Edward River Council

Water Asset Management Plan

March 2019

Version No.: 0.1

How to use this Plan

This Asset Management Plan (AMP) is a tactical document to support Councils understanding of its Water Supply assets, service levels, risks, and to provide operational and capital expenditure forecasts that will deliver the community outcomes detailed in the Community Strategy 2030. The AMP is set out in the following format to support easy navigation of its contents such that specific information can be readily identified to suit the reader's need.

- **Executive Summary**
  This provides an overview suitable for obtaining a high-level understanding of the key issues and outcomes of the AMP. This is intended for senior decision makers and is supported by the detail in the following sections that make up the body of the AMP.
- **Section 1 - Introduction**
  This section is the introduction that defines the plan's purpose, its scope, and how the AMP aligns with corporate objectives and goals. It 'sets the scene' for the AMP and how it relates to the wider organisational plan framework.
- **Section 2 - Data Details**
  Defines the AMP's data inputs and assumptions. It includes the Asset Summary, Prior Year Infrastructure Delivery, Asset Age, Asset Condition Assessment Criteria, Results Summary, Asset profiling, Hierarchy, Useful Life, and Data Confidence ratings.
- **Sections 3, 4, and 5 – AMP Inputs (Service levels, Risk and Growth)**
  Defines Council's service levels, current risks and demand considerations that have been used in developing this AMP. This is the basis on which the following sections have been developed.
- **Sections 6, 7, 8, 9, and 10 - 10-year forecasts**
  Provides the detailed 'output' of the AMP development process with forecasts over a 10-year horizon of the works required to maintain the current service levels, mitigate identified risks, and cater for service growth and increased demand.
- **Sections 11, 12, and 13 - Financial forecasts**
  focus on the financial aspects of delivering these service levels including anticipated 'financial sustainability' performance. This section is particularly relevant to inform decision making and guide continual improvement in both the AMP and achieving corporate goals.
- **Section 14 – Findings and Recommendations**
  Provides a summary of the key issues and actions to be considered by Council. It includes a statement on the reliability and confidence of information to also be considered.
- **Section 15 – AMP Improvement Plan**
  Provides an action plan to improve future iterations of the AMP, particularly the improvement of the plan's accuracy and reliance as a decision-making tool.
- **Appendices**
  Information which is required in the AMP as reference is in the appendices. It also includes detailed works programs for new and renewal capital works that align with funding requirements and are to be aligned with short to medium term detailed operational planning.

Document Control

Distribution / Stakeholder list

All key stakeholders are to be included on the distribution list.

Name	Initial	Date	Title / Business Unit
Oliver McNulty			*Director Infrastructure*
Mark Dalzell			*Manager Engineering & Assets*
Michael Todd			*Assets & Procurement Administrator*
Warwick Newell			*Manager Operations*
Colleen O'Connor			*Manager Finance*

** Stakeholders are to initial the final document to indicate that the report has been sighted and reviewed.*

Revision History

Document Version	Date	Comments	Author	Reviewer
0.1	*14/01/2019*	*Initial Draft*	*Randall Scott*	*Michael Todd*
0.2	*22/03/2019*	*Revised Draft*	*Randall Scott*	*Hans Muller*

Certification

As the Principle officer/Asset Custodian responsible for preparing this AMP, I certify that it:

- Has been based on a series of assumptions and the best available data at the time;
- Provides a rationale for and underpins the renewal funding as specified in the related 10-year service financial forecasts; and
- Provides a strong platform from which to continue asset management advancement by identifying several areas for further improvement.

Principal Officer (if applicable): _____Signature: _____

Asset Custodian: _____Signature: _____

Date: _____

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Executive Summary

Purpose

The purpose of this Asset Management Plan (AMP) is to consolidate Councils understanding of its Water assets, service levels, risks, and to provide operational and capital expenditure forecasts that will deliver the community outcomes detailed in the Community Strategy 2030.

The plan will support informed decision making, guide Long Term Financial Planning budget requirements and provide a path to further improve the accuracy and confidence in future iterations of this Plan.

Scope

This Asset Management Plan (AMP) covers the Water assets (the Assets) that support the delivery of services to the Edward River Council (Council) Community. It has been prepared based on the International Infrastructure Management Manual (IIMM) the recognised guideline for asset management in Australia.

This AMP uses data available within Council in 2017 including Council's audited financial asset register, based on revaluations undertaken by APV in 2017. Where possible, the financial register has been supplemented by historical condition data.

The Assets

The Water assets are valued at $58.03 M and are apportioned into asset categories as detailed in Table 1 and shown in Figure 1 below.

Table 1 Water Assets Summary

Asset Type	*Quantity*	*Replacement Value (June 2018)*
Treatment Plant	157	$15,974,300
Bore	14	$626,900
Pump Station	51	$1,439,700
Reservoir	55	$7,291,600
Water Node	2355	$3,614,976
Gates and Fences	3	$5,200
Water Main	1273	$23,942,085
Water Meters and Services	7076	$5,995,255
Stand Pipe	3	$8,800
Total		***$58,898,816***

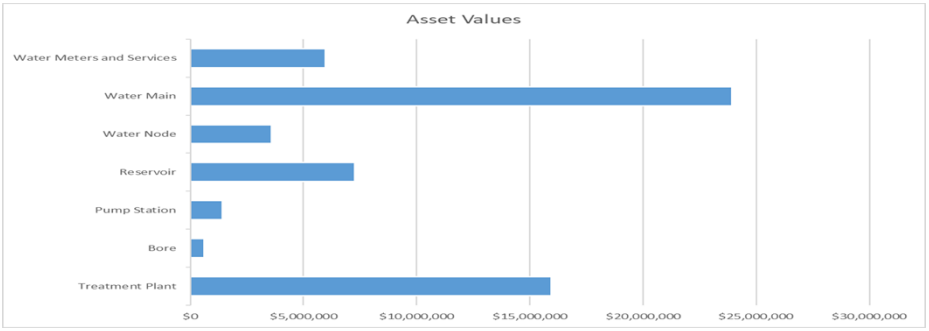

Figure 1: Water Assets Summary

Asset Condition

The assets in very poor condition represent 6.73% ($3.9M) of the Water asset base, with an additional 15.88% ($9.21M) considered in poor condition and requiring attention. Council's asset records indicate that a total of 22.3% ($13.1M) of assets are significantly deteriorated, failing or have failed. The majority of these assets are the water nodes (hydrants, valves etc) and the meters and services.

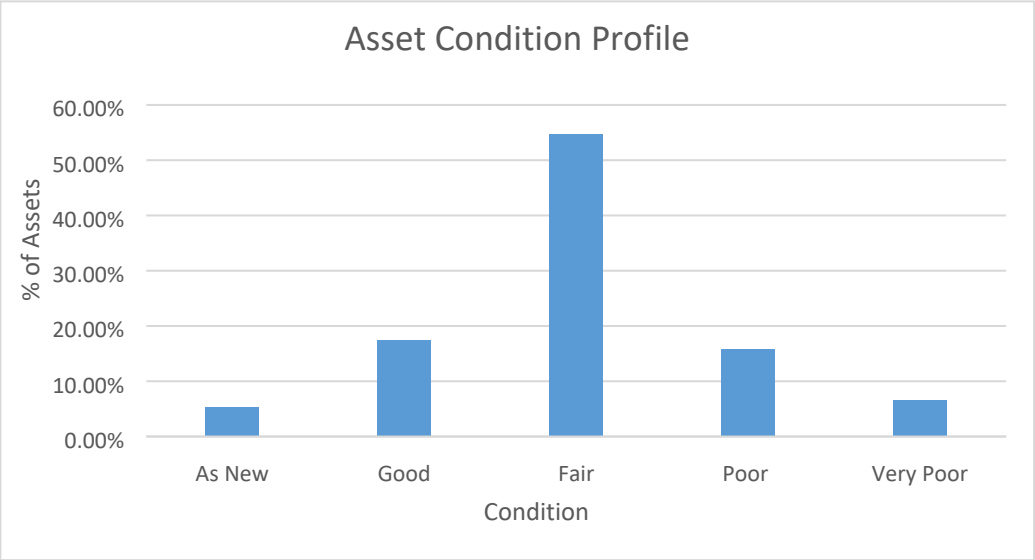

Figure 2: Water Assets Condition Profile

Are We Meeting Our Adopted Service Levels?

Council is currently developing levels of service standards and performance measures. The maintenance and operations expenditure projections in this AMP are based on historical spending and therefore it may be assumed that similar future funding and if supported with appropriate investment in renewals will continue to provide current service levels.

Are We Managing Growth?

This AMP uses Council's adopted growth rate of 1%. The current assets are expected to meet the required service capacity for increased population, Council must consider the future implications that a growing asset base has on its operations and maintenance costs.

Are We Managing Our Risks?

Council has a 'duty of care' to the community, its customers, in relation to the management of the assets. There are numerous types of risks Council is concerned about, including financial, service and safety. The risks were assessed by Council based on their likelihood and consequences to generate solutions to mitigate or eliminate them. It is expected that the current maintenance activities will continue to assist in mitigating the service risks to an acceptable level. Additional funding is required to mitigate risks associated with AM practices and reliance on this AMP.

The Financials

Based on renewing current assets at the end of their useful lives, meeting current levels of service and to meet the adopted 1% annual demand growth, over the next 10 years the projected asset expenditure requirements are:

- Renewals (end of life) - $8.1M
- New and Upgrade - $0
- Operations and Maintenance - $11.6M

This gives a total required expenditure of $19.7M as shown in *Table 2*.

Table 2 10-Year Forecast Expenditure

Financial Year Ending	Risk Treatment	New or Upgrade	Operations	Maintenance	Renewals	Total
2020	$0	$0	$821,700	$309,448	$2,072,807	$3,203,955
2021	$0	$0	$821,700	$317,184	$1,087,500	$2,226,384
2022	$0	$0	$821,700	$325,113	$78,703	$1,225,517
2023	$0	$0	$821,700	$333,241	$1,014,000	$2,168,941
2024	$0	$0	$821,700	$341,572	$530,000	$1,693,272
2025	$0	$0	$821,700	$350,111	$1,356,605	$2,528,417
2026	$0	$0	$821,700	$358,864	$26,621	$1,207,185
2027	$0	$0	$821,700	$367,836	$971,767	$2,161,303
2028	$0	$0	$821,700	$377,032	$239,544	$1,438,276
2029	$0	$0	$821,700	$386,458	$674,108	$1,882,265
Total	***$0***	***$0***	***$8,217,000***	***$3,466,858***	***$8,051,655***	***$19,735,514***

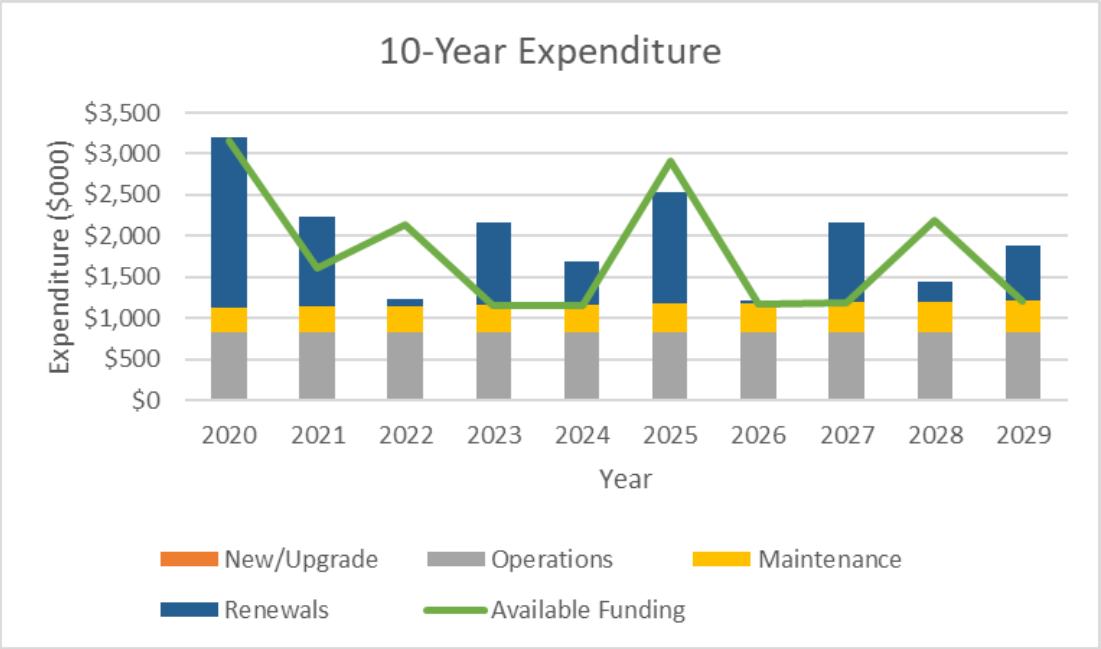

Figure 3: Expenditure Forecast

Council's Long-Term Financial Plan (LTFP) has allocated funding for water Capital expenditure as shown in *Table 3: Long Term Financial Plan* below. In preparing this plan is has been assumed that the Current levels of operation and maintenance funding will continue.

From figure 3 there is an inconsistency in the timing for renewals and the funding for the work is required. Provision of an annualised renewal funding allocation of $2.0M and the levelling of the renewal program where possible will assist in addressing these inconsistencies.

Table 3: Long Term Financial Plan

Financial Year Ending	New/Upgrade	Operations & Maintenance	Renewals	Total
2020	$105,000	$1,123,600	$1,926,000	$3,154,600
2021	$107,000	$1,131,148	$377,000	$1,615,148
2022	$0	$1,138,884	$1,000,000	$2,138,884
2023	$0	$1,146,813	$0	$1,146,813
2024	$0	$1,154,941	$0	$1,154,941
2025	$0	$1,163,272	$1,750,000	$2,913,272
2026	$0	$1,171,811	$0	$1,171,811
2027	$0	$1,180,564	$0	$1,180,564
2028	$0	$1,189,536	$1,000,000	$2,189,536
2029	$0	$1,198,732	$0	$1,198,732
Total	***$212,000***	***$11,599,301***	***$6,053,000***	***$17,864,301***

Can We Financially Sustain our Current Levels of Service?

Based on the analysis of Council's expenditure requirements for asset renewal, operations and maintenance, there is enough insufficient funding in the LTFP to sustain current service levels.

What Are Our Options?

The cumulative gap between the funding and expenditure results in a financial shortfall of $1.87M at the end of the 10-year period. Therefore, Council has the following options:

- Relocate the funding from other the asset class. Increase the current service levels or the number of asset renewals or allocate to New asset or asset upgrade projects.
- Re-allocate to another asset class where the AMP indicates there is a shortfall in funding.
- Save funding against future rate rises or insufficient funding from grants and subsidies.

Other Considerations

Currently Council's records show that 6.6% of the water asset are in very poor condition with an additional 15.6% being in poor condition. This means that 22.2% of the water assets are significantly deteriorated, failing or have failed. The two major areas contributing to the failing assets and deserving of further consideration are the water nodes (hydrants, valves etc.) and meters & services. Both these asset types are inground assets with the condition generally based on the age of the asset.

The number of assets with up to 5 years of remaining life suggests that there is a backlog of asset renewal works with assets being maintained beyond their performance life.

There are four identified electrical components at the water treatment plant that have been identified as being at risk with the compressor requiring immediate attention.

The 10-year expenditure forecast for the delivery of water services is $19.7M or $1.97M per annum. The available funding in the LTFP is $17.9M or $1.79M per annum.

The funding ratios reinforce that there is a $1.87M (or $187K per annum) shortfall in funding in the 10-year LTFP to deliver Council's water services at their current levels.

Actions

1. Council confirm the condition, standard asset lives, and remaining life estimates of its water assets.

2. Consideration be given to annualising (levelling) the water funding allocation in the Long-Term Financial Plan at $2.0M per annum with the renewal programs being adjusted to comply with this funding level.
3. Prior to the adoption of the attached renewal plan, individual projects and the data held in the register be validated by inspection and where discrepancies exist the Plan and the recorded data be amended.
4. The initiatives identified in the AMP improvement plan be implemented.

Introduction

Purpose

The purpose of this Asset Management Plan (AMP or Plan) is to:

- Consolidate Edward River Council's (Council's) understanding of its assets within the Water asset class
- Document levels of service and risk
- Provide short- and medium-term capital works plans
- Support informed decision making and guide Long-Term Financial Planning budget requirements
- Provide a plan to work towards improved accuracy and confidence in future iterations of this Plan.

Scope

This AMP relates to the management of Water Supply Infrastructure assets (the Assets) which are recognised as assets owned by Council. Assets in this class typically comprise of the following asset types:

- Treatment Plants
- Bores
- Pump Stations
- Reservoirs
- Water Nodes
- Gates and Fences
- Water Mains
- Water Meters and Services
- Stand Pipes

Corporate Context

In 2009 a new Integrated Planning and Reporting (IP&R) framework for NSW local government was introduced. The IP&R framework requires councils to prepare a suite of long-term strategic documents, including a Community Strategic Plan, Resourcing Strategy and Delivery Program, as well as an annual Operational Plan. Integration of these strategic documents is key to effective long-term planning and assist us in providing ratepayers with the best level of service that we can.

Figure 4 illustrates how the IP&R framework ensures that local planning and reporting is informed, relevant, and responsive to community needs.

Figure 4 Integrated Planning and Reporting Hierarchy

Community Strategic Plan

The Community Strategic Plan is the highest-level plan that Council prepares. The purpose of the Plan is to identify our community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process considers the issues and pressures that may impact the community and the level of resources that will realistically be available to achieve its aspirations.

Informed by extensive community and stakeholder consultation, the Edward River 2030 Community Strategic Plan seeks to answer four key questions:

- Where are we now?
- Where do we want to be in 10 years?
- How will we get there?
- How will we know when we have arrived?

At an operational level, the *Community Strategic Plan* is implemented through Council's Delivery Program and annual Operational Plans, which outline the activities and actions that are the responsibility of Council in achieving our shared vision.

Resourcing Strategy

The *Edward River 2030 Community Strategic Plan* provides a vehicle for expressing our community's long-term aspirations. However, the vision set out in this Plan will not be achieved without sufficient resources – time, money, assets, and people – to carry them out.

The Resourcing Strategy comprises the following components:

- **Asset Management Planning:** Council's asset management planning is supported by an Asset Management Policy, Asset Management Strategy, and individual Asset Management Plans for all assets under Council's control. Considering 'whole of life' asset management from planning, purchase, operation, and maintenance – to disposal of assets; the Asset Management Strategy forecasts community requirements and the capacity to meet them on a short-, medium-, and long-term basis.
- **Long Term Financial Planning:** The Long-Term Financial Plan (LTFP) tests community aspirations as contained in the Community Strategic Plan against the financial realities of delivering on those aspirations. The LTFP integrates with Edward River 2030 through the Delivery Program and one-year Operational Plan.
- **Workforce Management Planning:** The Workforce Management Plan addresses the human resourcing requirements of the Community Strategic Plan, including what people, skills, experience and expertise are required to achieve its strategic objectives.

This AMP is prepared under the above hierarchy and direction of Council's mission, values, goals and objectives.

Through consultation with government, community, business, and industry, we have developed a clear vision as to what we want the Edward River region to look like in 2030.

During this consultation, we developed a vision for the Edward River to strive toward:

We are the centre of the Southern Riverina. Home to a connected and engaged community, driven by a diverse economy. We work together to lead our community, achieve our potential and embrace our future.

This vision is designed to encourage commitment to our future and engender a sense of common purpose and responsibility in all stakeholders responsible for delivering Edward River 2030.

In 2030, our community wants the Edward River region to be:

A great place to live

A prosperous and vibrant economy

A valued and enhanced natural environment

A region with quality and sustainable infrastructure

A community working together to achieve its full potential

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Relationship to Other Asset Related Council Documents

This AMP aligns and should be read in conjunction with the framework of Council documents as shown in Figure 5 below:

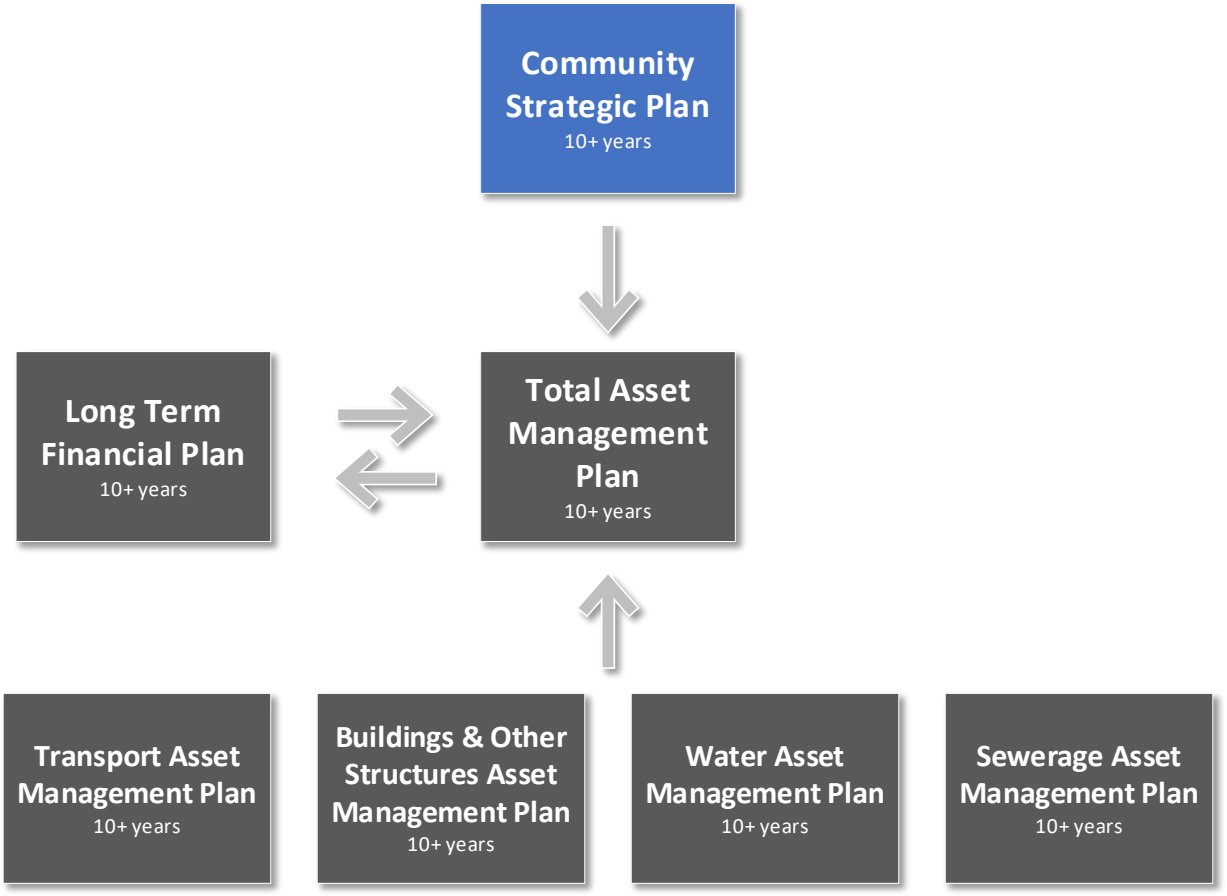


Figure 5 – Asset Management Document Hierarchy

The table below shows the key documents that support this AMP:

Document	*How Related*	*Reference*
AMP Related Documents		
Asset Management Policy	The Asset Management Policy includes the defining principles of asset management within Council. This AMP supports such principles by: • Considering the entire life cycle of the assets, • Supporting the development of cost-effective management strategies for the long term, • providing a defined level of service which can be monitored and used as the basis for aligning affordability with community aspirations, • understanding and meeting the demands of growth through demand management and asset investment,	

Document	How Related	Reference
	• managing risks associated with the assets; and • Defining actions required to support continuous improvement in asset management practices.	
Condition Assessment Plan	Contains the methodologies, defect assessment procedures, and the condition rating system used to formally assess the structural integrity and appearance of assets.	
Service Level Agreement (including Maintenance Specifications)	Contains all maintenance and operational specification requirements for assets under this AMP.	
Risk Register	Contains all identified asset related risks applicable to this AMP.	
Maintenance Manual	Contains details on how maintenance activities are to be delivered to meet adopted levels of service.	
Other Related Documents		
Land Development Guidelines	Contains design and construction details for new assets.	Council website
Others…		
External/Specialist Reports	Catchment Analysis, etc.	

Stakeholder Input

Various stakeholders were considered in the preparation of this AMP who will have different roles in implementing its outcomes. These stakeholders and their role are shown in Table 4.

Table 4: Key Stakeholders

Key Stakeholder	Role
Councillors	• Represent needs of community. • Allocate resources to meet Council's objectives in providing services while managing risks. • Ensure the organisation is financially sustainable. • Custodians of the assets and services, providing the interface with the community regarding the levels of service, good governance, and management practices.
CEO	• Manage organisation operational activities and future planning strategic direction.
Director Corporate Services	• Long-Term Financial Plans and operational financial data. • Defining information requirements for audit and reporting purposes.
Director Infrastructure	• Manage delivery of the AMP and initiatives.

	• Capital works projects planning and deliver. • Operational and service levels, data information and analysis.
Community and Ratepayers	• User of services. • Source of funding.
State and Commonwealth Government	• Active in the management of assets and services across the region.
Council Staff	• Directly involved with the renewal, maintenance and operation of the network and the management framework, both operationally and financially. • Delivery of operational plans informed by this AMP.
Emergency Services	• Respond to community needs and emergency situations.

Legislative Requirements

Council is required to meet many legislative requirements including Federal and State legislation and regulations. Key relevant legislation is shown in Table 5.

Table 5: Legislative Requirements

Legislation	*Requirement*
Local Government Act NSW (1993)	**8B Principles of sound financial management** The following principles of sound financial management apply to councils: (c) Councils should have effective financial and asset management, including sound policies and processes for the following: (i) performance management and reporting, (ii) asset maintenance and enhancement, **403 Resourcing strategy** (1) A council must have a long-term strategy (called its **"resourcing strategy"**) for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for. 2) The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.

This AMP contributes to supporting Council's legislative requirements.

Plan Maturity

This AMP is targeted at a first cut, 'core-level' AMP as defined in the International Infrastructure Management Manual. Detailed information is in Table 6 below.

Core level AMP's are developed to meet minimum legislative and organisational requirements and provide basic technical management outputs, including:

- Statements on current levels or aspirational levels of service
- Forward asset replacement programs
- Associated cash flow projections.

Table 6 Core Level Asset Management Capabilities

AM CATEGORY	Core Assessment requirements
Asset Management Plans	• Plan contains basic information on assets, service levels, planned works, and financial forecasts (5-10 years) and future improvements. • The plan also includes executive summary, description of services and key/critical assets, top-down condition and performance description, future demand forecasts, description of supporting AM processes, 10-year financial forecasts, and 3-year AM improvement plan.

Other "Core" Assessment requirements that can be included in the AMP include the following:

Risk Management	• Risk framework developed. • Critical assets and high risks identified. • Documented risk management strategies for critical assets and high risks.
Quality Management	• Defined quality policy and basic Quality Management System. • All critical activity processes documented.
Levels of Service and Performance Management	• Customer groups defined, and requirements informally understood. • Levels of service and performance measures in place covering a range of service attributes. • Annual reporting against performance targets.
Demand Forecasting	• Demand forecasts based on robust projection of a primary demand factor (e.g.: population growth) and extrapolation of historic trends. • Risk associated with demand change broadly understood and documented. • Demand management is considered in major asset planning.
Operational Planning	• Emergency response plan is developed. • Asset utilisation is measured for critical asset groups and is routinely analysed.
Maintenance Planning	• Asset criticality considered in response processes. • Fault tracking and closure process. • Strategy for prescriptive versus performance-based maintenance developed. • Key maintenance objectives established and measured.
Capital Works Planning	• Projects have been collated from a wide range of sources such as hydraulic models, operational staff, and risk processes. • Capital projects for the next three years are fully scoped and estimated.
Financial and Funding Strategies	• 10+ year financial forecasts based on current AMP outputs. • Significant assumptions are specific and well-reasoned. • Expenditure captured at a level useful for AM analysis.
Asset Register Data	• Sufficient information to complete asset valuation — basic physical information recorded in a spreadsheet or similar (e.g. location, size, type), but may be based on broad assumptions or not complete. • Replacement cost and asset age/life. • Asset hierarchy, asset identification and asset attribute systems documented.
Asset Condition	• Condition assessment programme in place for major asset types, prioritised based on asset risk. • Data supports asset life assessment. • Data management standards and processes documented.

	• Programme for data improvement developed.
Information Systems	• Asset register enables hierarchical reporting (at component to facility level). • Customer request tracking and planned maintenance functionality enabled. • System enables manual reports to be generated for valuation, renewal forecasting.
Service Delivery Mechanisms	• Service delivery roles clearly allocated (internal and external), with contracts in place for external service provision.

Existing Infrastructure Base

This section provides an overview of the existing infrastructure assets included in the AMP. The overview provides an understanding of the age, value, and condition of Council's existing infrastructure asset base.

Asset Summary

A summary of the Water Supply assets covered by the AMP are included in Table 7.

Table 7: Asset Summary

Asset Type	*Quantity*	*Replacement Value (June 2018)*
Treatment Plant	157	$15,974,300
Bore	14	$626,900
Pump Station	51	$1,439,700
Reservoir	55	$7,291,600
Water Node	2355	$3,614,976
Gates and Fences	3	$5,200
Water Main	1273	$23,942,085
Water Meters and Services	7076	$5,995,255
Stand Pipe	3	$8,800
Total		***$58,898,816***

The total length of water lines is 164,184 metres.

Asset Hierarchy and Useful Life

Implementing an asset hierarchy is one of the most important steps in building an effective asset management program. Such a hierarchy provides both context and organization to the asset register.

The asset register is the fundamental building block for asset management and when organised in hierarchical order is the vehicle by which the information system most effectively enables the assessment of the assets as individual components, composite assets, or groups of assets.

While it is not absolutely necessary to organise asset records in a hierarchical structure (they could simply be listed in date of creation order for example), doing so greatly simplifies the search for the proper record when entering data and greatly facilitates the roll up/drill down concept for data reporting.

An asset's useful life is the period over which a depreciable asset is expected to be fully consumed. This period can be significantly impacted by Council's maintenance practices.

The useful life of an asset is initially based on the manufacturer's recommended (expected) life. This is subject to change however, based on historical evidence of the impact of the local environment on the expected life.

The hierarchy and useful lives of Council's assets are provided in **Error! Reference source not found.** below.

Table 8: Asset Lives and Hierarchy for the Water Asset Class

Asset type	*Component Type*	*Standard Life*	*Component Type*	*Standard Life*
Bore Gates and Fences Pump Station Reservoir Stand Pipe Treatment Plant Water Main Water Meters and Services Water Node	***Access***	*30*	***Lighting***	*30*
	Access, Platforms, Ladders and Handrails	*30*	***Metalwork***	*30*
	Actuated Control Valve	*30*	***Mixer***	*30*
	Actuator	*30*	***Monitoring and Control Equipment***	*15*
	Air Dryer	*30*	***Non-Return Valve***	*50*
	Blank Cap	*50*	***Overflow Pw To River***	*50*
	Blower	*30*	***Penstock Valve***	*50*
	Bore	*50*	***Pipework***	*50*
	Bore Pipe Flow Meter	*30*	***Pipework, Valve and Fitting***	*50*
	Bunding	*50*	***Pit***	*80*
	Compressor	*30*	***Point-Treatment Plant***	*50*
	Control Panel	*30*	***Property Service***	*80*
	Control Valve	*50*	***Pump***	*40*
	Dosing Pump	*30*	***Pump Well***	*80*
	Dosing System	*15*	***Reducer***	*50*
	Dosing Tank	*30*	***Roof Structure***	*50*
	Earthworks	*150*	***RPZ***	*50*
	Electrical	*30*	***Safety Shower Eye Wash***	*30*
	Feeder Hopper	*30*	***Sensor***	*15*
	Fence	*30*	***Sluice Valve***	*50*
	Filter	*30*	***Standpipe***	*50*
	Filtered Water Main	*80*	***Structure***	*80*
	Flow Structures	*50*	***Switchboard***	*30*
	Flowmeter	*15*	***Tank***	*80*
		20	***Telemetry***	*20*
	Footpath	*50*		*30*
	Hardstand	*50*	***Trunk***	*80*
	Hydrant	*50*	***Valve***	*50*
	Inlet Pipe	*50*	***VSD***	*30*
	Inlet Structure	*50*		*50*
	Jetty	*50*	***Water Main***	*80*
	Level Sensor	*15*	***Water Meter***	*30*
	Lifting Equipment	*30*	***Water Service***	*60*
		50	***Weir Dam***	*150*

Asset Remaining Useful Life

The remaining useful lives of the assets are based on:

- Inspections by a suitable qualified person
- Calculated from supplied construction dates and adopted asset lives, or
- Estimated from the condition of the asset as a percentage of the expected life.

The remaining lives of assets are listed in Table 9 and displayed in Figure 6.

Table 9: Asset Remaining Lives by Replacement Values

Remaining life (yrs)	Treatment Plant	Bore	Pump Station	Reservoir	Water Node	Gates and Fences	Water Main	Water Meters and Services	Stand Pipe
0	$0	$0	$0	$3,000	$1,240	$0	$96,120	$0	$0
5	$1,594,300	$10,000	$10,500	$86,100	$1,599,368	$0	$841,828	$10,555	$0
10	$1,677,800	$12,500	$285,000	$57,500	$17,120	$3,600	$100,864	$967,653	$2,500
15	$62,800	$47,500	$8,000	$0	$6,930	$0	$786,671	$321	$0
20	$16,600	$0	$193,500	$48,300	$838,591	$0	$585,227	$6,521	$0
25	$1,480,300	$21,000	$30,000	$739,400	$159,420	$1,600	$2,997,451	$11,030	$3,800
30	$902,300	$15,000	$79,500	$903,600	$83,630	$0	$1,863,409	$11,412	$0
35	$15,500	$12,500	$29,000	$0	$86,194	$0	$1,644,789	$37,686	$0
40	$317,800	$453,600	$74,200	$4,017,300	$187,849	$0	$281,369	$4,020,948	$0
45	$24,800	$23,400	$4,300	$1,263,100	$380,250	$0	$118,228	$4,545	$2,500
50	$8,310,900	$0	$440,700	$0	$201,444	$0	$7,600,877	$27,654	$0
55	$9,600	$0	$0	$48,000	$0	$0	$435,992	$25,065	$0
60	$20,700	$0	$0	$16,500	$0	$0	$213,067	$2,258	$0
65	$25,000	$0	$0	$0	$0	$0	$542,352	$0	$0
70	$0	$0	$30,000	$31,000	$0	$0	$853,920	$0	$0
75	$0	$0	$0	$0	$0	$0	$698,340	$0	$0
80	$1,240,000	$0	$0	$11,000	$0	$0	$1,230,334	$0	$0
150	$125,000	$0	$0	$0	$0	$0	$0	$0	$0

Backlog of $108K with and additional $4.2M to be completed in the next 5 years.

The number of assets with no remaining life is valued at $108K. this suggests that there is a minor backlog of asset renewal works with assets being maintained beyond their performance life. The assets in with remaining life less than 10 years have been included in Appendix E Renewals Program along with their current condition rating.

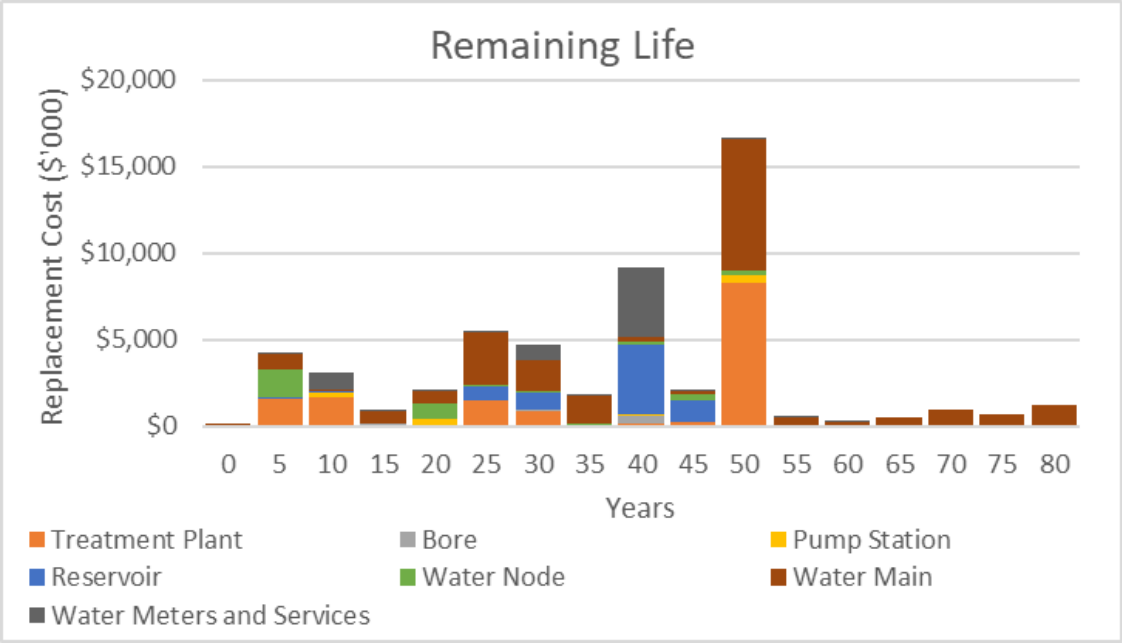


Figure 6: Asset Remaining Life

Age Profile

The age profile of the assets can be seen in Figure 7 below.

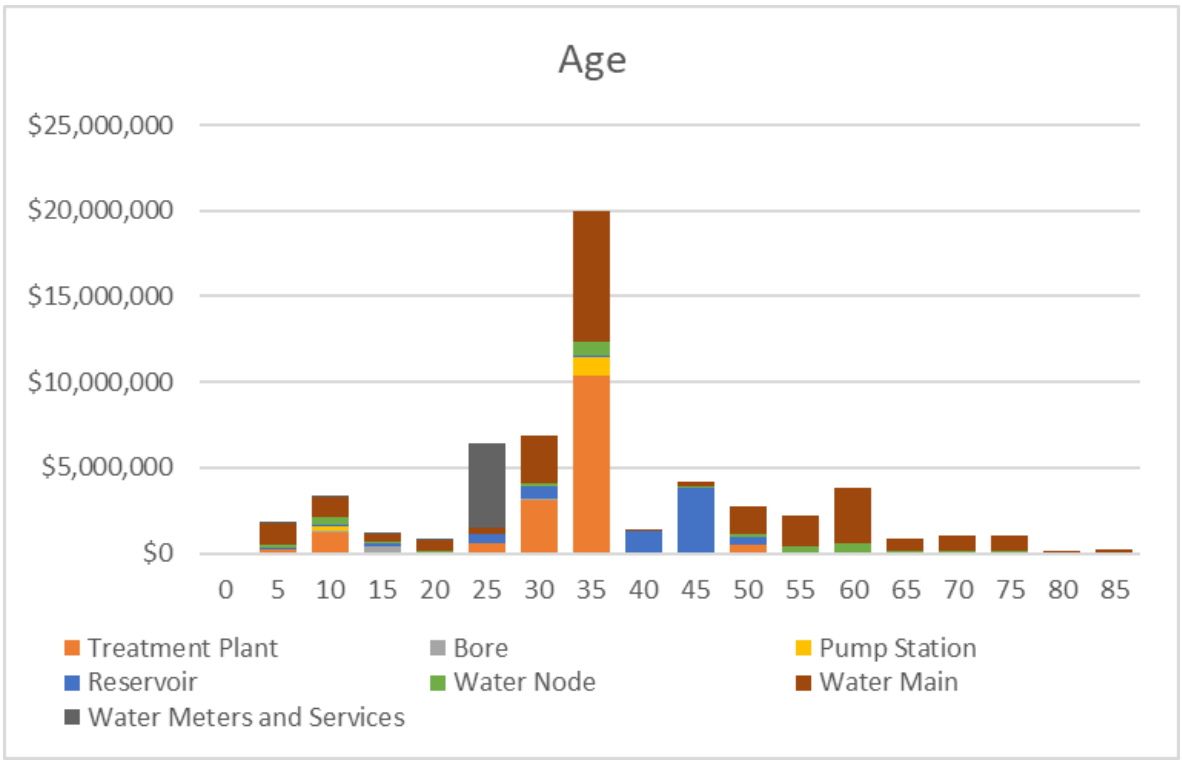


Figure 7: Asset Age Profile

The peak in the Age profile is at 35 years with the peak in the remaining life being at 40 to 50 years. This suggests that there will not be a time within the planning timeframe where there will be a significant increase in renewals expenditure to cover the age peak.

Asset Condition

Council has adopted a condition assessment method using a 5-point scale rating, varying from 'Very Good' to 'Very Poor' condition as can be seen in Table 10 below.

Table 10: Structural Condition Grading Model

Grade	*Condition*	*%Remaining Useful Life*	*Description*
1	Very Good	>70%	Sound physical condition. No signs of deterioration Only normal maintenance required.
2	Good	70% - >50%	Acceptable physical condition; minor deterioration visible, no short-term failure risk. Minor defects only. Only minor work required, if any.
3	Fair	50% - >10%	Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term. Minor defects only. Minor components or isolated sections of the asset may need replacement or repair now but asset functions safely at adequate level of service. Work may be required but asset is serviceable. Maintenance required to restore the asset to an acceptable level of service.
4	Poor	10% - >4%	Significant deterioration evident. Failure likely in short-term. Likely need to replace most or all of the asset. No immediate risk to health or safety but works are required to ensure asset remains safe. Substantial work required in short-term, asset barely serviceable. Asset requires renewal – works to be programmed.
5	Very Poor	<4%	Failed or failure imminent. Immediate need to replace most or the entire asset. Health and safety hazards exist which present a possible risk to public safety, or asset cannot be serviced/operated without risk to personnel. Asset is effectively unserviceable. Major work or replacement required urgently.

Table 11: Asset Condition Profile (as a percentage of the Asset Base)

Asset Type	*Condition (% of Asset Base)*					
	1	*2*	*3*	*4*	*5*	*Total*
Treatment Plant	*0.39*	*0.75*	*24.71*	*1.17*	*0.09*	*27.1*
Bore	*0.12*	*0.87*	*0.06*	*0.02*	*0.00*	*1.1*
Pump Station	*0.00*	*0.42*	*1.52*	*0.50*	*0.00*	*2.4*
Reservoir	*0.19*	*7.09*	*4.15*	*0.95*	*0.00*	*12.4*
Water Node	*0.44*	*0.89*	*0.28*	*1.70*	*2.83*	*6.1*
Gates and Fences	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.0*
Water Main	*4.10*	*6.90*	*16.38*	*11.30*	*1.98*	*40.6*
Water Meters and Services	*1.49*	*0.21*	*6.74*	*0.01*	*1.73*	*10.2*
Stand Pipe	*0.00*	*0.00*	*0.01*	*0.00*	*0.00*	*0.0*
Total	***6.73***	***17.14***	***53.85***	***15.64***	***6.64***	***100.0***

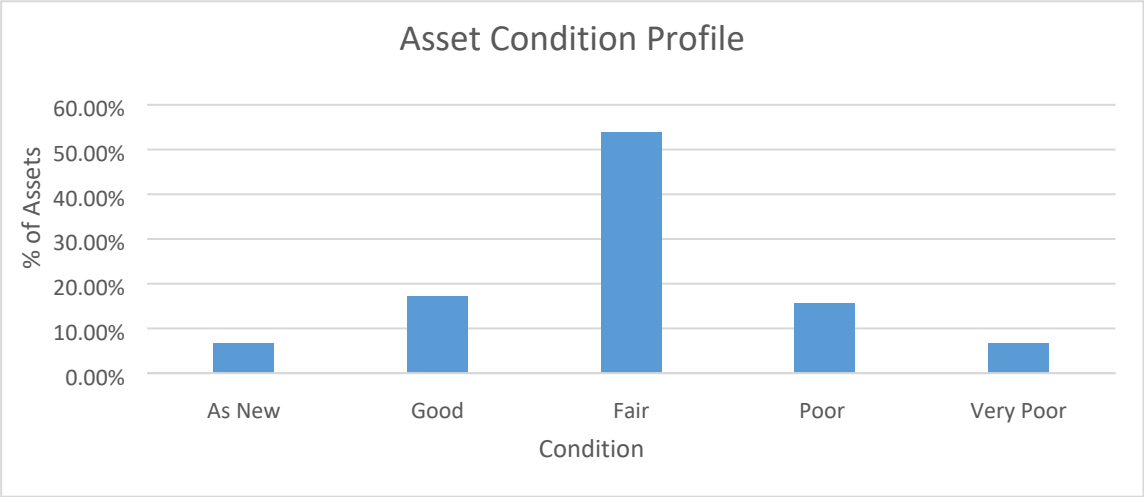


Figure 8: Asset Condition Profile

Currently Council's records show that 6.6% of the water asset are in very poor condition with an additional 15.6% being in poor condition. This means that 22.2% ($13.1M) of the water assets are significantly deteriorated, failing or have failed.

The summary of asset condition by asset type shown in *Figure 9* indicates that the two major areas contributing to the failing assets and deserving further consideration. These are the water meters and services and water nodes (hydrants and valves).

It is recommended that where possible visual inspections of the water nodes be undertaken as a matter of importance to confirm the recorded condition, remaining life estimates and to inform the 10-year works programs.

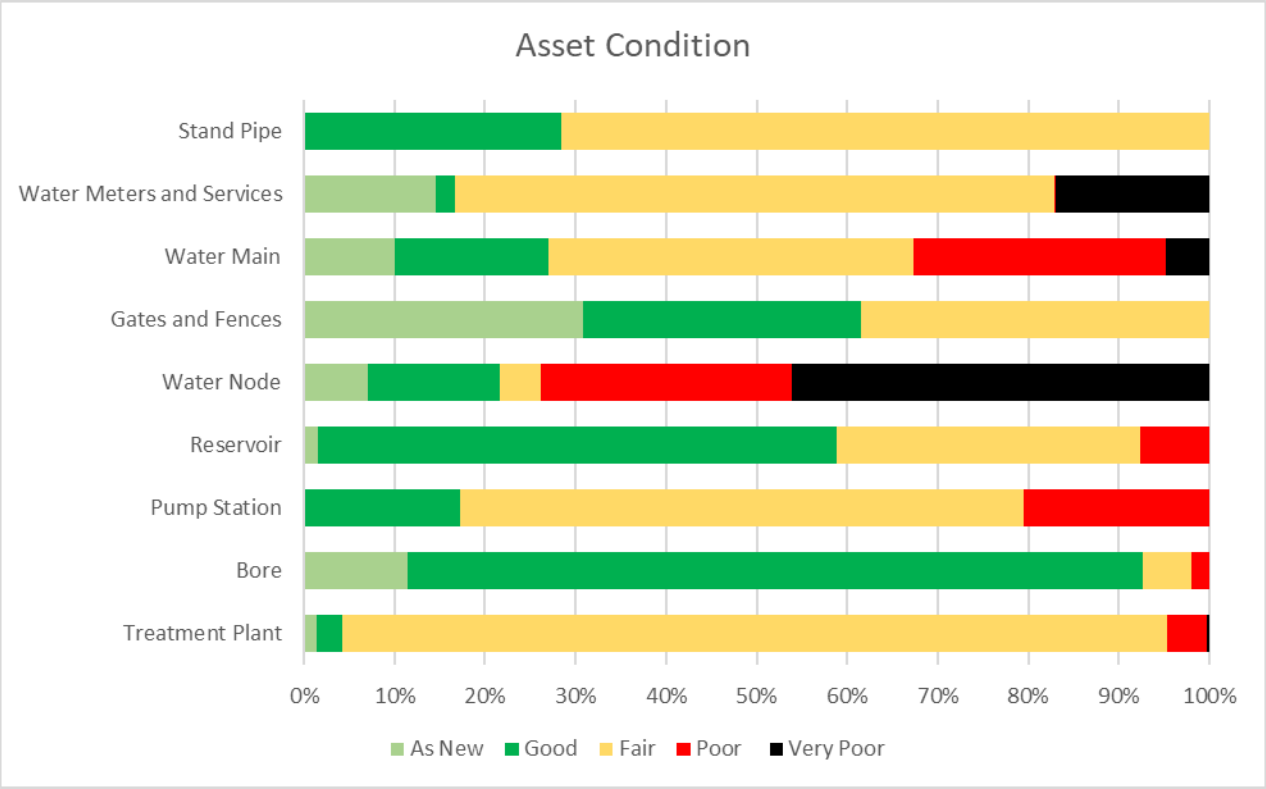


Figure 9: Asset Condition Profile

Note:

The remaining useful life data used in the modelling and the development of the Asset Renewal program is:

- calculated by subtracting the asset's age and the standard asset life. or
- calculated by dividing the fair value by the annual depreciation expense.

The life data is validated at the time of an asset re-valuation.

The remaining life data indicated $4.2M of renewal works needs to be undertaken in the next 5 years while the condition data identified $13.1M of significantly deteriorated, failing or failed assets. This variation indicates a mis-alignment between the Financial and Technical asset data sets.

It is recommended that the Asset condition is reviewed in detail and the remaining useful life updated to reflect the expected renewal date.

Asset Criticality

A critical asset is an asset for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.

Although critical assets have a high consequence of failure, they don't necessarily have a high likelihood of failure

Asset Criticality is a measure of how critical an asset is to the functioning of and/or the services provided by Council.

The importance or degree of asset criticality has been proposed to be based on the consequences of failure, i.e. consequences of failure are assigned a criticality factor.

Elements that may impact on asset criticality include:

- Safety
- Cost of Failure
- Complexity
- Severity of Duty
- Impact of failure
- Impact on Environment
- Location
- Loss of service
- Number of Customers Serviced
- Site function
- Public image impact

Social, environmental & economic factors may be considered.

Social may include

- Community disruption
- Health and safety
- Litigation

Environmental factors that may need to be considered are

- natural waterways
- parks
- national parks
- recreational grounds

Economic

- business and commercial activities being disrupted
- costs to the community

Criticality has been assigned using the ratings in

Table 12.

Table 12 Criticality Ratings

Criticality Rating				
1	*2*	*3*	*4*	*5*
Insignificant	*Minor*	*Moderate*	*Major*	*Extreme*

Based on the above criteria preliminary criticality levels have been assigned by asset types as indicated in Table 13 below. The resultant criticality profile is shown in Figure 10 and

Table 14.

Further iterations of this plan will develop council's asset criticality models and improve the quality of the criticality assessment for individual assets.

Table 13: Asset Criticality Levels (Default value based on Asset Type)

Asset Types	*Component Type*	*Criticality Ratings*
Bore	Electrical	4
	Pump	3
Pump Station	Control Panel	4
	Electrical	4
	Pump	3
	Telemetry	3
Reservoir	Actuator	4
	Electrical	4
	Level Sensor	4
	Structure	3
	Tank	3
	Telemetry	3
Treatment Plant	Compressor	4
	Control Panel	4
	Dosing System	4
	Electrical	4
	Level Sensor	4
	Monitoring and Control Equipment	4
	Point-Treatment Plant	5
	Pump	3
	Switchboard	5
All other Assets		2

Table 14: Water Supply Network Criticality by Current Replacement Cost

Asset Type	1	2	3	4	5
Bore		$505,400	$87,500	$34,000	
Gates and Fences		$5,200			
Pump Station		$835,900	$400,800	$203,000	
Reservoir		$1,531,100	$5,718,500	$42,000	
Stand Pipe		$8,800			
Treatment Plant		$12,980,000	$596,800	$2,355,700	$41,800
Water Main		$23,942,085			
Water Meters and Services		$5,134,414			
Water Node		$3,563,796			

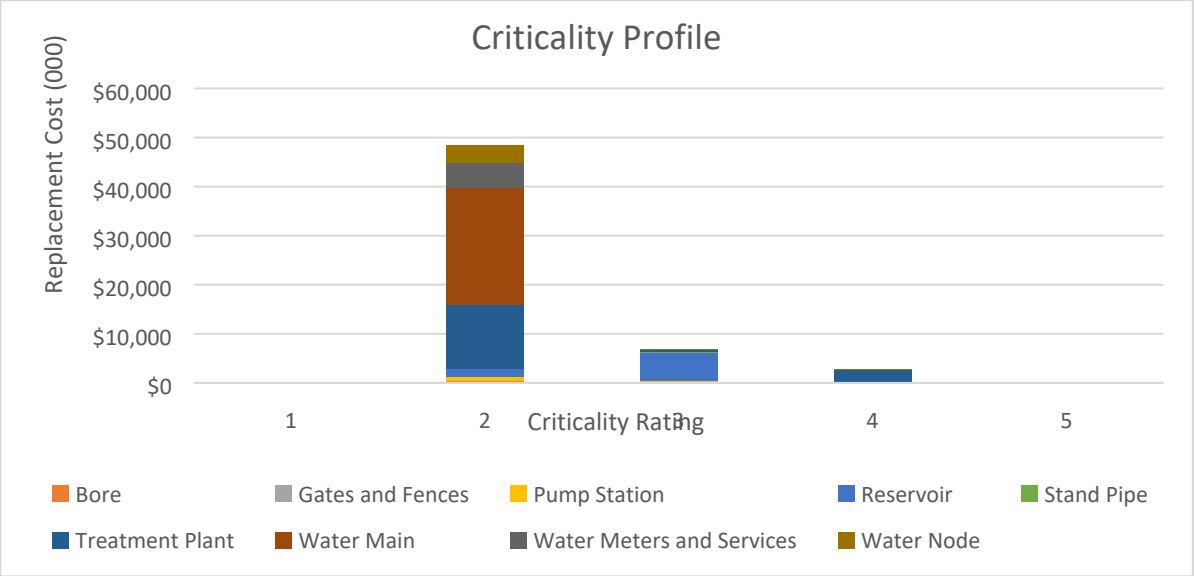


Figure 10: Water Supply Network Criticality Profile

Data Confidence

The lifecycle assessment is only as precise as the accuracy of the data Council holds. This data includes revaluation data of the assets, financial data, and asset register details.

Table 15: Data Confidence Rating

Grade	*Description*	*Accuracy*
1	Accurate	100%
2	Minor Inaccuracies	95%
3	50% Estimated	80%
4	Significant Data Estimated	70%
5	All Data Estimated	60%

(Section 4.3.7 of the IIMM, Version 3.0, 2006)

The water data has been given subjective data confidence rating of 3.

Further iterations of this plan will develop council's data confidence models and improve the quality of the assessment for each asset class.

Levels of Service

Level of Service Document Hierarchy

- ***Edward River Community Strategy 2030***

  The Community Strategy establishes, through community consultation, Council's aspirational goals and objectives for the delivery of Water services.

- ***Asset Management Plan***

  This Asset Management Plan (AMP) develops technical measures against which the aspirational goals and objectives can be measured (Technical Levels of Service).

- ***Service Level Agreement***

  The service level agreement (SLA) is a formal agreement between those responsible for the assets and the services they deliver, and the operational areas of Council charged with maintaining, operating, and upgrading existing assets or constructing new infrastructure.

- ***Activity Specification***

  The activity specification defines the target performance measures for maintenance, operations, or construction activities. It sets routine inspection and maintenance frequencies and for reactive maintenance sets intervention levels, response times, activity duration targets.

- ***Maintenance Management Plan***

  The Maintenance Management Plan (MMP) details how each activity is to be completed and may include the following:

  - Standard Operating Procedures
  - Work Instructions
  - Hazard Risk Assessment
  - References to Maintenance Manuals (particularly fleet, plant, mechanical and electrical assets)

Community Strategy 2030 (Community Levels of Service)

The Community Strategy relevant to this AMP is

Outcome 4 - A region with quality and sustainable infrastructure

The outcome targets relevant to Water services are:

4.3 Our water and sewer infrastructure is efficient and fit for purpose

Table 16: Council's Goals

Council Role
• Effectively maintain the region's water and sewer infrastructure. • Undertake sound asset management planning and asset mapping. • Where appropriate, upgrade existing or provide new infrastructure.

In addition to Council's Water aspirational goal and roles as detailed in Table 16 above, the Community Levels of Service relate to subjective service delivery outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, value, and legislative compliance.

Community levels of service measures used in this service management plan are:

- *Quality - How good is the service?*
- *Function - Does it meet users' needs?*
- *Capacity/Utilisation - Is the service over or under used?*

These community levels of service promised by Council are outlined in **Error! Reference source not found.**.

*Table 17: Community Levels of Service***Error! Reference source not found.**

Technical Levels of Service

Technical levels of service support the community levels of service by turning subjective requirements of the Community Levels of Service into objective assessments. These technical measures aim to quantify the performance of the assets and services they provide and relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or

- New – a new service that did not exist previously (e.g. a new library).

Asset managers plan, implement and control technical service levels to influence the community service levels.[1]

These technical Levels of Service are outlined in Table 18.

[1] *IPWEA, 2011, IIMM, p 2.22*

Table 18: Technical Levels of Service

Classification	Water Supply		
Service Statement	Safe, sustainable water supply.		
Performance Measure	Community feedback through surveys or complaints		
Service Factors	**Community Levels of Service**	**Technical Levels of Service**	**Performance Measures**
Quality			
High Quality Drinking Water	Consistently clean, safe drinking water	Operations & Maintenance • Inspect assets on a routine basis to identify their condition • Inspect assets on a routine basis to identify and address any defect and safety concerns • Water quality matches NHMRC Drinking Water Guidelines for colour, turbidity and microbiology.	100% of Activities identified in the SLA met. 30% of Asset Base condition assessed annually Defect inspections 90% of Water assets <1 complaint / month
		Renewal • Renew/replace components when they no longer function at 90% • Renew/replace assets when they degrade to a dangerous level.	Average network condition remains constant or improves. 90% delivery of renewal programs
Function			
Effective Water Supply	Minimal interruptions to supply Water pressure is adequate for all applications	New/Upgrade • Provide new/upgraded infrastructure to cater for community growth in accordance with infrastructure plan, and existing community demand • Provide new/upgraded infrastructure as required to comply with industry standards or statutory requirements • Ensure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with design standards and guidelines 5> complaints / annum
Capacity/Utilisation			
Affordability and whole of life management	Water supply remains affordable	New/upgraded • Ensure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines. • Demand strategies include demand management options.	Decrease excess water charges Baseline chemical usage

Growth

Development

The new assets required to meet development growth will be acquired free of cost from land developments and constructed/acquired by Council.

Acquiring these new assets will commit Council to fund on-going 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.

Demand

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, and environmental. Specific to Council, the demand factor that may impact on service delivery are summarised in Table 19.

Table 19: Demand Impact

Demand Driver	*Current Position*	*Projected Position*	*Potential Impact*	*Response Required*
Community Growth*	8949 residents	*No current prediction available.	Population growth will result in an increase in asset use and have an impact on the lifecycle cost of the assets.	There is not enough growth to have a significant impact on services.
Demographic*	Median age 44.7 22.2% >65 years of age	*No current prediction available.	Increases in the median age increases the importance for service accessibility.	The average population being relatively young will increase the need for community Water infrastructure.
Tourism	Tourism and related industries account for less than XX% of the total employed in the Council area.	*No current prediction available.	An increase in visitors to the area will have a larger effect on infrastructure services.	Council will not have to increase size of the asset base specifically for tourism increases.

*(*Australian Bureau of Statistics – [Edward River Council])*

Growth/Demand Response

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

Non-asset solutions focus on providing the required service without the need for Council to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures.

Opportunities for demand will be developed in future revisions of this asset management plan.

Council's current adopted growth rate is 1% per annum. There is existing capacity in the water network to cater for this level of growth for the foreseeable future.

Risk Management

Risk Management Objectives

Risk Management Objectives

Council has a ‘duty of care’ to the community in relation to management of the assets and appropriate management of risk. Council must reduce risk where it is reasonable to do so. Risks that affect Council include:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance, and operation of the assets to provide agreed Levels of Service.
- Operational risks where data and information are not maintained to standards which enable competent management outputs.

The objectives to be achieved in managing risks under the AMP are:

- Identify high risk assets
- Maintain Levels of Service
- Mitigate risks to the public
- Reduce the number and magnitude of unplanned asset failures.

Managing risks involves identifying, assessing and determining risk management option.

Risk action options vary depending on several factors, including but not limited to:

- Available resources and funding,
- Risk assessment level and
- Network demand.

In this way, it may be reasonable to mitigate a lower risk when it is not practical to mitigate a high risk.

For each identified risk Council can elect to adopt one of the following positions:

- *Take the risk*
- *Transfer the risk*
- *Treat the risk*
- *Terminate the risk*

Risk Assessment Method

Risks vary in both likelihood and consequence. Analysing risks in a risk matrix can help to quantify the risk to then identify necessary treatment actions. The risk matrix used to assess Council's risks is shown in Table 20 below.

Table 20 Risk Assessment Matrix

LIKELIHOOD	CONSEQUENCES				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
A. Rare	Low	Low	Low	Moderate	High
B. Unlikely	Low	Low	Moderate	High	High
C. Possible	Low	Moderate	Moderate	High	Extreme
D. Likely	Moderate	Moderate	High	Extreme	Extreme
E. Almost Certain	Moderate	High	High	Extreme	Extreme

The options to 'treat' risks are broadly outlined in Table 21 below.

Table 21 Treatment Options

Risk Assessment	Treatment Options
Low (L)	Acceptable Risk • Unlikely to require specific application of resources • Manage by routine procedures • Monitor, review and react.
Moderate (M)	Acceptable Risk • Unlikely to cause much damage and/or threaten the efficiency and effectiveness of the activity • Treatment plans to be developed and implemented by operational managers • Manage by specific monitoring or response procedures.
High Risk (H)	Generally unacceptable • Likely to cause some damage, disruption, or breach of controls • Senior management attention needed, and management responsibility specified • Treatment plans to be developed and reported to executives.
Extreme (E)	Not acceptable • Likely to threaten the survival or continued effective function of the organisation, either financially or politically • Must be managed by senior management with detailed treatment plan in place • Immediate action required.

Risk Analysis - Asset Failure

The asset risk has been calculated using the criticality of the asset as a measure of the consequence of failure and the condition rating as the likelihood of the asset failing. A risk rating was assigned to every water asset.

Error! Reference source not found. and **Error! Reference source not found.** quantify the number of assets at each level of risk, Council's risk exposure to asset failure in the Water network, and the assets assessed as having an extreme risk of failure.

Table 22 Risk Rating Matrix

	Consequence				
Likelihood	1	2	3	4	5
1		*251*	*2*	*1*	
2		*661*	*11*	*7*	*1*
3		*4035*	*20*	*30*	
4		*1014*	*10*	*3*	
5		*4826*		*1*	

The four (4) assets with an extreme risk rating are included in **Error! Reference source not found.** below. One of these assets have a condition rating of 5 therefore it can be assumed that it is already being considered in Council's water renewal program. For the other three assets it is suggested that a review of their condition be undertaken, and their inspection frequency be increased accordingly.

Table 23 Extreme Risks

Asset Number	Asset type	Component	Condition	Current Replacement Cost
WA01129 - 120	Treatment Plant	Actuator	4	$1,300
WA01129 - 36	Treatment Plant	Control Panel	4	$15,800
WA01129 - 50	Treatment Plant	Compressor	5	$31,800
WA01129 - 59	Treatment Plant	Actuator	4	$5,300

Identified Operational Risks

Table 24: Water Supply Operational Risk Assessment

Risk ID	Critical Incident	Cause	Likelihood	Consequences	Rating
1.	Insufficient knowledge of changes to infrastructure	Poor capitalisation and data capture processes.	Almost Certain	Moderate	High
2.	Failure to deliver CAPEX and OPEX programs	Insufficient forward planning and design	Almost Certain	Moderate	High
3.	Pipe failure causing flooding to private property or other key infrastructure	Not renewing assets before its end of life Earth movement	Possible	Moderate	Moderate
4.	Lack of water pressure	Pumping or treatment plant failure Increase in demand (temporary or permanent)	Unlikely	Moderate	Moderate
5.	Lack of water supply	Pumping or treatment plant failure	Unlikely	Major	High
6.	Water supply contaminated	Pumping or treatment plant failure	Unlikely	Catastrophic	High

Operational Risk Report

The risk report resulting from the assessment is included as Table 25 below.

Table 25: Risk Report

ID	Risk Description	Risk Assessment	Action	Treatment Options	Estimated Cost	Target Risk Result
1.	Assets are being acquired or created and recorded in the asset register. The information recorded is not appropriate. (e.g. Asset Name: “Capital works”)	High	Treat	Improve data management processes and procedures Train staff Improve data recording of Ops & Maint. Expenditure	$TBA	Moderate
2.	Annual works programs are not being delivered. (plan, design and construct within a single year)	High	Treat	Amend budgets to include Forward Planning and Forward Design allocations.	Nil	Moderate
3.	Pipe failure causing flooding to private property or other key infrastructure	Moderate	Take	Ensure shut of blocks and valve locations known. Monitor response times.	Nil	Moderate
4.	Lack of water pressure	Moderate	Take	Monitor system pressures. Train staff	Nil	Moderate
5.	Lack of water supply	High	Treat	Telemetry installed. Monitor frequency and response times. Train staff	Nil	Moderate
6.	Water supply contaminated	High	Treat	Water is tested regularly. Train staff in how to manage different contaminates.	Nil	Moderate

Long Term Funding

The available funding was estimated based on the financial model provided by Council. The Capital expenditure has been extracted from Council's Financial Model, however the operations and maintenance expenditure funding forecasts are imbedded in the model data and not clearly identified by asset class. Therefore, these operational expenditure funding forecasts are based on current levels of expenditure. The assumption being that this level of funding is enough to deliver the current service levels.

The forecasts estimated in this AMP should be used as an indication of expenditure levels and distribution required for the Long-Term Financial Plan.

Long Term Financial Plan Summary

The LTFP funding available for operations, maintenance and infrastructure renewals is shown in **Error! Reference source not found.** and Figure 11. The total allocation over the term of the LTFP is $17.9M or $1.79M per annum.

Table 26: Long Term Financial Plan

Financial Year Ending	*New/Upgrade*	*Operations & Maintenance*	*Renewals*	*Total*
2020	$105,000	$1,123,600	$1,926,000	$3,154,600
2021	$107,000	$1,131,148	$377,000	$1,615,148
2022	$0	$1,138,884	$1,000,000	$2,138,884
2023	$0	$1,146,813	$0	$1,146,813
2024	$0	$1,154,941	$0	$1,154,941
2025	$0	$1,163,272	$1,750,000	$2,913,272
2026	$0	$1,171,811	$0	$1,171,811
2027	$0	$1,180,564	$0	$1,180,564
2028	$0	$1,189,536	$1,000,000	$2,189,536
2029	$0	$1,198,732	$0	$1,198,732
Total	***$212,000***	***$11,599,301***	***$6,053,000***	***$17,864,301***

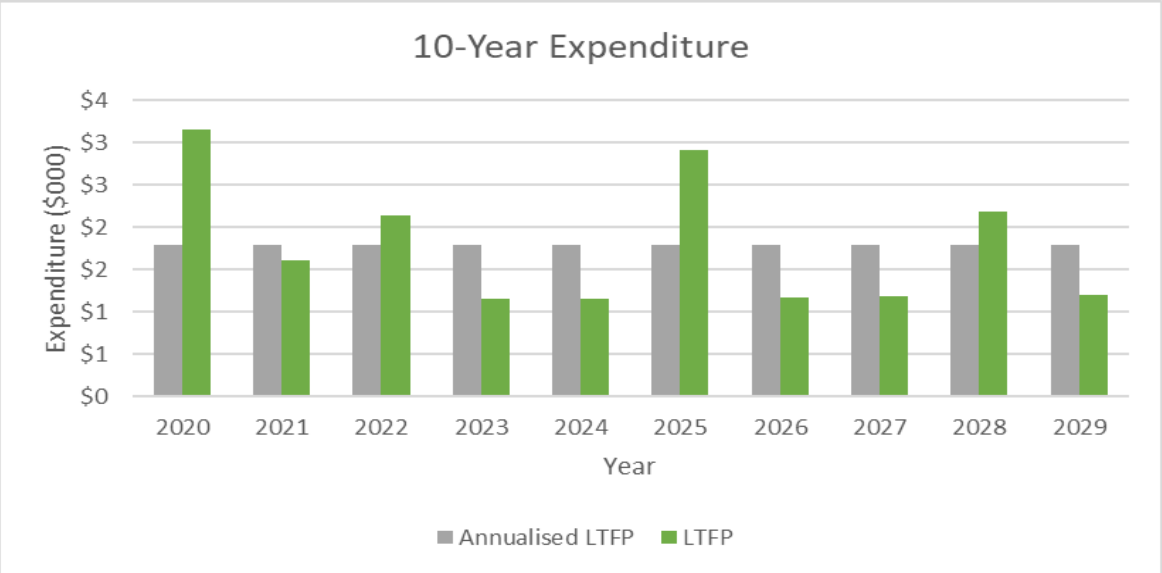


Figure 11: Water Supply Network funding in the Long-Term Financial Plan

Operations & Maintenance

Operations and Maintenance activities relate to the day-to-day running and upkeep of assets, the costs of which are particularly significant for dynamic/short-lived assets.

Operations expenditure is recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, street sweeping, mowing, on-costs and overheads but excludes maintenance and depreciation.

Maintenance activities are those necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets functioning and in good repair. It is operating expenditure required to ensure that the asset reaches its expected useful life.

Maintenance Specifications

The links below contain the maintenance specification details (A summary of maintenance activities is attached in *Appendix C – Maintenance Activity Specification*.

Table 27 Operations and Maintenance Documents

Maintenance Specification Details			
Assets covered	*Status*		*Document Reference*
Water Supply SLA	Up to Date		Draft
Activity Specification	Up to Date		Draft
Maintenance Manual	To be Drafted		

Operations & Maintenance Program

Currently maintenance is managed based on historical information and trends. The maintenance service objectives are to:

- Maintain Council's infrastructure in a safe, serviceable and aesthetic condition to the satisfaction of Council and the community;
- Maintain and preserve the functionality and value of the existing assets;
- To provide and maintain a safe environment for the community within the constraints of Council's financial capacity and resource capability, while displaying a reasonable "duty of care"; and
- Ensure the provision of a high standard of customer service and that customer requests are responded to quickly efficiently.

Council's future operations and maintenance expenditure is based on last financial year's financial statements. This data only provided very limited granularity and insight into the operations and maintenance work it represents. The operations and maintenance expenditure is not broken down into specific tasks. From this data it is not possible to assess whether the level of operations and maintenance being conducted is appropriate or how it will change over the planning period.

The associated increase in required operations and maintenance expenditure has been included Council's adopted growth rate (2.5%).

The projected operations and maintenance expenditure can be seen in Figure 12 below.

Table 1.3 Forecast Operations and Maintenance expenditure

Financial Year Ending	*Operations*	*Maintenance*	*Total*
2020	$821,700	$309,448	$1,131,148
2021	$821,700	$317,184	$1,138,884
2022	$821,700	$325,113	$1,146,813
2023	$821,700	$333,241	$1,154,941
2024	$821,700	$341,572	$1,163,272
2025	$821,700	$350,111	$1,171,811
2026	$821,700	$358,864	$1,180,564
2027	$821,700	$367,836	$1,189,536
2028	$821,700	$377,032	$1,198,732
2029	$821,700	$386,458	$1,208,158
Totals	***$8,217,000***	***$3,466,858***	***$11,683,858***

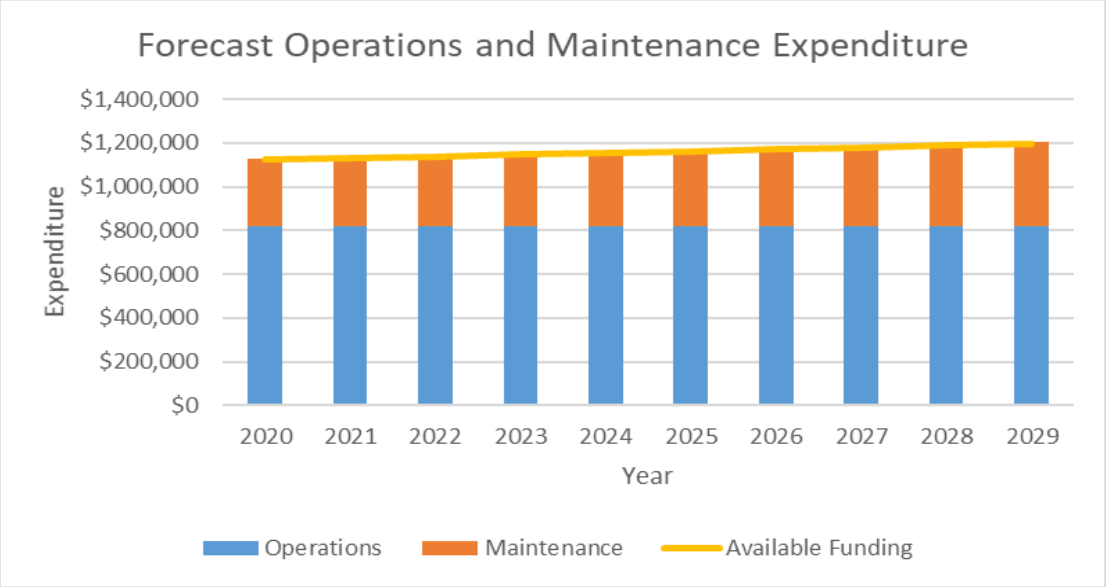


Figure 12: Operations and Maintenance Expenditure Forecasts

The annualised expenditure on operations and maintenance activities for the next 10 years is $1,047,570 per annum

Operations & Maintenance Funding Ratio

A following ratio is calculated based on the forecast Water Supply maintenance expenditure ($309,448) as a percentage of the current replacement value of the Water Supply assets.

Table 28: Maintenance Funding Ratio

Maintenance Funding Ratio	0.53%

This ratio is below the estimated maintenance expenditure levels based on the depreciation of assets with a condition greater than or equal to 3. The estimated expenditure level is shown in *Table 29 Depreciation Expense levels*.

Table 29 Depreciation Expense levels

Condition	*Annual Depreciation*
3	*$435,426*
4	*$115,705*
5	*$60,858*
Total	***$611,989***

The annual depreciation total for assets in condition 3, 4 and 5 represents 1.04% of the current replacement cost of the asset base.

Renewals Planning

Renewal expenditure does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is classed as upgrade or new works expenditure.

The renewals are based on the asset valuation data provided by Australis. Additionally, the assets that had been programmed in Council's capital works program have been included for comparison.

The renewals forecasting includes 3 different approaches as follows:

Depreciation Renewals

This is a 'top down' approach that uses the depreciation or 'consumption' rate as a guide to how much Council should be investing in renewals to effectively maintain the assets. This is calculated from the financial register using valuation data. This does not necessarily reflect the technical condition of the assets or the potential impact on the life of the asset due to changes in maintenance and operational practices.

Condition Renewals

This is a more rigorous 'bottom up' approach that uses the condition of each asset and develops a renewal program on timely investment of expenditure to renew the asset at the end of its life. The forecast renewal expenditure is then more representative of when the expenditure is required.

Planned Renewals

Council does not have a planned renewal program to inform this plan.

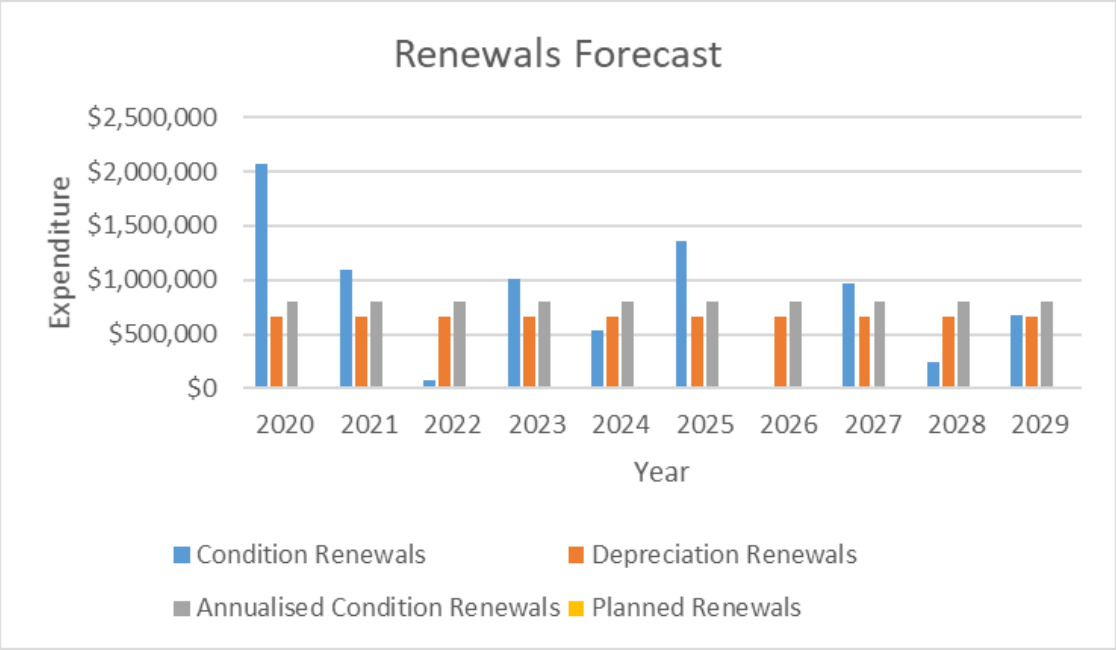


Figure 13 Forecast Renewal Expenditure

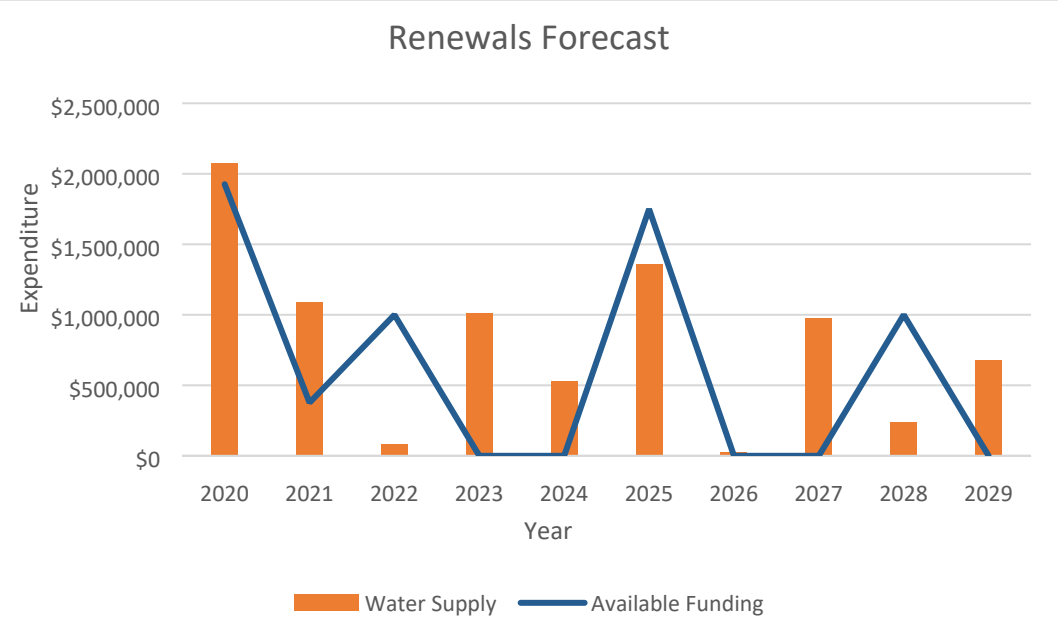
The value of the renewals in the first year of the plan as shown in **Error! Reference source not found.** and **Error! Reference source not found.** below suggests a number of assets have reached the end of their service life and are awaiting renewal. Deferred renewals, i.e. those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan as unfunded renewals.

Table 30 *Forecast renewal expenditure*

Financial Year Ending	*Condition Renewals*	*Annualised Condition Renewals*	*Planned Renewals*	*Depreciation Renewals*
2020	$2,072,807	$805,166	$0	$660,348
2021	$1,087,500	$805,166	$0	$660,348
2022	$78,703	$805,166	$0	$660,348
2023	$1,014,000	$805,166	$0	$660,348
2024	$530,000	$805,166	$0	$660,348
2025	$1,356,605	$805,166	$0	$660,348
2026	$26,621	$805,166	$0	$660,348
2027	$971,767	$805,166	$0	$660,348
2028	$239,544	$805,166	$0	$660,348
2029	$674,108	$805,166	$0	$660,348
Total	***$8,051,655***	***$8,051,655***	***$0***	***$6,603,485***

Renewals Program

This renewal requirement does not include any amount dedicated to a renewal project which upgrades or increases the level of service. Any additional amount for this is to be reported through the New and Upgrade Requirement within *New and Upgrade* of this AMP.



This plan provides an indicative program information for the renewal of the assets.

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

Comparative Renewals Funding Ratio

A following ratio is calculated based on the available renewal funding against the forecast required renewal expenditure. The Ratio for the different assessment methods is included in Table 1.4 below.

Table 31: Renewal Funding Ratio

Expenditure Type	Depreciation Based	Condition Based
Asset Renewal Funding Ratio	0.92	0.75

A ratio above indicates that Council has under-funded its renewals. The renewal plan based on the condition of the assets has been prepared and is attached in Appendix C – Maintenance Activity Specification

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level
1	Mains break repairs and maintenance Urban and Rural	Repairing break along water reticulation network	Trunk Lines	As per call in of fault visible	Water is leaking and visible at surface
			Reticulation	As per call in of fault visible	Water is leaking and visible at surface
			Service Lines	As per call in of fault visible	Water is leaking and visible at surface
2	STP Operations	To test, treat effluent and to operate the STP	Telemetry	As per call in or fault	Alarms, Visual
			Lab testing equipment	Weekly	Visual
			STP	Daily	Pump run times, Alarms
3	STP maintenance	To maintain the STP and all equipment to a high standard	Pumps	as per maintenance schedule	Pump run times alarms visual
			Valves	as per maintenance schedule	Visual and by the operation of the valve
			filters	as per maintenance schedule	By maintenance schedule and visual inspections
			Telemetry	As per call in or fault	Alarms/visual
4	Pump Station Maintenance	To maintain the Pump Stations and all equipment to a high standard	Pumps	As per maintenance schedule	Pump-Runtimes-Alarms-visual

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level
			Pump Well	As per maintenance schedule	Visual
			Telemetry	As per call in or fault	Alarm
5	Low Pressure Sewer Maintenance	To maintain the Low-Pressure Sewer System and all equipment to a high standard	Low pressure sewer mains	As per call in of faulty & maintenance programme	Water is leaking and visible at surface
			Pumps	As per call in of faulty & maintenance programme	Alarm
			Tank	As per call in of faulty & maintenance programme	Alarm
			Control box	As per call in of faulty & maintenance programme	alarm
6	Sewer, Manhole & Vents Maintenance & Inspections	To maintain manhole and vents to a high standard	Manhole Cover	As per call in or fault	Visual
			Manhole surround	As per call in or fault	Visual
			Vents	As per call in or fault	Visual
7	Sewer Maintenance & Repairs	Repair & replace sewer reticulation	Sewer Mains	As per call in of fault visible	Blocked sewer main, sinkhole
			Boundary Riser	As per call in of fault visible	Blocked or broken riser
8	WTP operations and testing	Provide potable drinking water through the operation of the plant and water testing	Telemetry	Daily	Signal lost, alarms
			Lab testing equipment	Daily	Faulty, alarms
			Pumps	weekly	alarms
9	WTP maintenance	To maintain the WTP and all equipment to a high standard	telemetry	Daily	Signal loss alarms
			Lab testing	Daily	Faulty, alarms
			Dosing equipment	Daily	Faulty, alarms
			pumps	weekly	Faulty, alarms
10	Water storage inspections and maintenance	To ensure the water storage tanks and surrounding areas are in good condition	telemetry	Daily	Alarms, loss of signal
			Reservoir	Weekly	As reported through inspection schedule
			valves	As required	As required

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level
11	Water pump stations operations and maintenance urban & rural	To ensure pumps are delivering & operating at full capacity, Maintain pump houses to a good condition	telemetry	Daily	Alarms, loss of signal
			Pumps	Weekly	Alarms, as required
			Electrical equipment	weekly	Alarms, as required
12	Valve and hydrant maintenance and repair	Ensure valve and hydrants are accessible and in good working condition	Hydrants	2 X Yearly	As Required
			Valves	2 X Yearly	As Required
13	Water Meter Reading & Maintenance Urban & Rural	Ensure water meters & Toggle are accessible and in good working condition	Water Meter	As Required	Water is leaking & visible at surface
			Taggle	As Required	No Signal
			Mi Water program	As required	As per call in
14	Water Main Flushing	For cleaning the interior of water distribution mains by sending a rapid flow of water through the mains	Hydrant stand	2 X a year	As Required
			Hoses	When in use	As required
15	Litter Traps Inspection & Maintenance	Clean out litter traps to stop rubbish entering the river system	Litter Traps	Yearly or as required	Empty after storm event
16	Pipes, Culverts & Pitts Blockages	To clear any obstruction or blockages	Pipes	As Required	As Required
			Culverts	As required	As required
			Pits	As required	As required
17	Vegetation Control	Ensure a clean and safe work environment.	Pump stations	Weekly	As required
			Manholes	As per call in or fault	As required
			Valve covers	2X per year when flushing	As required
			Hydrant covers	2X per year when flushing	As required
18	Fence and Gate maintenance	Ensure safety and restrict unauthorised access	Pump stations	Weekly	Inspection
			WTP	Daily	Inspection
			STP	Daily	Inspection
19	Roads (sealed and unsealed) maintenance	Ensure roads are restored to certain standard			

Appendix D – Renewals Plan.

New and Upgrade

New and Upgrade expenditure is for the provision of, or improvement to, an asset where the outlay can reasonably be expected to provide benefits beyond the year of outlay, including a value management approach that aims to produce the most economic and creative solutions.

New/Upgrade Prioritisation Approach

The considerations taken into account when prioritising new/upgrade Projects. The discussion may include some example criteria as documented below:

- New/upgrade projects that involved legislative drivers were prioritised over others that did not, to ensure compliance with statutory requirements.
- Once the legislation assessment was completed, projects were assessed against alignment with approved Council plans, policies, and strategies. This was essential to ensure projects were not being developed outside the scope of strategic Council documents.
- A risk assessment was undertaken, to identify projects with higher risk. This was necessary to identify the consequences and impacts if projects were not undertaken. Projects identified as higher risk were prioritised over those with a lower risk.
- An assessment of community growth and demand based on technical levels of service on services within the Council area was undertaken. This highlighted that projects associated with growth areas such as the northern growth corridor warranted being prioritised over those not located in such an area.
- For projects concerning the upgrade of existing assets, these were given priority over new assets in order to maximise / enhance existing infrastructure before investing in new, additional assets
- Include evidence of a value management approach taking into consideration the Whole of Life costs of each project

New / Upgrade Program

It is an objective of the Community Strategy to undertake projects that generate new infrastructure or upgrade existing infrastructure, therefore Council is currently reviewing its Long Term Financial Plan to determine if after funding asset operations, maintenance and renewal there is funding available for these works.

Therefore there is not a new/upgrade program available for inclusion in this AMP.

Expense Type	1	2	3	4	5	6	7	8	9	10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
New/Upgrade	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Disposal / Rationalisation

Council has undertaken a review of the configuration, type and location of Water Supply assets and the service delivery process relevant to the activity, when an asset becomes uneconomical to maintain or rehabilitate, or is no longer required.

There is currently no information regarding any assets that may have been disposed of. It has been assumed that all assets on the register are in use.

Disposals

There have been no assets identified for disposal however some asset recorded in the asset register no longer exist, therefore a disposal plan will need to be developed once the asset data issues have been addressed.

Forecast Expenditure

Financial Summary

The forecast expenditure to deliver the planned New/upgrade program, the condition renewal plan and sustain the current level of operations and maintenance is outlined in Table 32 below. This gives a 10-year total of $19.7M.

Table 32: 10 Year Forecast Expenditure

Financial Year Ending	*Risk Treatment*	*New or Upgrade*	*Operations*	*Maintenance*	*Renewals*	*Total*
2020	$0	$0	$821,700	$309,448	$2,072,807	$3,203,955
2021	$0	$0	$821,700	$317,184	$1,087,500	$2,226,384
2022	$0	$0	$821,700	$325,113	$78,703	$1,225,517
2023	$0	$0	$821,700	$333,241	$1,014,000	$2,168,941
2024	$0	$0	$821,700	$341,572	$530,000	$1,693,272
2025	$0	$0	$821,700	$350,111	$1,356,605	$2,528,417
2026	$0	$0	$821,700	$358,864	$26,621	$1,207,185
2027	$0	$0	$821,700	$367,836	$971,767	$2,161,303
2028	$0	$0	$821,700	$377,032	$239,544	$1,438,276
2029	$0	$0	$821,700	$386,458	$674,108	$1,882,265
Total	***$0***	***$0***	***$8,217,000***	***$3,466,858***	***$8,051,655***	***$19,735,514***

The estimated available funding forecast from previous financial statements is outlined in Table 26: Long Term Financial Plan above. This gives a 10-year total of $17.9M

The comparison of the projected 10-year expenditure and the funding included in the LTFP can be seen in Figure 14 below.

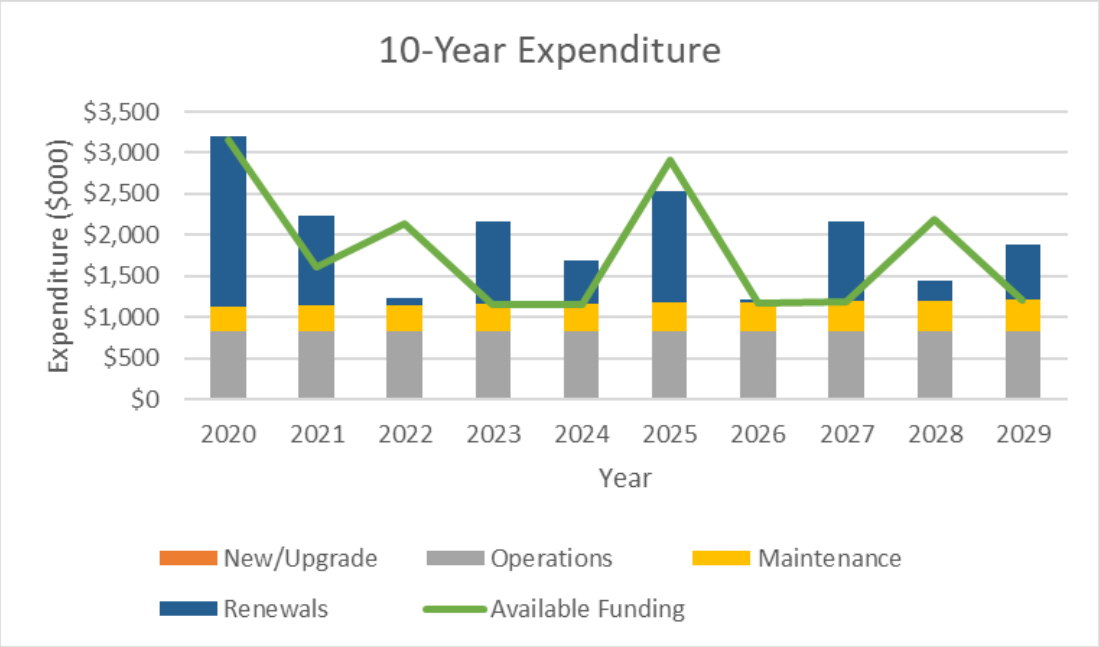


Figure 14: Expenditure Forecast

The cumulative gap between the funding and expenditure results in a financial shortfall of $1.87M at the end of the 10-year period. This can be seen in Figure 15.

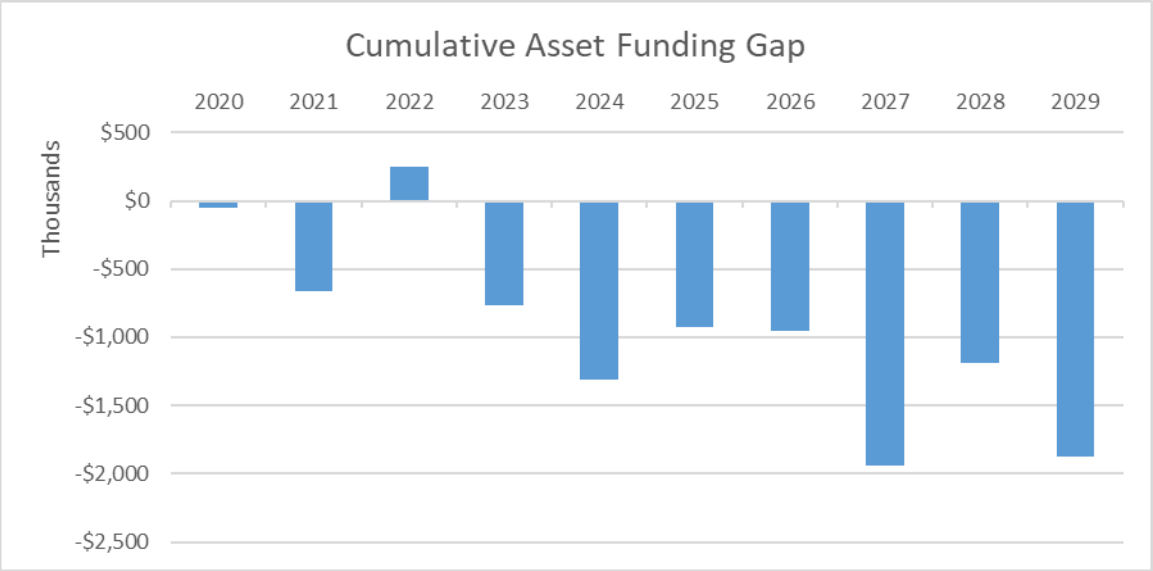


Figure 15: Funding Gap

Asset Values

The valuation is based on:

- A review of the asset register;
- Unit rates based on Council's construction costs and published rates; and
- Condition assessments to determine remaining useful life.

Table 33: Asset Valuations

Asset Class	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation
Water Supply Assets	*$58,898,816*	*$22,619,803*	*$36,279,013*	*$733,721*

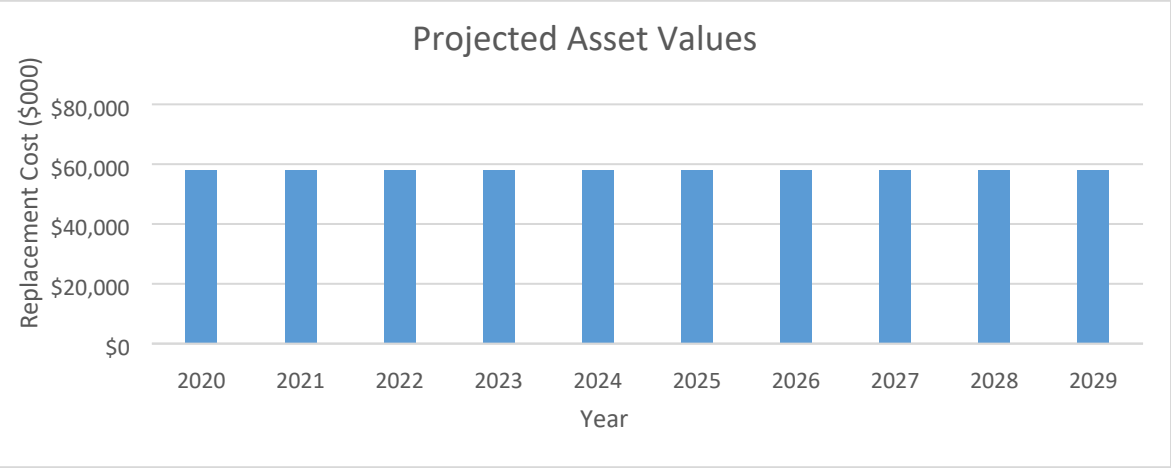


Figure 16: Asset Valuation Forecast

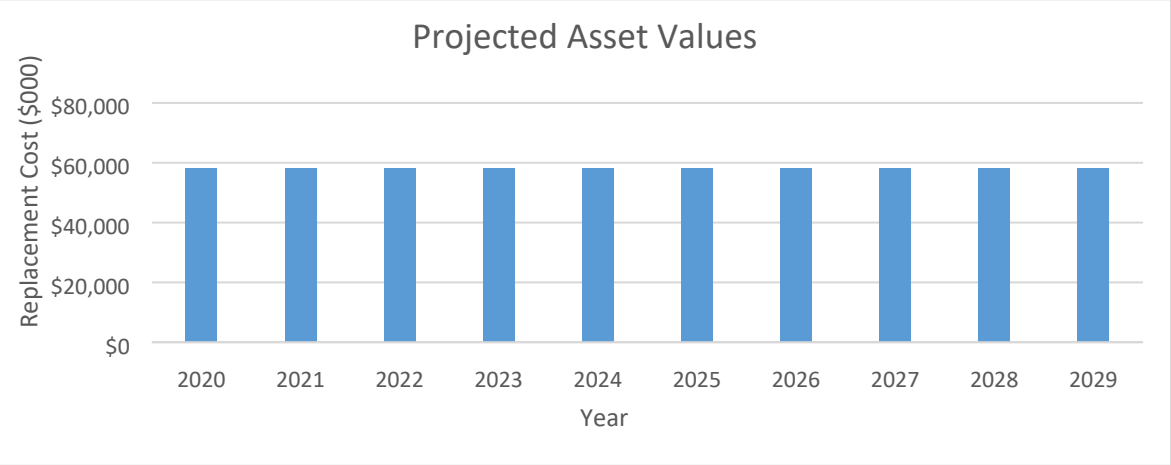


Figure 16 shows the projected asset values over the planning period. The depreciation expense can be seen in Figure 17 below. Asset values are forecast to remain the same no new/upgrade capital works are planned at this stage.

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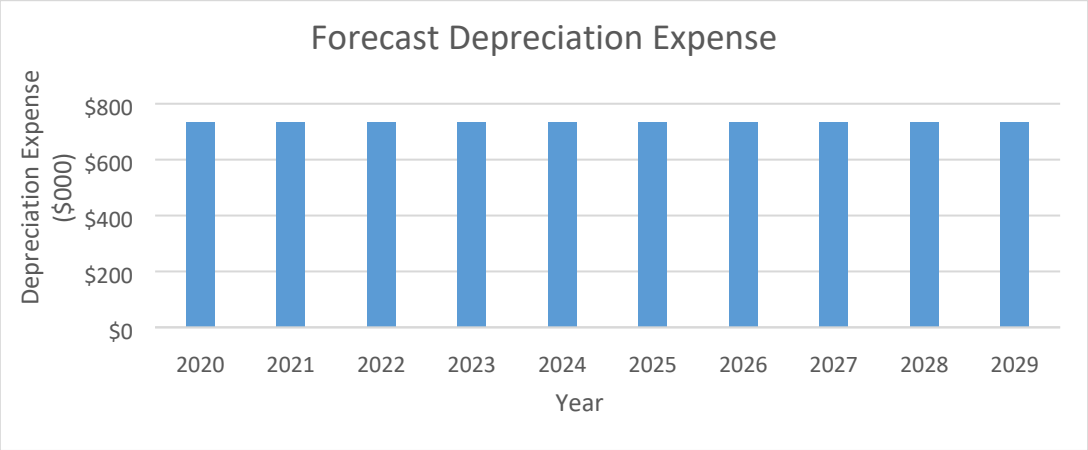


Figure 17: Projected Depreciation Expense

The value of the depreciated assets will vary over the planning period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. The projected value of the depreciated assets is expected to increase as the expenditure on renewals is more than the depreciation rate, this can be seen in Figure 18.

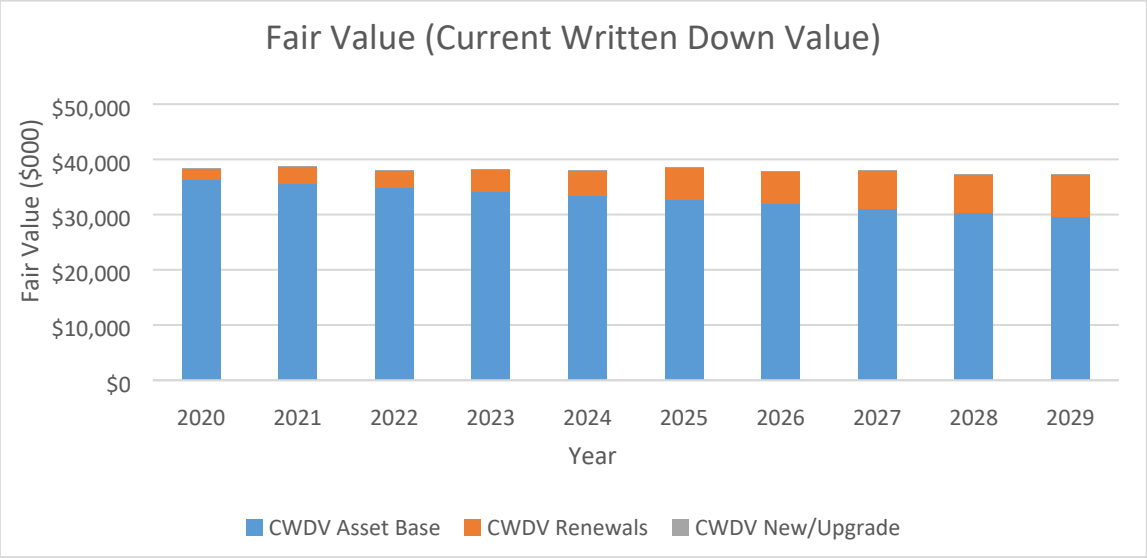


Figure 18: Projected Value of Depreciated Assets

Performance Ratios and Sustainability

The 'financial sustainability' outputs are provided to demonstrate the trends that the currently anticipated expenditure will have on key measures. Capital Expenditure for 2017-2018 is shown in Table 34.

Table 34: Capital Expenditure 2017-2018

Year	*Capital Renewal Expenditure*	*Capital New/Upgrade Expenditure*	*Total Capital Expenditure*
2017-2018	*$878,560*	*$559,470*	*$1,438,030*

Consumption Ratio

The consumption ratio provides a measure of the percentage of the asset base consumed to date and an indication of how fast the assets are being consumed each year and whether investment may require adjustment.

FORMULA
Written down value of assets/ Gross current renewal costs

IN OTHER WORDS
The current value of the assets divided by What it would cost to renew them

TARGET
improvement over time (40% - 80%)

Council = 61.6%

Table 35: Annual Asset Consumption

Annual Asset Consumption (Depreciation/Depreciable Amount)	*1.25%*

The Annual Asset Renewal Ratio provides a measure of the rate of investment in renewals and can be an indication of surpluses or shortfalls in expenditure relative to asset age and rates of deterioration.

Table 36: Annual Asset Renewal

Annual Asset Renewal (Capital Renewal Expenditure/Depreciable Amount)	*1.49%*

The Annual New & Upgrade ratio provides an indication of the rate of growth of the asset base. Council did not complete any new/upgrade capital works last financial year.

Table 37: Annual New & Upgrade Ratio

Annual New/Upgrade *(Capital New & Upgrade / Depreciable Amount)*	0.96%

In the 2015/2016 financial year, Council did not invest in any capital works. This has resulted in a decreasing consumption ratio.

Sustainability Ratio (Levels of Service)

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist Council in providing services to their communities in a financially sustainable manner.

There are three key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset class. These indicators are:

- *Medium term ratios 5 and 10 year.*
  This ratio compares the projected operations, maintenance and capital renewal expenditures to the available funding. The Capital renewal estimate is based on 90% of the depreciation of the asset base. This includes the depreciation on planned new and upgraded assets. ***It is an indication of the expenditure required to deliver current levels of service to existing customers and cater for growth.***
- *Whole of life ratio*
  This ratio compares the projected operations, maintenance and capital renewal expenditures to the available funding. The Capital renewal estimate is based on the average renewal costs modelled over 100 years. This does not include the depreciation on planned new and upgrade assets. ***It is an indication of the expenditure required to deliver current levels of service to the current customer base over the life of the current asset base.***

These forecast expenditures have been compared to budgeted allocations for the same expenditure types in the 10-year period to identify any funding discrepancies.

FORMULA
Life Cycle Costs (Ops, Maint, Renewal)
Funding Allocation

IN OTHER WORDS
Average annual ops, maint, and renewal costs
Average allocated funding

TARGET
A percentage greater than 90%

Council
5-year = 86%
10-year = 89%
Whole of Life = 93%

Table 38: Sustainability

	5 Year Financial Planning Period	10 Year Financial Planning Period	Annualized Whole of Life Costs
Forecast Expenditure	$10,518,068	$19,735,514	$1,902,106
Forecast Budget	$8,998,386	$17,652,301	$1,765,230
Funding Surplus	-$1,519,683	-$2,083,213	-$136,876
Funding Ratio	0.86	0.89	0.93

The funding ratios seen in Table 38 indicate that based on the target funding ratio of 0.9 or 90% of the depreciation amount, Council is considered sustainable. This is assuming that no new/upgrade works are undertaken

Evaluation of findings

Currently Council's records show that 6.6% of the water asset are in very poor condition with an additional 15.6% being in poor condition. This means that 22.2% of the water assets are significantly deteriorated, failing or have failed. The two major areas contributing to the failing assets and deserving of further consideration are the water nodes (hydrants, valves etc.) and meters & services. Both these asset types are inground assets with the condition generally based on the age of the asset.

The number of assets with up to 5 years of remaining life suggests that there is a backlog of asset renewal works with assets being maintained beyond their performance life.

There are four identified electrical components at the water treatment plant that have been identified as being at risk with the compressor requiring immediate attention.

The 10-year expenditure forecast for the delivery of water services is $19.7M or $1.97M per annum. The available funding in the LTFP is $17.9M or $1.79M per annum.

The funding ratios reinforce that there is a $1.87M (or $187K per annum) shortfall in funding in the 10 year LTFP to deliver Council's water services at their current levels.

Actions

5. Council confirm the condition, standard asset lives, and remaining life estimates of its water assets.
6. Consideration be given to annualising (levelling) the water funding allocation in the Long-Term Financial Plan at $2.0M per annum with the renewal programs being adjusted to comply with this funding level.
7. Prior to the adoption of the attached renewal plan, individual projects and the data held in the register be validated by inspection and where discrepancies exist the Plan and the recorded data be amended.
8. The initiatives identified in the AMP improvement plan be implemented.

Plan Improvement

Performance Measures

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

- The degree to which the required cash flows identified in the development of the final plan are incorporated into Council's long-term financial plan and Community/Strategic Planning processes and documents,
- The degree to which 1-5-year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan;
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

Monitoring and Review Procedures

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

This plan has a life of three years and is due for major review in 2019.

Improvement Plan

An asset management improvement plan generated from this asset management plan is shown in .

Task No.	Task	Responsibility	Resources Required	Timeline
1	Develop a condition assessment program, supported by a data management procedure and Condition assessment manuals			
2	Develop an asset criticality model for this asset class			
3	Confirm current levels of service for the assets and identify future demand impacts on levels of service.			
4	Review asset naming descriptions. Update where necessary.			
5	Conduct asset inspections, condition assessments and valuation based on new data set.			
6	Develop priority ranking system for renewal/maintenance program.			
7	Review Asset Management processes and procedures and establish new or update as necessary.			
8	Prepare assets financial inputs for financial reporting.			
9	Develop distinction between operations, maintenance and capital works. Consider in this assessment the distinction between maintenance and renewal works.			
10	Develop an asset data confidence model to prioritise data improvement activities			
11	Develop a corporate demand management plan and associated models.			
12	Apply the demand management plan to all asset groups, at each level to ensure that Council understands the funding needs to deliver the works.			
13	Align the Long-Term Financial Plan to the expenditure forecasts found in this Asset Management Plan			
14	Review standard lives for asset components.			
15	Assess remaining life against asset condition			
16	Undertake an annual review and update of this asset management plan.			

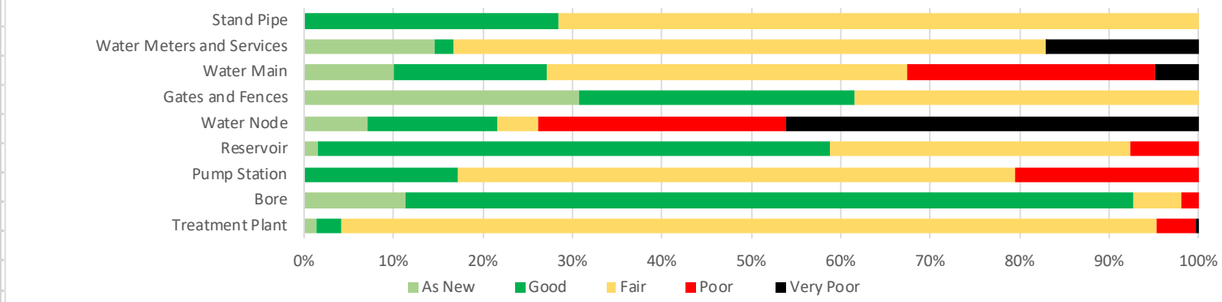
Appendix A – Example AMP Summary

Edward River Council
State of the Assets - Water Supply

Asset Value

Asset Type	Replacement Cost	Accumulated Depreciation	Current Value	Depreciation Expanse
Bore	$626,900	$120,023	$506,877	$9,315
Treatment Plant	$15,974,300	$5,882,289	$10,092,011	$252,183
Pump Station	$1,439,700	$597,177	$842,523	$22,376
Reservoir	$7,291,600	$1,914,414	$5,377,186	$63,177
Water Node	$3,614,976	$2,380,664	$1,234,312	$63,991
Gates and Fences	$5,200	$2,249	$2,951	$127
Water Main	$23,942,085	$9,287,270	$14,654,815	$256,239
Water Meters and Services	$5,995,255	$2,432,904	$3,562,351	$66,180
Stand Pipe	$8,800	$2,813	$5,987	$133
Total	**$58,898,816**	**$22,619,803**	**$36,279,013**	**$733,721**

Asset Condition



Current Levels of Service

The levels of service for the services that the Water Infrastructure assets deliver have been defined. Council is currently conducting a review to establish the link between operations & maintenance activities and levels of service.

Current Risks

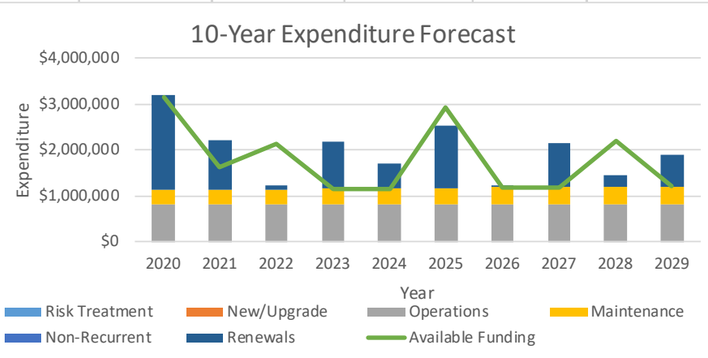
Council has identified 4 Water assets (value $54,000) with an extreme risk rating. The risk rating is a result of the high consequence of failure and the assets poor to very poor condition ratings. Therefore, the tratment adopted will be to increase the inspection frequency.

Financial Forecasts

	Expenditure ($000)										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Renewal	$2,073	$1,087	$79	$1,014	$530	$1,357	$27	$972	$240	$674	**$8,052**
New/Upgrade	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Maint. & Ops	$1,131	$1,139	$1,147	$1,155	$1,163	$1,172	$1,181	$1,190	$1,199	$1,208	**$11,684**
Total	**$3,204**	**$2,226**	**$1,226**	**$2,169**	**$1,693**	**$2,528**	**$1,207**	**$2,161**	**$1,438**	**$1,882**	**$19,736**
	Long Term Financial Plan										
Renewal	$1,926	$377	$1,000	$0	$0	$1,750	$0	$0	$1,000	$0	**$6,053**
New/Upgrade	$105	$107	$0	$0	$0	$0	$0	$0	$0	$0	**$212**
Maint. & Ops	$1,124	$1,131	$1,139	$1,147	$1,155	$1,163	$1,172	$1,181	$1,190	$1,199	**$11,599**
Total	**$3,155**	**$1,615**	**$2,139**	**$1,147**	**$1,155**	**$2,913**	**$1,172**	**$1,181**	**$2,190**	**$1,199**	**$17,864**
Surplus	**-$49**	**-$611**	**$913**	**-$1,022**	**-$538**	**$385**	**-$35**	**-$981**	**$751**	**-$684**	**-$1,871**
Cumulative Surplus	**-$49**	**-$661**	**$253**	**-$769**	**-$1,308**	**-$923**	**-$958**	**-$1,939**	**-$1,188**	**-$1,871**	

Conclusion and Actions

Council has sufficient funding available to sustainably deliver the sewerage Infrastructure services.
1.Council confirm the condition, standard asset lives, and remaining life estimates of its water assets.
2.Consideration be given to annualising (levelling) the water funding allocation in the Long-Term Financial Plan at $2.0M per annum with the renewal programs being adjusted to comply with this funding level.
3.Prior to the adoption of the attached renewal plan, individual projects and the data held in the register be validated by inspection and where discrepancies exist the Plan and the recorded data be amended.
4.The initiatives identified in the AMP improvement plan be implemented.



Sustainability

Consumption Ratio	Indicates the Written Down Value of Council's Depreciable assets relative to their 'as new' value in up to date prices (highlights aged condition)	**62%**
Asset Sustainability Ratio	Indicates whether Council is renewing or replacing existing assets at the same rate as the overall stock of assets is wearing out.	**348%**
Asset Renewal Funding Ratio	Indicates the extent to which the required CAPEX on renewals per the asset management plan have been incorporated into the 10 year financial plan.	**75%**
Life Cycle Cost	Average annual cost based on projections of operations and maintenance expenditure and depreciation value.	**$1,902,106**
Life Cycle Budget	Average annual budget based on projections of operations, maintenance and capital renewal expenditure.	**$1,765,230**
Life Cycle Gap	Average annual surpluss or shortfall based on operations, maintenance, capital renewal and depreciation.	**-$136,876**
Life Cycle Indicator	Indicates the projected costs and depreciation relative to the current budget.	**0.93**

Appendix B - Asset Management Practices

Council is currently using TechOne financial system for asset accounting processes and related reporting functions. Asset data included in the system is directly integrated with the financial system.

The intention is to record, further develop and consolidate the processes used for asset and services management, and then review the systems available which will complement those processes. The timeframe for that review will be established in the Asset and Services Management Practices Improvement Strategy.

The finance module is the responsibility of the finance department. The engineering and finance departments are jointly responsible for ensuring the integrity of the system and asset financial information overall.

TechOne has an asset database module that Council uses to monitor their assets. In this way the asset and financial data bases can be aligned. The key information flows into this asset management plan are:

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

The key information flows from this asset management plan are:

- *The projected works program and trends;*
- *The resulting budget and long-term financial plan expenditure projections; and*
- *Financial sustainability indicators.*

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

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

- *Council Corporate Plan (2013-2018).*
- *Council Operational Plan (2015/2016)*
- *Council Asset Management Policy*
- *Council Asset Management Strategy*
- *National Construction Code of Australia*
- *Disability and Discrimination Act*
- *Applicable Australian Standards associated with asset maintenance, renewal and upgrade works.*

Appendix C – Maintenance Activity Specification

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level	Maintenance Frequency	Response time	Target Duration	Complaints Target	Asset Custodian	Service Provider	GL Code
1	Mains break repairs and maintenance Urban and Rural	Repairing break along water reticulation network	Trunk Lines	As per call in of fault visible	Water is leaking and visible at surface	1 trunk break per year	1 day	1 day	10 Complaints per year for all breaks.		Supervisor Water and Sewerage Operations	OP1671
			Reticulation	As per call in of fault visible	Water is leaking and visible at surface	3 breaks per week on average	1 day	4 - 6 Hours			Supervisor Water and Sewerage Operations	Water Reticulation Rural OP1677 Water Reticulation OP1672
			Service Lines	As per call in of fault visible	Water is leaking and visible at surface	3 service lines break per week	1 day	4 – 6 Hours			Supervisor Water and Sewerage Operations	
2	STP Operations	To test, treat effluent and to operate the STP	Telemetry	As per call in or fault	Alarms, Visual	5-10 breakdowns per year	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	OP1681
			Lab testing equipment	Weekly	Visual	Whenever is required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
			STP	Daily	Pump run times, Alarms	Daily	1 day	1 Day	0		Supervisor Water and Sewerage Operations	
3	STP maintenance	To maintain the STP and all equipment to a high standard	Pumps	as per maintenance schedule	Pump run times alarms visual	weekly	1 day	1 week	0		Supervisor Water and Sewerage Operations	
			Valves	as per maintenance schedule	Visual and by the operation of the valve	As maintenance is required	1 day	1 week	0		Supervisor Water and Sewerage Operations	
			filters	as per maintenance schedule	By maintenance schedule and visual inspections	weekly	1 day	1 week	0		Supervisor Water and Sewerage Operations	
			Telemetry	As per call in or fault	Alarms/visual	5-10 breakdowns per year	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
4	Pump Station Maintenance	To maintain the Pump Stations and all equipment to a high standard	Pumps	As per maintenance schedule	Pump-Runtimes-Alarms-visual	Weekly	1 Day	1 Week	0		Supervisor Water and Sewerage Operations	OP1683
			Pump Well	As per maintenance schedule	Visual	Weekly	1 Day	1 Week	0		Supervisor Water and Sewerage Operations	
			Telemetry	As per call in or fault	Alarm	5-10 faults a year	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
5	Low Pressure Sewer Maintenance	To maintain the Low-Pressure Sewer System and all equipment to a high standard	Low pressure sewer mains	As per call in of faulty & maintenance programme	Water is leaking and visible at surface	Yearly	1 day	1 day	1		Supervisor Water and Sewerage Operations	OP1686
			Pumps	As per call in of faulty & maintenance programme	Alarm	As per breakdown	1 day	1 day	2		Supervisor Water and Sewerage Operations	
			Tank	As per call in of faulty &	Alarm	As per breakdown	1 day	1 day	1		Supervisor Water and Sewerage Operations	

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level	Maintenance Frequency	Response time	Target Duration	Complaints Target	Asset Custodian	Service Provider	GL Code
				maintenance programme								
			Control box	As per call in of faulty & maintenance programme	alarm	As per breakdowns	1 day	1 day	3		Supervisor Water and Sewerage Operations	
6	Sewer, Manhole & Vents Maintenance & Inspections	To maintain manhole and vents to a high standard	Manhole Cover	As per call in or fault	Visual	3-5 repairs per year	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	OP1685
			Manhole surround	As per call in or fault	Visual	1-3 repairs per year	1 Day	1 Week	0		Supervisor Water and Sewerage Operations	
			Vents	As per call in or fault	Visual	1 repair per year	1 Day	1 Week	0		Supervisor Water and Sewerage Operations	
7	Sewer Maintenance & Repairs	Repair & replace sewer reticulation	Sewer Mains	As per call in of fault visible	Blocked sewer main, sinkhole	5 per week	1 day	1 day	2 per week		Supervisor Water and Sewerage Operations	OP1684
			Boundary Riser	As per call in of fault visible	Blocked or broken riser	5 per week	1 day	1 day	2 per week		Supervisor Water and Sewerage Operations	
8	WTP operations and testing	Provide potable drinking water through the operation of the plant and water testing	Telemetry	Daily	Signal lost, alarms	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	OP1666
			Lab testing equipment	Daily	Faulty, alarms	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	
			Pumps	weekly	alarms	weekly	1 day	2 days	0		Supervisor Water and Sewerage Operations	
9	WTP maintenance	To maintain the WTP and all equipment to a high standard	telemetry	Daily	Signal loss alarms	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	OP1665
			Lab testing	Daily	Faulty, alarms	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	
			Dosing equipment	Daily	Faulty, alarms	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	
			pumps	weekly	Faulty, alarms	weekly	1 day	2 days	0		Supervisor Water and Sewerage Operations	
10	Water storage inspections and maintenance	To ensure the water storage tanks and surrounding areas are in good condition	telemetry	Daily	Alarms, loss of signal	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	OP 1667/OP1668
			Reservoir	Weekly	As reported through inspection schedule	Weekly	1 day	1 day	0		Supervisor Water and Sewerage Operations	
			valves	As required	As required	As required	1day	1 week	0		Supervisor Water and Sewerage Operations	
11	Water pump stations operations and maintenance urban & rural	To ensure pumps are delivering & operating at full capacity, Maintain pump houses to a good condition	telemetry	Daily	Alarms, loss of signal	Daily	1 day	1 day	0		Supervisor Water and Sewerage Operations	OP1669 OP1670 OP1676
			Pumps	Weekly	Alarms, as required	Weekly	1 day	1 week	0		Supervisor Water and Sewerage Operations	
			Electrical equipment	weekly	Alarms, as required	As required	1 day	1 week	0		Supervisor Water and Sewerage Operations	
12	Valve and hydrant maintenance and repair	Ensure valve and hydrants are accessible and in good working condition	Hydrants	2 X Yearly	As Required	2 X Yearly	1 day	1 day	2 a year		Supervisor Water and Sewerage Operations	OP 1673
			Valves	2 X Yearly	As Required	2 X Yearly	1 day	1 day	2 a year		Supervisor Water and Sewerage Operations	
13	Water Meter Reading & Maintenance Urban & Rural	Ensure water meters & Toggle are accessible and in good working condition	Water Meter	As Required	Water is leaking & visible at surface	2 X a year	1 day	4 hrs	2 a year		Supervisor Water and Sewerage Operations	OP1674 OP1675 OP1678 OP1679

Activity No	Activity	Description	Hierarchy	Inspection Frequency	Intervention Level	Maintenance Frequency	Response time	Target Duration	Complaints Target	Asset Custodian	Service Provider	GL Code
			Taggle	As Required	No Signal	2 X a year	1 day	4 hrs	2 a year		Supervisor Water and Sewerage Operations	
			Mi Water program	As required	As per call in	When requested	1 day	1 Day	0		Supervisor Water and Sewerage Operations	
14	Water Main Flushing	For cleaning the interior of water distribution mains by sending a rapid flow of water through the mains	Hydrant stand	2 X a year	As Required	2 X a year	1 day	2 months a year	2 a year		Supervisor Water and Sewerage Operations	
			Hoses	When in use	As required	When required	1 Day	1 Hour	0		Supervisor Water and Sewerage Operations	
15	Litter Traps Inspection & Maintenance	Clean out litter traps to stop rubbish entering the river system	Litter Traps	Yearly or as required	Empty after storm event	Yearly	1 day	2 days	0		Supervisor Water and Sewerage Operations	OP1527/OP1529
16	Pipes, Culverts & Pitts Blockages	To clear any obstruction or blockages	Pipes	As Required	As Required	As Required	1 day	4 hrs	2 a year		Supervisor Water and Sewerage Operations	OP1526
			Culverts	As required	As required	As required	1 day	4 hours	0		Supervisor Water and Sewerage Operations	
			Pits	As required	As required	As required	1 day	4 hours	0		Supervisor Water and Sewerage Operations	
17	Vegetation Control	Ensure a clean and safe work environment.	Pump stations	Weekly	As required	As required	1 Day	1 week	0		Supervisor Water and Sewerage Operations	As per operational task numbers?
			Manholes	As per call in or fault	As required	As required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
			Valve covers	2X per year when flushing	As required	As required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
			Hydrant covers	2X per year when flushing	As required	As required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
18	Fence and Gate maintenance	Ensure safety and restrict unauthorised access	Pump stations	Weekly	Inspection	When required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	As per operational task numbers?
			WTP	Daily	Inspection	When required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
			STP	Daily	Inspection	When required	1 Day	1 Day	0		Supervisor Water and Sewerage Operations	
19	Roads (sealed and unsealed) maintenance	Ensure roads are restored to certain standard									Supervisor Water and Sewerage Operations	As per operational task numbers?

Appendix D – Renewals Plan

Asset type	Component Name	Component	Asset Number	Condition	Backlog	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Bore	Electrical for Bore and Storage tank	Electrical	APV-ER-CSC-WE-013	3			$10,000									$10,000
Bore	Bore Submersible pump	Pump	PS0002	4										$12,500		$12,500
Bore Total							**$10,000**							**$12,500**		**$22,500**
Gates and Fences	Fence	Fence	WA06854 - 02	3						$2,000						$2,000
Gates and Fences	Fence	Fence	WA01131 - 05	2									$1,600			$1,600
Gates and Fences Total										**$2,000**			**$1,600**			**$3,600**
Pump Station	Windmill and surface pump	Pump	PS0003	0		$0										$0
Pump Station	Electrical	Electrical	WA01121 - 04	0				$0								$0
Pump Station	Flowmeter	Flowmeter	WA01121 - 05	0				$0								$0
Pump Station	Gantry Crane	Lifting Equipment	WA01121 - 08	0				$0								$0
Pump Station	Ladders and Platform	Access, Platforms, Ladders and Handrails	WA01121 - 07	0				$0								$0
Pump Station	Pipe Works & Fitting	Pipework, Valve and Fitting	WA01121 - 03	0				$0								$0
Pump Station	Pump	Pump	WA01121 - 02	0				$0								$0
Pump Station	Sump Pump	Pump	WA01121 - 09	0				$0								$0
Pump Station	Telemetry	Telemetry	WA01121 - 06	0				$0								$0
Pump Station	Telemetry	Telemetry	WA01124 - 08	3					$10,500							$10,500
Pump Station	Pump 1	Pump	WA01124 - 09	4							$95,000					$95,000
Pump Station	Pump 2	Pump	WA01124 - 10	4							$95,000					$95,000
Pump Station	Pump 3	Pump	WA01124 - 11	4							$95,000					$95,000
Pump Station Total						**$0**		**$0**	**$10,500**		**$285,000**					**$295,500**
Reservoir	Electrical Supply	Electrical	APV-ER-CSC-WE-018	3	$3,000											$3,000
Reservoir	Electrical	Electrical	WA01123 - 05	3	$10,500											$10,500
Reservoir	Electrical	Electrical	WA01126 - 05	3	$10,500											$10,500
Reservoir	Fence	Fence	WA01127 - 05	4	$4,400											$4,400
Reservoir	Fence	Fence	WA01123 - 08	3			$7,000									$7,000
Reservoir	0	Level Sensor	APV-ER-CSC-WE-015	2					$3,000							$3,000
Reservoir	Flowmeter	Flowmeter	WA01123 - 09	3					$17,900							$17,900
Reservoir	Flowmeter	Flowmeter	WA01126 - 09	3					$17,900							$17,900
Reservoir	Flowmeter 2	Flowmeter	WA01126 - 13	3					$14,900							$14,900
Reservoir	Control Valve Actuator	Actuated Control Valve	WA01126 - 15	3						$9,300						$9,300
Reservoir	Ladders and Platform	Access, Platforms, Ladders and Handrails	WA01127 - 03	4						$20,400						$20,400
Reservoir	Pipe Work & Fittings	Pipework, Valve and Fitting	APV-ER-CSC-WE-014	2						$18,000						$18,000
Reservoir	Fence	Fence	WA01126 - 07	2									$4,200			$4,200
Reservoir	Fence	Fence	WA01126 - 11	2									$1,600			$1,600
Reservoir	Flowmeter Pit Fence	Fence	WA01126 - 10	2									$2,000			$2,000
Reservoir	Flowmeter Pit Fence	Fence	WA01126 - 14	2									$2,000			$2,000
Reservoir Total					**$28,400**		**$7,000**		**$53,700**	**$47,700**			**$9,800**			**$146,600**
Stand Pipe	Stand Pipe	Standpipe	VA0017	3						$2,500						$2,500
Stand Pipe Total										**$2,500**						**$2,500**
Treatment Plant	Compressor Control Panel	Control Panel	WA01129 - 52	3	$15,700											$15,700
Treatment Plant	Control Panel	Control Panel	WA01129 - 99	3	$62,800											$62,800
Treatment Plant	Controllers	Control Panel	WA01129 - 38	3	$50,300											$50,300
Treatment Plant	Instrument Controll Pannel	Control Panel	WA01129 - 39	3	$125,600											$125,600
Treatment Plant	Metal Work	Metalwork	WA01129 - 20	3	$139,500											$139,500
Treatment Plant	Residual Chlorine Analyser	Sensor	WA01129 - 119	5	$8,300											$8,300
Treatment Plant	River Water Actuator	Actuator	WA01129 - 16	3	$5,700											$5,700
Treatment Plant	Cabling	Electrical	WA01129 - 32	3			$471,100									$471,100
Treatment Plant	Control Panel	Control Panel	WA01129 - 111	3			$15,700									$15,700
Treatment Plant	Control Panel	Control Panel	WA01129 - 75	3			$21,000									$21,000

Treatment Plant	Feeder	Feeder Hopper	WA01129 - 104	2			$15,800									$15,800
Treatment Plant	Hand Rail	Access, Platforms, Ladders and Handrails	WA01129 - 63	3			$2,300									$2,300
Treatment Plant	Lights	Lighting	WA01129 - 27	3			$18,900									$18,900
Treatment Plant	Main Controll Pannel	Control Panel	WA01129 - 40	3			$377,000									$377,000
Treatment Plant	Platform And Stair	Access, Platforms, Ladders and Handrails	WA01129 - 68	3			$4,100									$4,100
Treatment Plant	Sample Pump Control Panel	Control Panel	WA01129 - 45	3			$12,500									$12,500
Treatment Plant	Screw Feeder1	Feeder Hopper	WA01129 - 86	2			$15,800									$15,800
Treatment Plant	Screw Feeder2	Feeder Hopper	WA01129 - 89	2			$15,800									$15,800
Treatment Plant	Screw Feeder3	Feeder Hopper	WA01129 - 92	2			$15,800									$15,800
Treatment Plant	Site Lights	Lighting	WA01129 - 30	3			$9,400									$9,400
Treatment Plant	VSD Bore Pump	VSD	WA01129 - 42	3			$12,500									$12,500
Treatment Plant	VSD Clear Waterpumps	VSD	WA01129 - 41	3			$62,800									$62,800
Treatment Plant	Dp Cell	Flowmeter	WA01129 - 56	3					$4,200							$4,200
Treatment Plant	Dp Cell	Flowmeter	WA01129 - 57	3					$4,200							$4,200
Treatment Plant	Dp Cell River Water Flow	Flowmeter	WA01129 - 15	3					$4,200							$4,200
Treatment Plant	Flowmeter	Flowmeter	WA01129 - 143	3					$19,900							$19,900
Treatment Plant	Head Loss Sensers	Sensor	WA01129 - 37	3					$10,400							$10,400
Treatment Plant	Phenumatic Actuator	Flowmeter	WA01129 - 153	3					$6,300							$6,300
Treatment Plant	Telemetry Control System	Monitoring and Control Equipment	WA01129 - 46	3					$31,400							$31,400
Treatment Plant	Turbidimeters	Sensor	WA01129 - 44	3					$25,100							$25,100
Treatment Plant	Vacuume Blower Level Sensors	Sensor	WA01129 - 152	3					$6,000							$6,000
Treatment Plant	Volume Meter	Level Sensor	WA01129 - 94	3					$4,200							$4,200
Treatment Plant	Desuiks Phenumatic Controllers	Control Panel	WA01129 - 36	4						$15,800						$15,800
Treatment Plant	Fencing	Fence	WA01129 - 33	3						$29,800						$29,800
Treatment Plant	Pump	Pump	WA01129 - 54	3						$10,600						$10,600
Treatment Plant	Pump 1	Pump	WA01129 - 133	3						$31,800						$31,800
Treatment Plant	Pump 2	Pump	WA01129 - 134	3						$31,800						$31,800
Treatment Plant	Pump 2	Pump	WA01129 - 137	3						$169,300						$169,300
Treatment Plant	Pump 3	Pump	WA01129 - 138	3						$169,300						$169,300
Treatment Plant	Pump Sub	Pump	WA01129 - 147	0						$0						$0
Treatment Plant	Safety Shower	Safety Shower Eye Wash	WA01129 - 110	3						$2,600						$2,600
Treatment Plant	Sample Pump Bore Water	Pump	WA01129 - 13	4						$2,100						$2,100
Treatment Plant	Sample Pump Canal Water	Pump	WA01129 - 14	4						$2,100						$2,100
Treatment Plant	Valve Actuators	Actuator	WA01129 - 120	4						$1,300						$1,300
Treatment Plant	Chlorinator 1	Dosing System	WA01129 - 115	3							$12,700					$12,700
Treatment Plant	Chlorinator 2	Dosing System	WA01129 - 116	3							$12,700					$12,700
Treatment Plant	Clarified Water Sample Pump	Pump	WA01129 - 26	3							$2,100					$2,100
Treatment Plant	Dosing System- Mixer Hoper/ Blower	Dosing System	WA01129 - 103	3							$37,000					$37,000
Treatment Plant	Dosing Unit With Feeder	Dosing System	WA01129 - 121	3							$95,300					$95,300
Treatment Plant	Filtered Water Sample Pump	Pump	WA01129 - 130	3							$2,100					$2,100
Treatment Plant	Pressure Pump	Pump	WA01129 - 107	3							$2,100					$2,100
Treatment Plant	Pressure Pump	Pump	WA01129 - 108	3							$2,100					$2,100
Treatment Plant	Regulator 1	Dosing System	WA01129 - 117	3							$4,200					$4,200
Treatment Plant	Regulator 2	Dosing System	WA01129 - 118	3							$4,200					$4,200
Treatment Plant	Sample Pump River Water	Pump	WA01129 - 12	3							$2,100					$2,100
Treatment Plant	Soda Ash Dosing System	Dosing System	WA01129 - 84	3							$833,900					$833,900
Treatment Plant	Air Dryers	Air Dryer	WA01129 - 51	1								$10,600				$10,600
Treatment Plant	Chlorine Valve Shut Down And Leak Detector Instrumentation	Sensor	WA01129 - 114	2								$15,700				$15,700
Treatment Plant	Safety Shower	Safety Shower Eye Wash	WA01129 - 102	2									$2,600			$2,600
Treatment Plant	Safety Shower	Safety Shower Eye Wash	WA01129 - 83	2									$2,600			$2,600
Treatment Plant	Pump 1	Pump	WA01129 - 136	2										$169,300		$169,300
Treatment Plant	Chlorine And Flouride Analisers	Sensor	WA01129 - 155	1											$8,000	$8,000
Treatment Plant	S Scan Instrument	Sensor	WA01129 - 43	1											$12,500	$12,500
Treatment Plant Total					$407,900		$1,070,500		$115,900	$466,500	$1,010,500	$26,300	$5,200	$169,300	$20,500	$3,292,600
Water Main Total					$96,120			$21,663	$820,165		$60,784			$40,080	$653,608	$1,692,419

Water Meters and Services Total										$10,555		$321	$321	$949,347	$17,664		$978,208
Water Node Total					$39,020	$1,529,038		$65,160	$3,180	$11,440			$5,820			$1,653,658	
Total					$571,440	$1,529,038	$1,087,500	$86,823	$1,014,000	$530,140	$1,356,605	$26,621	$971,767	$239,544	$674,108	$8,087,585	

Appendix E - Abbreviations

AAAC	Average annual asset consumption
AMP	Asset Management Plan
ARI	Average Recurrence Interval
CRC	Current Replacement Cost
CWMS	Community Wastewater Management Systems
DA	Depreciable Amount
EF	Earthworks/Formation
IRMP	Infrastructure Risk Management Plan
LCC	Life Cycle Cost
LCE	Life Cycle Expenditure
LGIS	Local Government Infrastructure Services
MMS	Maintenance Management System
PCI	Pavement Condition Index
RV	Residual Value
Vph	Vehicles per hour

Appendix F – Glossary

Annual Service Cost (ASC)

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

Asset

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

Asset class

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

Asset condition assessment

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

Asset management (AM)

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

Average annual asset consumption (AAAC)*

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

Borrowings

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

Capital expenditure

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

Capital expenditure - expansion

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

Capital expenditure - new

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

Capital expenditure - renewal

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

a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

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

Capital funding

Funding to pay for capital expenditure.

Capital grants

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

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

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

Carrying amount

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

Component

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

Cost of an asset

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

Current replacement cost (CRC)

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

Depreciable amount

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

Depreciated replacement cost (DRC)

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

Depreciation / amortisation

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

Economic life

See useful life definition.

Expenditure

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

Fair value

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

Funding gap

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

Heritage asset

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

Impairment Loss

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

Investment Property

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

a) Use in the production or supply of goods or services or for administrative purposes; or
b) Sale in the ordinary course of business.

Key performance indicator

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

Level of service

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

Life Cycle Cost

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

Life Cycle Expenditure

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

Maintenance

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

Planned maintenance

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

Reactive maintenance

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

Significant maintenance

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

Unplanned maintenance

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

Maintenance and renewal gap

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

Maintenance and renewal sustainability index

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

Maintenance expenditure

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

Materiality

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

Modern equivalent asset

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

Net present value (NPV)

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

Non-revenue generating investments

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

Operations expenditure

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

Operating expense

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

Pavement management system

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

PMS Score

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

Rate of annual asset consumption

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

Rate of annual asset renewal

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

Rate of annual asset upgrade

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

Recoverable amount

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

Recurrent expenditure

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

Recurrent funding

Funding to pay for recurrent expenditure.

Remaining useful life

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

Residual value

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

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate

some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

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

Section or segment

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

Service potential

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

Service potential remaining

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

Strategic Longer-Term Plan

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

Specific Maintenance

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

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

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

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

Value in Use

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

Source: IPWEA, 2009, Glossary