PLANT ASSET MANAGEMENT PLAN 2024-2033

City of Burnside

George Bolton Swimming Centre Burnside

EXECUTIVE SUMMARY

The objective of infrastructure asset management is to ensure that assets provide their required levels of service in the most cost effective manner to cater for both present and future customers. This Asset Management plan focuses on the management of the City of Burnside's plant and equipment assets. This plan specifies the requirements for effective management of this asset group and the corresponding financial implications. The figures (condition and financial data) in this plan are reviewed annually, with a full update completed every 4 years.

Effective asset management of the City of Burnside's plant assets will contribute towards achievement of the following strategic objectives:

ENVIRONMENT:

- Adapt and mitigate for climate change
- Use natural resources efficiently and minimise waste

PLACE:

- Attractive streets and neighbourhoods with easy access and movement and encouragement of greener transport

PRINCIPLES:

- Service Sustainability
- Communication and Engagement
- Improvement and Innovation
- Governing with Integrity

The total current replacement cost of the City of Burnside's plant assets is around $8.6m. The projected renewal expenditure necessary to meet the service standards for these assets averages around $1.2m per year over the next 10 years. This is the average annual level of spend required to ensure all assets are maintained in accordance to current standards and renewed at appropriate times. Actual annual expenditure requirements will differ from year to year as specific assets are due to be renewed.

Community consultation feedback in relation to this Asset Management Plan was positive. When asked how important it is that Council invest in tools and equipment that are environmentally sustainable and cost-effective, 97% of respondents were in favour. When asked how important it is that Council works toward progressively improving the environmental impact of its fleet vehicles, 93% of respondents were in favour.


HIRE

REVISION HISTORY

REVISION	DESCRIPTION	DATE
0.1	Draft for community consultation	May 2023
1.0	Final for approval	January 2024

TABLE OF CONTENTS

FREQUENTLY ASKED QUESTIONS

What is an asset?

An asset is an item of property owned by the Council regarded as having value. Council's assets range from roads and footpaths to buildings, playgrounds, stormwater infrastructure and street furniture.

What is an asset management plan?

The purpose of an asset management plan is to help an organisation effectively manage their infrastructure and other assets to an agreed standard of service. The plan outlines what needs to be invested in each asset group in order to meet these defined service standards over the next ten years.

What is an asset group?

An asset group refers to a set of assets that have similar characteristics or purpose. For example, 'transport assets' all help to contribute towards enabling transport and movement across the city.

What is a service level?

A service level (or level of service) refers to a defined level of quality against which service performance can be measured. Service levels can relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

How do we determine service levels?

Service levels have been developed based on legislative requirements, customer research and feedback, and strategic goals.

What are the objectives of asset management?

The basic premise of infrastructure asset management is to intervene at strategic points in an asset's life cycle to extend the expected service life, and thereby maintain its performance. Generally speaking, the cost of maintaining an asset decreases with planned maintenance rather than unplanned maintenance, however, excessive planned maintenance increases costs. An objective of asset management is to strategically time infrastructure renewals before unplanned maintenance costs become excessive, but not so soon that assets are renewed before it is really needed.

Council's goal in managing infrastructure assets is to meet the required levels of service in the most cost effective manner for present and future customers.

How do we determine when renewals are required?

Renewals are determined by considering the ability of an asset to meet an agreed standard of service. This is done by regularly reviewing the condition and performance of assets and using that information as a basis to prioritise renewals.

Why does Council need an Asset Management Plan?

Under section 122 of the Local Government Act, the City of Burnside has a legislative requirement to develop Asset Management Plans. In addition to the legislative requirement, there is a need for the Council to ensure effective investment in assets which need it most by having a planned, systematic approach to Asset Management.

How does Council include community feedback into the Plan?

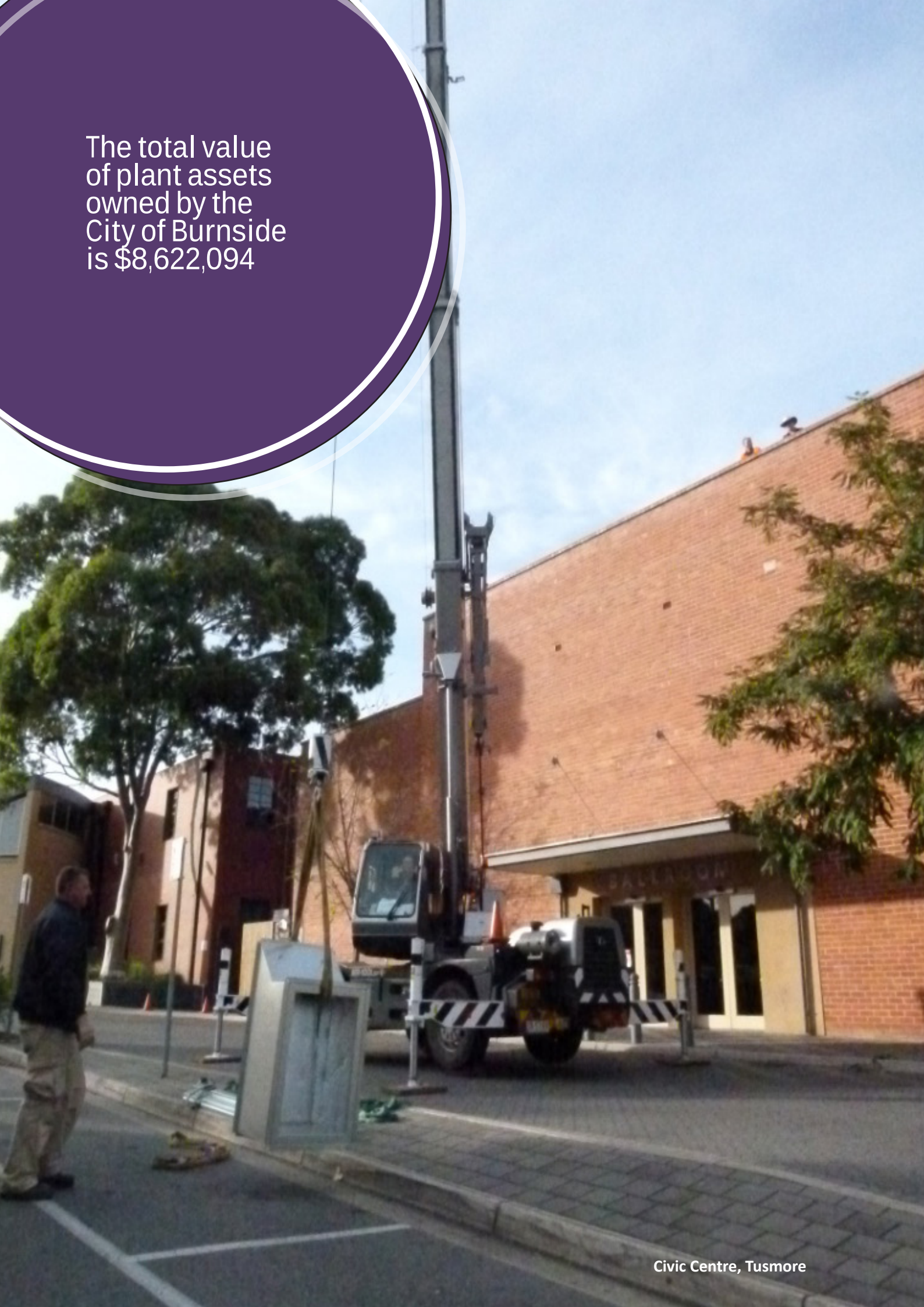
Council includes community feedback into Asset Management Plans in a number of ways:

- Through information provided via our annual community survey
- Through review of common customer requests and complaints in our Customer Request Management (CRM) system, and
- Through a formal community engagement process where the community is invited to provide feedback on draft Asset Management Plans, which is then incorporated into the final documents.

Further information on other terms used within this Asset Management Plan can be found in the glossary section of this document.

The Shed, Glenside

The total value of plant assets owned by the City of Burnside is $8,622,094



Civic Centre, Tusmore

PLANT INFRASTRUCTURE SUMMARY

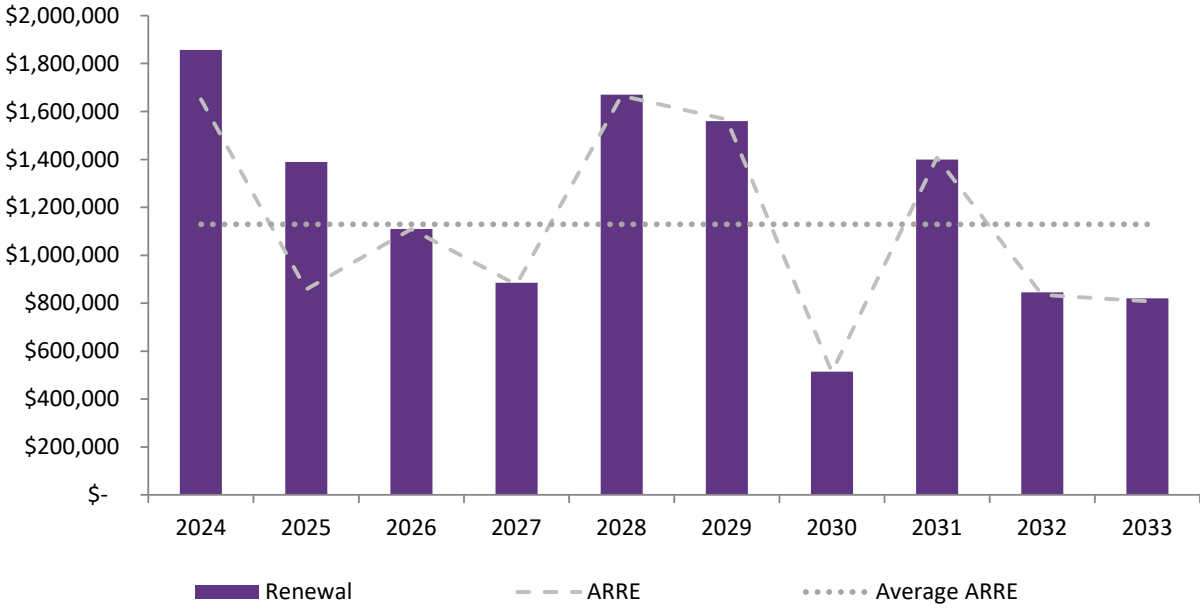
VALUE:

Type	Value
Council equipment	$1,816,277
Major plant	$4,259,136
Minor plant	$483,630
Vehicles	$2,063,051
TOTAL:	$8,622,094

QUANTITIES and AGE:

Type	Quantity	Average Age (y)
Council equipment	199	7.8
Major plant	64	6.7
Minor plant	215	4.9
Vehicles	57	2.7
TOTAL:	535	

PROJECTED CAPITAL EXPENDITURE:



INTRODUCTION

The City of Burnside's plant and equipment assets comprise a diverse range of assets. Although many of these assets do not provide a direct service to the community, they are instrumental in providing Council staff the tools required to undertake their work. These assets must be properly maintained and renewed to continue to provide adequate service to all users. This plan demonstrates Council's responsive management of plant and equipment assets, compliance with regulatory requirements and proposed funding requirements to provide the required levels of service.

This plan demonstrates how Council will achieve this outcome by applying the principles of responsible Asset Management Planning, the object of which is to deliver the required level of service to existing and future customers in the most cost effective way.

The key elements of infrastructure asset management are:

- Taking a 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
- Continuous improvement in asset management practices

The contribution of plant and equipment assets towards the strategic goals and Asset Management objectives will be achieved by:

- Stakeholder consultation to establish and confirm service standards.
- A regular program of inspections and monitoring activities to assess asset condition and performance.
- Application of a systematic analysis to prioritise renewals and establish the most cost effective works programs.
- Continuously reviewing and improving the quality of Asset Management practices.

The Asset Management Plan is to be read in conjunction with the Asset Management Policy, Asset Management Strategy, Long Term Financial Plan, Annual Business Plan and Budget, Burnside 2030 Strategic Community Plan, other Asset Management Plans, Disability Access and Inclusion Plan, Community Land Management Plans and relevant Council Strategies and Policies.

The key elements of the asset management plan are:

- Levels of service
- Future demand
- Asset management practices
- Life cycle management
- Financial management
- Improvement and monitoring

Assets must be properly maintained to continue to provide service for the community

LEVELS OF SERVICE INPUTS

COMMUNITY SURVEY FEEDBACK:[1]

95% considered provision and maintenance of infrastructure important

ASSET MANAGEMENT PLAN COMMUNITY CONSULTATION FEEDBACK:[2]

Q It is important that Council invests in tools and equipment that are environmentally sustainable and cost-effective

		2023
97%	strongly agree	38%
	agree	45%
	neutral	14%
	disagree	2%
	strongly disagree	1%

Q It is important that Council works toward progressively improving the environmental impact of its fleet vehicles

		2023
93%	strongly agree	30%
	agree	43%
	neutral	20%
	disagree	5%
	strongly disagree	2%

Consistent with previous iterations of Council's Asset Management Plans, 'strongly agree', 'agree' and 'neutral' responses have been grouped in the community consultation feedback.

This grouping will be reviewed as part of a future review of the Asset Management Plans.

Community consultation feedback in relation to this Asset Management Plan was positive. When asked how important it is that Council invest in tools and equipment that are environmentally sustainable and cost-effective, 97% of respondents were in favour. When asked how important it is that Council works toward progressively improving the environmental impact of its fleet vehicles, 93% of respondents were in favour.

CITY OF BURNSIDE STRATEGIC PLAN:

Priorities:

- Adapt and mitigate for climate change
- Use natural resources efficiently and minimise waste
- Attractive streets and neighbourhoods with easy access and movement and encouragement of greener transport

Principles:

- Service Sustainability
- Communication and Engagement
- Improvement and Innovation
- Governing with Integrity

LEGISLATIVE:

Local Government Act 1999
Civil Liabilities Act 1936
Work Health and Safety Act 2012

1 City of Burnside Annual Community Survey 2017
2 Asset Management Plan Community Consultation Feedback 2023

LEVELS OF SERVICE

The levels of service defined in this section will be used to:

- Clarify the level of service that our customers should expect.
- Identify works required to meet these levels of service.
- Enable Council and customers to discuss and assess the suitability, affordability and equality of the existing service level and to determine the impact of increasing or decreasing this level in future.

The adopted levels of service for plant assets are based on legislative requirements, customer research and expectations, and strategic goals.

The primary objectives of plant and equipment assets is that they are safe, convenient, regularly maintained, and meet the needs of the people who use them.

The following tables define service levels for plant and equipment assets:

TABLE 1: PLANT AND EQUIPMENT LEVELS OF SERVICE

PERFORMANCE CATEGORY	SERVICE EXPECTATION	PERFORMANCE MEASURE PROCESS	PERFORMANCE TARGET	CURRENT PERFORMANCE
Function	Plant and equipment operate with minimal disruption to service	Plant disruptions during operation	<30 breakdowns per year	Over the past 5 years, there has been an average of 37 breakdowns per year for major plant
Capacity	Passenger (fleet) vehicles available for booking when required	Minimal instances where a vehicle is not available	<2 instances per week when a vehicle is not available when needed	Baseline to be established
Environmental	Plant assets are environmentally considered	New vehicles meet ADCAP and emission ratings	All vehicles meet ANCAP (Australasian New Car Assessment Program) and emission ratings	Met
Capacity	Plant is not under or over utilised	Inspections, reports, customer service requests	Minimum idle hours	Baseline to be established
Function	Optimum lifecycle management decisions made at time of asset renewal	Assets replaced with environmentally friendly and cost-effective alternatives that can perform the same or better service	No breakdowns due to assets exceeding their useful life	Met
Safety	No WHS issues related to plant assets	Inspections, reports, customer service requests	No safety incidents as a result of faulty plant in a year	Met
Function	Plant is fit for purpose	Plant can perform the task it was purchased for	Efficiency of work	Met

FUTURE DEMAND

This section of the plan analyses potential factors effecting demand including population growth, social and technology changes. The impact of these trends is examined and strategies recommended as required to modify demand without compromising customer satisfaction.

DEMAND FORECAST

Factors affecting demand include (but are not limited to) population change, changes in demographics, seasonal factors, consumer preferences and expectations, economic factors, and environmental awareness. The population association with the Glenside redevelopment over the next 10 years, as the site is progressively developed.

CHANGES IN TECHNOLOGY

The following discusses high-level potential changes in technology and their potential impact.

Emerging technologies and influences such as self-driving cars, machine learning, the Internet of Things, virtual reality, artificial intelligence, smart technologies, mobility solutions and data warehousing all can affect demand and practices, however, it is not anticipated that these will produce a significant impact within the 4-year life of this asset management plan.

The increasing use of hybrid vehicles and the purchase of e-bikes has seen some significant cost and environmental savings for Council in recent times and will continue to be progressed.

Smart Cities technologies will also continue to be further investigated and trialled where appropriate.

Council's goal to become carbon neutral by 2030 means purchases will increase in cost as Council purchases carbon neutral vehicles and plant, however in most instances they result in reduced operating costs.

DEMAND MANAGEMENT PLAN

The key long-term strategy is to manage demand so that services can still be provided into the future at a reasonable cost.

Council currently manages demand in relation to plant and equipment assets through several corporate and strategic documents, including:

- Burnside 2030 Strategic Community Plan
- Individual Master Plans and Management Plans
- General use pool car project – June 2022
- Fleet Management Policy

NEW ASSETS FROM GROWTH

Unless Council resolves to increase service levels in relation to maintenance of outdoor space or infrastructure, there is unlikely to be a material increase in new plant assets required in the future.

Council e-bike

ASSET MANAGEMENT PRACTICES

This section identifies the strategies, practices and guidelines supporting Asset Management at the City of Burnside.

STANDARDS AND GUIDELINES

Asset Management practices and processes are guided by a number of legislative requirements and assisted by developed guidelines and standards.

• Local Government Act 1999 (sets outs Councils Asset Management responsibility and the requirement to develop asset management plans)

• Australian Accounting Standard 27 Financial Reporting by Local Governments 1996 (sets out the asset accounting requirements)

• International Infrastructure Management Manual, NAMS (Provides guidance and direction on asset management policy and plan development)

• AS ISO 55000:2014 Asset Management- Overview, principles and terminology (Provides guidance around frameworks for effective asset management)

ACCOUNTING/FINANCIAL SYSTEMS

Council utilises 'TechnologyOne' software as Council's financial management and accounting system. Incorporated into 'TechnologyOne' are facilities to manage fixed assets across the organisation with extensive functionality and reporting for the full lifecycle of assets providing full transparency from acquisition to disposal. The system also offers a total and comprehensive

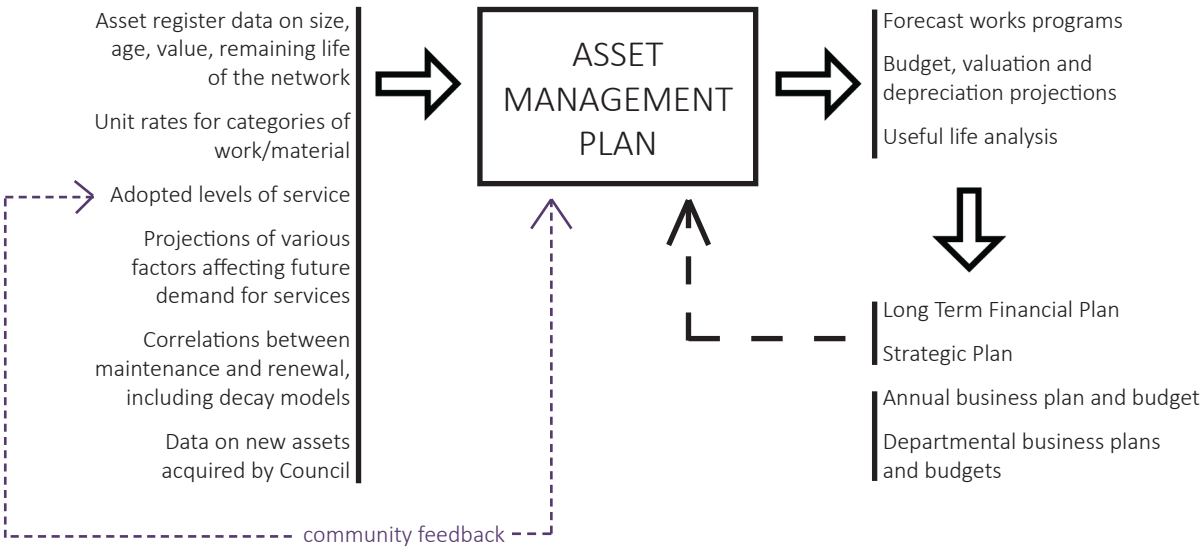


FIGURE 1: ASSET MANAGEMENT INFORMATION FLOWCHART

purchasing solution encompassing controlling, maintaining and streamlining of purchasing activities across the organisation.

ASSET MANAGEMENT SYSTEMS

Council utilises 'TechnologyOne' software as Council's asset management system. This ensures there is full integration between operating and financial functions. Council utilises a combined Financial / Operational Asset register that avoids any reconciliation issues that arise from two separate registers.

TechnologyOne IntraMaps is the corporate GIS. The GIS is predominantly used to show information such as cadastral, topographic, aerial information and asset location. It is a computer mapping system that graphically represents the geographic component of data that is housed within TechnologyOne.

RISK MANAGEMENT

The objective of the risk management process with regards to plant assets is to ensure:

- All significant operational and organisational risks are understood and identified
- The highest risks that need to be addressed in the short to medium term are identified
- Strategies and treatments to address risks are identified and applied

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

The key risk management criteria relating to Council's plant assets include:

- Work health and safety
- Service provision
- Environmental and legal compliance
- Security, theft and vandalism
- Business interruption
- Financial risk (escalating costs in deterioration)
- Asset damage through accidents

According to the World Bank Group, "asset management, when undertaken according to best practice, is already one of the most significant climate adaptation strategies".

By continuing to ensure that the City of Burnside has the best possible information about its assets, the Council is able to better predict future demand and account for any potential required changes as a result of climate change.

Risk identification for plant assets can be identified from a number of resources such as:

- Pre-purchase plant assessments
- Routine inspections
- Information from Council's Asset Management System
- Information obtained from incidents
- Advice from professional bodies
- Past experience.

Risk ratings are determined using the City of Burnside's risk matrix:

TABLE 2: RISK RATING MATRIX

	Consequence				
Likelihood	**Insignificant**	**Minor**	**Moderate**	**Major**	**Severe**
Certain	11 Medium	16 High	20 High	23 Extreme	25 Extreme
Likely	7 Medium	12 Medium	17 High	21 High	24 Extreme
Possible	4 Low	8 Medium	13 Medium	18 High	22 Extreme
Unlikely	2 Low	5 Low	9 Medium	14 Medium	19 High
Rare	1 Low	3 Low	6 Low	10 Medium	15 High

Once risks have been assessed and rated, the most significant risks (those rated as high or extreme) are isolated for treatment/control. Those identified as moderate or low will continue to be monitored and reviewed if circumstances change.

Options to treat risk posed by plant assets include (but not limited to):

- Risk elimination
- Reduction in the cause or likelihood of the event occurring
- Reduction in the consequence or severity of the event if it were to occur
- Increasing proactive maintenance
- Initiating improvements, which could include amending operating processes or procedures
- sharing risk through insurance or contracts
- accepting the risk as-is

TABLE 3: STRATEGIC RISKS RELATING TO ASSETS

Risk	Risk Rating	Treatments in place
Lack of consideration to long-term environmental outcomes including climate change when delivering major projects that result in a detrimental impact to future generations.	13 Medium	Procurement Policy, Environmental Sustainability Strategy + reporting, circular procurement, renewable energy initiatives, Climate Change Policy
Inefficient and/or inappropriate resource planning and allocation may impact the delivery of key council services and management of assets	9 Medium	Strategic community plan, Annual Business Plan, LTFP, AMPs
Extreme weather events cause significant damage to the natural environment, Council and community assets and infrastructure resulting in unplanned capital renewal, maintenance works, or costs.	19 High	Emergency response plan, Crisis management plan, Civic centre and depot have onsite emergency power generation
Ineffective or outdated strategic planning which are not aligned to community expectations and/or demographics leading to a lack of investment or inefficient allocation of resources	17 High	Community Engagement (public consultation) policy, Annual community survey, AMP consultation, Strategic plan consultation, City master planning
Significant injury, disablement, or death of a worker or member of the public due to a failure to adequately protect their health and safety.	15 High	AMPs ensure assets maintained appropriately, audited WHS and risk management system, Routine audit and asset inspection program
Unanticipated changes to State or Federal Government priorities and legislation may impact Council strategic objectives, service delivery, and community expectations.	9 Medium	Involvement in legislative consultation processes, in-house governance, advocacy programs
The Council does not fund and meet the community expectations in regards to asset management.	10 Medium	AMPs integrated with financial planning inc LTFP, consulted with community, reviewed by audit and risk committee, approved by Council
Council doesn't adapt or adopt strategic innovative advances including different technologies which may result in missed opportunities and/or not meeting customer expectations.	9 Medium	AMPs consider technological advances likely to affect long term plans
Supply chain issues related to availability, cost, etc adversely impacting upon Council's strategic workplans and projects.	13 Medium	Procurement policy and practices to address supply chain issues as well as possible

*Risk rating = residual risk rating with treatments in place
Note: risks highlighted above are taken directly from Council's strategic risk register

LIFECYCLE MANAGEMENT PLAN

This section outlines asset performance and condition information, and uses Asset Management principles to develop broad strategies and specific work programs to achieve the service standards previously outlined.

It presents an analysis of available asset information and the life cycle management plans covering the three key work activities to manage plant assets.

- Maintenance Plan- Activities undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.
- Renewal Plan- Provides a program of progressive renewal of individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.
- Enhancement Plan- Provides a program of works to create new assets or substantially upgrade existing assets. Primarily driven by community, growth, social and/or environmental needs/desires.

Civic Centre, Tusmore

PHYSICAL PARAMETERS

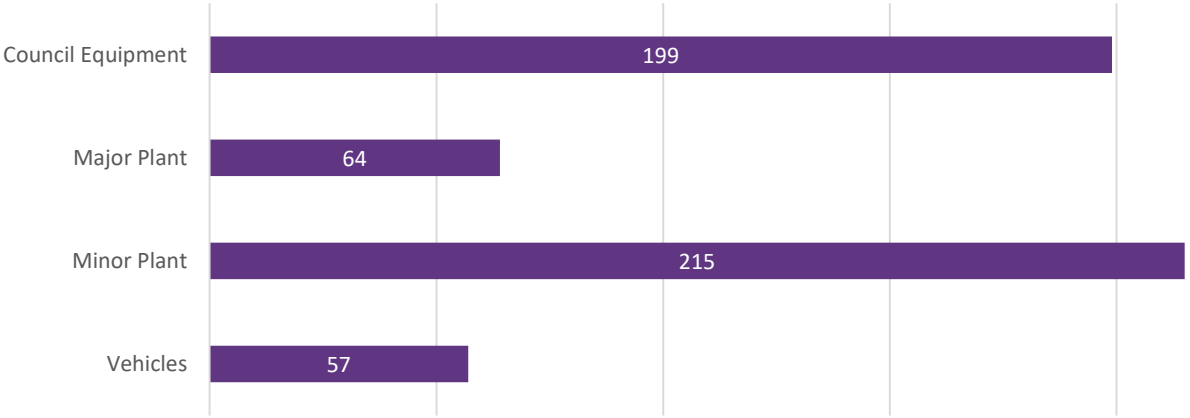


FIGURE 2: PLANT ASSET QUANTITIES

ASSET CONDITION

For plant assets, common practice is to use age as an indicator of condition, and base renewals accordingly. Council's plant and equipment age profile is shown below.

Type	Average Age (y)
Council equipment	7.8
Major plant	6.7
Minor plant	4.9
Vehicles	2.7

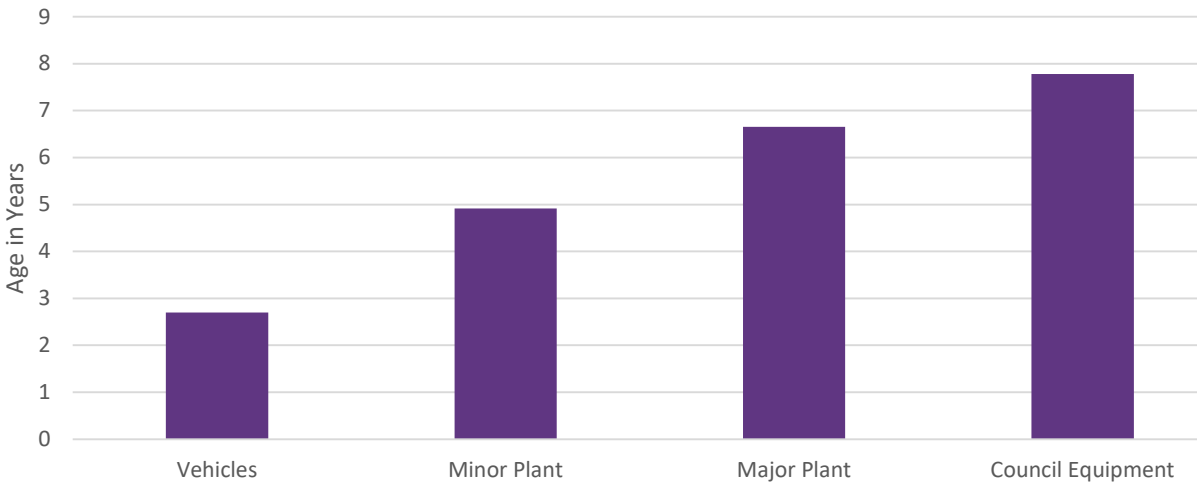


FIGURE 3: PLANT ASSET AVERAGE AGE


VOLVO

ASSET VALUATIONS

The value of Council's plant assets as at 2022/23 is summarised in the table below.

TABLE 4: ASSET VALUATION FIGURES

Asset Group	Current Replacement Cost	Depreciated Amount	Depreciated Replacement Cost	Annual Depreciation
Council equipment	$1,816,277	$1,030,622	$785,655	$182,745
Major plant	$4,259,136	$1,565,938	$2,693,197	$446,467
Minor plant	$483,630	$296,213	$187,417	$52,447
Vehicles	$2,063,051	$555,888	$1,507,163	$435,872
TOTAL	**$8,622,094**	**$3,448,661**	**$5,173,433**	**$1,117,531**

MAINTENANCE PLAN

Routine maintenance is the regular on-going work necessary to keep assets operating. Maintenance includes reactive and proactive work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. An example of this type of maintenance is urgent repairs due to flat tyre, flat battery, etc.

Proactive 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. Maintenance expenditure trends are shown below.

MAINTENANCE EXPENDITURE

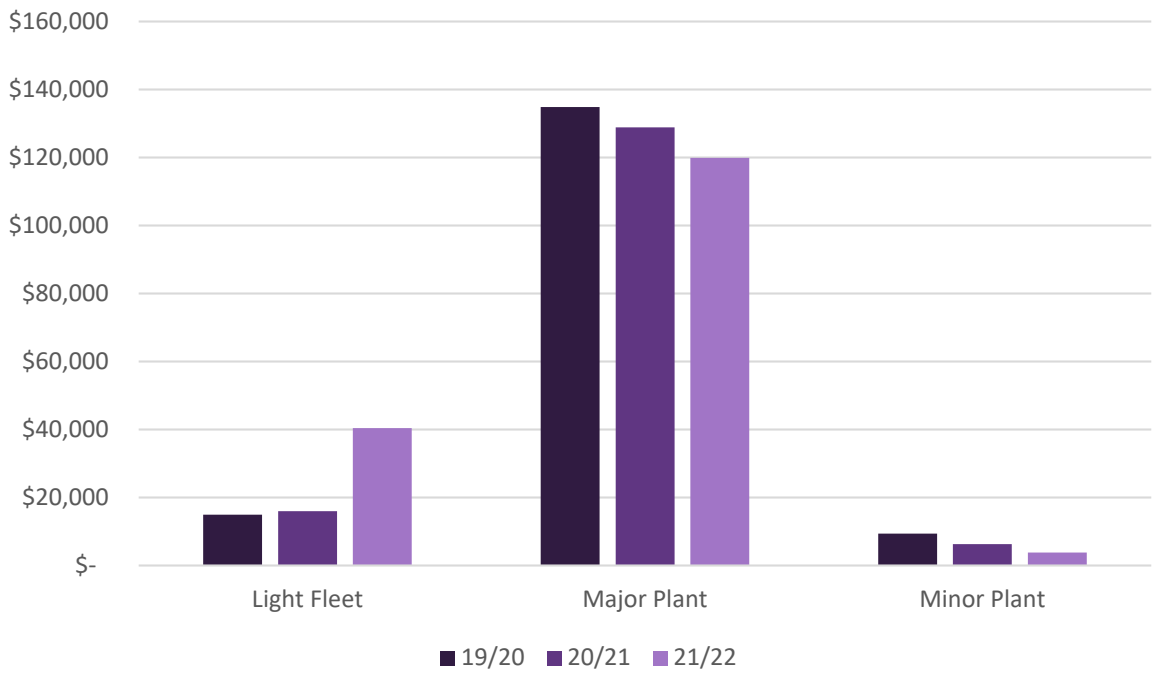


FIGURE 4: MAINTENANCE EXPENDITURE TRENDS

Maintenance expenditure for Major and Minor Plant has generally trended downward over the past few years as more assets are renewed or replaced, requiring less maintenance work. Major Plant maintenance figures have also decreased as a result of analysis of plant usage being utilised to ensure plant is maintained in accordance with hours of operation. During the COVID-19 pandemic, there was less work required and less staff to perform the work, which resulted in less instances of plant breakdown.

Minor Plant maintenance figures are expected to continue to decrease in future years as more plant is battery-powered, requiring less maintenance and less moving parts capable of breakdown.

The Light Fleet maintenance figures have increased with the Technical Services and Operations department taking responsibility of these assets in 2021/22, resulting in more accurate data being available. This figure is expected to decrease over the next few years with more petrol vehicles being replaced with hybrid models.

STANDARD AND SPECIFICATIONS

Maintenance work is carried out in accordance with the following specifications:

- Contract Document WKS0215
- Manufacturer's Specifications
- Standard Operating Procedures

Civic Centre, Tusmore

RENEWAL PLAN

Renewal expenditure is major work that restores, rehabilitates, replaces or renews an existing asset.

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register. Proposed renewals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled into future works programs.

RENEWAL PRIORITISATION

The decision to renew an existing plant asset is based on the condition of the individual assets, their relative importance and use, and related risk.

RENEWAL STANDARDS

Renewal work is generally carried out to current standards and capacity (or modern equivalent), unless there is solid justification and data to support a change.

REQUIRED RENEWAL EXPENDITURE

Projected future renewal expenditure is forecast to remain relatively stable on average. In the first couple of years some additional funding has been allocated to address the existing backlog, and allowance has been made for the George Bolton Swim Centre pool heater upgrade. All costs are shown in current 2022/23 dollar values.

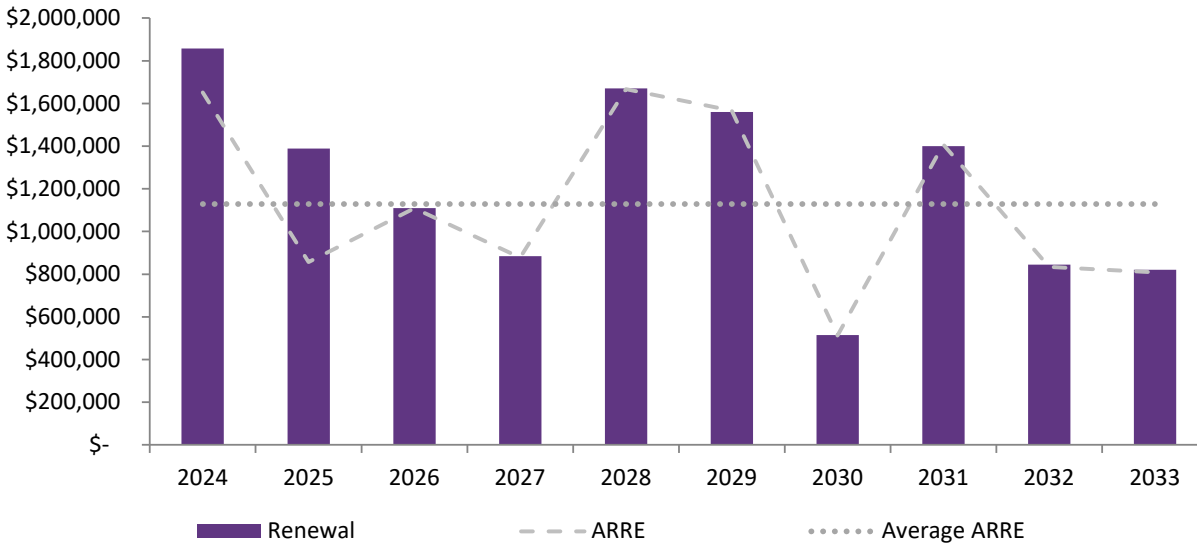


FIGURE 5: FORECAST RENEWAL EXPENDITURE

IMPACT OF DEFERRING RENEWAL WORKS

Renewal works may be deferred if the cost (or aggregate cost) is beyond the current financial ability to fund. This can occur when there are short term renewal profile peaks, or higher priority works are required on other infrastructure asset groups.

When renewal works are deferred, the impact of the deferral on the assets ability to still provide the required level of service will be assessed. Although the deferral of some renewal works may not impact significantly on the short-term operation of the assets, repeated deferral will create a liability (backlog) in the longer term, and this needs to be taken into account before making a decision to defer.

DISPOSAL OF ASSETS

Utilisation data of Council's plant will dictate if an asset is still required or can be disposed. If an asset is utilised infrequently then the plant will be hired for the occasions when needed.

There is occasionally some loss on disposal incurred where assets fail earlier than expected. This occurs as useful lives are developed based on the average lifespan for a particular type of asset, and there are occasionally exceptions where individual assets do not last quite as long as anticipated. This loss is minimised by regularly reviewing the actual lifespans of assets and undertaking revaluations to adjust useful lives where required.

ENHANCEMENT PLAN

New works are those works that create a new asset that did not previously exist. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development or through 'gifts' provided to the Council.

Council's required plant assets are forecast to remain stable over the next 10 years. As such, financial investment is purely in renewing these assets as required- there is no identified need for new assets at this point in time.

FINANCIAL SUMMARY

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

FINANCIAL PROJECTIONS

Figure 6 highlights the financial projections for planned operating (maintenance) and capital expenditure (renewal and new) for plant assets. The target is to retain relatively stable levels of operating expenditure for all asset types.

Projected expenditure is to be funded from Council's maintenance, operating, and capital budgets. The funding allocation is detailed in Council's 10-year Long Term Financial Plan (LTFP).

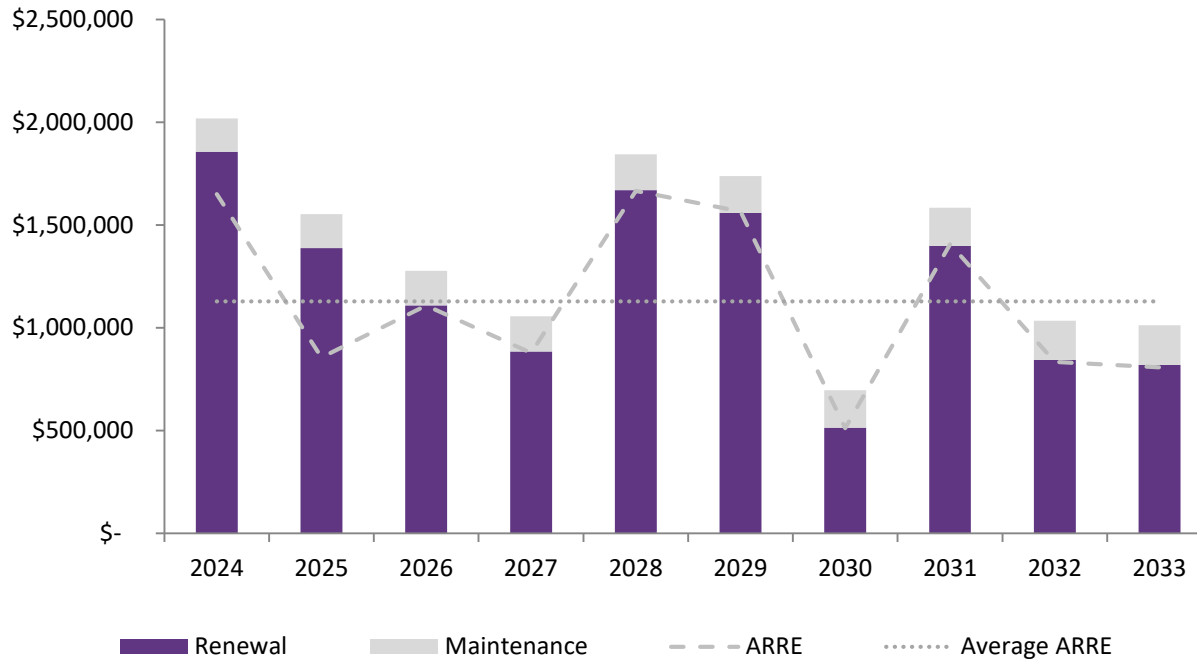


FIGURE 6: TOTAL FORECAST EXPENDITURE - PLANT ASSETS

Projected future renewal expenditure is forecast to remain relatively stable, with the exception of the first year where additional funding has been allocated to address the existing backlog. All costs are shown in current 2022/23 dollar values.

KEY ASSUMPTIONS

This section details the key assumptions made in presenting the information contained in this infrastructure and 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 infrastructure and asset management plan are:

- All costs are shown in 2022/23 financial year dollar values.
- General assumptions have been made in the replacement of assets based on the asset type. For example, petrol powered minor plant is now generally replaced with battery powered plant.

PLAN IMPROVEMENT AND MONITORING

MONITORING AND REVIEW PROCEDURES

The figures within this infrastructure and asset management plan will be reviewed annually as part of Council's long term financial plan review process and amended to recognise any changes in service levels, valuations, conditions and/or resources available to provide those services.

The Plan has a life of 4 years and is due for full revision and updating within 2 years of each Council election.

IMPROVEMENT PLAN

Council is committed to working to continuously improve the quality and rigour of our Asset Management practices. The asset management improvement plan generated from this infrastructure and asset management plan is shown below.

TABLE 5: IMPROVEMENT PLAN

Item	Task	Responsible Department	Target Date	Funded By
1	Maintenance Service Agreement – establish current levels of service, covering maintenance activities and service standards, to reflect the work undertaken with the current budget	Technical Services and Operations	June 2023	Internal Resources
2	Risk Assessment – examine and assess potential risks associated with plant and equipment	Technical Services and Operations	Ongoing	Internal Resources
3	Use feedback obtained from annual community survey to confirm and / or update asset management plan	Technical Services and Operations, Environment and Infrastructure	Ongoing	Internal Resources

The City of Burnside is committed to continuously improving the quality and rigour of our asset management practices

Burnside Town Hall, Tusmore

GLOSSARY

	Term	Definition
A	Annual Required Renewal Expenditure (ARRE)	The amount needed to be spent in a given year to maintain assets to their agreed level of service.
	Annual service cost (ASC)	The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue
	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 preventative or remedial action
	Asset group	Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37)
	Asset management	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.
	Assets	Resources owned by the organisation which have future economic value (AAS27.12).

Term	Definition
Average annual asset consumption (AAAC)	The value of asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.
B	
Backlog	Refers to renewal work that has not been carried out, which is required to bring the condition of the asset up to a standard that will enable it to meet agreed service levels.
Brown-field asset values	Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.
C	
Capital expenditure	Expenditure which contributes to or results in a physical asset. Also referred to as Capital Investment Expenditure.
Capital grants	Monies received from another party, which are generally tied to the specific projects for which they are granted.
Capital new expenditure	Expenditure which creates a new asset that is additional to Council's previous asset complement.
Capital renewal expenditure	Expenditure to replace or rehabilitate an existing asset.
Component	An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system
Componentisation	The practice of considering the components of a fixed asset individually, to account for the fact that these components have unique physical and economic lives.
Cost of an asset	The amount of cash or cash equivalents paid or the fair value given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs

	Term	Definition
	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 with the same economic benefits allowing for any differences in the quantity and quality of output and in operating costs
	Current replacement cost 'as new' (CRC)	The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset.
	Cyclic maintenance	Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle.
D	Depreciable amount	The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)
	Depreciated replacement cost (DRC)	The current replacement 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
E	Economic life	Refer useful life
F	Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms-length transaction
G	Greenfield asset values	Asset (re)valuation values based on the cost to initially acquire the asset
	Group of assets	Refer asset group
H	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.

	Term	Definition
I	Infrastructure assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. 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 market value
L	Level of service	The defined service quality for a particular service from an asset. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.
M	Maintenance and renewal gap	Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (eg 5, 10 and 15 years)
	Maintenance 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.
	Modern equivalent asset	A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design.
N	Non-revenue generating investments	Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.
O	Operating expenditure	Expenditure which does not result or contribute to a physical asset.
P	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.
R	Rate of annual asset consumption	A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA).

	Term	Definition
	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).
	Reactive maintenance	Unplanned repair work that carried out in response to service requests and management/supervisory directions.
	Recoverable amount	The higher of an asset's fair value less costs to sell and its value in use
	Remaining life	The time remaining until an asset ceases to provide the required service level or economic usefulness.
	Renewal	Refer capital renewal expenditure
	Residual value	The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal
	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, 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.
S	Section or segment	A self-contained part or piece of an infrastructure asset.
	Strategic plan	Documents Council objectives and goals for a specified period (3-5 yrs).
U	Useful life	Either: (a) the period over which an asset is expected to be available for use by an entity, or (b) the number of production or similar units expected to be obtained from the asset by the entity. It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council.


City of
Burnside