



# Asset Management Plan

## 2019—2029

SHIRE OF WANDERING

Version 1.2– Adopted 17/06/2021



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## 1. EXECUTIVE SUMMARY

### 1.1. WHAT IS AN ASSET MANAGEMENT PLAN (AMP)?

Asset management planning is a process to ensure delivery of infrastructure and other asset services is provided in a sustainable manner, both from a financial and environmental perspective.

An asset management plan (AMP) details information about infrastructure and other assets including actions required to provide an agreed level of service with the community in the most cost effective manner. The AMP defines the services to be provided, how the services are provided and what funds are required to provide the services.

### 1.2. CONTEXT

This Asset Management Plan (AMP) is concerned with all Shire assets. This AMP has been compiled to comply with Local Government regulatory requirements including the Integrated Planning and Reporting requirements, and to demonstrate the Shire's responsible management of assets (and services and facilities provided from these assets).

This AMP is concerned with all of the major asset classes which are listed below:

- Land;
- Buildings;
- Furniture & Equipment;
- Infrastructure (Roads, bridges, drainage, footpaths, recreation, and other);
- Plant & Equipment;
- Information Technology (part of Furniture and Equipment);
- Other Assets.

This Plan collates current valuations, income and expenditure data, and compares it with the asset stock's long term funding needs (that are required to provide an agreed and sustainable Level of Service).

This Plan investigates whether the Shire's current level of asset operational, maintenance and renewal funding are sufficient to sustain the assets at a standard that will be acceptable to both asset owners and users.

### 1.3. PLAN FRAMEWORK

Key elements of this plan include:

- Levels of Service – specifies the services and Levels of Service to be provided by the Shire.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how the organisation will manage its existing and future assets to provide the required services.
- Financial summary – what funds are required to provide the services.
- Asset management practices.
- Monitoring – how the plan will be monitored to ensure it is meeting the organisations objectives.
- Asset Management Improvement Plan.

#### 1.4. WHAT DOES IT COST?

The management of the Shire's assets includes how to address the Shire's average life cycle gap (The difference between the annual costs to maintain assets and improve them) for all its assets. The implications to the community regarding such a gap will see the Shire improve the management of its assets through pursuing the following:

- Reviewing the service and service levels as identified in Section 3.2 and consulting with the community further to determine service needs;
- Reviewing the hierarchy of services and service levels as identified in Section 3.3 including improvements in how the road hierarchy is applied;
- Identifying future renewal cashflow profiles ;
- Developing a funding strategy in a long term financial plan including pursuing other grant funding sources including specific infrastructure programs provided by the State Government (e.g. Royalties for Regions) or the Commonwealth (e.g. Community Development Grants Programme).
- Increasing funding where available including investment in a greater level of funding regarding the renewal and upgrading of local roads; and
- Development of a policy or strategy regarding making better use of the public buildings and reducing costs for those not used on a regular basis.

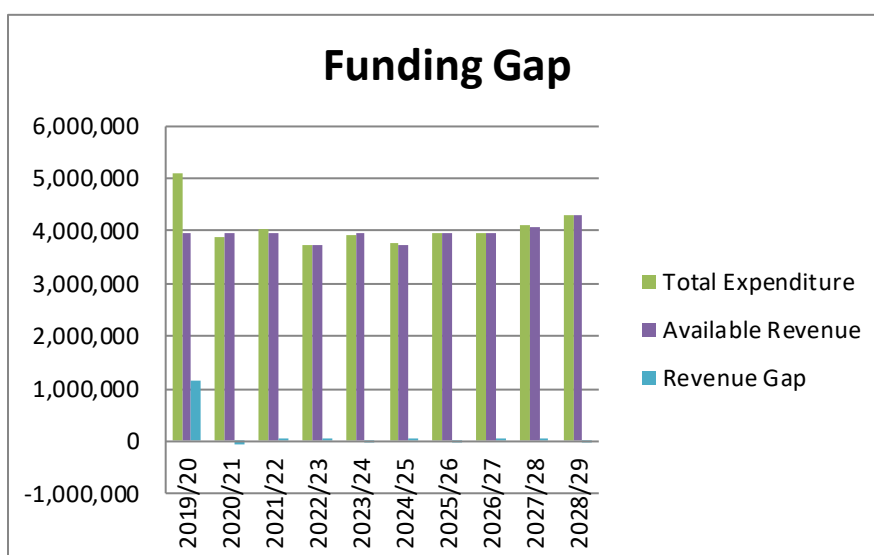


Figure 1-1: Funding Gap

#### 1.5. MANAGING THE RISKS

Analysis of the future demand influences show that the Shire's assets will increase over the 10 year period of this AMP. As time goes by many assets will require remediation or refurbishment to meet contemporary needs and expectations, and to preserve their asset value.

This will require further investigation and better long term planning in order to understand what can be provided going forward. However, there are gaps in the Shire's current knowledge of its assets and some of the key risks currently are:

- Limited condition rated data for assets;
- No formalised maintenance management regime for assets' (excluding roads); and
- No long term renewal programme (excluding roads and plant and equipment).

## 1.6. THE NEXT STEPS

There is a number of improvement actions listed at the end of this AMP, some of the key actions over the short term resulting from this AMP are to:

- Undertake condition inspections;
- Develop a spatial inventory database;
- Improve the accuracy of future financial forecasts through tracking operation, maintenance, renewal, new and upgrade costs.
- Prepare renewal programmes for all assets; and
- Present and adopt this AMP.

## 2. INTRODUCTION

### 2.1. PURPOSE & SCOPE

The Shire, in accordance with the *Local Government Act 1995*, is required to use its best endeavours to meet the needs of current and future generations, plan for the future and provide services and facilities to its community. Some of these services and facilities are provided by way of assets. The Shire has acquired assets by 'purchase' inclusive of grants, by contract, construction by Shire staff and by donation of assets constructed by developers and others to meet increased levels of service.

The management of these assets is prepared under the direction of the Shire's vision:

***Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.***

*(Source: Strategic Community Plan and Corporate Business Plan 2018-2028)*

We can see then that the Shire's goal in managing its assets is to meet the required levels of service in the most cost effective manner for present and future consumers. The key elements of asset management are:

- Taking a whole of life cycle approach;
- Developing cost-effective management strategies for the long term;
- Providing a defined level of service and monitoring performance;
- Understanding and meeting the demands of growth through demand management and infrastructure investment;
- Managing risks associated with asset failures;
- Sustainable use of physical resources; and
- Continuous improvement in asset management practices.

The goal then is to have an asset management management plan that:

- Documents the services/levels of service to be provided and the costs of providing the service;
- Communicates the consequences for levels of service and risk, where desired funding is not available;
- Provides information to assist decision makers in trading off levels of service, costs and risks to provide services in a financially sustainable manner; and
- Provides information to feed into the Strategic Community Plan and Corporate Business Plan.

### 2.2. IMPROVEMENT PLAN

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

Hierarchy: A hierarchy exists for road assets and should be further developed for other asset classes.



Level of Service: Level of service measures were defined within the previous Asset Management Plan. No systems are currently in place to record and report against these levels of service.

Risk Management: Risk management is used as a decision making tool to define and treat risks facing the Shire when seeking to meet its defined objectives. The Shire is in the very early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

Operation and Maintenance: The Shire does not have a current documented Operation and Maintenance Strategy.

Renewal and Replacement: A key component of understanding long term asset funding requirements is determination of the extent and timing of likely costs to refurbish or replace an asset in future in order to maintain a consistent level of service to the community. Constant review and improvement to these forecasts is likely to result in improved planning outcomes.

New, Upgrade and Disposal: The Shire does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

There are a number of improvement actions as per the Asset Management Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.

### 2.3. NEED FOR ASSET MANAGEMENT

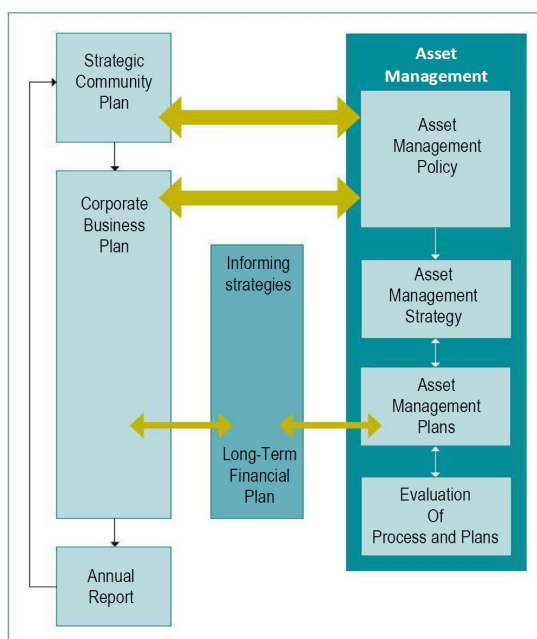


Figure 2-2: The AMP's Corporate Document Relationships  
(Department of Local Government Asset Management Framework & Guidelines)

The Asset Management Plan (AMP) integrates with key legislative requirements and Shire documents (adopted and in development). The Shire has adopted a corporate asset management framework similar to that detailed within the WA Asset Management Framework and Guidelines.

Figure 2-1 details the WA Asset Management Framework and Guidelines and demonstrates the relationship that exists between the Shire's AMP's and its other informing strategies and operational processes, plans and practices. The key relationships can be summarised as:

#### **2.4. ASSET MANAGEMENT POLICY AND STRATEGY:**

##### **Shire Asset Management Policy**

The Shire's Asset Management Policy provides a clear direction for asset management and defines the key principles that underpin asset management for a council.

##### **Shire Asset Management Strategy**

The Strategy is yet to be developed, but will outline how the Shire's asset portfolio will support the service needs of the community. The Strategy is reliant on a strong Strategic Community Plan and Corporate Business Plan. The Strategy facilitates the provision of prioritised service delivery, thus informing what assets are required by the Shire.

#### **2.5. LONG TERM FINANCIAL PLAN (LTFP)**

The LTFP sets out in detail the financial strategy required to meet the Shire's long term expenditure needs. The Asset Management Plan informs the LTFP about what level of resource is required to provide the agreed service levels.

#### **2.6. PLAN FORMAT**

The plan itself is divided into the key asset categories that the Shire has responsibility for including: land, buildings, infrastructure (roads, paths, lighting), plant and equipment, information technology and other assets.

Key elements of the AMP for each category of asset includes:

- Levels of Service – specifies the services and Levels of Service to be provided by the Shire;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Life cycle management – how the organisation will manage its existing and future assets to provide the required services;
- Financial summary – what funds are required to provide the services;
- Asset management practices;
- Monitoring – how the plan will be monitored to ensure it is meeting the organisations objectives;
- Asset Management Improvement Plan.

#### **2.7. KEY STAKEHOLDERS**

This AMP is based on further feedback from the Shire and the community. Future revisions of the asset management plan will continue to incorporate consultation with the wider community on levels of service and costs of providing the service. This will assist the Shire and the community in matching the level of service needed by the community, service risks and consequences with the community's ability to pay for the service.

Consultation with other stakeholders will depend on the needs of each asset class.

#### **2.8. LINKAGES TO CORPORATE STRATEGY**

##### **STRATEGIC COMMUNITY PLAN**

The Shire has a Strategic Community Plan (SCP) covering the years 2012 – 2022. There are four major themes within this plan: Improve our Financial Position, Improve the Economic Growth of our Community, Retain and Grow our Population, and Provide Strong Leadership. The objectives to meet these themes are

met in part through the AMP which sets out the need for reliable infrastructure assets provided to an agreed level of service determined through engagement with the community.

### **CORPORATE BUSINESS PLAN**

The Shire has developed a Corporate Business Plan (CBP) to support delivery of the SCP objectives.

### **ASSET MANAGEMENT POLICY**

The Shire has an Asset Management Policy which was adopted in July 2019. The objectives of this policy are to:

- Provide a framework for the sustainable management of the Shire's asset portfolio;
- Ensure an organisation wide and inclusive approach is taken to asset management; and
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

The policy states:

**POLICY TYPE:** GOVERNANCE AND COUNCIL MEMBERS

**POLICY NO:** 26

**DATE ADOPTED:** 18/07/2019

**DATE LAST REVIEWED:**

**LEGAL (PARENT):** Local Government Act 1995

**LEGAL (SUBSIDIARY):**

**DELEGATION OF AUTHORITY APPLICABLE:**

**DELEGATION NO.**

**ADOPTED POLICY**

<b>TITLE:</b>	Asset Management
<b>OBJECTIVE:</b>	<p>Asset Management is viewed as an important corporate function of the Shire of Wandering a Council are committed to supporting the function. The purpose of this policy is to initiate Ass Management Principles/Framework and Asset Management Responsibilities to achieve the following objectives and outcomes:</p> <ul style="list-style-type: none"><li>(a) The Shire's services and facilities are provided reliably, with the appropriate level of to residents, visitors and the environment within the Shire;</li><li>(b) Safeguarding the Shire's assets including physical assets and employees by implen appropriate asset management strategies, practices and financial treatment of the a</li><li>(c) Establish an environment where all Shire employees will assist in the overall manag of the Shire assets.</li><li>(d) Meet all legislative compliance for Asset Management;</li></ul> <p>The adoption of an effective asset management approach will provide the following benefits:</p> <ul style="list-style-type: none"><li>(a) More sustainable decisions by ensuring all lifecycle costs are included in decision pro so that the emphasis is on sustainable efficiencies not unsustainable short-term gain</li><li>(b) Enhance customer service through improved understanding of service requiremer options;</li><li>(c) Improved financial efficiency by recognition of all costs of owning/operating assets o lifecycle of the assets.</li></ul>

**DEFINITIONS**

Asset - a physical item that is owned or controlled by Council and provides or contributes to the provision of service to the community.

Asset Register - a record of asset information considered worthy of separate identification including inventory, historical condition, construction, technical and financial.

Asset Management - the processes applied to assets from their planning, acquisition, operation, maintenance, replacement and disposal to ensure that the assets meet Council's priorities for service delivery.

Asset Management Plan - a plan developed for the management of an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset. The Asset Management Plan establishes, for each Asset Category:

- (a) Levels of Service (performance, construction, maintenance, and operational standards);
- (b) Future Demand (rational basis for demand forecasting and selection of options for proposed new assets);
- (c) Life Cycle Management Plan (including Operations and Maintenance, Renewals and Replacements, and Expansions and Upgrades);
- (d) Financial Projections;
- (e) Asset Management Practices; and
- (f) Performance Monitoring and Improvement.

Asset Management Strategy - a strategy developed for the management of an asset that combines multi-disciplinary management techniques over the lifecycle of the asset.

Council - the Council of the Shire of Wandering

Fair Value is defined as:

"... the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction."

And, as:

"... the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Level of Service - meeting community expectations in relation to the quality and quantity of services delivered by the Council.

Life Costing - the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and disposal and rehabilitation costs.

## **POLICY STATEMENT**

The Shire of Wandering This Asset Management approach will be supported and achieved through the implementation of the Asset Management Strategy and Asset Management Plans for Infrastructure Assets within the Shire of Wandering.

The implementation of this Asset Management Policy will assist the Shire to meet community expectations by providing services in a sustainable manner.

### **1. PRINCIPLES**

Asset Management encompasses all the various actions that Council must take to ensure that its assets are planned, delivered, managed, renewed and retired to serve both present and future communities.

#### **1.1 MANAGING COUNCIL ASSETS**

Council assets will be managed by:

- (a) Council allocating enough financial resources (integrated with the Long Term Financial Plan) to ensure effective asset management practices, timely maintenance and renewal of assets so that community services are sustained in the long term.
- (b) Asset information will be accurate and up to date allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur.

#### **1.2 NEW ASSETS & RENEWAL OR UPGRADE / EXPANSION OF ASSETS**

Prior to consideration of new infrastructure works, renewals or an expansion/upgrade:

- (a) A strategic review of the need for, and the life cycle cost of that asset (including capital, maintenance, operating and renewal costs) will be carried out.
- (b) Asset Renewal Plans will be implemented progressively based on priority (condition), the level of service required, and the effectiveness of the current performance of the asset.
- (c) Plans to upgrade existing infrastructure will be considered and evaluated according to the need to increase the asset's Level of Service.
- (d) Council will continually seek opportunities for multiple uses of assets, as well as, strategic community partnerships and for economic extensions to infrastructure life.

#### **1.3 ASSET MANAGEMENT STRATEGY AND ASSET MANAGEMENT PLANS**

An Asset Management Strategy will be developed in line with the Strategic Plan and informed by the community's aspirations and service requirements that are set out in the Corporate Business Plan.

In consultation with key stakeholders, Council will determine the Level of Service expected for each asset class to deliver economic, environmental and social values for the benefit of the community. These service levels will be adopted and reflected in the Asset Management Plans for each asset class.

The development of Asset Management Plans will also identify:

- (a) The strategic goals;
- (b) The level of service and performance standards;
- (c) The full cost of providing the service
- (d) The future demand; and
- (e) Monitoring and improvement strategies.

## **1.4 FAIR VALUE GROUPINGS AND FREQUENCY**

### **1.4.1 DEFINITIONS**

Infrastructure Assets – includes roads, bridges, footpaths, recreation, drainage and other.

### **1.4.2 POLICY STATEMENT**

The Shire of Wandering, for the purposes of fair value reporting, have adopted the following two groupings:

- (a) Infrastructure; and
- (b) Land, Buildings, Plant, Furniture and Equipment.

Further to this, the Shire also has adopted the frequency of revaluations for fair value for each grouping be five (5) years commencing with Land, Buildings, Plant, Furniture and Equipment in 2019/2020.

## **1.5 LOW VALUE ASSETS**

All items of capital nature will be capitalised based on the threshold as determined in the Council's "Significant Accounting Policies", e) Fixed Assets - Capitalisation of Assets. Items that are not capitalised will be recorded in separate Low Value Asset Register.

## **2. ROLES AND RESPONSIBILITIES**

In order to support this policy, the following key roles and responsibilities have been identified:

### **2.1 COUNCIL**

- (a) To act as custodians for Council assets;
- (b) To adopt an Asset Management Policy with linking to the Shire of Wandering's 10 Year Community Strategic Plan 2018-2028;
- (c) To provide an advocacy role with State and Federal Governments and the community;
- (d) Demonstrate the organisations commitment to the Council's vision and strategic objectives through an integrated and resourced asset management system to build and maintain intergenerational equity;
- (e) Make informed decisions supported by asset management processes and costs;
- (f) To comply with Integrated Planning Framework and Fair Value Legislation.

### **2.2 CEO**

- (a) Reporting on the status and effectiveness of asset management within Council;
- (b) Continually promote asset management across the organisation;
- (c) To validate and challenge proposals to ensure they meet the Shire's Strategic Plan objectives and community needs;
- (d) To ensure community and key stakeholder's inputs are integrated into Asset Management Plans;
- (e) To ensure employee are appropriately trained and skilled to perform the required Asset Management functions;
- (f) To provide effective communication between Employee, Council and the Community;
- (g) Responsible for implementing asset management systems, policies and procedures;
- (h) Delegate specific assets to responsible project officers;
- (i) Promote networks between the community, key stakeholders, and Council's asset managers to involve and consult with on the management of Council's assets.
- (j) Develop and implement a framework for the evaluation and prioritisation of corporate project proposals incorporating whole of life costing;
- (k) Develop and implement asset management processes and procedures;
- (l) Implementation of Fair Value
- (m) Develop framework, guidelines and processes to deal with Fair Value reporting.

The Level of Service for each asset class will drive the desired funding and when assessed against the Shire's current budget, this will represent the funding gap. Council will work to minimise this gap by renewing its assets at the most optimum time. The budgetary requirements will be fed into the Shire's Long Term Financial Plan.

## **3. STRATEGIC IMPLICATIONS**

Developing an Asset Management Strategy is a crucial part in contributing to Council's Corporate Business Plan (CBP), ensuring that the Local Government's assets are effectively managed and meet the needs of the community now and into the future.

- (a) Show how Council asset portfolio will meet the service delivery needs of its community into the future,
- (b) Enable Council's asset management policies to be achieved, and ensure the integration of Council's asset management with the Wandering Community Strategic Plan and Corporate Plan

This Asset Management Policy has also been developed to support the vision, goals and objectives in the Shire of Wandering's Strategic Plan 2018-2028: Vision and Values.

***"A healthy, harmonious and progressive community where all people are willing to contribute and enjoy opportunities to be successful."***

Effective asset management ensures that all Infrastructure assets are well planned and delivered to the expectations of the community now and into the future.

The Shire of Wandering 10 Year Community Strategic Plan 2013 - 2023 outlines the goals and objectives relevant to Asset Management:

***GOAL 04 – Infrastructure and Services that are Well Planned and Delivered***

***Outcome 4.1 - Infrastructure that is well constructed, maintained and utilised***

- (a) Maintain and further develop roads at appropriate standards
- (b) Develop a strategy for the effective management of Shire owned land and buildings
- (c) Ensure Shire facilities and buildings are maintained to agreed levels of service
- (d) Develop asset management plans for all Shire infrastructure and assets that consider current and future needs and are linked to the Long Term Financial Plan

***Outcome 4.3 - Infrastructure that supports future community needs***

- (a) Develop a strategic direction for the use and management of Community Precinct
- (b) Ensure a robust business case is prepared for any new Community Infrastructure
- (c) Promote new infrastructure that is multi - functional

In order to achieve these goals, the Shire must allocate appropriate resources to asset management through its financial plan, define its service level expectations through service delivery plans, and ensure effective risk management.

**ASSOCIATED DOCUMENTS**

Shire of Wandering's Strategic Plan 2018-2028

Shire of Wandering Community Strategic Plan 2019-2023

Department of Local Government Asset Management Framework (WA Government, 2011)

International Infrastructure Management Manual (IPWEA, 2006)

Department of Local Government Integrated Planning and Reporting Framework and Guidelines (WA Government, 2010)

*Local Government (Financial Management) Regulations 1996*

Australian Accounting Standards AASB13 - Fair Value Measurement

*Extract from Asset Management Policy: Shire of Wandering Policy Manual*

### 3. LEVELS OF SERVICE

#### 3.1. INTRODUCTION

Levels of Service are the link between satisfying the community needs and the cost of providing the service. In essence they provide the basis for the life cycle management strategies and works programmes identified within the AMP. As such, Levels of Service support the organisation's strategic goals. They are based on customer expectations, statutory requirements, applicable standards and the financial capacity of the Shire to deliver those levels of service.

The Levels of Service will be refined on an ongoing basis to match the expectation of customers. This requires a clear understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

However, it must be remembered as outlined in the International Infrastructure Management Manual: "that Levels of Service need to be manageable by current staff and appropriate to the quality of existing, available financial and service level data".

As such there are two types of levels of service:

- Community (Customer) Levels of Service; and
- Technical Levels of Service.

#### 3.2. COMMUNITY LEVELS OF SERVICE

The Community Levels of Service relate to the service outcomes that the community wants in terms of health and safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance. Other outcomes may include style, appearance, level of cleanliness and maintenance, and availability/accessibility.

The community levels of service measures in this AMP are proposed under three themes:

- Function                      Does it meet users' needs i.e. the purpose of the asset/service?
- Safety                         Is the service safe?
- Quality                        How good is the service?

#### 3.3. TECHNICAL LEVELS OF SERVICE

The Technical Levels of Service support the Community Levels of Service regarding the service outcomes. They are the operational or technical measures of performance. They typically describe asset usage, asset renewal, asset maintenance and the operational criteria regarding the asset. These technical measures then underpin the allocation of resources by the Shire to asset activities that best achieve the desired community outcomes.

This means that the technical service measures generally have a financial impact as they are linked to the Long Term Financial Plan. In turn, the Long Term Financial Plan informs the Corporate Business Plan, with both plans used to set the annual budget through identifying the cost of the impacts in the following way:

- Operations – the regular activities to provide services (eg condition inspections);
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (eg building and structure repairs);
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg building component replacement); and
- Upgrade – the activities to provide a higher level of service (eg additional assets within a public open space) or a new service that did not exist previously (eg a new park bench).



### 3.4. CURRENT AND DESIRED LEVELS OF SERVICE

The following tables detail the key service levels against which the Shire will benchmark its assets performance. These sections will be progressively developed, and suitable targets set at a level similar to that currently delivered by the Shire.

At this point in time, the core of this asset management plan is based on maintaining the existing levels of service, with a transition to the desired levels of service during the next five years.

The impact of legislation on the provision of the Shire's levels of service is outlined in Appendix C.

### 3.5. LAND

The Shire owns land in its own right or has land vested in and under the control of the Shire (management of a State reserve). The majority of this land is for the Shire's own use or is available for purchase/lease.

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Maintain a stock of land (blocks) for the Shire's own use	Stock levels	Shire maintains a minimum of 2 blocks at all times	In accordance with the Shire's Asset Register
Safety	Ensure that the land assets are maintained to minimise hazards e.g grass fires	Council Policy – Fire Hazard Reduction: <ul style="list-style-type: none"> <li>• Firebreaks;</li> <li>• Annual slashing</li> </ul>	Blocks slashed/mowed once per year	Blocks slashed/mowed once per year in accordance with the annual firebreak inspections
Quality	The land is suitable for Shire purposes	Confirm blocks are suitable for Shire purposes	Review suitability of blocks every 5 years	Not currently measured
<b>Technical Levels of Service</b>				
Condition	Carry out routine maintenance on all blocks	Maintenance frequency	Maintenance is conducted annually	Not currently measured
Cost effectiveness	The value of the Shire's stock of land is maintained	Revaluations are conducted	Revaluations are conducted every five years	Revaluations are conducted every five years
Safety	Ensure that adequate fencing is in place	Annual survey to ensure currency of fencing	Visual check conducted annually	Visual check conducted annually

### 3.6. BUILDINGS

The Shire controls building assets which are vital to the provision of administrative, community and recreational facilities to the community.

The long life and high cost of renewing buildings results in significant spikes in future funding requirements as a building reaches a stage in its lifecycle when it can no longer provide the desired level of service. New design criteria usually result in buildings being constructed to a different standard on renewal which often requires additional funding. Planning for adequate future funding of building renewals is one of the most significant long-term challenges for the Shire.

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Buildings are available in the district to facilitate Shire's operations and services	Usage rates Annual submissions on the need for property provision requests	Community Centre is available 95% PA; Caravan Park is available 100% PA; Public Toilets are open 24/7;	The Community Centre and the Caravan Park cannot be used without prior booking and approval. Toilets are available 24/7 except during maintenance
Safety	Buildings are safe to use	Major damage faults Works requests	Major damage faults are responded to within 48 hours; Work requests are evaluated within 7 days	Not currently measured
Quality	Property is functional and allows the Shire to efficiently carry out its business and services	Annual satisfaction levels	85% of users are satisfied with our: Community Centre; Caravan Park; Public Toilets	Not currently measured
<b>Technical Levels of Service</b>				
Availability	Public buildings are available when required	Percentage of days per annum that one or more public buildings are closed due to works, condition and/or safety	Closed no more than 15 days per year to allow for maintenance purposes and time between functions and other use	Not currently recorded
Health & Safety	Buildings are provided and maintained in order to help achieve "zero harm" to users and minimise the Shire's exposure to risk	Health and Safety incidents	No health and safety incidents reported	Public Incident System in place
Maintenance	Buildings are clean and well maintained	Council policy regarding use of public facilities Level of complaints received per annum	Council policy met each year Level of complaints less than 5% per year	Not currently recorded
Renewal	Facilities meet users needs	Building condition audit (5 yearly)	80% < condition 3	Currently not measured
Upgrade	New buildings meet required standards	Buildings are compliant with Shire LPS, Building Codes and State Planning Principles and Guidelines	Meets: LPS; Building Codes; State Planning requirements	Currently not measured

### 3.7. INFRASTRUCTURE

This class of asset in the main refers to the Shire's local roads, bridges, drainage, footpaths and parks that it has responsibility for.

#### ROADS

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Ensure that the roads meet user requirements for time and availability	Work requests relating to travel time and suitability	Less than 5 requests per month in dry season Less than 10 requests per month in the wet season	Not currently measured
Safety	Provide safe suitable roads, free from hazards	Number of injury accidents	Less than 5 injury accidents per year	Not currently measured
Quality	Provide a smooth ride	Work requests	Less than 5 requests per month in dry season Less than 10 requests per month in the wet season	Not currently measured
<b>Technical Levels of Service</b>				
Condition	Carry out maintenance grading as per Shire's hierarchy of roads	Grading frequency – per year:	As per the Road Grading Maintenance Plan 2021	Not currently measured
Accessibility	Provide all weather access to truck collector and dwelling access roads	Duration and frequency of road being impassable	Affected roads closed up to 48 hours	Not currently measured
Maintenance	Provide services in cost effective manner	Maintenance cost \$/km:	Suitable \$ are allocated in the annual budget	Suitable \$ are allocated in the annual budget
Renewal	Roads meet users needs	Road Condition Audit (5 Yearly)	75% = Condition 3	Not currently measured
Safety	Provide clear safety signage	Annual defect and condition survey	Less than 5% of signs with defects	Not currently measured

## BRIDGES AND DRAINAGE

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Ensure that bridges and drainage meet user requirements for time and availability regarding roads	Work requests relating to travel time and suitability	1 request per month	Not currently measured
Safety	Provide safe suitable bridges and drainage, free from hazards	Number of injury accidents	1 injury per year	Not currently measured
Quality	Provide a smooth ride	Work requests	1 request per month	Not currently measured
<b>Technical Levels of Service</b>				
Condition	Carry out bridge and drainage maintenance to support use of Shire's roads	Maintenance carried out- per year	Conducted in conjunction with 5 Year Road program	The Shire has a rolling 5 year bridge and drainage program as part of the 5 Year Road program
Accessibility	Provide all weather access to truck collector and dwelling access roads	Duration and frequency of bridge/drain being impassable	Less than 48 hours when bridge/drain is impassable per year at no more than 2 locations	Not currently measured
Maintenance	Provide services in cost effective manner	Maintenance cost \$		
Safety	Provide clear safety signage	Annual defect and condition survey	Less than 5% of signs with defects	Not currently measured

## FOOTPATHS

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Ensure that the footpaths meet user requirements for access to locations in Wandering	Work requests relating to access	Less than 5 requests per year	Not currently measured
Safety	Provide safe suitable footpaths, free from hazards	Number of injury accidents	0 injury per year	Not currently measured
Quality	Provide a smooth walk	Work requests	Less than 5 requests per year	Not currently measured
<b>Technical Levels of Service</b>				
Condition	Carry out maintenance of footpaths	Maintenance frequency – per year	Paths are swept each year; Damaged sections replaced annually	The footpath maintenance and replacement program forms part of the 5 Year Road Program
Accessibility	Provide all footpaths to requirements	Disability Access and Inclusion Plan; Australian Standards	Suitability of footpaths are reviewed every two years	Not currently measured
Maintenance	Provide footpaths in cost effective manner	Maintenance cost \$m2	Footpaths \$25 m2	Not currently measured
Safety	Provide clear safety signage	Annual defect and condition survey	Less than 5% of signs with defects	Not currently measured

## PARKS

Service Attribute (Key Performance Measure)	Level of Service	Performance Measure	Desired Level of Service (Performance Target)	Current Level of Service
<b>Community Levels of Service</b>				
Function	Ensure that all parks meet user requirements for time and availability	Work requests relating to availability and suitability	Less than 10 requests per year	Not currently measured
Safety	Provide safe suitable parks, free from hazards	Number of injury accidents	0 injury per year	Not currently measured
Quality	Parks are functional	Work requests	Less than 10 requests per year	Not currently measured
<b>Technical Levels of Service</b>				
Availability	Parks are available when required	Percentage of days per annum that one or more parks are closed due to works, condition and/or safety	Closed less than 5% of days per year: <ul style="list-style-type: none"> <li>Wandering Oval;</li> <li>Skate Park;</li> <li>Pumphreys</li> </ul>	Public Incident System in place
Health & Safety	Parks are provided and maintained in order to help achieve “zero harm” to users and minimise the Shire’s exposure to risk	Health and safety incidents	No health and safety incidents recorded	Not currently recorded
Maintenance	Parks are clean and well maintained	Level of complaints received per annum	Level of complaints less than 5 per year	Not currently recorded

### 3.8. FURNITURE AND EQUIPMENT INCLUDING INFORMATION TECHNOLOGY & COMMUNICATION

The Shire has a range of furniture and equipment and information technology products that support the services and facilities it provides including tables, chairs, trolleys, cutlery, photocopiers, cameras, computer hardware and software.

Service Attribute	Level of Service	Performance Measure	Desired Level of Service	Current Level of Service
<b>Community Levels of Service</b>				
Function	The Shire’s furniture and equipment is suitable for use	Meets users requirements	100% of staff are satisfied with furniture and equipment	Not currently measured
Safety	The Shire’s furniture and equipment is used safely	Ergonomics	All Shire staff use furniture and equipment safely	Not currently measured
Quality	The Shire’s furniture and equipment is of an adequate (good) standard	Furniture and Equipment is purchased using appropriate corporate service providers	Service providers with demonstrated environmentally sustainable practices	Not currently measured
<b>Technical Levels of Service</b>				
Cost Effectiveness (Renewal)	That furniture and equipment is replaced according to asset condition each year	Renewals in accordance with: <ul style="list-style-type: none"> <li>Furniture &amp; Equipment Replacement Program</li> <li>ITC Plan (proposed)</li> </ul>	\$13,000 PA – replacements or transfers to Reserves	Not currently measured

Utilisation	IT Systems user guides and support is available: <ul style="list-style-type: none"> <li>• SynergySoft</li> <li>• PCS</li> <li>• CEO</li> </ul>	Level of Training & Development provided Level of support provided	<ul style="list-style-type: none"> <li>• Training and Development \$10,000 PA</li> <li>• Support Services: \$45,000 PA</li> </ul>	Not currently measured
Health and Safety	Staff are trained in proper use of furniture and equipment	Training conducted	Training conducted every three years	Not currently measured

### 3.9. PLANT & EQUIPMENT

The Shire owns and operates a range of plant (machinery) and equipment that helps it to maintain the Shire's roads and other property and assets.

Service Attribute	Level of Service	Performance Measure	Desired Level of Service	Current Level of Service
<b>Community Levels of Service</b>				
Function	Provide sufficient fleet assets to meet the communities desired level of service	Council policies Best practice principles	Fleet assets are managed using adopted policies and procedures	The Shire has in place a 10 Year Plant Replacement Program - Refer to Appendix D
Safety	Ensure assets are operated, maintained, serviced and repaired to industry standards	Accidents/injuries/near miss statistics	No more than 5 incidents per year	Recorded as part of the monthly financial statements
Quality	Provide a fleet that is operational and functional	Maintenance failures Labour rates	In accordance with the annual budget	Recorded as part of the monthly financial statements
<b>Technical Levels of Service</b>				
Cost Effectiveness (Renewal)	That plant and equipment is replaced according to asset condition each year	Renewals in accordance with Plant Replacement Program	Refer to Appendix D	The Shire has in place a 10 Year Plant Replacement Program - Refer to Appendix D
Utilisation	Maximise utilisation rates	Distance travelled; Plant hours; Service intervals: Plant 250 hours; Vehicles 10,000 hours Optimised renewal	Operating costs are reviewed every 2 years	Recorded as part of the monthly financial statements
Sustainability	Minimise whole of life costs	Fixed/variable costs as per budget; Hire rates (private works) – as per fees & charges; Depreciation – based on useful life of asset	Operating costs are reviewed every 2 years	Recorded as part of the monthly financial statements

### 3.10.OTHER ASSETS

The Shire's other assets include the Shire's landfill site (tip).

Service Attribute	Level of Service	Performance Measure	Desired Level of Service	Current Level of Service
<b>Community Levels of Service</b>				
Function	Provide a tip that meets the Shire's DER Licensing Requirements	Meets DER licence requirements	Internal audit annually	Not currently recorded
Safety	Ensure that the Landfill is operated and maintained to required standards	Risks are minimised	Internal audit annually	Not currently recorded
Quality	Provide a landfill that is operational and functional	Complaints	Less than 10 complaints per year	Not currently recorded
<b>Technical Levels of Service</b>				
Availability	The Landfill is manned and available to the community	The number of days that the landfill is manned and available to the community	The Landfill is open 2 days per week:	Not currently recorded
Health & Safety	The landfill is provided and maintained in order to help achieve "zero harm" to users and minimise the Shire's exposure to risk	Health and Safety incidents	2 incidents per year	Not currently recorded
Maintenance	Landfill is neat and tidy and well maintained	Level of complaints received per annum	Level of complaints less than 5% per annum	Not currently recorded

### 3.11.FUNCTION AND HIERARCHY

An asset priority provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The priority may include the asset class and component, used for asset planning and financial reporting and service level priority used for service planning and delivery.

### 3.12.ROAD MAINTENANCE PLAN

The following outlines road maintenance standards adopted by the Shire.

#### UNSEALED ROAD MAINTENANCE PROGRAM

Road Number	Road Name	Kms to Grade	Level of Service in Months	July - August	September - October	November - December	January - March	April - June
0002MNT	Bannister Road	13.85	2	2	1	1	1	1
0004MNT	Fourteen Mile Brook Road	10.40	2	1	1	1	1	1
0007MNT	York Williams Road - Wandering Narrogin Rd to Williams Shire Boundary	9.48	2	2	1	1	1	1
0007MNT	York Williams Road - North Wandering Rd to Wandering Pingelly Rd	7.95	2	2	1	1	1	1
0013MNT	Moramocking Road - End of Seal to Blackboy Gully Rd	5.18	2	2	1	1	1	1
0008MNT	Carabin Road	10.71	3	1	1	1		1
0006MNT	Codjatotine Hastings Road	11.86	3	1	1	1		1
0017MNT	Codjatotine Mooterdine Road	7.36	3	1	1	1		1
0012MNT	Dwarda East Road	7.56	3	1	1	1		1
0015MNT	Herdigan Road	7.81	3	1	1	1		1
0011MNT	Kubbine Road	6.16	3	1	1	1		1
0005MNT	Noombling Norrine Road	12.24	3	1	1	1		1
0001MNT	Nth Wandering Road - Sheoak Rd to Codji Hastings Rd	9.01	3	1	1	1		1
0001MNT	Nth Wandering Road - Codji Hastings Rd to York Williams Rd	5.94	3	1	1	1		1
0009MNT	Sheoak Road	6.01	3	1	1	1		1
0024MNT	George Road	7.54	4	1		1		1
0027MNT	Grahams Road	2.20	4	1		1		1
0014MNT	Mission Road	3.51	4	1		1		1
0035MNT	Oleary Road	2.74+	4	1		1		1
0064MNT	Mooterdine Loop	7.89	4	1		1		1
0021MNT	Potts Road	4.99	4	1		1		1
0010MNT	Ricks Road - North Wandering Rd to Oleary Rd	7.52	4	1		1		1
0010MNT	Ricks Road - Oleary Rd to North Bannister Rd	17.99	4	1		1		1
0018MNT	Stevens Road	2.70	4	1		1		1
0016MNT	Young Road	7.3	4	1		1		1
0061MNT	O'Connell Road	7.3	4	1		1		1



### UNSEALED ROAD MAINTENANCE PROGRAM CONT'D

Road Number	Road Name	Kms to Grade	Level of Service in Months	July - August	September - October	November - December	January - March	April - June
0059MNT	Barrett Road (F)	3.29	12	1				
0022MNT	Corser Road	3.00	12	1				
0054MNT	Deans Road	4.62	12	1				
0023MNT	Edwards Road	4.12	12	1				
0044MNT	Extracts Road	2.69	12	1				
0029MNT	Fuller Road	1.87	12	1				
0053MNT	Glens Road - (not on system)	0.93	12	1				
0050MNT	Hardie Road	2.03	12	1				
0067MNT	Lamont Road	0.59	12	1				
0071MNT	Ngulla Mia Road	1.58	12	1				
0041MNT	Sewell Steet		12	1				
0052MNT	Monk Road	0.8	12	1				
0066MNT	Parrot Bush Road (F)	0.59	12	1				
0060MNT	Pennington Road	1.99	12	1				
0074MNT	Schorer Road - (Not on system)	0.15	12	1				
0058MNT	Ulbrich Road	3.1	12	1				
0068MNT	Underwood Road		12	1				
0072MNT	Warburton Road	1.14	12	1				
0020MNT	Watts Road	2.47	12	1				
0031MNT	Wearne Road (F)	7.20	12	1				
0028MNT	White Road	1.96	12	1				
0075MNT	Ferguson Way -(Not on System)	0.45	12	1				
0062MNT	Blackboy Gully Road	1.37	12	1				
0063MNT	Wandoo Crescent Road	0.71	12	1				
0080MNT	Echidna Close	0.27	12	1				
0081MNT	Redgum Court	0.35	12	1				
0047MNT	Mill Street	0.34	12	1				
0048MNT	Turton Street	0.18	12	1				
0013MNT	Moramockinging Road - Blackboy Gully Rd to Hotham River Crossing	4.51	12	1				

### SEALED SHOULDER MAINTENANCE PROGRAM

Road Number	Road Name	Total Km to Grade (both Sides)	Level of Service in Years
0055MNT	North Bannister Wandering Road	53.32	2
0056MNT	Wandering Pingelly Rd – Cheetanning St to Wandering Narrogin Rd	39.4	2
0056MNT	Wandering Pingelly Rd – Wandering Narrogin Rd to York Williams Rd	14.76	2
0007MNT	York Williams Road - Wandering Narrogin Rd south to end of seal	5.98	2
0004MNT	Fourteen Mile Brook Road – Wandering Pingelly Rd to Crossman Dwarda Rd	6.7	3
0007MNT	York Williams Road – Wandering Narrogin Rd to Wandering Pingelly Rd	11.24	3
0004MNT	Fourteen Mile Brook Road – Dwarda Rd East to Williams Shire Boundary	4.22	5
0003MNT	Crossman- Dwarda Rd – Fourteen Mile Brook Rd to Boddington Shire Boundary	8.12	5
0001MNT	Nth Wandering Road – North Bannister Wandering Rd to end of Seal	23.88	5
0002MNT	Bannister Road – North Bannister Wandering Rd to end of seal	1.44	5
0009MNT	Moramocking Road – Wandering Pingelly Rd to End of Seal	7.84	5
0025MNT	Reid Road – Fourteen Mile Brook Rd to Moramocking Road	6.32	5

#### 3.13.BUILDING HIERACHY

The Building Hierachy is to be developed in accordance with the outcomes of the building condition assessment.

#### 3.14.LEGISLATION

Levels of service are also impacted by legislation, codes and standards. See Appendix C for the full list of requirements regarding the Shire’s assets.

#### 3.15.LEVEL OF SERVICE PERFORMANCE MONITORING

The Levels of Service will be monitored and reported in future versions of the AMP and reported in the Shire’s Annual Report.

## 4. FUTURE DEMAND

### 4.1. DEMAND FORECAST

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc.

The Shire has identified a range of influences that may affect demand for services over the 10 year horizon of this AMP. The seven identified influences are discussed in Table 4-1 below:

Demand Factor (Driver)	Present Position	Projection	Impact on Services
Population (Demographics)	ABS figures show that the Shire population has increased over the last 10 years Wandering falls within the 50km radius of the Newmont Boddington Gold mine and the South 32 mine.	This trend is predicted to continue due to resettlement.	Demand for services such as roads, paths and public open space is likely to increase. An increase in the median age of the Shire's population was also recorded. There may be an increased demand for more senior facilities in the near future.
Economic (Agricultural Practices)	Agriculture is the main industry in the Shire.	Continued reliance on the road network for the freighting of grain and livestock will mean demand for well-maintained roads will remain high.	Unless economic diversification occurs within the timeframe of this AMP, no change in demand is expected on other services.
Sporting Preferences	The majority of indoor/outdoor sports are team based	Age of facilities requiring major refurbishments	Age of facilities.
Technology	<ul style="list-style-type: none"> <li>NBN</li> <li>Mobile Phone Towers</li> </ul>	Minor change in demand expected due to material, construction or maintenance techniques; minor change envisaged due to transport mode changes.	Minor
Legal	Minimal	Increase in management resource demand because of legislative change, possible increase in demand because of litigation changes.	Minor
Environmental		Potentially higher whole of life costs due to effects of climate change; minor change from sustainability pressures.	
Health & Safety		Increased demand through health and safety requirements for better service levels.	Increased demand for facilities to support an ageing population (e.g. ramps, better footpaths, hand rails etc).
Political	Commonwealth: <ul style="list-style-type: none"> <li>Funding</li> </ul> State: <ul style="list-style-type: none"> <li>Funding</li> </ul>	No change in demand expected provided that current Local, State and Federal Government policies remain unchanged.	Any changes to policies that relate to funding would have the greatest impact on demand but these changes are difficult to predict.

**Table 4-1: Demand Drivers**

The Shire will need to undertake further work in the future to refine its understanding of how future demand may change, for example by developing a clearer view of demographical change. These future improvements will then allow the Shire to produce quantitative forecasts on how it expects the network to change over the life of the AMP.

## **4.2. DEMAND MANAGEMENT STRATEGY**

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.

A demand Management Strategy will be developed for future versions of this plan.

## **4.3. NEW ASSETS FOR GROWTH**

The new assets required to meet growth will be constructed / acquired by the Shire. Acquiring new assets will commit the Shire to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. Given the long life-cycle of assets, the impact of this growth (future renewal costs) is only likely to be material after ten years. These future costs are identified and considered in developing forecasts of future operations and maintenance costs.

# **5. RISK MANAGEMENT PLAN**

## **5.1. INFRASTRUCTURE RISK MANAGEMENT**

Managing risk is an integral component of any organisation. By implementing risk management principles and practices to their infrastructure, local governments can use the structured and systematic process to understand the issues and make informed decisions (WALGA, 2014).

Local government infrastructure faces many hazards in daily operations that can arise from natural events such as floods, droughts, and bushfire. There can also be risks from poorly managed infrastructure, infrastructure in poor condition and/or infrastructure inappropriate for its intended use. So risks can result in loss of life, loss of service, public health implications, damage to local government property and so on (WALGA, 2014).

## **5.2. THE SHIRE'S RISK MANAGEMENT PRACTICES**

The Shire of Wandering risk management policy was adopted by the Council in July 2019. In particular the policy sets out the key principles including that the Shire considers risk management to be an essential management function in its operations.

To help it analyse its risks in accordance with the Shire's Risk Management Policy, the Shire has in place (Appendix E):

- A consequence table that helps measure the outcome of an event or change;
- A likelihood table that helps determine the likelihood of a risk occurring;
- A risk rating table, or heat map that is used to compare the consequence and likelihood of a risk occurring;
- A methodology for treating risks known as the risk treatment hierarchy;
- The controls to help manage the risks; and
- A list of risks that requires inclusion in the Shire's Risk Register.

### 5.3. CURRENT ASSET AND INFRASTRUCTURE RISKS

The Shire's current asset and infrastructure risks are:

Ref No.	The Risk	Event (What happens)	Cause (How this happens)	Consequence (What results)	Existing controls	Effectiveness of existing controls	Analysis (1 (Low) – 5 (High))			Further Action
							Likelihood	Consequence	Level of risk	
1	Asset failure.	Asset fails.	Degradation of assets.	Catastrophic failure, disruption to services, financial impact.	Reactive maintenance	Low to Moderate	4	3	High	More frequent inspections and implement maintenance regimes.
2	Failure to comply with legal and regulatory requirements.	Non-compliance with legal and regulatory requirements.	Informal AM practices, insufficient resource and skill levels etc.	Asset fails or legal action may be taken.	Peer review	High	3	3	Medium	Ensure staff are well trained, reviews and audits are undertaken.
3	Asset condition inspections have commenced re plant and equipment. However, there are no formalised inspection regimes for other classes (other than basic building inspections).	Assets renewed sub-optimally. Asset becomes unusable because of poor condition.	No formal rating programme.	Higher whole of life costs, and lower service levels.	Ad-hoc inspections, stakeholder maintenance requests, plant and equipment valuation and condition inspection implemented.	Low	5	4	High	Develop formal inspection regimes for remaining asset classes and implement.
4	No documented condition rating process leads to suboptimal asset renewal.	The Shire holds no data on the condition of assets.	No adopted rating process and methodology used by the Shire.	Assets are replaced at no documented/agreed intervention level, and possibly sub-optimally.	None	None	4	2	Medium	Adopt a formal condition rating process and methodology, implement and update this AMP.
5	No formalised maintenance management regime for all assets including roads.	Assets reactively maintained.	No inspection process and/or intervention framework.	Higher costs, higher exposure to H&S risk, mis-prioritisation.	Adhoc inspections, stakeholder maintenance requests.	Low	5	4	Critical	Develop cyclical maintenance regimes for all assets.
6	No long term renewal programme.(except plant & equipment)	Assets managed sub-optimally.	No formal rating programme.	Higher whole of life costs, lower service levels.	Future expenditure for buildings considered.	Low	5		Critical	Develop renewal programme for assets from condition ratings.
7	Assets are not managed in an	The Shire does not manage assets in an	No environmental management plan.	Financial impact, political, loss of	None	None	4	2	Medium	Integrate this AMP with environmental

Ref No.	The Risk	Event (What happens)	Cause (How this happens)	Consequence (What results)	Existing controls	Effectiveness of existing controls	Analysis (1 (Low) – 5 (High))			Further Action
							Likelihood	Consequence	Level of risk	
	environmentally sustainable manner.	environmentally sustainable manner.		reputation and disruption of services						management plan, review and audit.
8	Service level performance information is inconsistent in terms of how it is collected including many that are not measured.	Processes are not put into place to consistently collect performance information.	Lack of funding, insufficient resources and/or skill levels.	Performance against service levels is not accurately known, drainage network sub-optimally.	None	None	4	2	Medium	Develop and implement processes to allow asset service levels to be monitored.
9	A lack of sufficient asset inventory causes inefficient management practices and limits AM advancement.	The Shire holds no spatially referenced asset inventory.	Informal AM practices, insufficient resource and skill levels etc.	Assets are managed on an ad-hoc basis, with little consideration of whole of life issues.	None	None	5	2	High	Develop a more robust asset inventory, preferably in a GIS database.

**Table 0-1: Risk Analysis**

#### 5.4. MONITOR AND REVIEW

The Shire is committed to the ongoing review of the risks that have been identified. The level of risk (as outlined in the risk hierarchy) is the guide to the frequency of the monitoring and the review conducted.

#### 5.5. COMMUNICATE AND CONSULT

Each step of the risk management process relies on the input of the right people with the right knowledge, skills and experience at the tight time.

Effective communication and consultation will ensure important risks are not overlooked and accurately defined, different perspectives are included to ensure a realistic level of risk and that there is less resistance encountered when implementing risk treatments (WALGA, 2014).

The Shire does not have an asset management working group in place that has oversight regarding the shire's assets and so is lacking a key strategy in this regard.

### 6. LIFE CYCLE MANAGEMENT PLAN

Life cycle costing is the determination of the total costs that will be attributable to an asset over its entire life. This is from its inception as an idea to disposal at the end of its life. It is the total cost of ownership of the asset and an important consideration in asset management planning (WALGA, 2014).

The formula then for providing the whole of life cost for an infrastructure asset is:

- Initial capital outlay (e.g. planning, feasibility studies and land acquisition): 20%
- Operating cost i.e hidden costs (e.g. staffing, energy consumption, insurance, consumables) 40%
- Maintenance cost (e.g. reactive repair work) 35%
- Disposal costs: (e.g. rehabilitation costs, changeover of plant or equipment) 5%

In addition to the above, consideration has to be given to if there is going to be refurbishment of the asset and what the depreciation expense is.

#### 6.1. BACKGROUND DATA

The physical assets covered by this plan include:

Asset Code	Description	Asset Name
21	Land	Lot 10 Watts Street (Vacant Land, Vol 1220 Folio 718)
383	Land	Lot 801 Watts Street (Vacant Land & pt of Fuel Facility Access, Vol 2547, Folio 447)
391	Land	7 Gnowing Street (Lot 43, Residence Vol 1323 Folio 535)
392	Land	14 Down St (Lot 38, Residence Vol 199 Folio 124A)
393	Land	1 Dowsett St (Lot 46, Residence Vol 1911 Folio 288)
397	Land	Lot 9000 Moramockaning Rd (Caravan Park & Tip, Vol 2548, Folio 705)
398	Land	Lot 800 Watts Street (Fuel Facility, Vol 2547 Folio 446)
400	Land	19 Humes Way (Lot 110, Residence Vol 2685 Folio 280)
401	Land	9 Humes Way (Lot 115 Vacant Land Vol 2685 Folio 285)
402	Land	7 Humes Way (Lot 116, Vacant Land Vol 2685 Folio 286)
403	Land	5 Dunmall Drive (Lot 128, GEHA Residence Vol 2685 Folio 291)
405	Land	Lot 9000 Dunmall Drive (Residence, Vol 2685 Folio 298)
52	Land	Avon Loc 28352 - Moramockaning Road Gravel Pit (Vol 2064, Folio 833)
56	Land	Lot 802 Watts St (Telstra Vol 2547 Folio 448)

Asset Code	Description	Asset Name
2	Land Held for Resale	Lot 800 Watts Street
253	Land Held for Resale	Turton Road Lots 60, 61, 300 (Mill St)
257	Land Held for Resale	Industrial Subdivision Schorer Road
263	Land Held for Resale	Dunmall Drive subdivision
284	Land Held for Resale	Schorer Industrial Development Stage 2
290	Land Held for Resale	LOT 9500 North Bannister
296	Land Held for Resale	Lot 9001 Schorer Road
384	Land Held for Resale	Lot 802 Watts Street
394	Land Held for Resale	Lot 300 Mill St (Cnr Turton Rd, Vol 2684 Folio 207)
395	Land Held for Resale	Lot 60 Mill St (Vol 2684, Folio 208)
396	Land Held for Resale	Lot 61 Mill St (Vol 2684, Folio 209)
404	Land Held for Resale	Lot 9500 Nth Bannister Rd (Cnr Turton Rd Vol 2680 Folio 208)
41	Land Held for Resale	Lot 62 Mill St (Vol 1694 Folio 910)
421	Land Held for Resale	Ferguson Road Industrial Sub Division
5	Land Held for Resale	Lot 10 Watts Street

Asset Code	Description	Asset Name
1	Buildings	House - 19 Humes Way
15	Buildings	House - 13 Dunmall Drive
229	Buildings	Two Bay Fire Shed
241	Buildings	Septic System - Caravan Park
25	Buildings	Public Toilets
251	Buildings	Information Shelters
262	Buildings	House - 1 Dowsett Street
267	Buildings	Public Conveniences - Pumphreys Bridge
27	Buildings	Shire Hall
285	Buildings	Public Conveniences Watts St
29	Buildings	Golf Club House Extensions
293	Buildings	Commercial Fuel Outlet
304	Buildings	Vintage Machinery Shed
33	Buildings	New Recreation Hall (Community Centre)
37	Buildings	Depot Sheds
416	Buildings	House - 5 Dunmall Drive (Dept Housing)
453	Buildings	CRC - Complete Installation of new Kitchen
47	Buildings	Ablution Block - Caravan Park
55	Buildings	House - 7 Gnowing Street
6	Buildings	Old Road Board Office
7	Buildings	Shire Office
9	Buildings	House - 14 Down Street



Asset Code	Description	Asset Name
101	Plant & Equipment	Holden Colorado 4x4 Crew Cab Auto Silver - WD.480
102	Plant & Equipment	Mitsubishi Pajero Sport GLX 4x4 2.4 DSL - WD.001
103	Plant & Equipment	2019 Holden Trailblazer 4x4 LTZ2.8L (CEO) - 0.WD
104	Plant & Equipment	CASE 721G Loader WD.1827
105	Plant & Equipment	Isuzu NLR45-150 Tipper - WD.440
108	Plant & Equipment	Standpipe Controller
110	Plant & Equipment	Sewell Sweeper B200 HYD Drive
111	Plant & Equipment	Isuzu FVZJZ-L20 Truck
245	Plant & Equipment	Fire Truck - 2007 Isuzu FSS550 - WD.821
260	Plant & Equipment	Grader 2008 Cat 120M - WD.300
288	Plant & Equipment	John Deere 6115D Cab Tractor 2009 - WD.229
314	Plant & Equipment	Howard Porter 2010 Tri Axle Side Tipping Semi Trailer - WD.1142
315	Plant & Equipment	Holden Colorado Ute 2010 - WD.011
316	Plant & Equipment	Isuzu Giga CXZ Prime Mover Fitout 2010 - WD.458
317	Plant & Equipment	Ben hur 2.1 Premium Outdoor Cinema
319	Plant & Equipment	Toro Reelmaster Mower with Canopy
321	Plant & Equipment	Bull Slasher
345	Plant & Equipment	Toyota Huski Skid Steer Loader - WD.908
346	Plant & Equipment	Coastmac Plant Trailer 3.5m
351	Plant & Equipment	PTL-300 Mobile Traffic Lights
374	Plant & Equipment	Grader - 12M (PG1) - WD.920
376	Plant & Equipment	1983 Boomerang Low Loader - WD.1169
407	Plant & Equipment	Hustler Ride-on Mower
438	Plant & Equipment	2 X Metro Count Traffic Counters
457	Plant & Equipment	CC TV Camera Installation
509	Plant & Equipment	2 X Mobile Rubbish Bin Trailer
510	Plant & Equipment	4500Lts Diesel Tank Depot
59	Plant & Equipment	Volvo Excavator - WD.141
647	Plant & Equipment	2016 Isuzu Crew Cab Truck - WD.6
658	Plant & Equipment	Compuload 5000 Digital Scale
75	Plant & Equipment	Mobile Stand Pipe (Trailer) - WD.1056
77	Plant & Equipment	.Isuzu Fire Tender - WD.270
93	Plant & Equipment	Multipac 524H Multi-Tyred Roller - WD.182
97	Plant & Equipment	Coastmac BT 8 x 5 Offroad Trailer - 3 Door Alum Tradesman Top
98	Plant & Equipment	4 x MetroCount RoadPod VT 5900 Road Counters

Asset Code	Description	Asset Name
109	Furniture & Equipment	Ricoh IMC4500 Digital Colour Copier
408	Furniture & Equipment	Synergy Soft licences and implementation
410	Furniture & Equipment	38 Portable Shade Gazebo's
434	Furniture & Equipment	7 x Mini Laptops for Councillors
435	Furniture & Equipment	Fuji Xerox Photocopier for CRC
441	Furniture & Equipment	Ricoh Photocopier(Administration)
661	Furniture & Equipment	Custom made Shire Reception Counter
99	Furniture & Equipment	HP Dual Xeon Server Hardware/Software

Asset Code	Description	Asset Name
22	Infrastructure - Recreation	Cemetery
252	Infrastructure - Recreation	Security Lighting - CS&CP Plan
286	Infrastructure - Recreation	Shade Sails
309	Infrastructure - Recreation	Community Centre Oval Upgrade
32	Infrastructure - Recreation	Barbecues 1 cricket ground, 2 agricultural Hall
322	Infrastructure - Recreation	Playground Equipment
327	Infrastructure - Recreation	"Horses Came First" Public Art Display
328	Infrastructure - Recreation	Watts Street Playground
334	Infrastructure - Recreation	Entry Statements
34	Infrastructure - Recreation	Wandering Tennis Courts
340	Infrastructure - Recreation	PVC Fittings (For Oval and Community Centre Reticulation)
344	Infrastructure - Recreation	Community Centre Retaining Walls, Pavers etc
35	Infrastructure - Recreation	Reticulation System - Community Centre
371	Infrastructure - Recreation	Playground - Limestone Blocks
409	Infrastructure - Recreation	Pumphrey's Bridge Tennis Courts
418	Infrastructure - Recreation	Bowling Greens
419	Infrastructure - Recreation	Skate Park Infrastructure
422	Infrastructure - Recreation	Fencing and Paving Bowling Green
423	Infrastructure - Recreation	2 x Flood Lights Blowing Green
427	Infrastructure - Recreation	Swimming Pool - 13 Dunmall Drive House
91	Infrastructure - Recreation	Tennis Courts Floodlights
236	Infrastructure - Other	Gazebo and Seating - Town Park
238	Infrastructure - Other	Refuse Site Facilities - Waste Oil
239	Infrastructure - Other	Caravan Park
3	Infrastructure - Other	Retail Fuel Facility
417	Infrastructure - Other	Administration Office Carpark
44	Infrastructure - Other	Waste Oil Disposal Unit - DUPLICATE
459	Infrastructure - Other	New seating x 4 around townsite
655	Infrastructure - Other	Caravan Park Septic Tanks

Asset Code	Description	Asset Name
436	Infrastructure - Roads & Bridges	Roads - Subgrade Structure
437	Infrastructure - Roads & Bridges	Roads - Pavement Structure
442	Infrastructure - Roads & Bridges	Roads - Surface Structure
443	Infrastructure - Roads & Bridges	Roads - SW Channel - Kerb Barrier
444	Infrastructure - Roads & Bridges	Roads - SW Channel - Open Drain
445	Infrastructure - Roads & Bridges	Roads - SW Channel - Table Drain
446	Infrastructure - Roads & Bridges	Infrastructure - Bridges
447	Infrastructure - Footpaths	Infrastructure - Footpaths
449	Infrastructure - Drainage	Infrastructure - Drainage

In terms of the Shire's buildings, a key consideration to note is that the Shire has responsibility for community assets which can hold different types of events, along with buildings that have very specialised use.

The Shire also has a recreation ground, skate park, war memorial and associated gardens that require regular maintenance, fertilising and water upkeep.

The cemetery has a gazebo, toilet, seating and the niche wall.

Regarding the Shire's road network the challenges include problems associated with gravel roads generally i.e. too much water in winter and too dry in the warmer months. Trees and scrub and being unable to push works into private property impact on drainage. Further to this, the Bannister-Narrogin Road which is the key connector road north south is undulating places, with crests and curves throughout also cause visibility problems.

The Shire adequately manages its key plant and equipment through the utilisation of the ten year plant replacement program.

With furniture and equipment, the main function of the items listed is to support the Shire's staff regarding the work they do. This includes desks, chairs, computers and other office items.

Also, the Shire's landfill facility (transfer station) is required to meet the Department of Environment Regulations licensing requirements for the transfer station which will put additional impost on the Shire as these requirements are revised and enforced.

## 6.2. ASSET CAPACITY AND PERFORMANCE

The following is the asset capacity and performance, or the service deficiency regarding key asset types:

Location/Type	Service Deficiency
Roads	The Shire has 111 km of sealed roads with various depths of pavement on both stable sandy gravel and reactive clay subbase materials. Unsealed roads consist of 310km of natural and gravel sheeted surfaces on both stable sandy gravel and reactive clay subbase materials.
Recreation Facilities	The Shire's main recreation facility consists of the community centre building, oval, water tanks, hard surface tennis courts, playgrounds, bowling greens and car park. A number of clubs/groups use these facilities. The main issue is the aging facilities, and rising water tables in the vicinity.
CRC/Admin Block	The CRC (old town hall) has had major renewal issues addressed. Regular maintenance is now required. The library is housed in this building. The administration office accommodates the administration staff, and the council chambers. So, it is in constant use. Regular maintenance is required.
Toilet Blocks	<ul style="list-style-type: none"> <li>The Watts Street toilet block is in good repair;</li> <li>The Pumphrey's toilet block is over five years old.</li> </ul>
Depot	The structures on the depot site are in reasonable repair. The main issues is the Old Roads Board Building being in poor repair and Parks and Garden Storage shed needs upgrading
Houses	The Shire's housing is provided for Shire staff. Although they receive regular maintenance and renewal as per the Ten Year Building Program (to be developed)
Landfill	The Shire's Landfill (Transfer Station) is well managed. Its useful life of 30 years

**Table 6-1: Asset Capacity and Performance**

The source documents include: Natural Resource Management Transport Coordinator Report.

### 6.3. ASSET CONDITION

The condition of the Shire’s assets are measured using a rating 1 – 5 system based on the IIMM description of condition as set out in Table 6.2:

Rating	Status	Definition
1	Very Good	Assets are in very good condition, no visible signs of wear, appears new or recently renovated, scheduled maintenance only, low or no risk
2	Good	Assets are in good condition, little wear, no longer new, scheduled maintenance only, low or no risk
3	Fair	Asset is in average condition, visible signs of wear, asset is functional, scheduled maintenance, possible un-scheduled maintenance, low risk
4	Poor	Assets in poor condition, higher levels of wear, possible defects, scheduled maintenance, regular unscheduled maintenance
5	Very Poor	Asset is in very poor condition, has visibly failed, may not be operational, may be un-serviceable, may represent high risk, immediate attention required

**Table 6-2: Asset Condition Rating System**

### 6.4. LAND

The blocks maintained by the Shire are in good condition. They are maintained on a regular basis according to the requirements of the Town Planning Scheme (zone type) and in accordance with BAL requirements.

### 6.5. BUILDINGS

The Shire has yet to develop a condition profile for its buildings.

### 6.6. ROADS

The Shire’s roads are maintained to a good standard. The roads are maintained according to the description for each road type and the level of maintenance required as listed in Section 3.12

### 6.7. FURNITURE AND EQUIPMENT

Overall the Shire believes it keeps its furniture and equipment at a good level.

### 6.8. PLANT AND EQUIPMENT

Overall the Shire believes it keeps its plant and equipment at a good level.

### 6.9. OTHER ASSETS

The Shire has yet to develop a condition profile for its landfill (transfer station) site. However, it is well maintained and managed.

## 6.10.ASSET VALUATIONS & RATIOS

This section summarises asset values from the Shire’s asset register and Long Term Financial Plan.

### ASSET RATIOS

As part of the Department of Local Government and Communities Asset Management Framework and Guidelines the Shire will report three ratios. The Shire’s current ratios for the assets covered in this plan are shown in Tables 6-3 to 6-5 and will be monitored and reported annually. The following ratios can also be found in the Shire of Wandering Long Term Financial Plan.

### ASSET CONSUMPTION RATIO

This ratio seeks to highlight the aged condition of a local government's stock of physical assets. If a local government is responsibly maintaining and renewing/replacing its assets in accordance with a well prepared asset management plan, then the fact that its Asset Consumption Ratio may be relatively low and/or declining should not be cause for concern – providing it is operating sustainably.

#### Purpose

This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

#### Standards

Standard is met if the ratio can be measured and is 50% or greater (0.50 or >). Standard is improving if the ratio is between 60% and 75% (0.60 and 0.75).

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Key Performance Indicators										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>ASSET CONSUMPTION RATIO</b>										
Deprec'd Replace't Cost Assets (Written Down Value)	58,594,496	59,364,433	59,319,515	64,084,788	64,161,165	63,984,985	69,382,902	69,151,515	68,936,458	74,923,013
Divided by Current Replacement Cost	77,798,524	79,345,672	80,808,446	86,689,345	87,944,206	88,940,673	95,520,573	96,451,222	97,344,403	104,542,427
<b>Ratio Target &gt; 50%</b>	<b>75.3%</b>	<b>74.8%</b>	<b>73.4%</b>	<b>73.9%</b>	<b>73.0%</b>	<b>71.9%</b>	<b>72.6%</b>	<b>71.7%</b>	<b>70.8%</b>	<b>71.7%</b>
<b>Improving Ratio Target &gt; 60%</b>										
Assumed Current Replacement Cost	77,798,524									
New Assets Acquired at Cost	-	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Depreciation on New Assets		(163,011)	(184,329)	(187,113)	(151,846)	(176,874)	(185,171)	(229,913)	(256,776)	(245,962)
Fair Value Revaluation (6% - 3-yearly)				4,769,260			5,416,175			5,910,086
New Current Replacement Cost	77,798,524	79,345,672	80,808,446	86,689,345	87,944,206	88,940,673	95,520,573	96,451,222	97,344,403	104,542,427
			1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900

Table 6-3: Asset Consumption Ratio

**ASSET SUSTAINABILITY RATIO**

This ratio is an approximation of the extent to which assets managed by a local government are being replaced as these reach the end of their useful lives. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to depreciation expense. Expenditure on new or additional assets is excluded.

Depreciation expense represents an estimate of the extent to which the assets have been consumed during that period. Measuring assets at fair value is critical to the calculation of a valid depreciation expense value.

**Purpose**

This ratio indicates whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

**Standards**

Standard is met if the ratio can be measured and is 90% (or 0.90) Standard is improving if this ratio is between 90% and 110% (or 0.90 and 1.10).

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Key Performance Indicators										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>ASSET SUSTAINABILITY RATIO</b>										
Capital Renewal Expenditure	2,075,768	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Less - New/Upgrade expenses	(770,500)	-	-	-	(350,000)	-	-	-	-	-
	1,305,268	1,710,159	1,647,103	1,298,752	1,056,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Divided by Depreciation Expense	969,400	1,086,441	1,107,021	1,108,738	1,174,331	1,176,520	1,180,154	1,248,949	1,233,013	1,232,431
Standard Ratio Target = 90%	214.1%	157.4%	148.8%	117.1%	119.8%	99.7%	114.3%	92.9%	93.3%	124.5%
Improving Ratio Target > 90% - 110%										

Table 6-4: Asset Sustainability Ratio

**ASSET RENEWAL FUNDING RATIO**

This ratio indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without additional operating income; or reductions in operating expenses. The ratio is calculated from information included in the local government's Long Term Financial Plan and Asset Management Plan; not the Annual Financial Report. For the ratio to be meaningful, a consistent discount rate should generally be applied in Net Present Value (NPV) calculations.

**Purpose**

This ratio is a measure of the ability of a local government to fund its projected asset renewal / replacements in the future.

**Standards**

Standard is met if the ratio is between 75% and 95% (or 0.75 and 0.95). Standard is improving if the ratio is between 95% and 105% (or 0.95 and 1.05), and the ASR falls within the range 90% to 110%, and ACR falls within the range 50% to 75%..

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Key Performance Indicators										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>ASSET RENEWAL FUNDING RATIO</b>										
Net Present Value of Planned Renewal Expenditure	1,142,426	1,381,042	1,339,902	1,296,016	1,295,560	1,273,331	1,298,329	1,281,473	1,341,928	1,533,900
Divided by NPV of Asset Mgmt Plan Projections	2,075,768	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Standard Ratio Target >= 75%	55.0%	80.8%	81.3%	99.8%	92.1%	108.5%	96.3%	110.4%	116.7%	100.0%
Improving Ratio Target >= 95%										

*Table 6-5: Asset Renewal Funding Ratio*

### **6.11.ROUTINE MAINTENANCE PLAN**

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of assets fail and need immediate repair to make the asset original again.

Maintenance includes reactive, planned and specific maintenance work activities. In essence, maintenance refers to works undertaken to address minor defects such as pothole patching on a road. These treatment works are undertaken to keep Shire's assets in a safe and operational condition, but not necessarily to improve the overall condition of these assets.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. So, the assessment and prioritisation of reactive maintenance is undertaken by the Shire staff using experience and judgement.

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

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

The Shire considers capital road costs for a 5 year period.

It is therefore assumed that the Shire undertakes maintenance on a reactive basis (for all other assets except roads), such as a complaint from a resident or other asset user. The asset that has been reported is inspected and then if necessary a suitable repair will be conducted.

The Shire does undertake an annual building inspection. These surveys identify maintenance works or areas of damage which allows the Shire to plan and undertake the required maintenance.

### **6.12.RENEWAL/REPLACEMENT/AQUISITION PLAN**

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

The aim of renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost. Low cost renewal methods are preferred

Building and road renewals have been considered for the life of this AMP.

The Shire will consider renewals for footpaths, public open space and landfill assets in future plans.

### **6.13.SELECTION CRITERIA FOR ACQUISITIONS (NEW ASSETS OR UPGRADES)**

The Shire has yet to develop selection criteria regarding how the new assets are identified, planned prioritised and scheduled in the Capital Works Program over the next 10 Years. The Shire's Capital Works Program consists of the following:

- Appendix B: Five Year Road Program
- Appendix C: Ten Year Building Program
- Appendix D: Ten Year Plant Replacement Program



## 6.14.PLANNED UPGRADE & NEW EXPENDITURE

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Shire from land development.

Buildings and roads are the only asset classes that have planned upgrades or new expenditure proposed at this point in time that also includes consideration in the Long Term Financial Plan and thus any future budget expenditure provided for this AMP.

### BUILDINGS

At this point in time, the Shire has identified that it will build 1-3 new housing units in the Wandering Townsite in 2023/24.

### INFRASTRUCTURE - ROADS

The Shire is committed to its rolling five year road program that focuses on the upgrade or renewal of its road stocks (See Appendix B).

## 6.15.SUMMARY OF FUTURE COSTS

The following is a summary of the capital expenditure for all asset classes for the Shire of Wandering. Greater detail can be found in the Shire of Wandering Long Term Financial Plan:

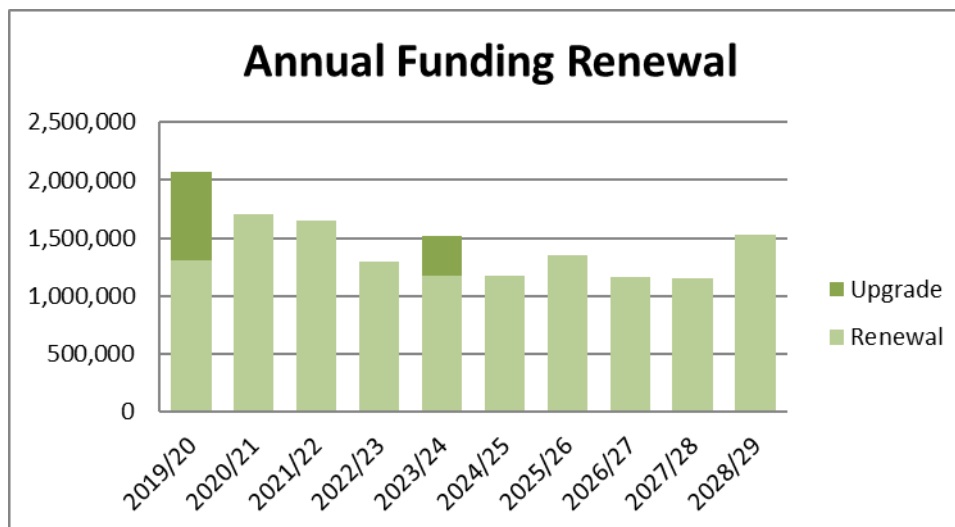


Table 6-6: Asset Funding Renewal

## 6.16.STANDARDS AND SPECIFICATIONS

See Appendix F for all relevant legislation, codes and standards for each asset type regarding maintenance and renewals and upgrade works.

## 6.17.DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

This plan assumes that all assets are to be renewed or replaced, unless indicated otherwise:

Asset type	How Disposed	Identified
Land	By sale	Nil. Stocks are to be maintained at existing levels
Buildings	Decommissioning, sale or demolition. May include relocation	One residential property identified for sale, to be replaced with new in 2023/24
Furniture and Equipment	Miscellaneous items have little or no residual value or disposal costs. May be sold to stakeholders or given to not for profit organisations	Nil. Stocks are renewed as follows: <ul style="list-style-type: none"> <li>• On an as needs basis;</li> <li>• As per the Shire's ITC Plan</li> </ul>
Plant and Equipment	Generally trade in. Miscellaneous plant items have little or no residual value or disposal costs	As per 10 Year Plant Replacement Program
Roads	Decommissioning	Nil. Stocks are maintained or renewed at existing levels
Bridges & Drainage	Decommissioning	Nil. Stocks are maintained or renewed at existing levels
Footpaths	Decommissioning	Nil. Stocks are maintained or renewed at existing levels
Parks	Decommissioning	Nil. Stocks are maintained or renewed at existing levels
Other Assets	Decommissioning	To be determined

*Table 6-7: Shire of Wandering Disposal Plan*

## 7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this asset management plan.

The projections are based on the best information available. There may be concerns about the reliability and accuracy of the data used to prepare the financial projections. However, it is important that the projections are based on the best information that the Shire has available.

The financial projections will be improved as further information becomes available on desired levels of service and current and future projected asset performance.

Improving the quality of the information and the planning process is the prime objective of the Improvement Plan discussed in Section 11.0.

## 8. FINANCIAL STATEMENTS AND PROJECTIONS

This section contains the financial projections over the ten year planning period for:

- Operating Activities:
  - Operations (day to day functionality e.g cleaning, energy use and staffing);
  - Maintenance (those activities that return the asset back to its original condition);
- Capital Activities:
  - Capital renewal (the replacement of an existing asset at the end of its useful or economic life);
  - Capital upgrade/new assets (the focus here is the increase in a level of service and must be considered discretionary in nature)

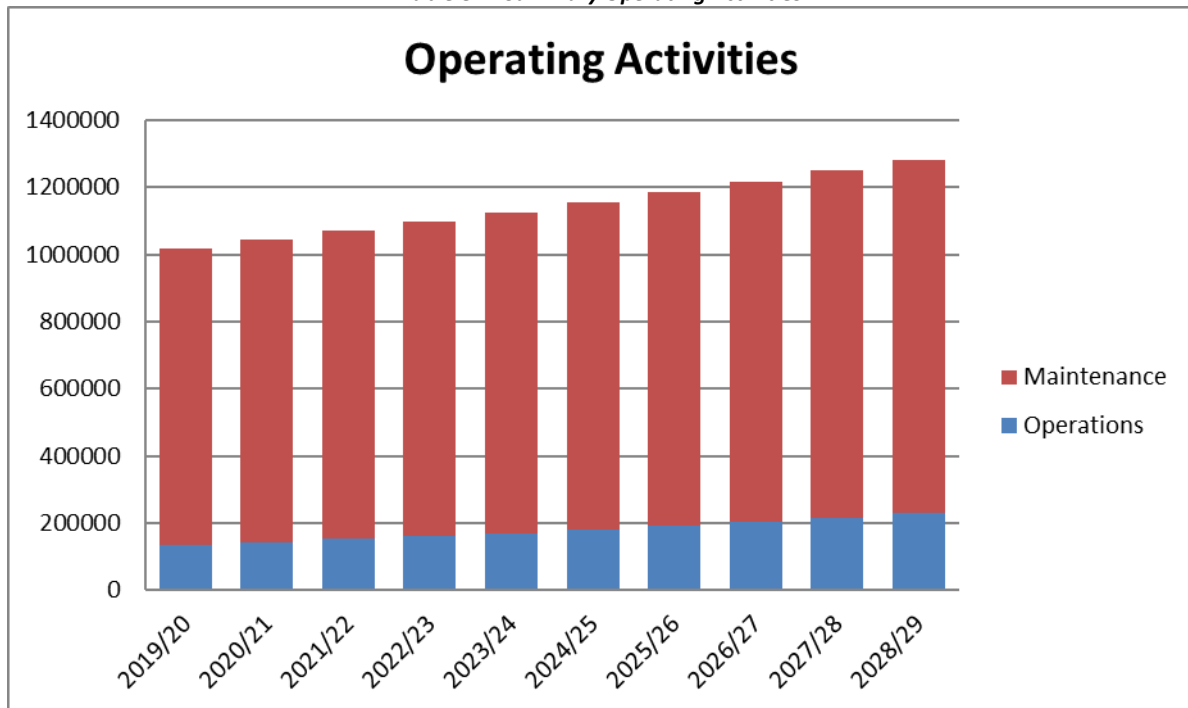
All cashflows are shown in current values for ease in estimating future costs and consistency in annual revisions.

## 8.1. SUMMARY OF OPERATING ACTIVITIES

The following table shows Council's expenditure on operations (insurance, utilities, fuel, etc) and maintenance (maintaining the asset).

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operations</b>	135227	143341	151941	161058	170721	180964	191822	203331	215531	228463
<b>Maintenance</b>	882293	899939	917938	936296	955022	974123	993605	1013477	1033747	1054422

*Table 8-1: Summary Operating Activities*



*Table 8-2: Summary Operating & Maintenance Activities*

## 8.2. SUMMARY OF CAPITAL ACTIVITIES

The following is a summary of the capital expenditure for all asset classes for the Shire of Wandering:

<b>Shire of Wandering Long Term Financial Plan 2019 - 2029</b>										
<b>Ten Year Capital Works Program</b>										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>										
Land Purchased for Resale	0	200000	0	0	0	0	0	0	0	0
Renewal - Buildings	0	0	365000	0	20000	0	0	0	0	0
New Buildings	20500	0	0	0	350000	0	0	0	0	0
<b>Total Land and Buildings</b>	<b>20,500</b>	<b>200000</b>	<b>365000</b>	<b>0</b>	<b>370000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Proceeds from Sale of Land/Buildings	0	200000	0	0	0	0	0	0	0	0
Book Value Assets Sold	0	200000	0	0	0	0	0	0	0	0
<b>Profit / (Loss) on Sale</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PLANT AND EQUIPMENT</b>										
Existing Heavy Plant	402,000	689,000	464,760	470,000	316,535	403,000	512,266	257,500	154,132	493,960
New/Upgrade Heavy Plant	0	0	0	0	0	0	-	-	-	-
<b>Total Plant and Equipment</b>	<b>402,000</b>	<b>689,000</b>	<b>464,760</b>	<b>470,000</b>	<b>316,535</b>	<b>403,000</b>	<b>512,266</b>	<b>257,500</b>	<b>154,132</b>	<b>493,960</b>
Proceeds of Sale	120,000	231,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
Book Value Assets Sold	126,402	231,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
<b>Profit / (Loss) on Sale</b>	<b>(6,402)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FURNITURE AND EQUIPMENT</b>										
Furniture & Equipment	40,000	15,000	15,000	15,000	40,000	15,000	15,000	15,000	40,000	15,000
<b>Profit / (Loss) on Sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INFRASTRUCTURE - ROADS (Would be supported by detailed schedules of road projects)</b>										
Regional Road Group Projects	535,276	545,982	556,901	568,039	579,400	590,988	603,990	616,069	628,391	640,959
Roads to Recovery Projects	146,917	146,917	146,917	146,917	-	-	-	-	-	-
Bridges	750,000	-	-	-	-	-	-	-	-	-
Other	13,000	13,260	13,525	13,796	14,072	14,353	14,640	14,933	15,232	15,536
Local Roadworks - Renewal	168,075	100,000	85,000	85,000	86,700	150,000	203,000	257,060	312,201	368,445
<b>Total Infrastructure Roads</b>	<b>1,613,268</b>	<b>806,159</b>	<b>802,343</b>	<b>813,752</b>	<b>680,172</b>	<b>755,341</b>	<b>821,630</b>	<b>888,062</b>	<b>955,824</b>	<b>1,024,940</b>
<b>CAPITAL WORKS TOTAL</b>	<b>2,075,768</b>	<b>1,710,159</b>	<b>1,647,103</b>	<b>1,298,752</b>	<b>1,406,707</b>	<b>1,173,341</b>	<b>1,348,896</b>	<b>1,160,562</b>	<b>1,149,956</b>	<b>1,533,900</b>
<b>TOTAL PROCEEDS OF SALE</b>	<b>120,000</b>	<b>431,500</b>	<b>220,000</b>	<b>194,000</b>	<b>136,000</b>	<b>173,000</b>	<b>187,000</b>	<b>143,000</b>	<b>132,000</b>	<b>225,000</b>
<b>TOTAL BOOK VALUE ASSETS SOLD</b>	<b>126,402</b>	<b>431,500</b>	<b>220,000</b>	<b>194,000</b>	<b>136,000</b>	<b>173,000</b>	<b>187,000</b>	<b>143,000</b>	<b>132,000</b>	<b>225,000</b>
<b>TOTAL PROFIT ON SALE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (LOSS) ON SALE</b>	<b>(6,402)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NPV OF CAPITAL WORKS</b>	<b>11,424,262</b>	<b>12,429,376</b>	<b>10,719,217</b>	<b>9,072,114</b>	<b>7,773,362</b>	<b>6,366,655</b>	<b>5,193,314</b>	<b>3,844,419</b>	<b>2,683,856</b>	<b>1,533,900</b>

Table 8-3: Total Capital Expenditure

### 8.3. LIFE CYCLE COSTS - GAP ANALYSIS

The purpose of this Asset Management Plan is to identify the levels of service that the community needs and can afford and develop the necessary funding plans to provide the services.

Life cycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels. Life cycle costs include maintenance and asset consumption (depreciation) expense.

The life cycle cost can then be compared to the life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. The level of life cycle expenditure will vary depending on the timing of asset renewals.

A gap between the life cycle costs and life cycle expenditure gives an indication as to whether present consumers (the community) are paying their share of assets they consume.

For the Shire of Wandering the average gap for each year of the AMP for each asset class is as follows:

#### **LAND**

For Land, the Life Cycle Cost does not have depreciation applied. In terms of Life Cycle Expenditure, the Shire's land has little maintenance expenditure incurred. Therefore, there is no Life Cycle Gap for this class.

#### **BUILDINGS**

For Buildings, the Life Cycle Cost has the current annual depreciation applied as well as maintenance costs for classes of buildings. In terms of Life Cycle Expenditure, the current level of renewal expenditure has been applied.

#### **FURNITURE AND EQUIPMENT**

With Furniture & Equipment, the Life Cycle Cost has the current level of depreciation applied. In terms of Life Cycle Expenditure, the Shire does not maintain its furniture and equipment, but replaces items as required consisting of an allowance of \$13,000 each year, which is either expended or transferred to Reserve..

#### **INFRASTRUCTURE ROADS, BRIDGES AND DRAINAGE, FOOTPATHS, AND PARKS**

In terms of the Shire's roads, the Life Cycle Cost includes depreciation for all roads and maintenance costs. In terms of Life Cycle Expenditure, the level of expenditure reflects the average level of renewals or upgrades applied from the Five Year Road Program.

#### **PLANT & EQUIPMENT**

For Plant & Equipment, the Life Cycle Cost includes the current level of depreciation and running costs. In terms of Life Cycle Expenditure, the average level spent on plant replacement each year is applied.

### 8.4. MANAGING THE LIFE CYCLE GAP

The implications to the community regarding a Life Cycle Gap of \$1,833,913 will see the Shire improve the management of its assets through undertaking the following:

- Conducting a review of the service and service levels as identified in Section 3.2 and consulting with the community further to determine service needs;
- Undertaking a review of the hierarchy of services and service levels as identified in Section 3.3 including improvements in how the road hierarchy is applied;
- Identification of future renewal cashflow profiles;
- Development of a funding strategy in the long term financial plan including pursuing other grant funding sources including specific infrastructure programs provided by the State Government (e.g. Royalties for Regions) or the Commonwealth (e.g. Community Development Grants Programme).
- Increasing the funding where available including through the investment in a greater level of funding regarding the renewal and upgrading of local roads; and

- Development of a policy or strategy regarding making better use of the public buildings and reducing costs for those not used on a regular basis.

## 9. FUNDING STRATEGY

### 9.1. FUNDING GAP ANALYSIS

A funding gap exists whenever an organisation has insufficient capacity to fund asset renewal and other expenditure necessary to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver without additional operating income, productivity improvements or net financial liabilities currently planned or projected.

The funding gap consists of comparing the capital costs (renewal/upgrade) and the annual costs (operating/maintenance) to available revenue. This helps determine whether the Shire can afford to purchase and maintain new assets. The Shire of Wandering's funding gap is as follows:

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Capital Expenditure	2,075,768	1,510,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Annual Operating Expenditure LESS Depn	3,027,267	2,367,458	2,379,422	2,431,123	2,528,711	2,581,199	2,607,355	2,799,007	2,958,630	2,766,493
<b>Total</b>	<b>5,103,035</b>	<b>3,877,616</b>	<b>4,026,525</b>	<b>3,729,874</b>	<b>3,935,418</b>	<b>3,754,540</b>	<b>3,956,251</b>	<b>3,959,569</b>	<b>4,108,586</b>	<b>4,300,393</b>
Available Revenue	3,961,852	3,950,389	3,973,715	3,725,524	3,961,665	3,748,517	3,958,019	3,958,192	4,073,071	4,306,147
Revenue Gap	1,141,183	-72,773	52,810	4,350	-26,248	6,023	-1,768	1,378	35,515	-5,754

*Table 9-1: Summary Funding Gap*

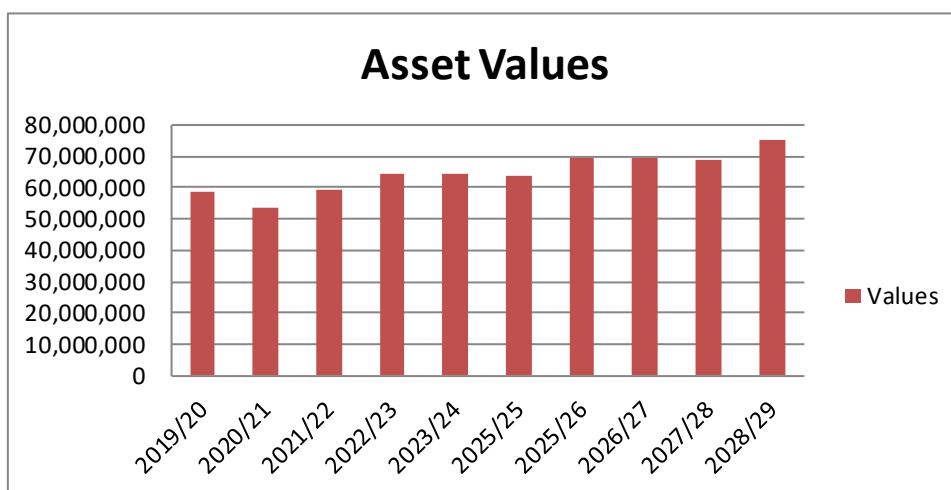
The funding strategy to assist manage the funding gap is developed from the the Shire's ten year long term financial plan. This includes:

- Cost reductions from the review of service levels;
- Continued targeted use of revenues from the Financial Assistance Grants (Tied Component), Roads to Recovery, Main Roads Funding (Regional Road Group, Blackspot and Direct Grant) and rates levied;
- Other grant funding sources including specific infrastructure programs provided by the State Government (e.g. Royalties for Regions) or the Commonwealth (e.g. Community Development Grants Programme).

Note that the Shire of Wandering does not have loans, or will use loans to fund capital works and services.

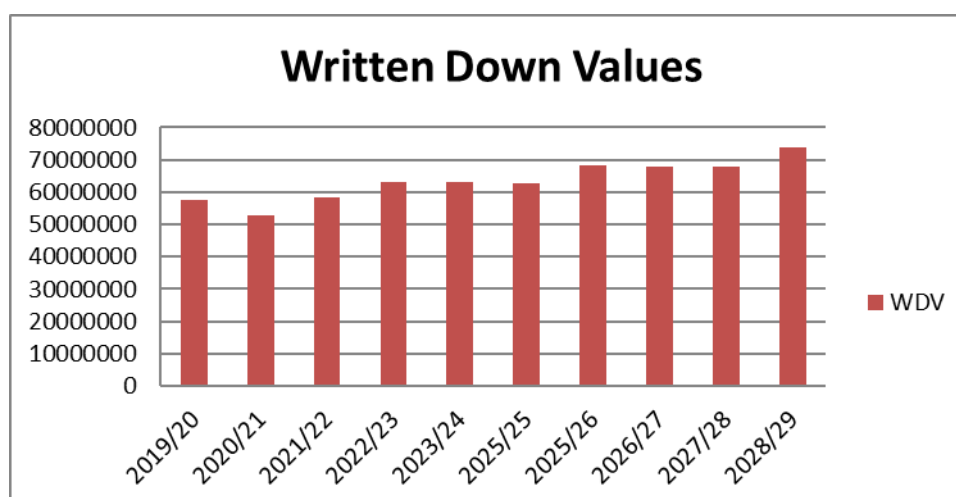
### 9.2. VALUATION FORECASTS

Asset values are forecast to increase in line with revaluations conducted every five years and as additional assets are added to the asset stock from construction and acquisition by the Shire. Assets constructed by land developers and others donated to the Shire will be minimal. The projections for replacement costs are as follows:



**Table 9-2: Asset Values**

As asset values increase, asset consumption, reported as depreciation expense will increase. Depreciation expense can range for 25% - 35% of a local governments’s operating expense. It is critical that projected future depreciation expense is recognised and incorporated into the Shire’s long term financial plan. The projected depreciation is shown as follows:



**Table 9-3: Written Down Values**

The carrying value (ie the current value or fair value or written down value) will vary depending on the additions, disposals and the value of assets consumed each year.

### 9.3. KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

- The asset register is accurate;
- The current Levels of Service will remain constant over the life of this AMP;
- The budget details are accurate as given, and expenditure will continue on the previous four years historical trends; and

- All predicted financial figures are based on 2016 rates and are not adjusted by the inflation rate for the particular year of works.

## 10. ASSET MANAGEMENT PRACTICES

### 10.1.ACCOUNTING/FINANCIAL SYSTEMS

The current financial management package utilised by the Shire is the 'Synergy' system provided by IT Vision. This system has been in use since January 2015.

### 10.2.ACCOUNTABILITIES FOR FINANCIAL SYSTEMS

The Chief Executive Office is responsible for the accounting and financial systems. The CEO is required to undertake reviews of the Financial Management System.

### 10.3.ACCOUNTING STANDARDS AND REGULATIONS

As a local government in Western Australia, the Shire of Wandering is required to prepare financial statements in accordance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* and the applicable Australian Accounting Standards called up by the *Financial Management Regulations*.

### 10.4.CAPITAL/MAINTENANCE THRESHOLD

The Council has adopted a capitalisation materiality level of \$5,000 for all assets. However, equipment valued at less than \$5,000 is still recorded on the Asset Register.

The majority of assets in the assets cases are above this threshold. Items below this limit include hand tools, power tools and gardening equipment.

### 10.5.REQUIRED CHANGES TO ACCOUNTING FINANCIAL SYSTEMS ARISING FROM THIS AM PLAN

The following changes to the accounting and financial systems have been identified:

- Linking of the customer service system to the corporate asset register to link requests to asset records.
- Aligning of project and maintenance costs recording to the asset management plan requirements.
- Improvement of asset register, revaluation of assets and unit rates per road hierarchy level.
- Align business processes for new capital projects to include whole-of-life requirements i.e. operational, maintenance and renewal impacts and potential income sources.

### 10.6.ASSET MANAGEMENT SYSTEMS

Asset data used for this plan is currently managed in spreadsheets based on key financial data obtained from the Synergy system. Information may vary according to the asset class, but will always include the asset ID, name, description, date acquired, historical cost, condition and current replacement cost as a minimum.

### 10.7.LINKAGE FROM ASSET MANAGEMENT TO FINANCIAL SYSTEM

Councils 'official' Asset register is contained in the 'SynergySoft' financial system. The financial systems are not intrinsically linked to the Asset Management data. Asset data used in the compilation of this Plan references the financial Asset Register by using the same asset ID, name and description for each asset.

### 10.8.REQUIRED CHANGES TO ASSET MANAGEMENT SYSTEMS ARISING FROM THIS PLAN

As the asset management systems and processes are still being developed, there are no direct changes resulting from the Asset Management Plan.



## 10.9. INFORMATION FLOW REQUIREMENTS AND PROCESSES

The key information flows *into* this Asset Management Plan are:

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

The key information flows *from* this Asset Management Plan are:

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

These will impact the Long Term Financial Plan, the Corporate Business Plan, the Strategic Community Plan, and the annual budget.

## 10.10. STANDARDS AND GUIDELINES

Standards, guidelines and policy documents referenced to in this Asset Management Plan are:

- Shire of Wandering Asset Management Policy;
- Shire of Wandering Asset Capitalisation Threshold Policy – as adopted in the Shire’s Budget from year to year;
- Shire of Wandering Asset Management Strategy – (to be developed);
- IPWEA ‘International Infrastructure Management Manual’;
- Department of Local Government Asset Management Framework & Guidelines.

## 11. PLAN IMPROVEMENT AND MONITORING

### 11.1.PERFORMANCE MEASURES

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

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's long term financial plan and Community/Strategic Planning processes and documents; and
- The degree to which the Five Year Road Program, Ten Year Plant Replacement Program and the Ten Year Building Program, budgets, corporate business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan.

### 11.2.IMPROVEMENT PLAN

The asset management improvement plan is shown in Table 11-1.

- Undertake condition inspections;
- Develop a spatial inventory database;
- Improve the accuracy of future financial forecasts through tracking operation, maintenance, renewal, new and upgrade costs.
- Prepare renewal programmes for all assets (excluding buildings); and
- Present and adopt this AMP.

Action	Priority High (1-2 yrs) Medium (2-4 yrs) Low (3-6 yrs)
Develop a hierarchy for all assets (based on a similar hierarchy of Roads), identifying parent/child relationships, and link to Levels of Services.	High
Implement the business case proforma and associated process, for new capital projects. The proforma should provide a project brief, project description, operational, maintenance and renewal impacts (whole-of-life) and potential income sources.	High
Develop a formal staff AM training programme:	High
• Induction awareness;	High
• DLGC funded asset management support including NAMS asset assessment and rating program;	High
• WALGA Asset Training Module.	High
Councillors to attend WALGA's Asset Training Module – Sustainable Asset Management.	High
Develop a business continuity plan for AM activities.	High
Develop a diagram that defines the organisation's asset management documentation structure and include in the AM Strategy.	High
Develop and implement condition inspection programmes and methodologies for all assets. Plant and Equipment was conducted in May 2016	High
Improve the manner with which the Shire carries out the forward works planning to increase the reliability of the planned upgrade and new forward works expenditure levels.	High
Define the AM roles and responsibilities of Shire staff.	High
Define the asset financial responsibilities of Shire staff.	High
Develop a process for community engagement on Levels of Service.	Medium
Investigate the feasibility of implementing a maintenance management system.	Medium
Carry out 5% audit on assets with regard to date acquired, dimensions, structure, and condition. Increase audit if results are poor and update inventory data prior to each AMP version.	Medium
Incorporate construction dates, asset useful lives and adopt consistent unit rates into each asset register.	Medium
Develop a framework for reporting AM outcomes to the Shire and customers.	Medium
Develop a Shire population & demographic model for infrastructure planning purposes.	Low

**Table 11-1: Improvement Plan**

### **11.3.MONITORING AND REVIEW PROCEDURES**

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

The AMP has a life of 10 years and is due for revision and updating within two years of each Shire election.

## **12. APPENDICES**

Appendix A – Asset Portfolio and Valuation

Appendix B – Five Year Road Program

Appendix C – Ten Year Building Program

Appendix D – Ten Year Plant Replacment Program

Appendix E – Risk Managment

Appendix F – Legislative Environment

Appendix G - References

Appendix H - Glossary

### **12.1.APPENDIX A - ASSET PORTFOLIO AND VALUATION**



## 12.2. APPENDIX B - FIVE YEAR ROAD PROGRAM (DRAFT VERSION AS AT 29/01/2020)

Shire of Wandering 10 year Major Road Works Program						Presented to Council 19 April 2018					
Regional Road Group						Update Draft to Council 21 November 2019					
						2	3	4	5	6	
Name of Road	Description	Completed	SLK	SLK	Total	2019/20	2020/21	2021/22	2022/23	2023/24	
Wandering Narrogin Road	Edge breaks and pothole repairs and 10mm Reseal		2.62	5.15	2.53		\$ 86,000.00				
Wandering Narrogin Road	Edge breaks and pothole repairs and 10mm Reseal		0.00	2.62	2.00			\$ 89,000.00			
Wandering Narrogin Road	Edge breaks and pothole repairs and 10mm Reseal		5.15	6.47	1.32				\$ 50,000.00		
						4.53	\$ -	\$ 86,000.00	\$ 89,000.00	\$ 50,000.00	\$ -
North Wandering Road	Gravel shoulder maintenance, Widen inside of bend to 7.2 m, repair edge breaks, pothole repairs and 14mm Reseal		0.00	1.26	1.26		\$ 50,473.00				
North Wandering Road	Single Coat 10mm reseal		9.23	10.58	1.35			\$ 58,755.00			
North Wandering Road	Single Coat 10mm reseal		10.58	11.93	1.35				\$ 58,755.00		
North Wandering Road	Single Coat 10mm reseal		1.26	3.26	2.00					\$ 78,515.00	
North Wandering Road	Single Coat 10mm reseal		3.26	4.81	1.55						
						7.51	\$ -	\$ 50,473.00	\$ 58,755.00	\$ 58,755.00	\$ 78,515.00
North Bannister Wandering Rd	Reconstruction, widen & two coat seal	2018/19	7.85	8.40	0.55						
North Bannister Wandering Rd	Reconstruction, widen & two coat seal	2018/19	10.27	11.67	1.40						
North Bannister Wandering Rd	Reconstruction, widen & two coat seal	2018/19	13.13	13.54	0.41						
North Bannister Wandering Rd	Reconstruction, widen & two coat seal - Due to funding - Council will work to get as far as they can to repair worst parts	2018/19	19.06	19.62	0.56						
North Bannister Wandering Rd	Sections that were reduced because of funding constraints in 2018/19 - various sections		19.62	21.00	1.38				\$ 220,000.00		
						4.30	\$ -	\$ -	\$ -	\$ 220,000.00	\$ -

Shire of Wandering 10 year Major Road Works Program						Presented to Council 19 April 2018					
Regional Road Group						Update Draft to Council 21 November 2019					
						2	3	4	5	6	
Name of Road	Description	Completed	SLK	SLK	Total	2019/20	2020/21	2021/22	2022/23	2023/24	
Wandering Pingelly Rd	Reconstruction, widen & two coat seal - various Sbends, etc... **higher cost as very challenged works - Pennington Farm		9.28	11.48	2.20			\$ 532,500.00			
Wandering Pingelly Rd	Reconstruction, widen & two coat seal - Various 1km sections Martadine (TP)		20.43	27.81	7.38			\$ 360,000.00			
Wandering Pingelly Rd	Vegetation clearing and seal 600 mm inside road shoulders on bends		4.30	9.19	4.89		\$ 96,027.00				
Wandering Pingelly Rd	Single Coat 10mm reseal		17.71	20.43	2.72						
Wandering Pingelly Rd	Single Coat 10mm reseal		13.70	17.71	4.01						
Wandering Pingelly Rd	Single Coat 10mm reseal		11.58	13.70	2.12						
Wandering Pingelly Rd	Single Coat 10mm reseal		7.54	11.58	4.04						
Wandering Pingelly Rd	Single Coat 10mm reseal		4.98	7.54	2.56						
Wandering Pingelly Rd	Single Coat 10mm reseal		2.27	4.98	2.71						
Wandering Pingelly Rd	Single Coat 10mm reseal		0.00	2.27	2.27						
						34.90	\$ -	\$ 96,027.00	\$ 892,500.00	\$ -	\$ -
York Williams Rd	5-6km Pumphreys Bridge to Stevens Road - 2 coat seal		73.50	78.50	5.00	\$ 320,000.00					
York Williams Rd 0.0 SLK to 9.71 SLK	vegetaion clearing, Culvert widening gravel resheeting including widening various sections		0.00	9.71	9.71		\$ 300,000.00				
York Williams Rd	Resheeting including widening various sections - Southern Section near Boundary				0.00			\$ 172,500.00			
						14.71	\$ 320,000.00	\$ 300,000.00	\$ 172,500.00	\$ -	\$ -
Fourteen Mile Brook Rd	Construct, remove vegetation & 2 coat seal - Boundary to Dwarda East		11.00	13.78	2.78	\$ 212,500.00					
						2.78	\$ 212,500.00	\$ -	\$ -	\$ -	\$ -
<b>Total Yearly Budget</b>						\$ 532,500.00	\$ 532,500.00	\$ 532,500.00	\$ 532,500.00	\$ 532,500.00	
<b>Program Cost</b>						\$ 532,500.00	\$ 532,500.00	\$ 1,212,755.00	\$ 328,755.00	\$ 78,515.00	
<b>Balance</b>						\$ -	\$ -	\$ 680,255.00	\$ 203,745.00	\$ 453,985.00	

Shire of Wandering - 5 year Major Road Works Program						Presented to Council 19 April 2018				
Roads to Recovery						Update Draft to Council 21 November 2019				
						1	2	3	4	5
Name of Road	Description	SLK	SLK	Total	2018/19	2019/20	2020/21	2021/22	2022/23	
Carabine Road East	Resheet, clear(heavy vegetation), improve drainage - include bridges maintenance with funding to come from (Councils own Budget) - 3km is optimistic given the funding			3.00	\$ 90,000.00					
Wandering Narrogin Road	Road failures to be stabilized and two coat seal 14/10	0.00	5.15	2100m2		\$ 48,000.00				
Wandering Narrogin Road	Road failures to be stabilized and two coat seal 14/10	5.15	6.49	1000m2			\$ 28,000.00			
Pennington Road	Cutback trees, install drainage headwall gravel resheet 150mm - issues arise every harvest \$50,000.00	0.16	1.08	9200mm2		\$ 89,000.00				
Wandering Pingelly Rd	Road failures to be stabilized and two coat seal 14/10		15.59	19.70	4.11		\$ 54,000.00			
Wandering Pingelly Rd	Road failures to be stabilized and two coat seal 14/10		7.54	15.59	8.05					
Wandering Pingelly Rd	Road failures to be stabilized and two coat seal 14/10		4.98	7.54	2.56					
Wandering Pingelly Rd	Road failures to be stabilized and two coat seal 14/10		2.27	4.98	2.71					
Wandering Pingelly Rd	Road failures to be stabilized and two coat seal 14/10		0.00	2.27	2.27					
Carabine Road East	Upgrade culvert with extensions and headwalls		4.70	6.60	\$ 1.90		\$ 55,000.00			
Shoek	Heavy Vegetation needs clearing on one side and resheeting								\$ 103,000.00	
Codji Hastings Road	Resheet and clear heavy vegetation 2 kms from North Wandering Road			2.00				\$ 50,000.00		
								\$ 50,000.00		
Dwarda East Road	Resheet and repair failing 2km Extracts to Crossman			2.00				\$30,000.00		
								\$30,000.00		
Ricks Road	Various resheet 1.2km Herdigan to O'leary			1.50				\$23,000.00		
				1.5				\$20,000.00		
<b>Total Project Costs</b>						\$ 137,000.00	\$ 137,000.00	\$ 203,000.00	\$ 103,000.00	
<b>Total Yearly allocations</b>						\$ 137,000.00	\$ 137,000.00	\$ 137,000.00	\$ 137,000.00	
<b>Roads to be considered if funding changes or increases</b>										
Herdigan	Heavy Vegetation needs clearing and resheeting \$103,000 up to 5 kms									
Young Road	3kms resheet \$50,000 (Rob Camerons)									
Turton St/ Mill Road School Drop off										

Shire of Wandering						Presented to Council 19 April 2018				
5 year Major Road Works Program - Black Spot										
						1	2	3	4	5
Name of Road	Description	SLK	SLK	Total	2018/19	2019/20	2020/21	2021/22	2022/23	
Stage 2 Moramocking Rd	Take out crest and realign Fuller Road Cnr and seal	3.30	5.00	1.70						
Stage 3 Moramocking Rd	reconstruction and 2 coat seal	5.00	6.50	1.50						
				3.20						
Intersection Codjatotine Mooterdine, Carabin and Mooterdine Loop	***Needs Assessment and costing									
Noombling Noorine	Guard Rails and resheet *** Needs Assessment and costing									
Bannister Road - Chromleys Cnr	***Needs Assessment and costing									
George Road	***Needs Assessment and costing									
These are areas considered relevant, however at this time Council doesn't see this area as high priority										

## 5 year Major Road Works Program -Maintenance Bridges

Name of Bridge	Description	Bridge Number	SLK	2019/20	2020/21	2021/22	2022/23	2023/24
3064A Carabin Rd - to be carried out with RtR works	General Upgrade, clearing for Fire mitigation, termite and fungal treatment	3064A	3.10					
3065A Carabin Rd - to be carried out with RtR works	General Upgrade, clearing for Fire mitigation, termite and fungal treatment	3065A	0.60					
3066A Carabin Rd - to be carried out with RtR works	General Upgrade, clearing for Fire mitigation, termite and fungal treatment	3066A	1.21	\$25,000.00				
<b>** Fund out of direct grant</b>				<b>\$25,000.00</b>				
4251 Fourteen Mile Brook	General Upgrade, clearing for Fire mitigation, termite and fungal treatment	4251			\$30,000.00			
		3067A			<b>\$30,000.00</b>			
3067A Dwarda East Road	General Upgrade, clearing for Fire mitigation, termite and fungal treatment	3067A				\$30,000.00		
						<b>\$30,000.00</b>		
To be confirmed							\$30,000.00	
							<b>\$30,000.00</b>	
<b>Project Totals</b>				<b>\$25,000.00</b>	<b>\$30,000.00</b>	<b>\$30,000.00</b>	<b>\$30,000.00</b>	

## 5 year Major Works Program - Capital Works Bridges - No Funding Confirmed

Name of Bridge	Description	Bridge Number	SLK	2019/20	2020/21	2021/22	2022/23	2023/24
Fourteen Mile Brook	Bridge abutment upgrade by MRWA Contractor	4251	7.97	\$ 750,000.00				
Wandering Pingelly Rd	Bridge Removal and replacement with culverts - 7 weeks work	0424A	27.37				\$ 273,000.00	
Wandering Narrogin Rd ??? Still under review	Bridge Removal and replacement with culverts - 10 weeks work - Significant program	0425	2.61					
<b>Project Totals</b>				<b>\$750,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$273,000.00</b>	<b>\$0.00</b>

**12.3. APPENDIX C - TEN YEAR BUILDING PROGRAM**

**SHIRE OF WANDERING  
10 YEAR BUILDING REPLACEMENT & UPGRADE PLAN**

	ASSET NO:	BUDGET 2019/20	BUDGET 2020/21	BUDGET 2021/22	BUDGET 2022/23	BUDGET 2023/24	BUDGET 2024/25	BUDGET 2025/26	BUDGET 2026/27	BUDGET 2027/28	BUDGET 2028/29
<b>HOUSING</b>											
<b>Staff Housing</b>											
19 Humes Way	1	\$1,980	\$5,500	\$2,000	\$10,500	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100
13 Dunmall Drive	15	\$1,900	\$2,000	\$2,000	\$2,000	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$14,000
1 Dowsett Street	262	\$8,040	\$5,500	\$2,000	\$2,000	\$2,100	\$2,100	\$10,500	\$2,100	\$2,100	\$2,100
14 Down Street	9	\$1,500	\$2,000	\$2,000	\$2,000	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$9,000
7/9 Humes Way (New House)						\$350,000	\$500	\$500	\$500	\$1,000	\$1,000
<b>Private Rentals</b>											
7 Gnowing Street	55	\$500									
5 Dunmall Drive	416	\$500	\$510	\$520	\$531	\$8,500	\$541	\$552	\$563	\$574	\$586
<b>COMMUNITY AMENITIES</b>											
Cemetery	22	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598
Public Conveniences-Wandering	285	\$2,000	\$2,040	\$2,081	\$2,122	\$2,165	\$2,208	\$2,252	\$2,297	\$2,343	\$2,390
Public Conveniences-Pumphrey's	267	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598
Caravan Park	47	\$2,500	\$2,550	\$2,601	\$2,653	\$2,706	\$2,760	\$2,815	\$2,872	\$2,929	\$2,988
Shire Office	7	\$3,500	\$3,570	\$3,641	\$3,714	\$20,000	\$3,789	\$3,864	\$3,942	\$4,020	\$4,101
Shire Hall (CRC)	27	\$3,500	\$3,570	\$15,000	\$3,641	\$3,714	\$3,789	\$3,864	\$3,942	\$4,020	\$4,101
Community Centre	33	\$1,750	\$1,750	\$351,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
Vintage Machinery Shed	304	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<b>TRANSPORT</b>											
Shire Depot - building only - allocate from P&E	37/6	\$1,500	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689	\$1,723	\$1,757	\$1,793
<b>TOTAL</b>		<b>\$31,670</b>	<b>\$33,040</b>	<b>\$387,694</b>	<b>\$35,065</b>	<b>\$401,441</b>	<b>\$27,997</b>	<b>\$36,714</b>	<b>\$28,637</b>	<b>\$29,467</b>	<b>\$48,603</b>
User Charges (used to offset maintenance costs)		(\$47,450)	(\$36,200)	(\$36,200)	(\$35,700)	(\$48,700)	(\$61,700)	(\$61,700)	(\$61,700)	(\$61,700)	(\$61,700)
Other Funding				(\$350,000)							
Disposal of Buildings			(\$200,000)								
Interest on Building Reserve		(\$1,071)	(\$1,103)	(\$4,328)	(\$4,535)	(\$4,780)	\$0	(\$680)	(\$1,243)	(\$1,939)	(\$2,637)
0.35% Insured Value - \$2.413M		\$10,540	\$10,751	\$10,966	\$11,185	\$11,408	\$11,636	\$11,868	\$12,105	\$12,347	\$12,593
Transfer to/(From) Building Reserve		\$40,028	\$215,014	\$13,800	\$16,355	(\$318,685)	\$45,339	\$37,534	\$46,411	\$46,520	\$28,327
<b>BUILDING RESERVE BAL @ JUN 30</b>		<b>\$73,516</b>	<b>\$288,530</b>	<b>\$302,330</b>	<b>\$318,685</b>	<b>(\$0)</b>	<b>\$45,339</b>	<b>\$82,873</b>	<b>\$129,284</b>	<b>\$175,804</b>	<b>\$204,131</b>



**12.4. APPENDIX C – FUEL FACILITY PROGRAM**

	ASSET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
FUEL FACILITY	NO:	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27	2028/29
Fuel Facility	293	\$9,200	\$9,384	\$9,572	\$9,763	\$9,958	\$10,158	\$10,361	\$10,568	\$10,779	\$10,995
User Charges		(\$13,200)	(\$30,424)	(\$30,049)	(\$30,127)	(\$30,207)	(\$30,290)	(\$30,376)	(\$30,465)	(\$30,557)	(\$30,652)
(Profit)/Loss on Fuel Sales		(\$4,000)	(\$21,040)	(\$20,478)	(\$20,364)	(\$20,249)	(\$20,133)	(\$20,015)	(\$19,897)	(\$19,778)	(\$19,657)
Interest on Fuel Facility Reserve		\$0	\$225	\$453	\$685	\$920	\$1,159	\$1,402	\$1,648	\$1,897	\$2,151
0.35% Insured Value - \$1.629M		\$5,702	\$5,815	\$5,931	\$6,049	\$6,169	\$6,292	\$6,417	\$6,545	\$6,675	\$6,808
Total transfer to/(from) Fuel Facility Reserve		\$15,000	\$15,225	\$15,453	\$15,685	\$15,920	\$16,159	\$16,402	\$16,648	\$16,897	\$17,151
<b>RECREATION RESERVE BAL @ JUN 30</b>		<b>\$15,000</b>	<b>\$30,225</b>	<b>\$45,678</b>	<b>\$61,364</b>	<b>\$77,284</b>	<b>\$93,443</b>	<b>\$109,845</b>	<b>\$126,493</b>	<b>\$143,390</b>	<b>\$160,541</b>

## 12.5.APPENDIX D - TEN YEAR PLANT REPLACEMENT PROGRAM

Plant No.	Rego No.	Plant Description	Date Manufacture	Replacement Interval - Years	Years owned	Changeover due	Hours/Kms Jun 2019	2019/2020 Adopted Budget	Cost excluding GST												
									2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029				
<b>GRADERS</b>																					
PG1	WD 920	CAT 12M Grader	2012	10	7	2022	5,141hrs					\$320,000									
		<i>LESS: Trade-in</i>																			
PG2	WD 300	CAT 120M Grader	2008	10	11	2018	9,154hrs		\$310,000												
		<i>LESS: Trade-in</i>																			
<b>TRUCKS</b>																					
PT1	WD 458	Isuzu Giga Prime Mover	2010	8	9	2018	192,809km			\$200,000											
		<i>LESS: Trade-in</i>																			
PT2	WD 422	Isuzu Tandem Axle Truck	2007	8	12	2015	125,258km		\$190,000									\$265,000			
		<i>LESS: Trade-in</i>																			
PT3	WD 6	Isuzu Crew Cab truck	2016	10	3	2026	63,495km											\$105,000			
		<i>LESS: Trade-in</i>																			
PST	WD1142	Howard Porter Side Tipper	2010	15	9	2025												\$125,000			
		<i>LESS: Trade-in</i>																			
PLL	WD1169	Low Loader, Make - Boomarang	1983	20	26	2003															
		<i>LESS: Trade-in</i>																			
<b>LOADS and TRACTORS</b>																					
PL1	WD 1827	CAT 924G Loader	2007	10	12	2017	7,264hrs	\$281,000													
		<i>LESS: Trade-in</i>																			
PTRA	WD 229	John Deere 6515 Tractor	2009	15	10	2024	2,012hrs											\$185,000			
		<i>LESS: Trade-in</i>																			
PSS1	WD 908	Toyota Husky Skid Steer	2011	10	8	2021	1,677hrs			\$115,000											
		<i>LESS: Trade-in</i>																			
PEX1	WD	Volvo 210C Excavator	2012	10	7	2022	4,704kms											\$245,000			
		<i>LESS: Trade-in</i>																			
<b>ROLLER</b>																					
PR5	WD 182	Multipac 524H Multi Tyre Roller	2019	15	10	2034															
		<i>LESS: Trade-in</i>																			

Plant No.	Rego No.	Plant Description	Date Manufacture	Replacement Interval - Years	Years owned	Changeover due	Hours/Kms Jun 2019	Cost excluding GST															
								2019/2020 Adopted Budget	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029						
<b>UTILITIES and SEDANS</b>																							
PU1	WD 011	Holden Colorado Utility - Single Cab	2010	150,000km Approx 8 years	9	2018	234,655km		\$32,000												\$35,000		
		<i>LESS: Trade-in</i>							-\$6,000												-\$15,000		
PU5	WD 001	QE Pajero Sports GLX	2019	50,000km Approx 2 years	0	2019	0,000km	\$38,000		\$38,760			\$39,535		\$40,326					\$41,132			
		<i>LESS: Trade-in</i>						-\$22,000		-\$22,000			-\$23,000		-\$23,000					-\$24,000			
PU4	WD 480	Holden LS Colorado 4x4	2019	75,000km Approx 3 years	0	2021	0,000km	\$38,000				\$38,000			\$38,440						\$40,460		
		<i>LESS: Trade-in</i>						\$0				-\$16,000			-\$16,000						-\$17,000		
PU3	WD 440	Toyota Hilux - Dual Cab 4x4	2003	150,000km Approx 8 years	16	2011	250,025km		\$34,000												\$40,000		
		<i>LESS: Trade-in</i>							-\$7,500												-\$20,000		
PLV4	0 WD	Holden Trailblazer LTZ (\$1,500 changeover per 15,000km)	2019	45,000km Approx per year	0	2019	55,482km	\$45,000	\$111,000	\$111,000	\$112,000	\$112,000	\$112,500	\$112,500	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,000	\$113,500		
		<i>LESS: Trade-in</i>						-\$32,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000	-\$108,000		

Plant No.	Rego No.	Plant Description	Date Manufacture	Replacement Interval - Years	Years owned	Changeover due	Hours/Kms Jun 2019	2019/2020 Adopted Budget	Cost excluding GST								
									2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
<b>MISCELLANEOUS PLANT</b>																	
PF4	WD270	ISUZU - Fire Tender <i>LESS: Trade-in</i>	2012	15	12	2027	7,629 kms										\$0
PF2	WD 821	ISUZU - Fire Tender <i>LESS: Trade-in</i>	2007	15	12	2022	6,805 kms			\$0							
PF5	WD1056	Standpipe Trailer - Fire Station - Unknown - VIN - 6N9T22000W165W001 <i>LESS: Trade-in</i>	1998	30	21	2028											
PM1		Hustler Mower - Model No - 930545EX, Serial -12090007 <i>LESS: Trade-in</i>	2012	10	7	2022	780hrs				\$26,000						
PM2		Toro Reel Mower <i>LESS: Trade-in</i>	2012	10	7	2022	2,931hrs				\$26,000						
SP34	WD548	Trailer Dual Axle - John Pasa's Boxtop Trailer <i>LESS: Trade-in</i>	1985	15	34	2000								\$3,000			
SP35	1TRH 694	Water Trailer Single Axle with water tank, Pump and Hose Reel- John Pasa's Boxtop Trailer <i>LESS: Trade-in</i>	2016	15	3	2031											
SP36	WD3018	Car Trailer with ramps - CoastMac - Model Vehicle Carrier, VIN- 6U9VSS0000015065 <i>LESS: Trade-in</i>	2011	15	8	2026								\$8,000			
SP39	1TUE 993	Mobile Service Trailer - Dual Axle - CoastMac - Model Boxtop , VIN- U9VSS00000150040 <i>LESS: Trade-in</i>	2019	15	0	2034											
	WD1183	Bin Trailer - Refuse Site - VIN - 6T9T27WA1E0AAK689 <i>LESS: Trade-in</i>	2014	15	5	2029											
	WD1182	Bin Trailer - Refuse Site VIN - 6T9T27WA1E0AAK688 <i>LESS: Trade-in</i>	2014	15	5	2029											
	WD 1151	Traffic Light Trailer - VIN - 6T9T27V97B0FMB136 <i>LESS: Trade-in</i>	2011	15	8	2026											\$12,250
	WD1152	Traffic Light Trailer - VIN - 6T9T27V97B0FMB178 <i>LESS: Trade-in</i>	2011	15	8	2026											\$12,250
SP29		Spray unit - Shire built <i>LESS: Trade-in</i>	2017	10	2	2027			\$12,000								
SP27		Vibratory Plate REV Compactor -Model BPR 100/80D, Serial 101 69035 1723 <i>LESS: Trade-in</i>	2011	15	8	2026											\$15,000
SP30		Excavator Mulcher Head - FM500H <i>LESS: Trade-in</i>	2012	10	7	2022					\$45,500						
SP33	PSL	Wilson Twin Deck Slasher Heavy Duty <i>LESS: Trade-in</i>	2007	15	12	2022				\$36,000							
SP38	PBR	Sewell Road Broom - Model B200 <i>LESS: Trade-in</i>	2000	15	19	2015				\$12,000							
		Small Plant (Chainsaws, Pumps etc)			3			\$5,178	\$10,616	\$8,513	\$1,829	\$8,799	\$1,998	\$5,546	\$11,853	\$3,730	\$1,859
								<b>\$287,178</b>	<b>\$468,116</b>	<b>\$253,273</b>	<b>\$277,829</b>	<b>\$189,334</b>	<b>\$231,998</b>	<b>\$330,812</b>	<b>\$126,353</b>	<b>\$25,862</b>	<b>\$270,819</b>

<b>Annual Expenditure Allowance Indexed (Deposit)</b>	\$238,755	\$241,143	\$243,554	\$245,990	\$248,449	\$250,934	\$253,443	\$255,978	\$258,537	\$261,123
<b>Transfer to/From Reserve</b>	-\$200,000	-\$226,973	-\$9,719	-\$31,839	\$59,115	\$18,936	-\$77,369	\$129,625	\$232,675	-\$9,696
<b>Reserve Interest</b>	\$1,245	\$2,738	\$496	\$404	\$89	\$681	\$877	\$113	\$1,410	\$3,751
<b>Reserve Balance @ 30 June</b>	\$273,817	\$49,582	\$40,359	\$8,923	\$68,127	\$87,744	\$11,253	\$140,990	\$375,075	\$369,130

## 12.6.APPENDIX E - LEGISLATIVE ENVIRONMENT: ACTS AND REGULATIONS

The Shire has to meet many legislative requirements including Australian and State Legislation and State Regulations. Many of these requirements are drivers for minimum service levels in that they are levels which the Shire must meet. The current legislation which influences the Shire’s asset management are:

Legislation applicable to all Asset Categories	
Legislation	Requirement
Local Government Act, 1995 (WA)	The Act provides the principal legislative framework around which the roles, purpose, responsibilities and powers of local governments as set out. Under the Act, regulations set out a minimum requirement for all WA local governments to develop and maintain a Strategic Community Plan and Corporate Business Plan. This compels the local governments to establish long term service and asset strategies through robust asset management practices.
Environmental Protection Act, 1986 (WA)	The Environmental Protection Act 1986 provides for the formation of the Environmental Protection Authority (EPA). It also provides for the prevention, control and abatement of pollution and environmental harm and for the conservation, preservation, protection, enhancement and management of the environment.
Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Occupational Health & Safety Act 1984	The Occupational Health and Safety Act is concerned with protecting the safety, health and welfare of people engaged in work or employment. The Act’s primary goal is to instil health and safety programs to foster a safe work environment, but as a secondary effect, may also protect co-workers, family members, employers, customers, suppliers etc. In considering any property as a work site, and in planning, initiating and undertaking work on sites, full consideration and application of the Act should be given in order to identify, manage and reduce or mitigate the risk of harm to the Shire’s employees and contractors.
Aboriginal Heritage Act 1972	Regulations and requirements that the Shire must comply with relating to aboriginal heritage.
Native Title Act 1999	Regulations and requirements that the Shire must comply with in relation to the use of land.
Town Planning & Development Act 1928	Regulations and requirements that the Shire must comply with in relation to the use of land.
Conservation and Land Management Act 1984	Regulations and requirements that the Shire must comply with relating to the use of land and vegetation.
Heritage Act, 1990 (WA)	The Heritage Act provides for, and encourages, the conservation of places which have significance to the cultural heritage in the State, as well as to establish the Heritage Council of WA. Amongst other activities, the Council maintains a state register of heritage places, which are given legal protection under the Act. Generally, buildings on the register must be maintained and cannot be diminished, destroyed or concealed.
Emergency Management Act, 2005 (WA)	The Act establishes the basis for a broader framework of regulations (Emergency Management Regulations 2006), a committee structure, the prescription of agencies to fulfil the roles as hazard management agencies, combat agencies and support organisations and a suite of State level plans and policies that link the operations of emergency management. Generally, local governments often manage fire stations, as well as use buildings for emergency management centres.

**Table 0-2: Legislation, Acts and Regulations for all Asset Categories**

Roads and Footpaths	
Legislation	Requirement
Civil Liability Amendment Act 2003	In 2001, the High Court of Australia abolished the Common Law Rule exempting Highway Authorities from liability for the non-repair of roads (or non-feasance 'failure to perform an act'). A level of protection for road authorities from failure to carry out work was subsequently restored under Civil Liability Amendment Act 2003. Under subsection (2) of section 5Z of Part 1C of the Civil Liability Amendment Act 2003; "...a roads authority is not liable in proceedings to which this Part applies for harm arising from a failure of the authority to carry out work, unless at the time of failure the authority had actual knowledge of the particular risk that caused the harm."
Road Traffic Act 1974	The Road Traffic Act 1974 covers several key areas relevant to Local Authorities. Section 81 gives Local Authorities the power to effect road closures, both temporary and permanent. Sections 84 and 85 empower LA's to recover costs for certain damages to road reserve assets from the owner of the vehicle found to cause the damage. Other sections also set out the regulations for unauthorised parking and vehicles types, requirements and uses on roads.
Main Roads Act 1930	The Main Roads Act 1930 set out the framework by which Main Roads and the Commissioner operate and the regulations and requirements that the Shire must comply with in relation to use of roads. The Act focuses heavily on the function of Main Roads but also links with several key areas of Local Government. The act sets out Main Roads right of delegation of power to Local Government, ability to proclaim roads highways and main roads and power to make relevant regulations. MRWA must also consult relevant LG bodies prior to the improvement of any roads. Local Government must also comply with information requests from MRWA.
Land Administration Act 1997	Parameters for control and vesting of road reserves.
Other Standards and Regulations	Other relevant documents include, but are not limited to: AS/NZS 4360: 1995 Risk Management Main Roads Western Australia Traffic Management for Roadworks Code of Practice 2004. All other relevant State and Federal Acts & Regulations All Local Laws and relevant policies of the organisation Austroads – Australian Standards and Codes of Practice

**Table 0-3: Legislation, Acts and Regulations for Roads and Footpaths**

Property	
Legislation	Requirement
Building Code of Australia 2011	The Building Code of Australia (BCA) provides a nationally accepted and uniform set of technical requirements for all areas of building, from design to construction. Developed by the Australian Building Codes Board (ABCB) on behalf of the Commonwealth, State and Territory Governments, the BCA is referred to as the building regulation in all States and Territories.
All relevant Australian Standards and Codes of Practice	The Building Code of Australia references a number of other key standards and codes of practice which must be considered for buildings. Typically, this covers: <ul style="list-style-type: none"> <li>• Design;</li> <li>• Construction;</li> <li>• Services;</li> <li>• Management works (i.e. painting); and</li> <li>• Demolition.</li> </ul>

**Table 0-4: Legislation, Acts and Regulations for Property**

Public Open Space	
Legislation	Requirement
Environment Protection Act (unauthorised discharges) Regulations 2004	States that pesticides cannot be discharged into the environment.
OSH Regulations 1996	The guidelines for employees and employers to undertake within the work environment.
Rights in Water and Irrigation Act 1914	Licence to take water from the groundwater aquifer for the purposes of irrigation of public open space.
Dividing Fences Act	Local government exempt from 50/50 contribution for dividing fences abutting public open space.
Bush Fires Act 1954	Regulates the specifications of firebreaks.
Health (Pesticides) Regulations 1956	Regulates the possession and use of pesticides.
Health Act 1911	Discharging causing pollution to waterways.
Wildlife Conservation Act 1950	Provides for the conservation and protection of native flora and fauna.
Department of Employment & Workplace Relations - Code of Practice - Management of Hazardous Substances (NOH:1994)	Regulates the possession and use of poisons.
Other Standards and Regulations	Other relevant documents include, but are not limited to: <ul style="list-style-type: none"> <li>• Contaminated Sites Act 2003</li> <li>• Contaminated Sites Regulations 2006</li> <li>• Aboriginal Heritage Regulations 1974</li> <li>• Agricultural and Veterinary Chemicals Act 1994</li> <li>• Agricultural and Related Resources Protection Act 1976</li> <li>• Biological Control Act 1986</li> <li>• Dangerous Goods Safety Act 2004</li> <li>• Poisons Act 1964</li> <li>• All other relevant State and Federal Acts &amp; Regulations</li> <li>• All Local Laws and relevant policies of the organisation</li> </ul>

**Table 0-5: Legislation, Acts and Regulations for Public Open Space**

**12.7. APPENDIX F - RISK MANAGEMENT PROFILE**

Shire of Wandering Measures of Consequence									
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment	Project TIME	Project COST
Insignificant (1)	Near miss. Minor first aid injuries	Less than \$5,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential damage.	Contained, reversible impact managed by on site response	Exceeds deadline by 10% of project timeline	Exceeds project budget by 10%
Minor (2)	Medical type injuries	\$,5001 - \$25,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	Exceeds deadline by 15% of project timeline	Exceeds project budget by 15%
Moderate (3)	Lost time injury <30 days	\$25,001 - \$100,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	Exceeds deadline by 20% of project timeline	Exceeds project budget by 20%
Major (4)	Lost time injury >30 days	\$100,001 - \$250,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	Exceeds deadline by 25% of project timeline	Exceeds project budget by 25%
Catastrophic (5)	Fatality, permanent disability	More than \$250,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact	Exceeds deadline by 30% of project timeline	Exceeds project budget by 30%



Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix						
Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Executive Manager/ CEO
EXTREME	Unacceptable	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.

## 12.8.APPENDIX G - REFERENCES

1. Australian Bureau of Statistics, 2011 Time Series Profile: Wandering (S) (Local Government Area).
2. The Shire of Wandering (2009) Plan For The Future / Strategic Plan 2009 to 2014.
3. Shire of Wandering (2012) Strategic Community Plan and Corporate Business Plan 2012 to 2022.
4. IPWEA, 2011, International Infrastructure Management Manual, Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org.au](http://www.ipwea.org.au).

## 12.9.GLOSSARY

### **Annual service cost (ASC)**

Reporting actual cost

The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

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 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 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.

### **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 organisation'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 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.

**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.

**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 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 levels of service have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing levels of service.

**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 that contribute to meeting the needs of organisations or the 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 are often have no separate 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.

**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. Levels of service usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

**Life Cycle Cost**

**Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

**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.

#### **Loans / borrowings**

See borrowings.

#### **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 levels of service, 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 organisation 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 the Shire, 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.

**Rehabilitation**

See capital renewal expenditure definition above.

**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.

**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 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 the Shire's longer-term plans such as the asset management plan and the long-term financial plan. The AMP is prepared in consultation with the community and details where the Shire 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 AMP will be resourced.

**Specific Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, 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.

**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 Shire.

**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