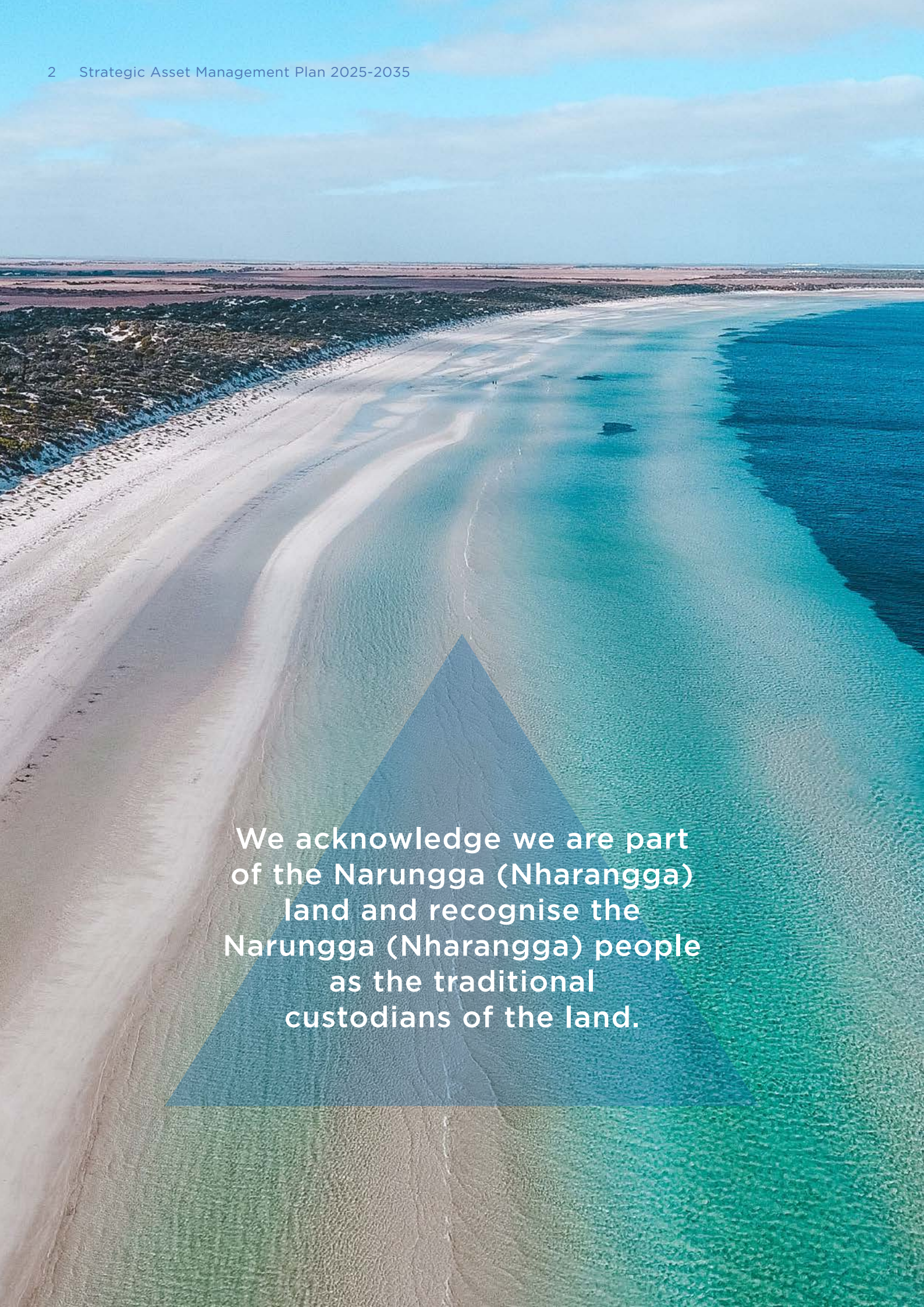




2025-2035 Strategic Asset Management PLAN



An aerial photograph of a coastal landscape. On the left, a wide, light-colored sandy beach stretches towards the horizon, bordered by low-lying green vegetation. To the right of the beach, the water is exceptionally clear, showing a vibrant turquoise color that deepens into a darker blue further out. The water's surface is textured with ripples and small waves. A large, semi-transparent blue triangle is positioned in the lower half of the image, serving as a background for the text.

We acknowledge we are part
of the Narungga (Nharangga)
land and recognise the
Narungga (Nharangga) people
as the traditional
custodians of the land.

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INTRODUCTION

WHAT IS A STRATEGIC ASSET MANAGEMENT PLAN?

The Copper Coast Council (Council) Strategic Asset Management Plan (SAMP) ensures Council can deliver services, maintain assets and achieve its strategic objectives, in a financially sustainable manner, in the short, medium and long term.

It provides an overview of Council's assets, including:

- The assets we are responsible for and their replacement value;
- The current asset condition and performance;
- The service levels provided;
- Asset goals and objectives;
- Council's financial position ;
- The current Asset Management Framework, data and system;
- Identified gaps and continuous improvement activities;
- 10 years of asset renewal projections, in alignment with Council's Long Term Financial Plan (LTFP).



WHY DOES COUNCIL HAVE A SAMP?

Section 122 of the Local Government Act 1999, states that a council must develop and adopt plans for the management of its area, to be called collectively the strategic management plans. A SAMP is one of the key documents demonstrating Council's compliance with this requirement.

Council uses the SAMP as the linkage between our high-level strategy and objectives and our tactical asset management implementation, which will be described by the Asset Management Plans (AMPs) (when developed) for each asset class identified. It is also a key document for communicating our asset management approach to stakeholders.

The SAMP and AMPs also assist Council in meeting a wide variety of other legislative requirements, including:

- Safety
- Risk management
- Building and development
- Equitable access
- Accounting standards.



Message from the CHIEF EXECUTIVE OFFICER

Council adopts a holistic and proactive approach to asset management. Existing asset management, the service levels delivered and predicted asset growth are integrated into our strategic, renewal and long-term financial planning, as well as the day-to-day organisational activities (i.e. routine inspection/maintenance/repair of footpaths, roads and playground equipment).

Council owns and manages approximately \$558 million worth of assets, ranging from roads, buildings and land, to park furniture and office equipment. These assets are a significant investment and intergenerational assets. Council needs to make sure they are managed appropriately for our existing community as well as for future generations.

Medium to longer-term activities include the monitoring, planning, renewal, creation and disposal of assets. Ageing assets can require significant ongoing maintenance, and this must be balanced against the need to provide new assets and services for our rapidly growing community.



When planning for new infrastructure, it is important to not only consider the initial capital expenditure but to also plan for the ongoing operational, maintenance and future replacement costs. This SAMP framework provides for:

- The effective management and control of our infrastructure assets to achieve the desired balance of cost, risk and performance;
- The continued provision of safe spaces and places for our community to enjoy;
- Contribution to amenity;
- Strategic Plan objectives.

A handwritten signature in black ink, appearing to read 'Dylan Strong', with a stylized flourish at the end.

Dylan Strong
CHIEF EXECUTIVE OFFICER



About the COPPER COAST

Located at the top of the Yorke Peninsula, a comfortable hour and a half drive from Adelaide, the Copper Coast is a region steeped in rich history and natural beauty.

From its stunning coastal and agricultural landscapes to its vibrant towns and centres, the Copper Coast embodies a unique blend of heritage, culture, and innovation.

The area's history begins with the traditional owners, the Narungga (Nharangga) people, who have lived on this Country for over 60,000 years. The Narungga (Nharangga) people moved between coastal camps along the Yorke Peninsula that provided a regular supply of food and fresh water, as well as a gathering place for social and religious ceremony. They maintain a strong cultural and physical connection to the land and sea and the Copper Coast Council pays its respect to Elders past, present and future.

The first pastoral lease was granted to European settlers in 1841. Through innovation and crop diversification, agriculture remains a strong part of the region's economy. The area has an international reputation as a dryland farming centre of excellence, which is showcased biennially in Paskeville at Australia's oldest and one of its largest Field Days.

The area is named Copper Coast in recognition of the copper mining heritage of the region dating back to 1859 when copper was first discovered at Wallaroo Mines and in 1861 at Moonta Mines. The discoveries led to mass immigration of skilled Cornish miners and the area soon become known as 'Australia's Little Cornwall'. This proud Cornish heritage is celebrated every two years at the Kernewek Lowender festival, one of South Australia's leading cultural events. The importance of the Moonta Mines area is recognised as it is a National Heritage site and a bid is currently underway for World Heritage status.

Today, the Copper Coast is home to around 15,000 residents and attracts over 500,000 visitors each year who enjoy the beaches, natural beauty, history, hospitality, recreational fishing, services and amenities that support our enviable lifestyle and a prosperous economy.



Strategic Planning FRAMEWORK

Our Strategic Plan sets out Council's long-term vision for the Copper Coast and gives directions and targets for what we want to achieve for our community. The Strategic Planning framework has been developed and is contained within the Copper Coast Council's Strategic Plan 2025-2035.



ALIGNMENT TO THE STRATEGIC PLAN

The Strategic Plan guides important decisions including:

- The services we provide and activities we undertake;
- How we manage local infrastructure, facilities and open space;
- What we prioritise when we are making plans and budgets.

Council's Strategic Planning Framework is underpinned by our commitment to good governance as shown below.

Assets and infrastructure are a significant Council activity and each section of Council's Good Governance Framework can be broken down and aligned to our asset management.

The Strategic Planning Good Governance Framework



Strategic planning drivers

Strategic planning drivers, such as national, state and regional objectives, as well as community profile and community engagement, shape decision-making and ensure that asset management strategies are aligned with broader policy goals and the specific community need.

Strategic management plans

Strategic management plans, including Council's overarching 2025-2035 Strategic Plan, LTFP, and the SAMP provide a structured approach for managing Council's assets. The Strategic Plan outlines the long term vision, while the LTFP ensures financial sustainability by forecasting resourcing needs for asset up-keep and developments. The SAMP provides more strategic direction for asset management. Together, these documents will ensure that asset management aligns with broader Council goals, is financially viable and supports sustainable infrastructure development.

Delivery plans

Delivery plans, which include Council's plans and strategies, Annual Business Plan (ABP) and budget, translate strategic management objectives into specific actions. These plans detail the tasks, projects and capital works needed to achieve asset management goals, including the allocation of resources and scheduling of activities. The ABP and budget are important, as they ensure that Council has the financial capacity to implement the planned asset management activities in the short term, as they provide clear guidance on the priorities for maintaining and improving assets within the available resources.

Monitoring and reporting

Monitoring and reporting, including the Annual Report, financial statements, Council reports and ESCOSA advice are crucial for tracking the effectiveness of asset management practices. Reports on asset performance, financial status and operational outcomes provide insights into the objectives outlined in delivery plans. The Annual Report and financial statements offer transparency to stakeholders while the ESCOSA advice ensures that industry and regulatory standards are being met.

Good governance

Good governance is essential for ensuring sound decision making in asset management. Leadership commitment ensures that higher management are dedicated to effective asset management, while policies and procedures guide consistent and compliant practices. Risk management assists in identifying and mitigating asset related risks with continuous improvement fostering an innovative approach to asset management. Transparency and accountability ensure that all asset management decisions are made openly and are subject to scrutiny, helping to build community trust and ensure responsible stewardship of public resources.

ALIGNMENT OF ASSET MANAGEMENT TO THE THEMES

Asset Management can also be aligned to the Strategic Plan Themes. The table below recaptures the themes, goals and identifies their alignment to asset and infrastructure management.

Theme	Goal	Alignment to Asset management
Cohesive	A healthy and resilient community where people feel welcome and safe to enjoy their lifestyle at all stages of life.	Asset Management ensures that community assets such as parks, roads, recreational facilities and public spaces are well maintained and accessible fostering an environment that feels welcome and safe. Effective asset management also helps to create and maintain spaces that contribute to social well-being and support community needs through all stages of life.
Sustainable	Care and balance in the stewardship of our natural environment and heritage assets to ensure they can be enjoyed by future generations.	Asset Management is crucial in the sustainable management of the natural environment and heritage assets. This includes the preservation of parks, nature reserves, historical sites and other assets in a way that reduces environmental impact and ensures long term viability for future generations.
Prosperous	A well-planned regional centre that embraces innovation, attracts investment and meets the service needs of the broader community.	Asset management aligns with prosperity by ensuring that infrastructure is well maintained and able to support growth in the Council area. This includes planning for future demand and developing assets that attract investment, thus supporting economic development in the area.



ORGANISATIONAL Context

Council also operates in accordance with multiple legislative, industry practice, policy, procedure and organisational management framework requirements, which influence our asset management activities and decision making.

ASSET MANAGEMENT ROLES AND RESPONSIBILITIES

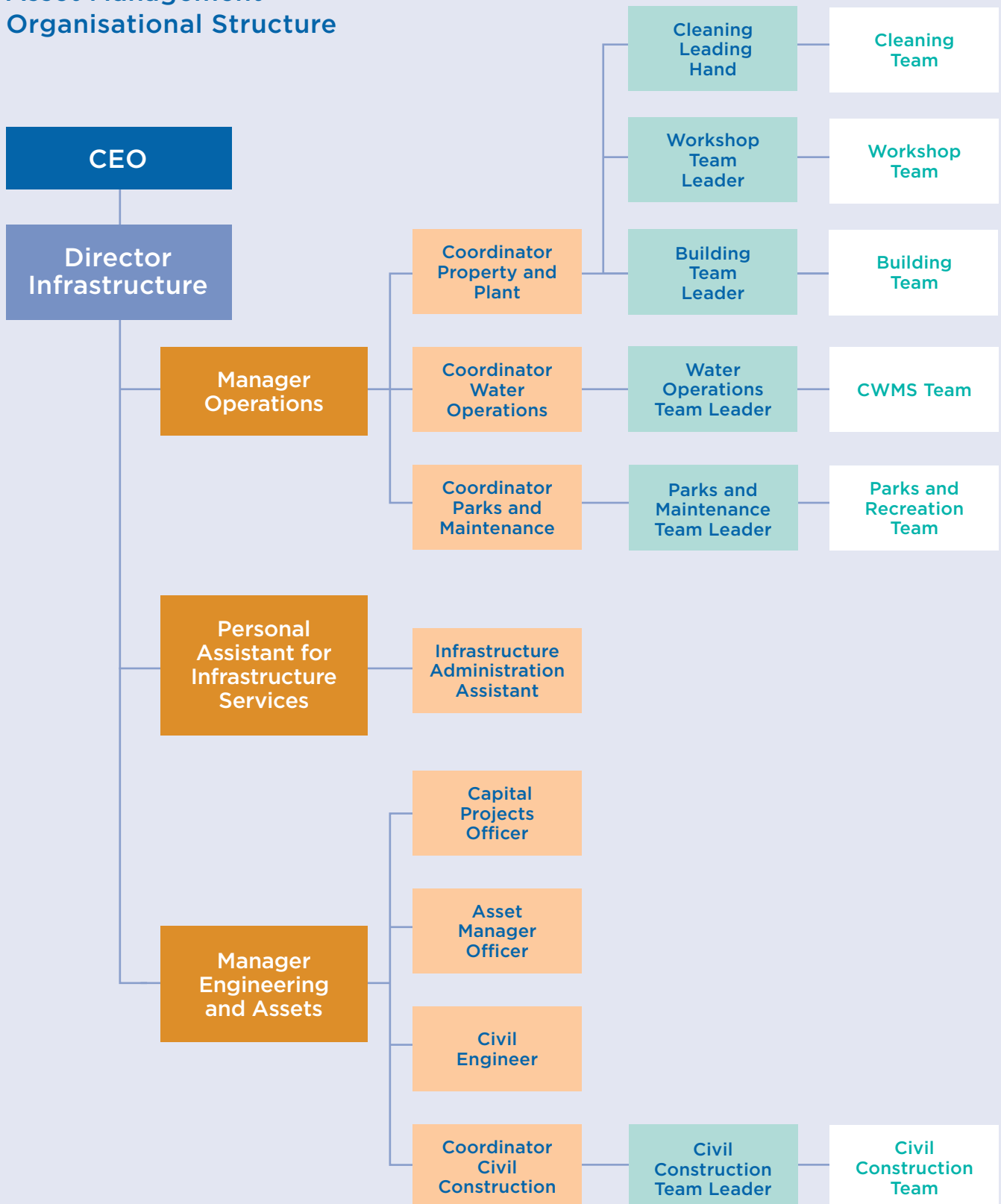
Council's asset management team (Team) represents a large part of the organisation. The Team is responsible for the:

- Construction and planning of new assets;
- Renewal of current assets at the end of life;
- Operations and maintenance of assets in the portfolio.

The following diagram sets out Council Asset Management Organisational Structure.



Asset Management Organisational Structure



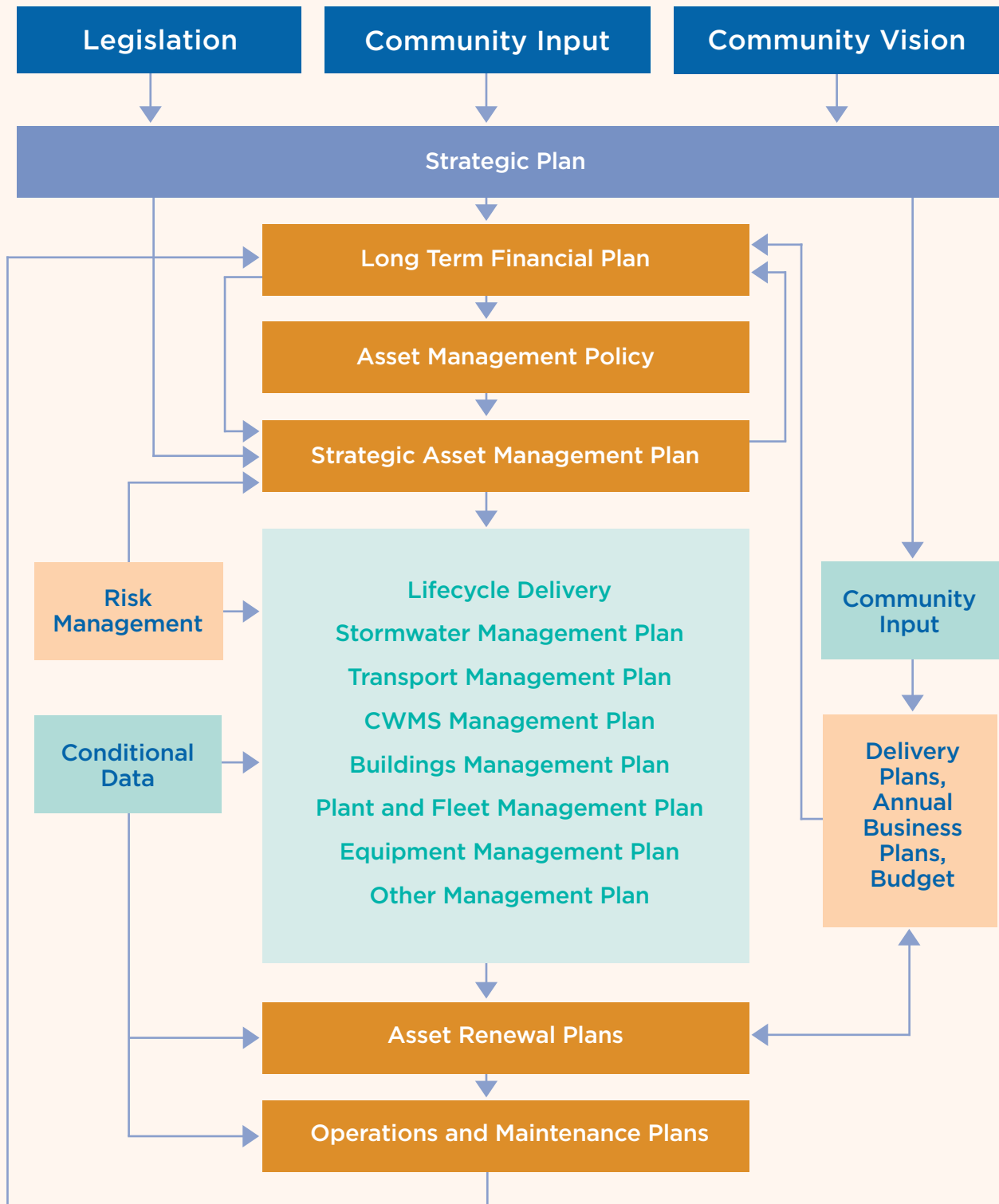
THE ASSET MANAGEMENT SYSTEM

The Asset Management System includes all infrastructure, plant and fleet vehicles and associated policy and planning documentation. The system also includes any associated financial reports as per government legislation and standards. The Asset Management System does not include IT services.

The following diagram shows how the SAMP, AMPS and other infrastructure and asset management documents or activities interact and the overall system structure.



Asset Management System

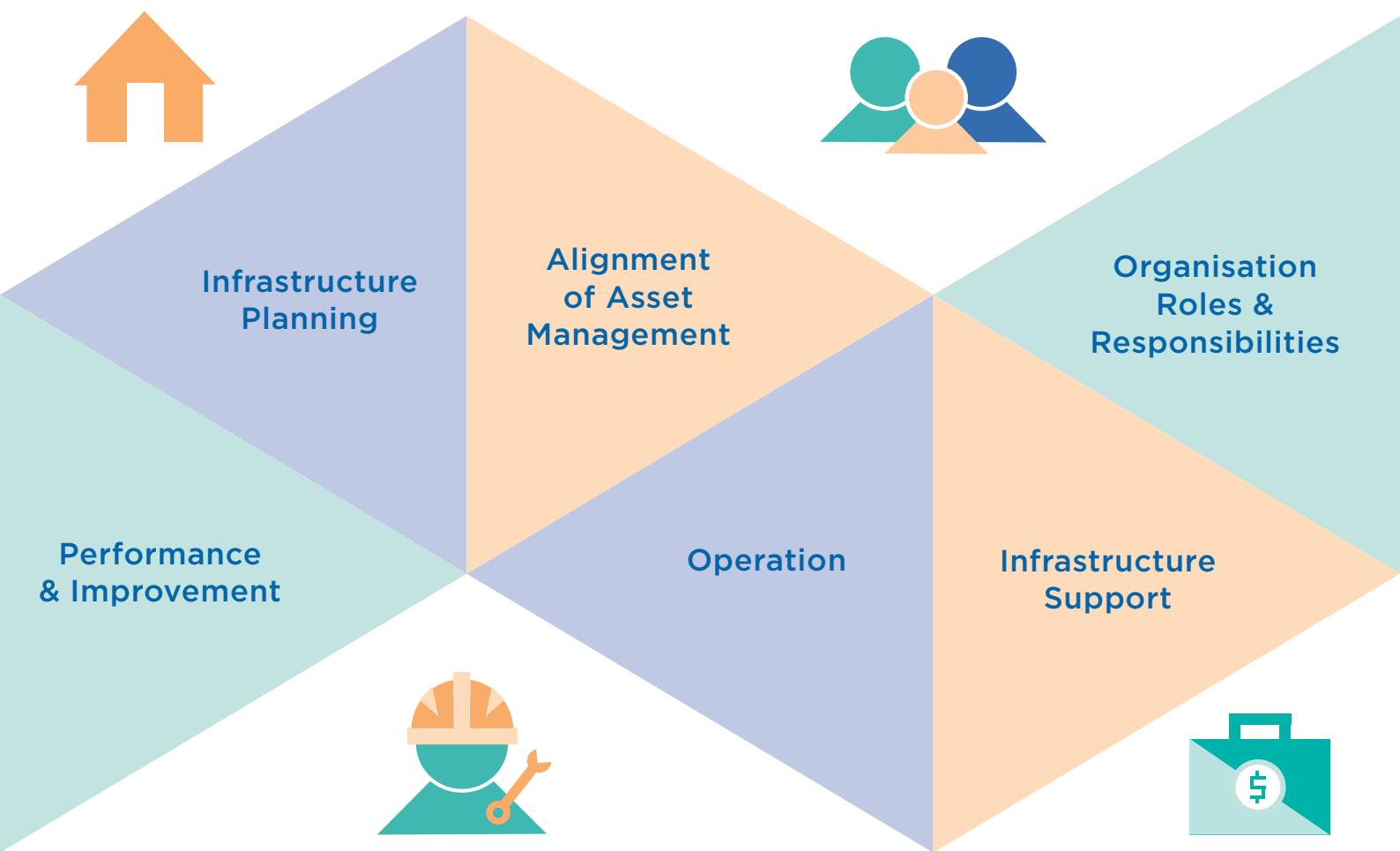


THE ASSET MANAGEMENT FRAMEWORK

The Asset Management Framework (summarised in the following table and diagram) defines the systems and processes required to deploy the SAMP and consists of 6 elements that assist with the development, implementation, review and continual improvement of AMPs, processes and activities. Successfully executing these elements will ensure effective asset management and Council objectives.

Element	Description
Alignment of Asset Management	Alignment of Asset Management to the Strategic Plan and LTFP. Includes elements such as Organisational Context, Stakeholders, Asset Management System and the Asset Management System Scope.
Organisation Roles and Responsibilities	Defines the roles, responsibilities and the commitment of leadership to Asset Management inside the organisation. Also defines the Asset Management Policy.
Infrastructure Planning	Defines the planning of assets including AMPs and considers the risk and opportunities along with the objectives of the Asset Management System.
Infrastructure Support	Infrastructure Support defines resourcing, competence, awareness, communication, informational requirements and documented information in relation to Asset Management.
Operation	Operation details how change is managed, outsourced activities and delivery of the Asset Management System.
Performance and Improvement	This element details practices in relation to evaluating performance, audits, management reviews, incidents, corrective actions and continual improvement of Asset Management.





SAMP REVISION

The SAMP is designed to be a medium to long term document, however, it will be reviewed annually and as required in consideration of the LTFP and ABP to ensure it captures up-to-date:

- Asset portfolio;
- Condition data;
- Organisational roles;
- Asset investments;
- Continuous improvement initiatives.

The revisions that need to be considered during review and the frequency are captured in the SAMP Revision Checklist which will be available in a separate document. This means that the SAMP will contain an insight into the future of Council's assets and infrastructure while maintaining up-to-date data and relevancy.



Levels of SERVICE

Levels of service are defined based on different factors including the asset condition, corporate objectives, weather events, legislative requirements and stakeholder needs and expectations in the Council area.

COMMUNITY RESEARCH AND EXPECTATIONS

Council plans to use community consultation, feedback from Elected Members, customer requests and census data in order to assist in defining the levels of service. This will assist in aligning service level expectations and help the community to understand the services that Council rates will contribute towards.



LEGISLATIVE REQUIREMENTS

Legislative requirements that have an impact on asset management and the delivery of the Asset Management System include those that are summarised below.

Legislation	Requirements
Local Government Act 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by AMPs for sustainable service delivery.
Road Traffic Act 1961	Sets out the requirements for public consultation and notification requirements for road events, road closures etc.
Work Health and Safety Act 2012	Set out roles and responsibilities to secure the health, safety and welfare of persons at work.
Native Vegetation Act 1991	Sets out the requirements under the Act to protect and preserve native vegetation.
Highways Act 1926	A reference for legislation relating to state roads.
AS 1742 Manual of uniform traffic control devices	Standards in relation to traffic control devices for general use and works on roads, speed control, street names, service and tourist signs, railways crossings, freeways, bicycle facilities, pedestrian controls, parking controls, bus transit and truck lanes and local area traffic management.
Australian Road Rules	Ensure that Transport facilities satisfy the requirements of Road rules for example road marking to be consistent with legal requirements.
AS/NZS 2890 Parking Facilities	Sets out parking requirements in various forms (Off-street parking, on-street parking, etc).
AS1428 Design for access and mobility	Reference for access requirements relating to transport (ie ramps, parking, pedestrian ways, etc).
Austroroads Design Guidelines	Ensure that transport facilities satisfy the requirements of guidelines.
Planning Development and Infrastructure Act 2016	Sets out parameters for Developments, including what developments required Development Approval (Planning Consent/Building Rules Consent) and the process required to obtain such consents.
Disability Inclusion Act 2018	Set outs requirements for equality of access to services and facilities.
Civil Liability Act 1936	Sets out the expectations in relation to negligence and the duty to take reasonable care.

LEVELS OF SERVICE MEASURES

To provide a quantifiable level of service, condition assessment data will be used as the basis for defining the levels of service and defining a target score for each asset class. Assets can then be periodically assessed and the condition assessment scores can then be compared with the desired level of service target. Levels of service are summarised below.

Asset Class		Level of Service	Performance Criteria	Service Target
Transport	Sealed Roads	Functional and useable transport network that supports community needs.	Condition	Fair to good condition
	Unsealed Roads		Condition	Fair to good condition
	Footpaths		Condition	Fair to good condition
Stormwater	Drainage Pipes	Zero flooding from expected annual rainfall events.	AEP Rainfall Data	No Flooding at <10% AEP
	Basins and Swales		AEP Rainfall Data	No Flooding at <1% AEP
	Kerb and Channel		AEP Rainfall Data	No Flooding at <10% AEP
CWMS	Pipes	No down time due to unplanned maintenance activities.	Blockages & Failures	No unplanned maintenance
	Pumps		Failures	No unplanned maintenance
	Treatment facilities		Capacity	No unplanned maintenance
Buildings	Halls	Functional and habitable buildings that prove intended functions to the community.	Condition	TBD
	Offices		Condition	
	Public Amenities		Condition	
	Aged Homes		Condition	
Plant & Fleet Vehicles	Plant	Operational plant and fleet vehicles.	Engine Hours	No unplanned maintenance
	Fleet Vehicles		Kilometres	No unplanned maintenance

*AEP Rainfall refers to the Annual Exceedance Probability or the probability that a given rainfall total, accumulated over a given duration, will be exceeded in any one year.

FUTURE DEMAND

Analysis

Changes in circumstances including population, demographic, development and visitors impacts the demands on Council’s asset portfolio. Changes in demand can prompt a need for shorter asset lives, due to an increase in consumption. Therefore, it is important to define the drivers for demand and consider the impacts on services, so planning and operational activities can evolve to effectively maintain need.

DEMAND DRIVERS

The demand drivers identified include population growth, demographic changes, residential or commercial development and seasonal changes, with visitors and tourism increasing through the summer months. The table below summarises these demand drivers and highlights the future projections and impacts.

Demand Drivers	Present Position	Data	Description
Population	15,050 persons	Population +7% from 2018-2023	Population is increasing in the region.
Demographic	Median age is 54.8 years (2023)	Median Age +6.8% from 2018-2023	Median age is increasing with large demographic over 50 years.
Development	9222 private dwellings 1012 Businesses	+9.3% from 2016-2023 +5.86% from 2019-2023	Commercial and residential development increasing.
Visitors and Tourism	Popular tourism destination during summer months.	Over 500,000 visitors yearly	Increase demand at peak visitors times.

MANAGEMENT OF DEMAND CHANGES

Relating these demand drivers back to Asset Management is also important so that the impacts on services can be predicted and a management plan can be identified. Taking a proactive approach to these changes in service levels, ensures Council can prepare for and meet community needs in the future. The impact on the services and a statement about how this will be managed in the future, has been summarised below.

Demand Drivers	Impact on Services	Demand Management Plan
Population	Population rise increases demand on transport, CWMS and buildings services, shortening their useful lives.	Plans include Growth Strategy, additional employees, providing opportunities for developers and urban planning.
Demographic	Demographic demand includes accessibility, footpaths, parking, public amenities, community spaces, reserves, clubs, connectivity, shared paths and walking trails.	Plans include the Capital Works Program and Public Consultation.
Development	Future development will require new CWMS services, road network and footpaths and increase the use of such services.	Plans include urban planning, Growth Strategy, asset systems reviews.
Visitors and Tourism	CWMS and transport services incur large demand increase, particularly during peak holiday seasons.	Plans include relationship with stakeholders and stakeholder engagement, accommodation planning.

Future revisions to the SAMP will consider revised and updated drivers in demand as more data is obtained, building the foundation for a continuously improving system that proactively considers the demand on services, community needs and requirements.



RISK Management

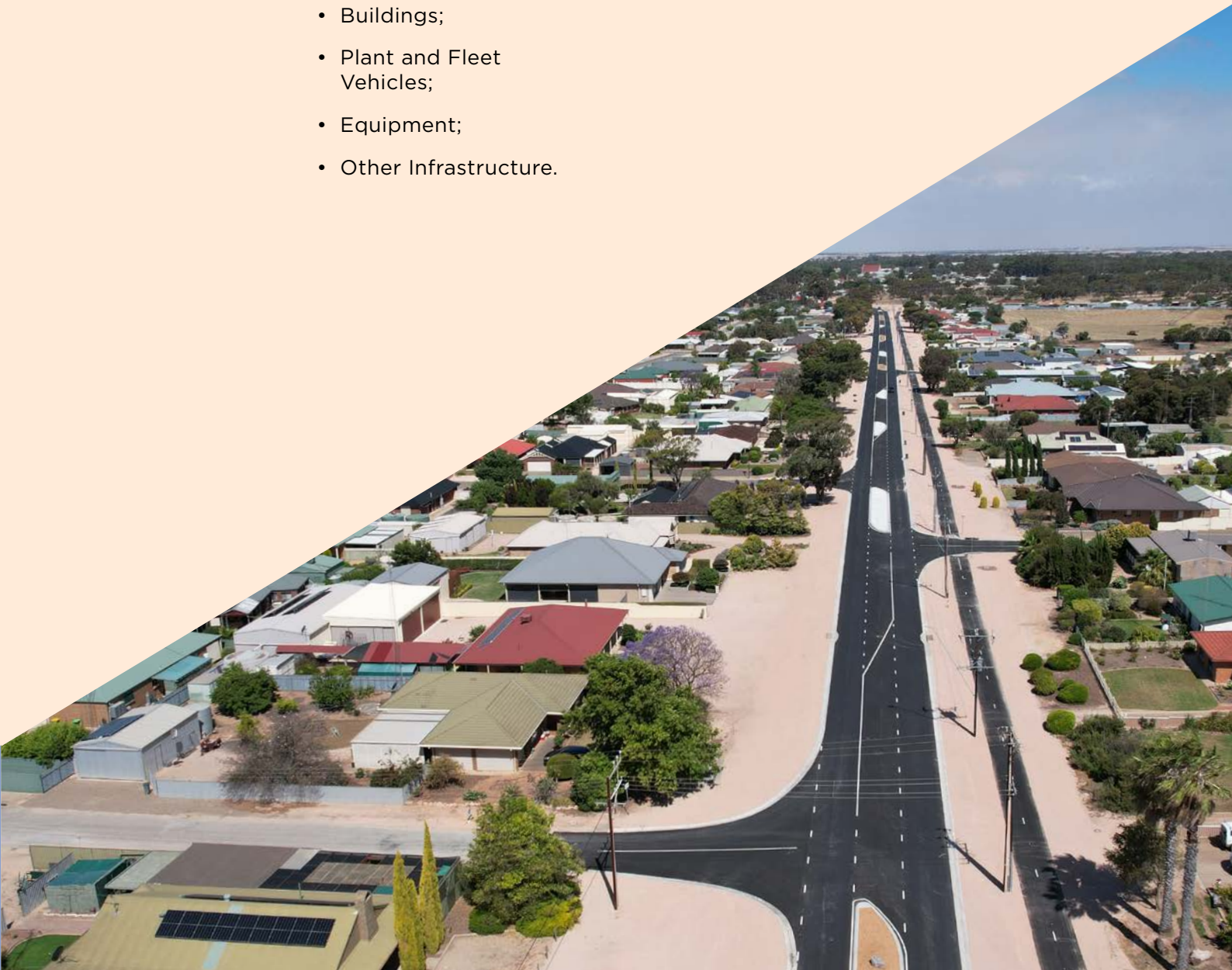
Risk management, as part of the management of assets, is undertaken in accordance with Council's Risk Management Framework Policy (available via Council's website) which governs how Council is to identify and manage risk.



Our ASSETS

Council owns and manages a diverse asset portfolio, worth in excess of \$558 million, which are divided into Asset Classes/groups comprising:

- Transport;
- Stormwater;
- Community Wastewater Management (CWMS);
- Buildings;
- Plant and Fleet Vehicles;
- Equipment;
- Other Infrastructure.



THE ASSET PORTFOLIO

The replacement value of assets covered by this SAMP, as at June 2024, is shown below. It should be noted that this is correct at the time of writing this version of the SAMP and varies with each revaluation and new asset commissioned into the Asset Register. The overview is outlined below.

AMP	Assets Covered	Replacement Cost (\$'000)
Transport	Road pavement and seal, unsealed roads, footpaths, bridges, roadside furniture and traffic control devices.	\$232,012
Stormwater	Underground pipes, pits, headwalls and open drains, pump stations, lagoons, levee and easements.	\$48,256
CWMS	Pump stations, lagoons, underground pipes, manholes, house connection branches, building structures.	\$98,894
Buildings	Community, Council, recreation, cultural buildings, toilet blocks.	\$92,117
Plant & Fleet Vehicles	Graders, loaders, tractors, trucks, utilities, sweepers, mowers, trailers, motor vehicles and utility's.	\$9,011
Equipment	Computers, printers and office equipment.	\$2,119
Other Infrastructure	Additional Infrastructure not included in the above including community assets and street furniture.	\$35,524
TOTAL		\$517,933

Land is not included in the above list and is valued at approximately \$40 million, giving an overall asset portfolio of more than \$558 million. A further breakdown of the assets within each asset class and their renewal value will be provided in the individual AMP for that asset class.

DEFINITION OF EXPENDITURE AND COST TYPES

Council use several different terms to define and articulate the types of expenditure used in relation to Asset Management. Below provides a list of these terms and their definitions.

Operational & Maintenance (OPEX) Expenditure

Recurrent expenditure, continuously required to provide a service, typically including power, fuel, staff, plant and equipment, on-costs and overheads.

Recurrent expenditure which is periodically or regularly required to ensure that the asset achieves its useful life and provides the required level of service. Maintenance can include:

- **Planned**, work identified through a maintenance management system, through inspection, assessment, prioritisation, actioning and reporting, to form a reliable history to improve future delivery and performance.
- **Unplanned**, corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service.
- **Reactive**, works undertaken in response to service requests and management direction.
- **Significant**, major work as detailed in long term maintenance budgets.

Capital Renewal

Expenditure on an existing asset or to replace an existing asset, which returns it to its original service capability. Typically includes resurfacing or re-sheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, replacing a building or structure with a similar asset.

Capital New / Upgrade

Expenditure which creates a new asset providing a new service that did not exist beforehand. It will increase future operations and maintenance expenditure.

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of an asset beyond that which it had originally. Typically includes widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a building or structure.

Replacement Cost

Refers to the price that it would cost to replace an existing asset with a similar asset at current market value.

Fair Value

A measure of an assets current market value. Determined by the rational and unbiased price at which the asset can be bought or sold.



ASSET DATA

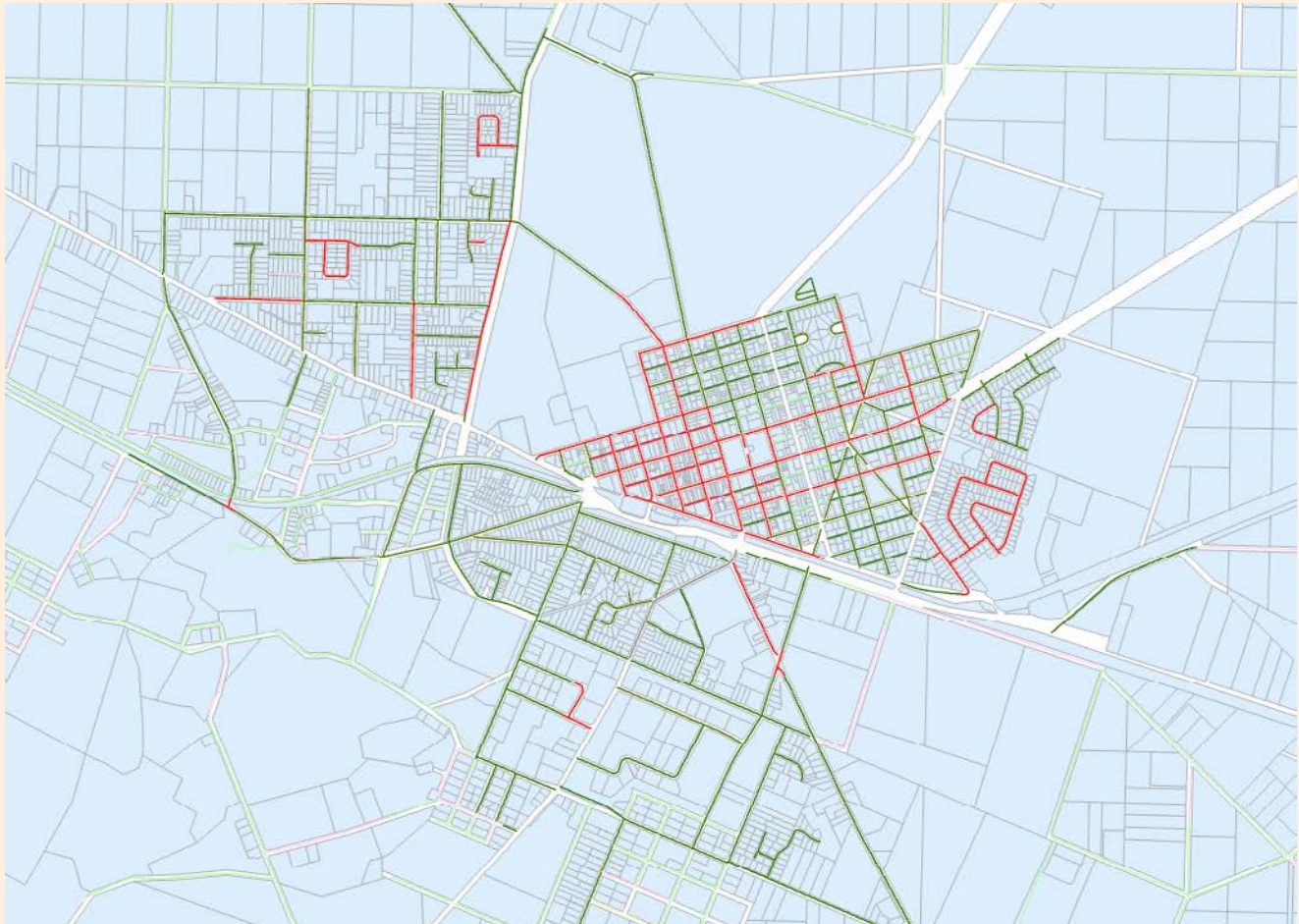
Council collects, maintains and analyses a large amount of information across its asset portfolios and has started the process of collecting condition data and moving all asset related data into Conquest 2020 (Asset Register).

Unsealed roads data was collected first, in 2021, and uploaded into Conquest in 2022. Footpaths, kerbing and sealed roads were then completed and uploaded in 2022. Finally in 2024, CWMS and Stormwater data was collected. The remaining asset that still need to be collected and completed is buildings.

This process will provide a single interface that streamlines business operations and integrates information across the whole Council, as well as helping to manage the complexity of asset data management and planning. The Asset Register records information for the asset class, condition, value, size, age, and the remaining life of individual assets.



The GIS based asset visualisation of Kadina



■ BHM-001 RDS	■ Caravan Park Roads	■ GABION	■ All other values
■ BSS-001 RDS	■ FB-001-RDS	■ GV-001-RDS	
■ BSS-002 RDS	■ FD-001-RDS	■ UNK-001-RDS	

Council's enterprise Geographic Information System (GIS) is also utilised in conjunction with the Asset Register. GIS enables mapping, visualisation, spatial analysis and querying of asset data. An example (roads material) of GIS based asset visualisation is shown above.

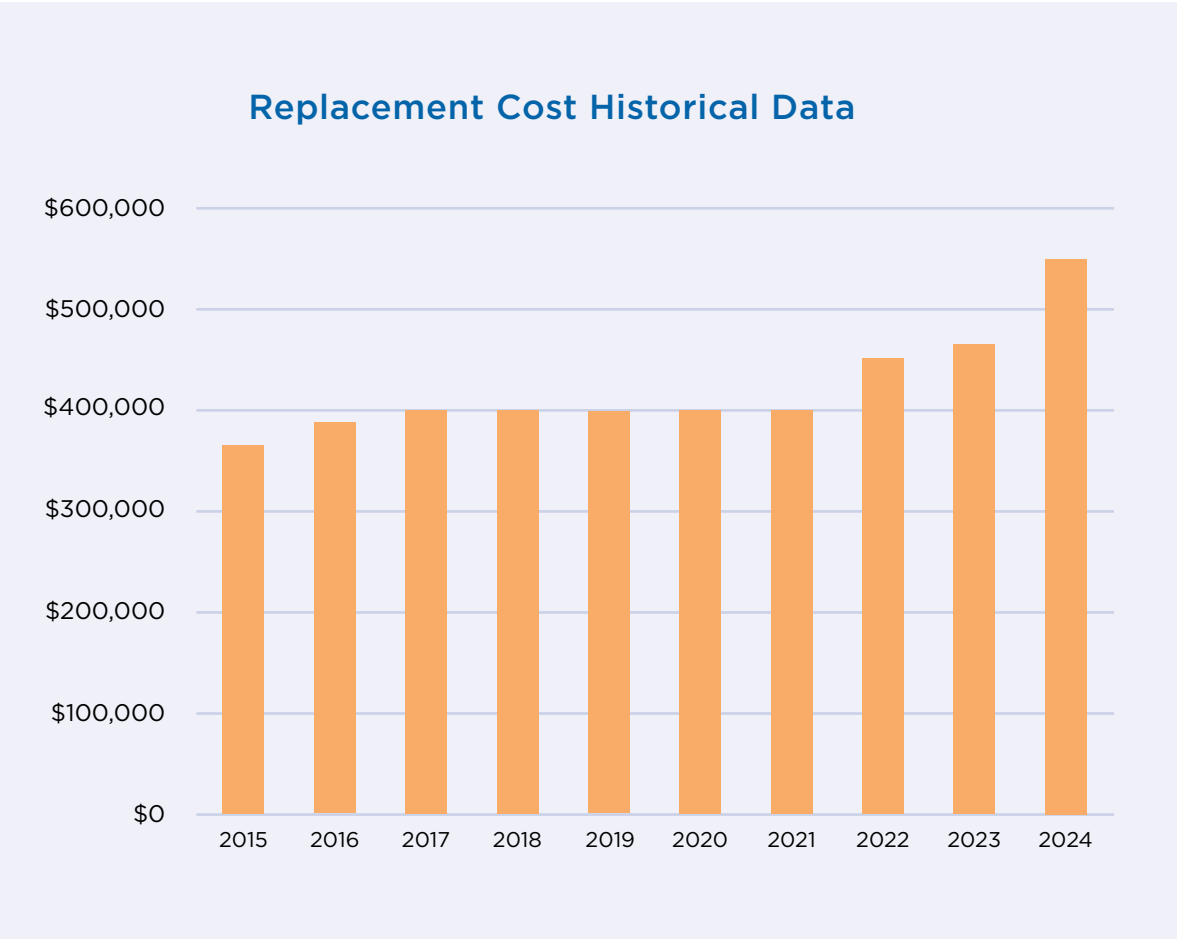
This GIS information is used in multiple Asset Management decision-making and reporting areas including the development of renewal programs, long-term forecasting, asset valuation and depreciation, and local government wide legislated reporting.

HISTORICAL REPLACEMENT COST PROFILE

The historical replacement cost profile shown below displays the trend of a growing asset portfolio over the last 10 years. Data is sourced from annual financial statements and is based on the replacement cost of the assets.

In 2015 the replacement cost of all assets (excluding land) was estimated to be \$369 million in comparison to a replacement cost of \$548 million in 2024. The growth of the asset portfolio demonstrates Council’s commitment to providing infrastructure that supports the local community and addresses the themes and goals outlined in the Strategic Plan 2025-2035.

Further breakdowns into each individual asset class will be provided in the individual AMPs when developed.



EXPECTED USEFUL LIVES

Expected useful lives are important to define the expected lifespan and can help justify the current stage of life of an asset. The ability to understand and justify the useful life of assets assists the decision making in relation to asset maintenance and renewals. Assets exceeding useful lives can fail and lose significant functionality. This means the assets can no longer provide the defined levels of service and can incur additional costs that otherwise wouldn't be necessary.

Assets are broken down into an Asset Class, and an associated expected useful life can be assigned. A high-level summary of the expected useful lives of Assets Classes is described in this table. Further detail on the different asset types will be in the individual AMPs.

Asset Type	Useful Life (years)
Plant furniture and equipment	
Office equipment	5-10
Office furniture	10-12
Vehicles and road marking equipment	5-8
Plant and other	5-15
Building and structures	
Buildings (masonry)	50-100
Buildings (other)	20-40
Structures (masonry)	50-100
Structures (other)	20-14
Playground equipment	5-15
Benches and seats	10-20
Infrastructure	
Sealed roads	15-50
Unsealed roads	10-20
Paving, footpaths, kerb and gutter	80-100
Drains	80-100
Culverts	50-100
Flood control surfaces	80-100
Dams and reservoirs	80-100
Bores	20-40
Pipes (PVC)	70-80
Pipes (other)	25-75
Pumps	15-25

ASSET CONDITION

In conjunction with expected useful asset lives, asset condition is another important metric to define. Useful expected lives does not consider external interfaces that can affect asset condition and don't fully define the remaining life of an asset currently in commission. Assessing asset condition can be used to determine current asset life, which when compared to the expected life, creates a metric on the remaining life. This means that maintenance and renewals can be forecast and planned and means that all assets are effectively maintained.

The current scoring system used to define the condition of an assets is based on visual inspection and can be seen below.

Score 100  As new condition	Score 75  Good condition limited deterioration	Score 50  Fair condition midway through life some deterioration
Score 25  Poor condition plan to replace extensive deterioration	Score 5  Replace or renew immediately	Score 0  No service potential

As of December 2024, visual inspections have been completed for Transport, CWMS and Stormwater. Condition assessments can be performed in conjunction with asset revaluations as inspections are a necessary requirement of this process.



The methodology and frequency of asset condition assessment can be seen in the table below. More detail will be provided in the individual AMPs.

Asset	Methodology	Frequency
Sealed Roads	Inspecting and gathering data on road type, width, aggregate, shape, deformation, rutting, patching, cracking, binder, flushing, stripping, ravelling and shoulder condition.	5 Yearly
Unsealed Roads	Inspecting and gathering data on road type, width, surface defects, shape, material, sheeting, subgrade breakthrough, condition, rideability, drainage, vegetation, and patching.	5 Yearly
Kerbing	Inspecting and gathering data on kerb type, material, cracking, displacement, chipping, drainage, disintegration, defects in order to determine replacement areas and length.	5 Yearly
Footpaths	Inspecting and gathering data on footpath type, width and extent. Along with defects including cracking, ravelling, services, displacement, fretting, crossfall, chips. Footpath wear, rubble condition and loose material data is also collected.	5 Yearly
Stormwater	Inspecting and collecting data on pipes, nodes, drains and pump stations.	5 Yearly
CWMS	Inspecting and collecting data on pipes, nodes, pump stations and treatment facilities.	5 Yearly
Buildings	TBD	5 Yearly
Plant and Fleet	Tracking data on engine hours, kilometres, expenditure and warranty.	5 Yearly

In the future, Council aims to define a secondary metric in relation to the functionality and performance of an asset in order, to refine the estimation of remaining life. This gives the ability to more accurately target funding towards assets not meeting levels of service and aims to reduce unnecessary downtime or spending on assets performing within the defined levels of service.

Asset INVESTMENT

Each year, Council spend a proportion of its budget replacing, renewing, and constructing new assets. A decision making hierarchy is used to justify investment and data is taken from condition assessment and remaining life, in order to make informed decisions about asset investment activities.

ASSET INVESTMENT DECISION MAKING

Five main factors have been identified and are considered when deciding investment priorities and decisions.

In order of hierarchy the factors are:

- Managing safety and risk whilst meeting legislative requirements;
- Improving financial sustainability and alignment to LTFP;
- Alignment with goals and objectives set in the Asset Management System;
- Maintaining agreed service levels of assets (asset condition and remaining life);
- Delivering increased levels of service/new assets.

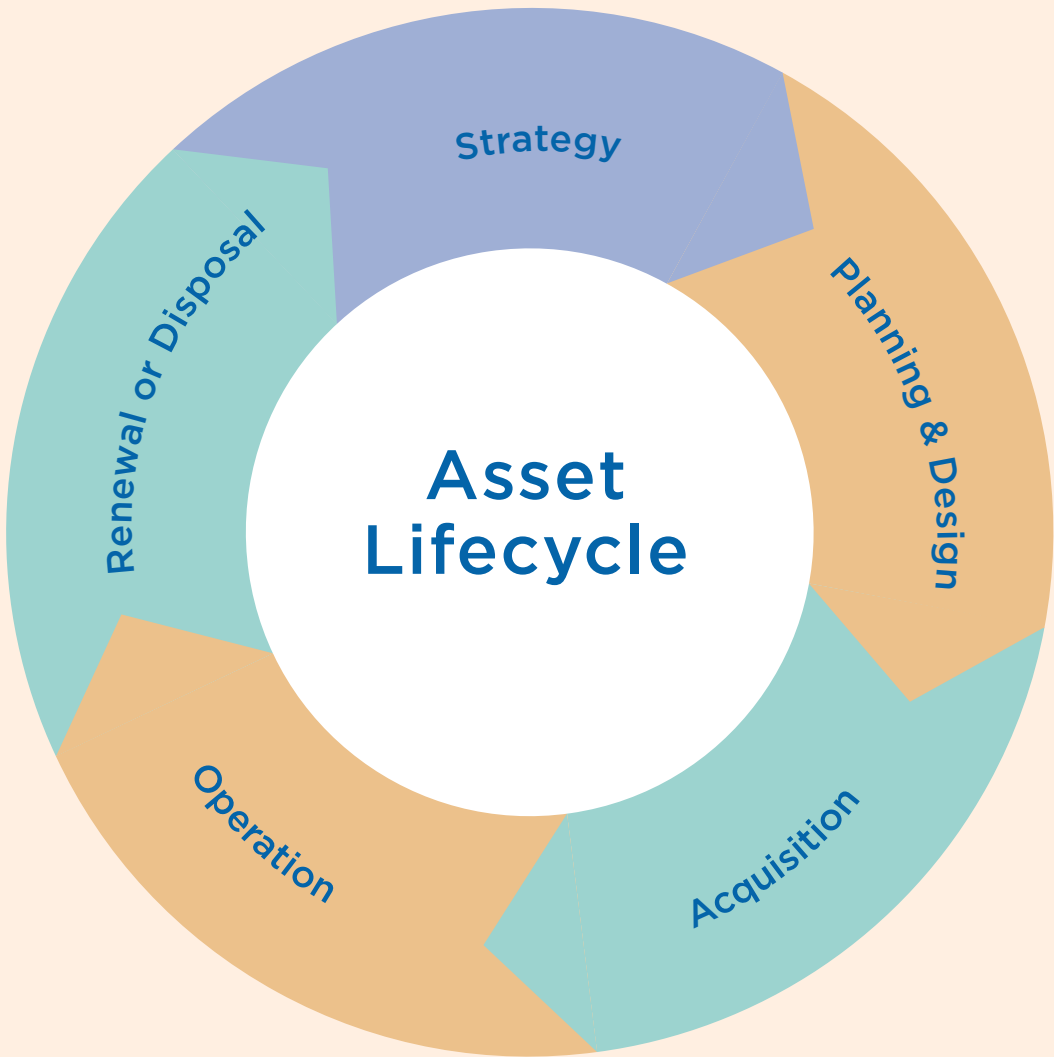
RELATION TO FINANCIAL SUSTAINABILITY INDICATORS

Financial sustainability indicators are important financial metrics utilised. The main indicator that relates to asset management is the Asset Renewal Ratio. The Local Government Association has defined this ratio which the Council use to track and justify expenditure in relation to asset management.



LIFECYCLE MANAGEMENT

Assets undergo several stages throughout their lifecycle with all needing their own respective management, which needs to be done effectively to deliver assets that meet community need and meet strategic objectives. The lifecycle of assets is highlighted in the diagram below.



To provide better context of the stages of road asset lifecycle, examples of these different stages have also been summarised below.

Stage	Example
Strategy	Strategic Plan, SAMP
Planning and design	Design and scoping of work
Acquisition	New roads constructed by councils or developers
Operations	Inspections, condition assessment
Reactive Maintenance	Re-laying/repairing short section of road due to damage
Preventive Maintenance	Re-sealing of road to mitigate future damages and extend life
Renewal	Renewal of road at end of life
Disposal	A road is no longer required and needs to be disposed

To manage assets effectively, Council also considers:

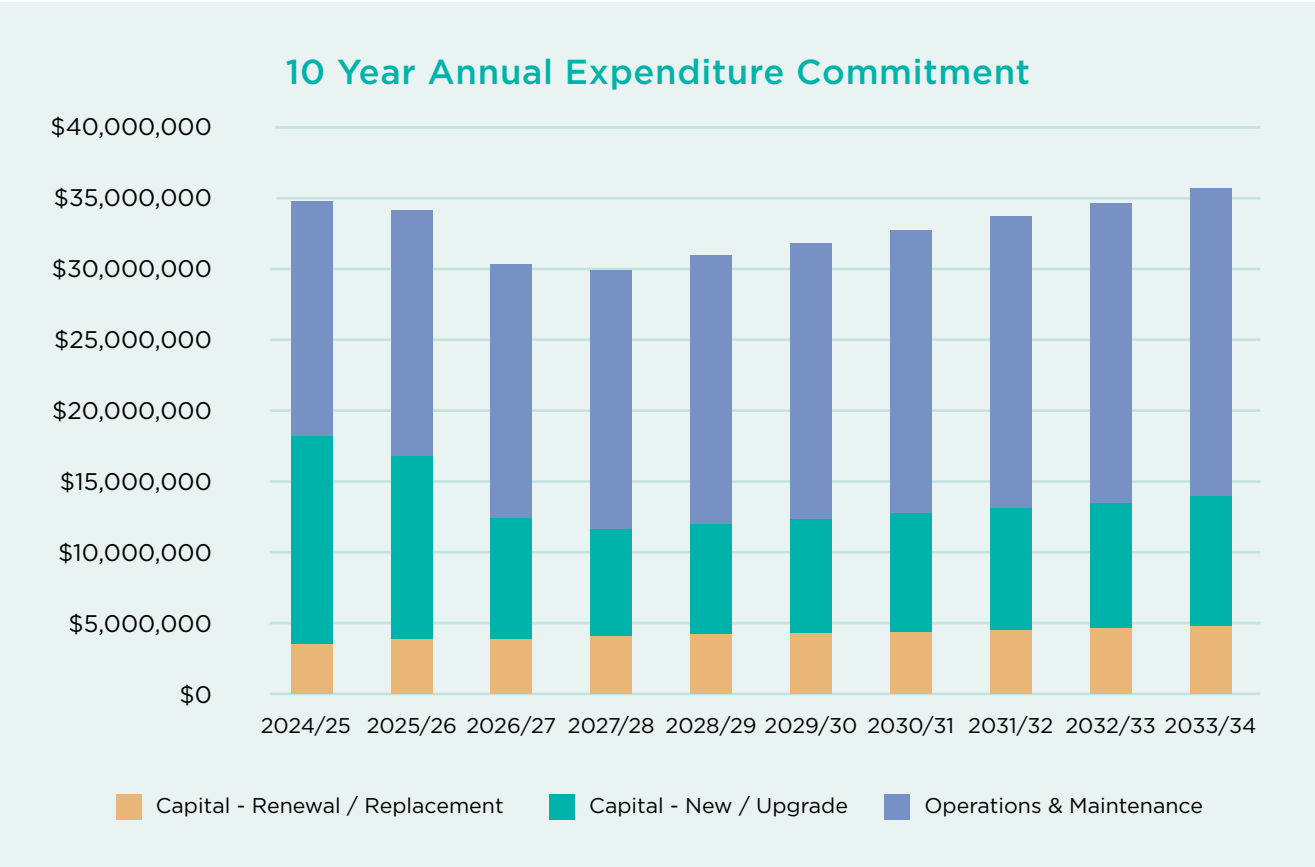
- The existing network and its performance against the levels of service;
- Expansions and upgrades of the asset network;
- How new projects are prioritised;
- The contributed assets that are expected to be received from development;
- How budgets are allocated;
- How assets are maintained;
- When existing assets need to be renewed;
- How asset data is collected and managed.

AMPs are internal documents and will be developed for each asset class to guide day-to-day decision making and plan for longer term activities and investments. When combined with the technical levels of service, AMPs provide a guide for balancing operational activities, preventive maintenance and reactive maintenance, asset renewals and disposal. This aims to deliver optimised lifecycle asset cost for given service levels.

ANNUAL EXPENDITURE FORECAST

The graph below shows the estimated annual expenditure on infrastructure and asset management forecast over a 10 Year period. The main expenditure types are shown in the graph, where operations and maintenance is the budget for these activities including materials, contracts and other related expenses, but not including payments to employees. The graph also details the capital new/upgrade expenditure and capital replacement/renewal expenditure forecasts (refer to page 27 for definitions).

Data for this graph has been obtained from, and is aligned to, the LTFP. The increasing trend in the graph is primarily due to applications of indexation and inflation, with further information on how this expenditure is split between asset types to be described in the individual AMPs. The initial spike in the graph is due to works in progress that have been carried over from the previous years. The forecast shows that the amount of expenditure on assets will remain relatively unchanged and other increases from financial factors and capital projects will carry over from previous years.



	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Capital - Renewal / Replacement	\$3,573,339	\$3,849,718	\$3,837,487	\$4,013,301	\$4,145,833	\$4,279,667	\$4,314,853	\$4,451,447	\$4,589,505	\$4,729,085
Capital - New / Upgrade	\$14,523,271	\$12,941,935	\$8,517,056	\$7,568,729	\$7,791,791	\$8,024,544	\$8,367,281	\$8,620,299	\$8,883,908	\$9,158,425
Operations & Maintenance	\$16,733,679	\$17,349,363	\$17,972,157	\$18,479,899	\$18,993,223	\$19,522,617	\$20,066,990	\$20,627,598	\$21,196,029	\$21,779,118
TOTAL	\$34,830,289	\$34,141,015	\$30,326,700	\$30,061,929	\$30,930,847	\$31,826,828	\$32,749,124	\$33,699,344	\$34,669,443	\$35,666,629

Continual IMPROVEMENT

Some continual improvement initiatives that Council utilise to ensure continual improvement of asset and infrastructure management are detailed in the table below. This includes details on the initiative and the timing for completion.

Item	Initiative	Timing
AMP Development	Future development of individual AMPs for each class of asset. Insight into asset types, further breakdown of condition and expenditure.	Three AMPs for 2025/26 Financial Year
Buildings condition assessment	Define methodology for buildings and plant and fleet vehicle inspection and condition assessments. Begin process of collecting this data and uploading into conquest software.	End of 2026/27 Financial Year
Revision of SAMP	Revision of the SAMP and development of checklist to track updates or revisions.	Annually
Informing decision making using asset data	Continue gathering data and moving data into data systems. Use Software to generate day-to-day operations plans, track defects and maintenance, generate reports, analyse data against service levels for single asset type.	Ongoing

GLOSSARY

Annual service cost (ASC)

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 operating, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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

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

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS 27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 months.

Average annual asset consumption (AAAC)

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

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 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.

Capital new expenditure

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 renewal expenditure

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 upgrade expenditure

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

Carrying amount

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

Class of Assets

See asset class definition.

Component

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

Cost of an asset

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

Current replacement cost "As New" (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, ie the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic maintenance

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

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6).

Depreciated replacement cost (DRC)

The current replacement costs (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 outlays.

Fair value

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

Greenfield asset values

Asset (re)valuation values based on the cost to initially acquire the asset.

Heritage asset

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

Impairment loss

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

Infrastructure assets

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

Investment property

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

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business (AASB 140.5).

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.

Lifecycle 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 average operation, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The life cycle cost does not indicate the funds required to provide the service in a particular year.

Lifecycle expenditure

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

Loans/borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (eg 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

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Non-revenue generating investments

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

Operating 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.

Pavement management system

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

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.

PMS Score

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

Rate of annual asset consumption

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure 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 with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance

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

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 operating and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining life

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

Renewal

See capital renewal expenditure definition above.

Residual value

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

Revenue generating investments

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

Risk management

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

Section or segment

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

Service potential

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

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 Management Plan

Documents Council objectives for a specified period (normally the term of office of Councillors which is 4 years minimum), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities. The plan is prepared in consultation with the community.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either;

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

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

Value in use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: IPWEA 2009, AIFMG Glossary



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