

Norfolk Island Regional Council

Roads Asset Management plan



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1.0 Executive summary

What is this plan about?

This asset management plan covers all Roads, Bridges, Culvert and Drainage assets that are owned by the Norfolk Island Regional Council and are used in the delivery of services to the people of Norfolk. These assets are as tabulated in Table 5.3

What is an Asset Management Plan?

Asset management planning is a comprehensive process to ensure services are delivered in a financially sustainable manner. Asset management plan details information about assets including actions required to provide an agreed level of service in the most cost effective manner. The Plan defines the services to be provided how the services are provided and what funds are required to provide the services

Why there is a funding shortfall?

Most of the Council's building assets were constructed using Administration of Norfolk island revenues or donations, often accepted without consideration of ongoing operation, maintenance and replacement needs.

Many of these assets are approaching the later years of their life and require replacement, services from the assets are decreasing and maintenance costs are increasing. Council's present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the assets inventory at component level, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, renewing the replacing existing assets to optimise life cycle costs
3. Identifying and managing risks associated with providing services from roads
4. Making a trade-off between service levels and costs to ensure that the community receives the best return from roads
5. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs
6. Consulting with the community to ensure that building services and costs meet community needs and are affordable
7. Developing partnership with other bodies or contract out, where available to provide services
8. Seeking additional funding from governments and other bodies to better reflect a "whole of government" funding approach to roads services

What happens if we don't manage the shortfall?

Council will keep and maintain the current level of service for assets, however it is likely council will defer asset upgrade projects unless new sources of revenue are found.

What can we do?

Council can develop options, costs and priorities for future building services, consult with the community to plan future services to match the community service needs with ability to pay for services and maximise community benefits against costs.

What can you do?

Council will be pleased to consider your thoughts on the issues raised in the asset management plan and suggestions on how council may change or reduce its building mix of services to ensure that the appropriate level of service can be provided to the community within available funding

2. Introduction

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 20 year planning period.

The asset management plan follows the format for AM Plans as recommended in International Infrastructure Management Manual.

The asset management plan is to be read with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:



2.2 Norfolk Island Community and Strategic Plan

This plan is initiated by, and is owned by the community. To ensure that aspirations are realised a concerted effort from all sectors of the community is required to ensure its effectiveness

The plan contains a vision for Norfolk Island and recommends strategic objective and future directions. Due to uncertainty of funding arrangement of this newly formed council significant challenges lay ahead in the next 10 year plan cycle. The community will need to raise revenue to meet the services and road asset requirements. The community plan identifies council's role in realisation of a sustainable future on this Island.

2.3 Plan framework

- Levels of service – specifies the services and levels of service to be provided by council
- Future demand – how this will impact on future service delivery and how this is to be met

- Life cycle management – how we will manage our existing and future assets to provide defined levels of service
- Financial summary – what funds are required to provide the defined services
- Asset Management practices
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation’s objectives
- Asset management improvement plan

2.4 Core and advanced Asset Management

This asset management plan is prepared as a “core” asset management plan over a 10 year planning period. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a “top down “approach where analysis is applied at the network level.

2.5 Community Consultation

This ‘core’ asset management plan is prepared to facilitate community consultation initially through feedback on public display of draft asset management plans prior to adoption by the council. Future revision of the asset management plan will incorporate community consultation on service levels and costs of providing the service. This will assist the council and the community in matching the level of service needed by the community, service risks and consequences with the community’s ability and willingness to pay for the service

3. Levels of service

3.1 Customer Research and Expectations

The council has not carried out any detailed research on customer expectations with regards its assets. This will be investigated for future updates of the asset management plan.

3.2 Community levels of service

Relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance

Community levels of service ensures used in the asset management plan are

- Safety Is the service safe?
- Quality How good is the service?
- Function Does it meet user’s needs?

Technical levels of service – Supporting the community service levels are operational or technical measure of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleaning frequency, etc

- Maintenance- The activities necessary to retain an assets as near as practicable to an appropriate service condition (eg. building and structure repairs)
- Renewal – Renewal to maintain assets for maintaining the service levels
- Upgrade – the activities to provide an higher level of service

Asset management plan, implement and control technical service levels to influence the customer service levels our current service levels are detailed in the following table

Current and desired service levels

Key Performance Measure	Level of service	Performance measure process	Desired level of service	Current level of service
Quality	Provide quality building, recreational and sporting facilities	Customer requests and or complaints	Buildings maintained to Australian standards	
Function	Ensure facilities meet user expectations	Customer request and or complaints	Ensure that all buildings are fit for purpose	Planned and maintenance will come into existence after 1 July 2017
Operations	Ensure that all buildings are consistently presented in a tidy and well maintained condition suited to their intended purpose	Customer notification and complaints	Buildings maintained to building standards	Provision and operations of buildings currently meets user expectations
Maintenance	Compliance with legislation and standards to be phased in by July 2019 subject to funds for upgrade	Customer notification / complaints	Customer notifications and complaints	

3.4 Desired levels of service

Indications of desired levels of service are obtained from community consultations/ engagement. Further community consultation through the public exhibition period of this asset management plan to develop levels of service that are financially sustainable and meet community expectations

4 Future Demand

4.1 Demand drivers

Factors affecting demand include population change, changes in demographics, seasonal factors, rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, and divestment or outsourcing of services.

4.2 Demand forecast

There is expected to be little change in demand due to population growth. The Norfolk Island regional council's population has seen up's and down's and has averaged to a stable figure as indicated in the table from Australian Bureau of Statistics.

5. Lifecycle Management Plan

The lifecycle management plan details how council plans to manage and operate the assets at the agreed levels of service while optimising life cycle costs

5.1 Asset condition rating

Condition is measured using a 1-5 grading system as detailed

Condition Grading	Description of condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair : significant maintenance required
4	Poor: significant renewal/ rehabilitation required
5	Very poor: physically unsound and / or beyond rehabilitation

5.2 Asset capacity and performance

The council's services are generally provided to meet the expectations of the community at par with the levels set up by the former entity 'Administration of Norfolk Island'

Buildings	Service Deficiency
All roads, Bridges, Culverts	Since the Administration operated under their own codes, all roads, bridge and culvert assets do not conform to Australian standards. Start-up capital is needed to bring all assets to levels as accepted in Australia. In the meantime NRIC will aim to maintain the assets to the old standards and keep them functional until such time that the funding is available

5.3 Physical parameters

The roads covered by this asset management plan are shown below in table

Condition will be rated as per the colour code in 5.1 early 2017

Road ID	Referred to as	Official survey sheet	Length	Area	Perimeter
RD 17	Allendale Dr	10	490m	4834m ²	982m
RD 70	Ama Ula Lane	46	Not formed	Not formed	Not formed
RD 105	Anson Bay Road	89	1180m	11980m ²	2374m
RD 97	Anson Bay Road	75, 77, 74, 81, 82, 85, 83, 84 88, 89, 90	3860m	77150m ²	7775m
RD 5	Bay Street	94, 95, 96	429m	8987m ²	934m
RD 72	Beefsteak Road	46, 47, 48, 49	154m (partially form)	1456m ² (partially)	326m (partially)
RD 100	Berry's Lane	85	260m (partial)	2581m ² (partial)	537m (partial)
RD 99	Bishop Patteson Road	85	860m	11050m ²	1743m
RD 1	Bligh Street	Govt House Grounds Reserve	Not formed	Not formed	Not formed
RD 3	Bounty Street	15, 95	267m	5346m ²	574m
RD 9	Buffett's Road	1, 2	114m	749m ²	277m
RD 8	Buffett's Road	1, 2	436m	5193m ²	895m
RD 104	Bullocks Hut Road	88	690m	9467m ²	1400m
RD 102	Bullocks Hut Road	88	850m	10160m ²	1731m
RD 74	Bumbora Road	47, 48, 53	1211m	12060m ²	2437m
RD 81	Bun Pine Alley	60	68m	270m ²	145m
RD 87	Burglars Lane	71	187m (partial)	1236m ² (partial)	389m (partial)
RD 92	Calebs Lane	78, 79, 80	460m	9480m ²	973m
RD 109	Captain Cook Road	91	230m	2277m ²	476m
RD 108	Captain Cook Road	91	290m	3519m ²	570m
RD 110	Captain Cook Road	91	360m	3657m ²	746m
RD 91	Captain Quintal Drive	78	60m	214m ²	119m
RD 93	Captain Quintal Drive	50, 78, 79, 93	940m	19160m ²	1906m
RD 46	Cascade Road	19, 20, 25, 28, 33, 35, 36, 41, 42, 43	3000m	60100m ²	6097m
RD 62	Cats Lane	42	237m	4571m ²	573m
RD 29	Christians Lane	20, 28, 29, 42	450m	5347m ²	909m
RD 117	Christine McCoy Lane	67	Not formed	Not formed	Not formed
RD 75	Cobby Robinson Road	50	210m	2448m ²	468m
RD 20	Collins Head Road	9, 10, 11, 14, 18, 19, 20, 21	1960m	31630m ²	3951m
RD 78	Country Road	15, 44, 45, 46, 49, 54, 56, 94, 95	1850m	38250m ²	3770m
RD 76	Crystal Pool	51, 52	240m	5899m ²	551m
RD 31	Cutters Corn	20	590m	6057m ²	1201m
RD 27	Davies Road	20	120m	764m ²	253m
RD 89	Dorcas Lane	73, 76, 86, 87	53m (partial)	560m ²	130m

RD 90	Douglas Drive	58, 72, 75, 76, 93	1640m	33450m2	3346m
RD 22	Driver Christian Road	9, 10, 11, 12, 13, 14, 96	1550m	29340m2	3114m
RD 107	Duncombe Bay Road	91	Not formed	Not formed	Not formed
RD 39	Easement to Forresters	26	750m	3899m2	1502m
RD 65	Edward Young Road	40, 41	330m	6398m2	693m
RD 45	Edwin Ryland Evans Road	30, 31, 65	960m	12100m2	2325m
RD 34	Ephraim Christian Road	28	180m	1091m2	376m
RD 37	Ephraim Christian Road	25, 28	380m	5054m2	810m
RD 49		36	Not formed	Not formed	Not formed
RD 50	Est J Evans	36	Not formed	Not formed	Not formed
RD 111	Est R Christian	25	Not formed	Not formed	Not formed
RD 28	Estate D Adams	20	Not applicable	Not applicable	Not applicable
RD 30	Estate GSR Evans	28	Not applicable	Not applicable	Not applicable
RD 40	Ext Youngs Rd - Forrester/Carey	Removed by court order	NIL	NIL	NIL
RD 24	Faye Bataille Dr	19	138m	799m2	290m
RD 79a	Ferny Lane	54, 56, 57, 58, 59, 72, 93	1950m	40790m2	3978m
RD 106	Fishermans Lane	90	630m	6003m2	1269m
RD 66	Fletcher Christian Road	41, 43	237m	4764m2	538m
RD 86	George Hunn Nobbs Rd	72	428m	5485m2	877m
RD 51	Goldies Lane	34	150m	1733m2	313m
RD 85	Grassy Road	59, 70, 71, 72, 73, 87	866m	10310m2	1737m
RD 98	Greg Quintal Road	84	450m	3623m2	933m
RD 48	Harpers Road	33, 34, 35, 37, 66	780m	9685m2	1632m
RD 95	Headstone Road	74, 77, 80, 81	1790m	30290m2	3533m
RD 64	Hemus Road	42	317m	3210m2	655m
RD 15	Hibiscus Drive	6	766m	7430m2	1489m
RD 38	Holman Christian Lane	25	340m	1727m2	694m
RD 55	J & L Tavener b/t Westpac / Ross's	39	100m	618m2	215m
RD 83	JE Road	34, 38, 62, 64, 65, 67, 68, 92	1888m	23220m2	3821m
RD 67	John Adams Road	41, 43	256m	5103m2	603m
RD 11	John Quintal Road	1	560m	6026m2	1140m
RD 32	Jonathan Adams Road	29	460m	2595m2	922m
RD 14	Kilbourne Cresent	5	191m	957m2	397m
RD 113	Little Cutters Corn Lane	18	100m	1274m2	243m
RD 88	Little Green Lane	72	250m	2434m2	523m
RD 71	Longridge Road	46, 47, 49, 54, 56	478m	7258m2	1006m
RD 18	Marsh's Road	8, 22	1119m	22670m2	2313m
RD 19	Martins Road	6, 7, 8, 22	1171m	14321m2	2458m
RD 69	Matthew Quintal Road	41	Not formed	Not formed	Not formed
RD 41	Matts Ground Rd	26	90m	469m2	204m

RD 25	Middlegate Road	15, 16, 17, 19, 20, 41, 42, 43, 44, 45, 94, 95	2259m	45920m2	4669m
RD 36	Mill Road	25, 26, 27, 28, 36	570m	6550m2	1162m
RD 6	Mill Road	45, 95	Not formed	Not formed	Not formed
RD 96	Mission Road	70, 73, 74, 75, 81, 82, 85, 86, 87	1790m	21900m2	3645m
RD 80	Mitchells Lane	59	230m	2826m2	479m
RD 101	Mt Pitt Road	87, 82	830m	9883m2	1667m
RD 61	Mulberry Lane	40, 41, 43	352m	3704m2	714m
RD 54	New Cascade Road	25, 34, 35, 36, 37, 38, 39, 60, 62, 63	1910m	23220m2	3862m
RD 94	New Farm Road	46, 49, 50, 51, 53, 54, 56, 79, 80, 93	3030m	53820m2	6104m
RD 103	Pacific Cable Track	88	Not formed	Not formed	Not formed
RD 79b	Part Ferny Lane	56, 93	580m	16740m2	1259m
RD 4	Pier Street	15, 45, 94, 95	322m	6393m2	678m
RD 33	Pitcairn Place	43	100m	1228m2	238m
RD 2	Pitcairn Street	Kingston Common Reserve	Not formed	Not formed	Not formed
RD 42	Potts Farm Road	22	581m	5899m2	1198m
RD 43	Prince Phillip Drive	31, 32, 33, 65, 66	1437m	26070m2	3005m
RD 23	Quality Row	12, 15, 45, 94, 95, 96	910m	11300m2	1849m
RD 26	Queen Elizabeth Avenue	18, 19, 20, 40, 41, 42, 43, 55	1230m	24900m2	2506m
RD 47	Red Road	31, 32, 33, 35, 65, 66, 92	2000m	40850m2	4092m
RD 10	Reserved Road (Est Hannah Robinson)	1	Not formed	Not formed	Not formed
RD 13	Reserved Road (Est JAM Buffett)	2	Not applicable	Not applicable	Not applicable
RD 73	Reserved Road next to Bumby reserve	47	Not formed	Not formed	Not formed
RD 114	Reserved Road off Cutters Corn	29	Not formed	Not formed	Not formed
RD 112	Reserved Road off Ferny Lane	59	170m	1382m2	370m
RD 116	Reserved Road off Simons Water	24	210m	1468m2	434m
RD 44	Reserved Road Peggy Evans ptn 122c2	31	Not formed	Not formed	Not formed
RD 77	Rocky Point Road	48, 51	1460m	17840m2	2960m
RD 21	Rooty Hill Road	9, 12, 13, 14, 15, 16, 17, 18, 21, 95	1930m	38650m2	3955m
RD 84	Selwyn Pine Road	64, 67, 68, 69, 92	1374m	16770m2	2781m
RD 59	Shortridge Road	40, 41	75m	752m2	176m
RD 58	Shortridge Road	40, 41, 43	255m	2674m2	550m
RD 60	Snells Lane	40	236m	2227m2	492m

RD 12	Stockyard Road	1, 2, 5, 6, 8, 9, 14, 18, 21, 22, 23, 24	3690m	68490m2	7538m
RD 82	Strand Arcade easement Taylors Rd	61	134m	561m2	253m
RD 115	Taries Lane	24	370m	2682m2	767m
RD 57	Taylors Road	39, 40, 43, 44, 55, 56, 59, 60, 61, 63, 71, 72 94	2610m	51860m2	5249m
RD 52	Tevarua Lane	37	190m	2345m2	415m
RD 56	The Village	39	450m	3949m2	490m
RD 7	Two Chimneys Road	2, 3, 4, 5, 23	1440m	29510m2	2956m
RD 16	Uncle Joes Rd	6	296m	2874m2	608m
RD 63	Webb Adams Road	42	460m	2174m2	927m
RD 68	William McCoy Road	41, 42	144m	1476m2	307m
RD 53	Yorlor Lane	37	140m	1566m2	301m
RD 35	Young's Road	25, 26, 33	660m	13470m2	1333m

Bridge and culverts

	Structure	2015 condition	comments
1.	Bay St Bridge	2	Bridge has been closed stabilise, remove or replace structure
2.	Bay St Culvert	4	Good condition
3.	Bounty St. Bridge	1	Bridge has failed. close bridge to vehicular traffic
4	Country road culvert	4	Clear vegetation
5.	Driver Christian Road Bridge(bloody Bridge)	4	Monitor for maintenance
6.	Harpers Road Culvert	3	Repair headwalls
7.	Headstone Road Culvert	5	New structure
8.	Marsh's road upstream culvert	3	Metal corroded. Needs repair
9	Marsh's road downstream culvert	4	Minor concrete deterioration
10	New Cascade road culvert	4	Some cracks in upstream and downstream headwalls
11	Pier st Bridge	4	Superficial marks on headwall. clear vegetation
12	Prince Phillip drive Bridge	4	Some repair and maintenance

5.4 Asset valuations

The value of assets recorded in the asset register as of 30 of June 2016 as summarised below

Current replacement cost	\$ not required
Annual Depreciation Expense per year (16)	\$ asset past it's useful life

5.5 Road Risk Management Plan

An assessment of risks associated with service delivery from road assets has identified critical risks that will result in loss or reduction in service from assets. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks

Critical risks, being those assessed as “Extreme” requiring immediate corrective action. These risks are reported to management and council on a regular basis in a changing legislative frame work while going from an independent Administration to becoming a regional council of the NSW state

5.6 Routine operations and Maintenance plan

Operations include regular activities to provide services such as public health, safety and amenity, eg cleaning of premises and inspection of premises on a routine basis. Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of asset fail and need immediate repair to make the asset operational again.

5.7 Operations and Maintenance plan

Operations activities affect service levels including quality and function through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day to day work necessary to keep assets operating, eg electrical repairs to power points, lighting, door and window furniture and servicing. Maintenance may be classified into reactive, planned and specific maintenance works activities

Reactive Maintenance is unplanned repair work carried out in response to service request and management/ supervisory directions

Planned maintenance is repair work that is identified and managed through a maintenance management system. Due to lack of funds and very bad assets that were transferred over from ANI this is not happening and continue to do so until such time funds are available

5.8 Critical Assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, organisations can target and refines investigative, activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenance activities will be customised to mitigate critical assets failure and maintain service levels

5.9 Standards and specifications

All work will be carried out in accordance with the old Norfolk Island Administration standards since the absence of a Start-up capital has made it impossible to bring all the building assets up to the Australian Standards. This capital is estimated to be about millions of dollars. The grants process is competitive and more often, requires a contribution from the council for every dollar received from the commonwealth in grants. NRIC does not have such funding to contribute a percentage in grants process. But strategically we

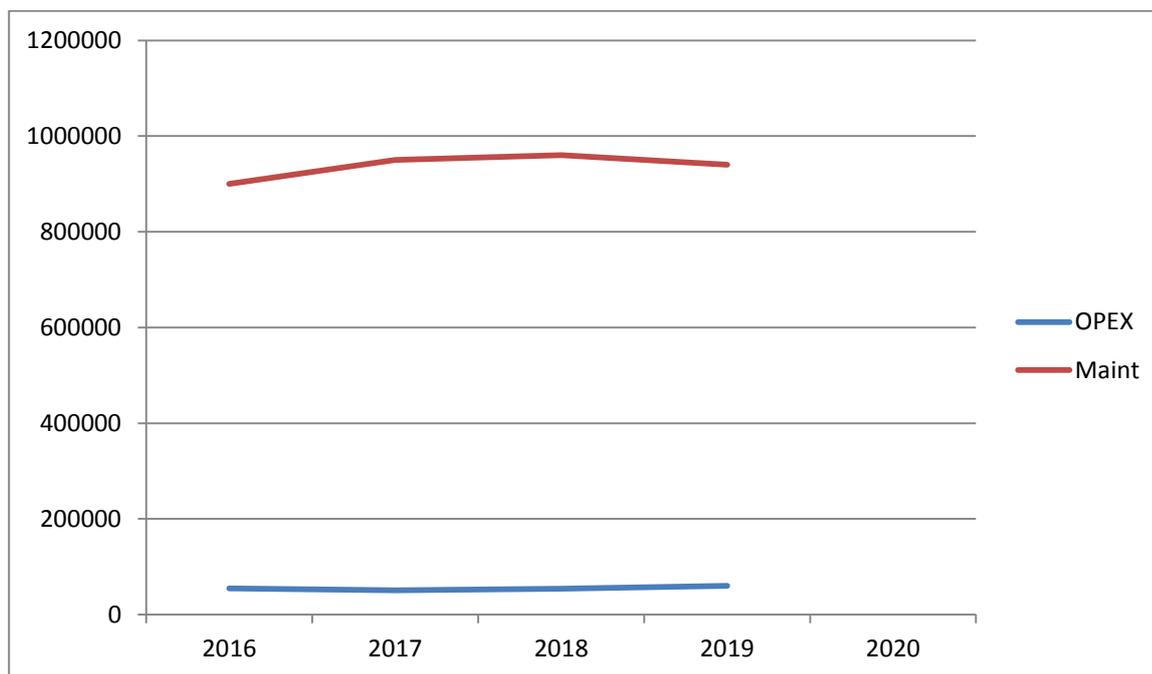
will be aiming to meet the following regulation/standards in future subjected to the availability of funding from commonwealth

- Work Health and Safety Act & regulations
- Building Code of Australia
- Australian Standards
- All relevant council policies and
- Other regulatory requirements

5.10 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown

Projected operations and maintenance expenditure



5.11 Capitalisation Threshold

Asset capitalisation threshold- Park Recreation and public facilities

Operations operational Budget

- Service delivery management including condition assessment, defect inspections and management systems
- Supervision
- Premises cleaning, etc
- Utility costs

Maintenance & Repair

Capitalise if value > \$10,000

- Reactive maintenance to building assets(component replacement and repairs to facilities and structures)
- Programmed maintenance (tagging & testing of electrical equipment, servicing air conditioner units)
- Replacing facilities and structures
- Partial replacement of plant and equipment (water pumps, hot water systems)

Capital Renewal

Capitalise

- New assets
- Upgrade assets

5.12 Renewal/ replacement Plan

Renewal and replacement 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 or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/ expansion or new works expenditure

5.13 Renewal plan

Council's Asset Renewal Plan is the programmed renewal dates of assets which are used to predict expenditure requirement within the long term financial plan. The current residual life of the asset identifies the date of renewal

Early defect identification by condition assessment may enable major maintenance works to extend the asset life before renewal is required

5.14 Renewal and replacement strategies

The organisation will plan capital renewal and replacement projects to meet level of service objectives and minimise service risk by:

Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner,

Undertaking project scoping for all capital renewal and replacement projects to identify:

- The service delivery 'deficiency', present risk and optimum time for renewal/replacement
- The project objective to rectify the deficiency
- The range of options, estimated capital and life cycle costs for each options that could address the service deficiency
- And evaluate the options against evaluation criteria adopted by council, and
- Select the best option to be included in capital renewal programs

Using 'low cost ' renewal methods (cost of renewal is less that replacement) wherever possible, Maintain a current risk register for assets and service risks associated with providing services from assets and reporting very high and high risks and residual risks after treatment to management and council

Review current and required skills base and implement workforce training and development to meet required construction and renewal needs,

Maintain a current hierarchy of critical assets and capital renewal treatments and timings required Review management of capital renewal and replacement activities to ensure council is obtaining best value for resources used.

Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either

- Ensure the reliability of the existing to deliver the service it was constructed to facilitate
- To ensure the asset is of sufficient quality to meet the service requirement

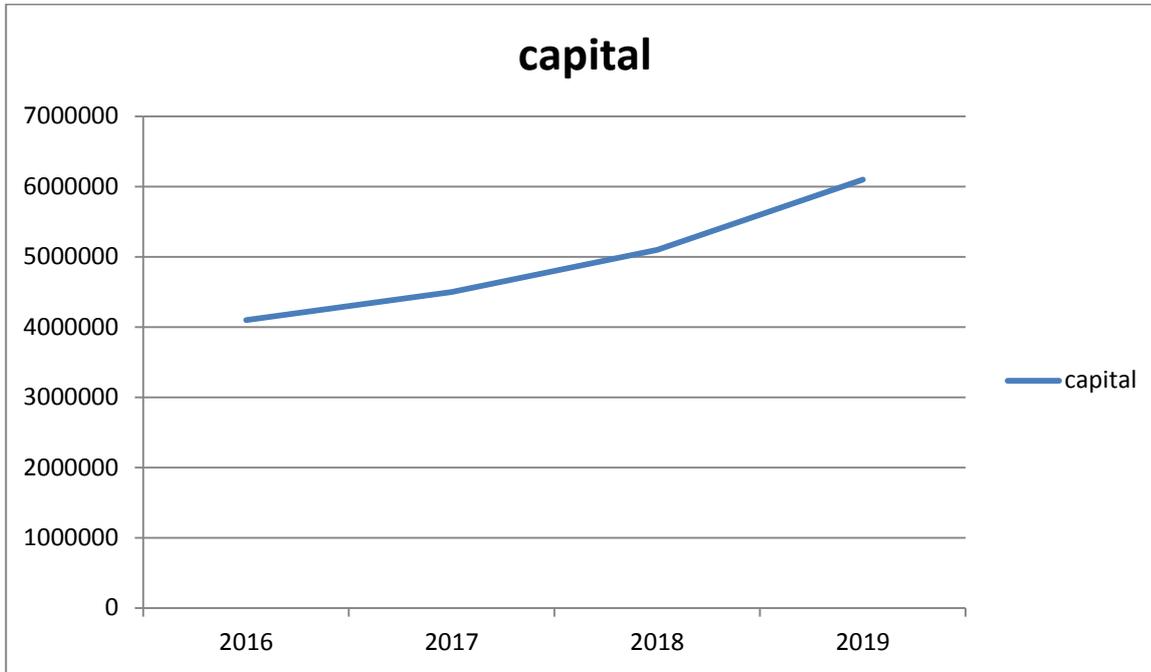
It is possible to get some indication of capital renewal and replacement priorities by identifying assets or assets groups that:

- Have a high consequence of failure
- Have a high utilisation and subsequent impact on users would be greatest
- The total value represents the greatest net value to the organisation
- Have the highest average age relative to their expected lives
- Are identified in the AM Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings

5.15 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The expenditure is summarised in figure

The projected capital program is shown in the table



5.16 Creation/ Acquisition / Upgrade plan

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 organisation from land development.

5.17 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programme. The priority ranking criteria is detailed in

Criteria	Weighting
Public Health & safety	50 %
Identified by Strategic Plans	40 %
Councillor/ Public Request	10 %

5.18 Summary of future upgrade/ new assets expenditure

Projected upgrade/ new asset expenditures are summarised below

5.19 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in table below together with estimated revenue. These assets will be further reinvestigated to determine the required

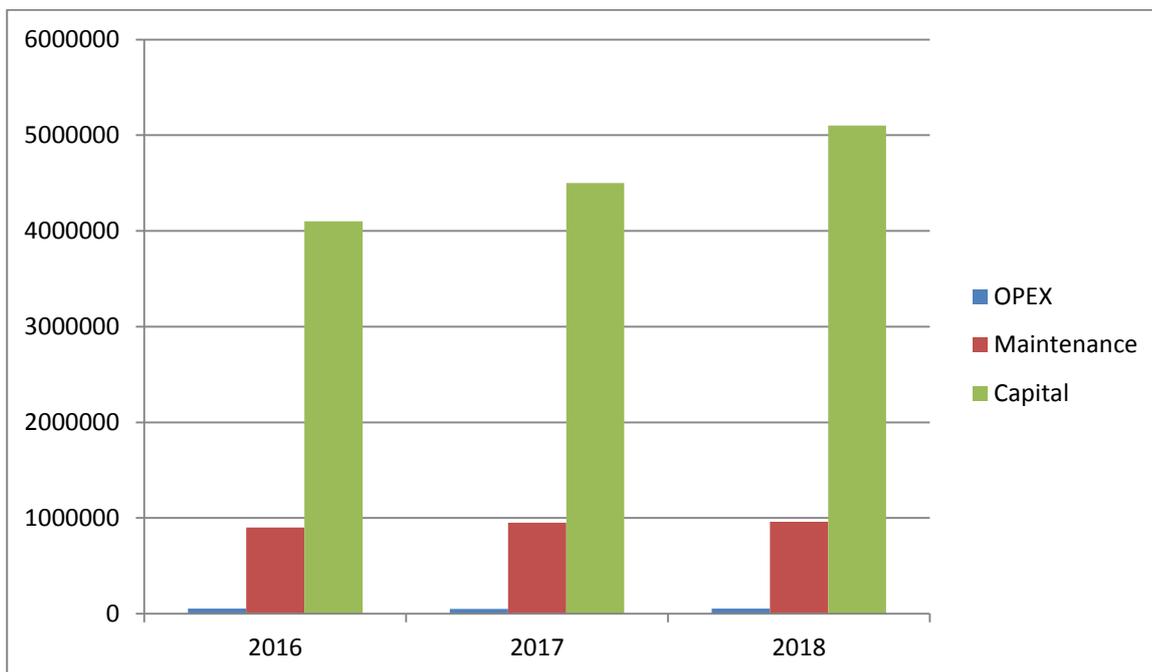
levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in the organisation's long term financial plan.

6. Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance

6.1 Financial Statements and projections

The financial projections are shown in figure below for projected operating (operations and maintenance) and capital expenditure (renewal upgrade/ expansion/ new assets. Note that all costs are shown in real values



6.2 Sustainability of service delivery

There are two key indicators for service delivery sustainability that have been considered in the analysis of the service provided by this asset category, these being

- Long term life cycle costs/ expenditure
- Medium term projected / budgeted expenditure over 10 years of the planning period

Long term – life cycle cost

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

Medium term- 10 year financial planning period

This asset management plan identifies the projected operations, maintenance, and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required service in a sustainable manner

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

At this stage it will be unrealistic to estimate these expenditures over the full 10 year period.

6.3 Funding Strategy

After the council accepts and agreement with the community on service levels, an appropriate to ensure ongoing financial sustainability projected expenditures are accommodated in the organisation's 10 year term financial plan

6.4 Valuation forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by the organisation and form assets constructed by land developers and others and donated to the organisation

The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

6.5 Key Assumptions made in Financial Forecasts

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 condition rating are a representation of the overall asset data base and based on a desktop analysis and experience by Council Staff involved with the assets through inspections, maintenance and capital improvements.
- The age of the assets recorded in Council's Asset Management database are a true representation of the actual construction date
- The National Standard useful life of assets predicts the true useful life

7. Plan Improvement and Monitoring

7.1 Accounting and financial systems

Council employs the Authority enterprise Business system provided by CIVICA.

7.2 Accountabilities for financial systems

The Chief Financial Officer is responsible for the control of council's accounting systems

7.3 Accounting standards and regulations

Australia accounting standards (AASB) Local Government, code of accounting practice and financial reporting, Council's accounting policy, the local government Act (LGA) and regulations

7.4 Capital/ maintenance threshold

The aim of the capitalisation policy is to set a capitalisation threshold above which assets are required to be recorded by council in its financial statements. The process for this is the capitalisation process and is achieved by the recording of the capital cost of the acquisition of assets into Council's financial system and then into the asset management system.

7.5 Asset Management system

Council is in the process of installing the conquest asset management module of the Authority enterprise business system provided by CIVICA

7.6 Asset Registers

Asset registers linked to the council land register are to be reviewed and further developed as part of the improvement program for this Asset Management Plan

8.0 Maintenance response levels of service

Reactive maintenance is unplanned repair work carried out in response to service request and management/ supervisory directions

8.1 projected 10 years capital upgrade and new works program

NIRC is currently completing an audit of all assets. The resultant condition reports will be used to complete the capital upgrade and new works programme for the next three years. This programme is scheduled for completion in February, 2017.