114	(433)	(472)	(487)	(503)	(614)	(684)	(757)	(787)	(816)	(846)
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment /(decrement)	19,828	-	-	-	-	1,960	1,960	1,960	1,960	1,960	1,960
Total comprehensive result	19,942	(433)	(472)	(487)	(503)	1,346	1,276	1,203	1,173	1,144	1,114

Appendix B Projected Balance Sheet (10 years)

	Forecast Actual	Budget	Projections								
	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000
Assets											
Current assets											
Cash and cash equivalents	14,225	13,821	13,516	13,159	12,744	13,062	13,275	13,581	13,823	14,203	14,521
Trade and other receivables	385	391	397	403	409	415	421	427	434	440	447
Inventories	205	208	211	214	218	218	218	218	218	218	218
Other assets	356	356	356	356	356	356	356	356	356	356	356
Total current assets	15,171	14,776	14,480	14,131	13,726	14,050	14,269	14,581	14,831	15,217	15,541
Non-current assets											
Trade and other receivables	160	140	120	100	80	-	-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	436	436	436	436	436	436	436	436	436	436	436
Property, infrastructure, plant & equipment	214,925	214,981	214,899	214,857	214,855	215,977	217,135	218,129	219,158	220,023	220,922
Total non-current assets	215,521	215,557	215,455	215,393	215,371	216,413	217,571	218,565	219,594	220,459	221,358
Total assets	230,692	230,333	229,935	229,524	229,097	230,463	231,840	233,146	234,425	235,676	236,899
Liabilities											
Current liabilities											
Trade and other payables	718	729	740	751	762	762	762	762	762	762	762
Trust funds and deposits	232	232	232	232	232	232	232	232	232	232	232
Provisions	2,009	2,058	2,108	2,159	2,209	2,213	2,296	2,381	2,467	2,556	2,647
Lease liabilities	19	19	19	19	19	19	19	19	19	19	19
Total current liabilities	2,978	3,038	3,099	3,161	3,222	3,226	3,309	3,394	3,480	3,569	3,660
Non-current liabilities											
Provisions	633	646	660	674	688	705	723	741	759	778	798
Total non-current liabilities	633	646	660	674	688	705	723	741	759	778	798
Total liabilities	3,611	3,684	3,759	3,835	3,910	3,931	4,031	4,135	4,240	4,347	4,458
Net assets	227,081	226,649	226,176	225,690	225,187	226,533	227,809	229,012	230,185	231,329	232,443
Equity											
Accumulated surplus	45,664	44,764	44,115	43,451	42,871	44,217	45,493	46,696	47,870	49,014	50,127
Reserves	181,418	181,885	182,062	182,239	182,316	182,316	182,316	182,316	182,316	182,316	182,316
Total equity	227,082	226,649	226,177	225,690	225,187	226,533	227,809	229,012	230,186	231,330	232,443

Appendix C Cash Flow Statement (10 years)

	Forecast Actual	Budget	Projections								
	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	7,827	8,074	8,196	8,319	8,443	8,650	8,866	9,088	9,361	9,642	9,931
Statutory fees and fines	133	144	146	148	151	154	157	160	163	166	170
User fees	689	714	725	736	747	762	777	792	808	824	841
Grants - operating	7,611	7,623	7,690	7,805	7,922	8,081	8,242	8,407	8,575	8,747	8,922
Grants - capital	3,475	3,692	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions - monetary	182	6	6	6	6	6	6	6	6	6	6
Interest received	120	100	101	101	102	104	106	108	110	112	114
Other receipts	1,828	2,279	2,311	2,346	2,381	2,412	2,443	2,474	2,505	2,537	2,569
Employee costs	(7,891)	(8,152)	(8,323)	(8,498)	(8,676)	(8,980)	(9,250)	(9,527)	(9,813)	(10,107)	(10,410)
Materials and services	(6,078)	(6,580)	(6,655)	(6,754)	(6,856)	(7,005)	(7,145)	(7,288)	(7,433)	(7,582)	(7,734)
Trust funds and deposits repaid	(3)	-	-	-	-	-	-	-	-	-	-
Other payments	(287)	(310)	(313)	(316)	(320)	(326)	(333)	(339)	(346)	(353)	(360)
Net cash provided by/(used in) operating activities	7,607	7,590	7,630	7,696	7,760	7,717	7,730	7,741	7,796	7,852	7,909
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(8,131)	(8,075)	(8,017)	(8,138)	(8,260)	(7,506)	(7,626)	(7,546)	(7,667)	(7,588)	(7,709)
Proceeds from sale of property, infrastructure, plant and equipment	95	100	102	103	105	107	109	111	113	115	118
Net cash provided by/ (used in) investing activities	(8,036)	(7,975)	(7,915)	(8,035)	(8,155)	(7,399)	(7,517)	(7,435)	(7,554)	(7,473)	(7,591)
Cash flows from financing activities											
Repayment of lease liabilities	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
Net cash provided by/(used in) financing activities	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
Net increase/(decrease) in cash & cash equivalents	**(448)**	**(404)**	**(304)**	**(359)**	**(415)**	**318**	**213**	**306**	**243**	**380**	**318**
Cash and cash equivalents at the beginning of the financial year	14,674	14,225	13,821	13,516	13,159	12,744	13,062	13,275	13,581	13,823	14,203
Cash and cash equivalents at the end of the financial year	**14,225**	**13,821**	**13,516**	**13,159**	**12,744**	**13,062**	**13,275**	**13,581**	**13,823**	**14,203**	**14,521**

Appendix D Renewal Forecast Summary

	Forecast Actual	Budget	Projections								
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Asset renewal expenditure	7,386	6,755	7,117	7,225	7,334	6,664	6,770	6,700	6,807	6,737	6,844

D.1 – Renewal Forecast Assumptions and Source

The renewal figures are extracted from the Long-Term Financial Plan but are based on the latest renewal modelling report provided by the Moloney Asset Management System. The report was provided October 2020 after an on ground assessment at that time.

Asset Renewals by Asset Class
For the 10 years ending 30 June 2031

	Forecast Actual	Budget	Projections								
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property											
Land	-	19	-	-	-	-	-	-	-	-	-
Land improvements	-	24	-	-	-	18	18	18	18	18	18
Total land	-	43	-	-	-	18	18	18	18	18	18
Buildings	658	115	124	126	128	311	315	320	325	330	335
Total buildings	658	115	124	126	128	311	315	320	325	330	335
Total property	**658**	**159**	**124**	**126**	**128**	**328**	**333**	**338**	**343**	**348**	**353**
Plant and equipment											
Plant, machinery and equipment	752	1,043	1,124	1,141	1,158	875	889	902	915	929	943
Computers and telecommunications	45	146	45	47	48	44	44	44	44	44	44
Total plant and equipment	**797**	**1,190**	**1,169**	**1,188**	**1,206**	**920**	**933**	**946**	**960**	**973**	**987**
Infrastructure											
Roads	5,327	4,949	5,331	5,411	5,492	5,149	5,149	5,149	5,149	5,149	5,149
Bridges	363	92	99	101	102	-	89	-	89	-	89
Footpaths and cycleways	127	161	173	176	178	89	89	89	89	89	89
Drainage	59	54	59	59	60	44	44	44	44	44	44
Parks, open space and streetscapes	55	151	162	165	167	133	133	133	133	133	133
Total infrastructure	**5,932**	**5,407**	**5,824**	**5,911**	**6,000**	**5,416**	**5,504**	**5,416**	**5,504**	**5,416**	**5,504**
Total capital works expenditure	**7,386**	**6,755**	**7,117**	**7,225**	**7,334**	**6,664**	**6,770**	**6,700**	**6,807**	**6,737**	**6,844**
Represented by:											
New asset expenditure	418	467	99	100	102	92	94	93	94	93	95
Asset renewal expenditure	**7,386**	**6,755**	**7,117**	**7,225**	**7,334**	**6,664**	**6,770**	**6,700**	**6,807**	**6,737**	**6,844**
Asset upgrade expenditure	327	853	801	813	825	750	762	754	766	758	770
Total capital works expenditure	**8,131**	**8,075**	**8,017**	**8,138**	**8,260**	**7,506**	**7,626**	**7,546**	**7,667**	**7,588**	**7,709**

D.2 Asset Renewals by Asset Class

Asset renewal figures are based on Moloney Report data for roads. For other assets the first three years are based on budget figures. Beyond that the asset renewal figures are based on 88% of historical expenditure on those assets. Data is extracted from the Long Term Financial Plan.

Appendix E Asset Disposal Summary

E.1 – Disposal Forecast

The assets as listed were identified at the timing of development of the plan. Further items will be added as they are identified.

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
Roach St, Kaniva, Water Tower	Redundant and safety concerns	2021	$50,000 (demolition and removal of debris)	$1000
Charam Hall, Charam	Surplus to Council needs	2022	$4000 (legal costs)	$3000

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