



DISTRICT COUNCIL
OF CLEVE

INFRASTRUCTURE & ASSET MANAGEMENT PLAN 2021-2030

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1. Executive Summary

This section is intended to give the reader a snapshot of the key items that are covered by this plan.

The plan covers the following categories of assets:

- Transportation Assets
- Buildings & Structures
- Plant & Equipment
- Other

1.1 Asset Values

The current replacement costs of the entire stock of each classification of asset listed above are as follows:

• Transportation Assets	\$ 50.2 M
• Buildings & Structures	\$ 11.2 M
• Plant & Equipment	\$ 4.4 M
• Other	\$ 9.5 M
Total Current Replacement Costs	\$ 78.6M

1.2 Forecast Capital Expenditure on Infrastructure, Property & Equipment for the next 10 Years

The forecast total cost per asset category for the next 10 years in relation to replacing existing assets is:

• Transportation Assets	\$ 14.8M
• Buildings & Structures	\$ 660k
• Plant & Equipment	\$ 5.3M
• Other	\$ 650k
10 Year cost of replacing existing assets	\$ 21.4M

1.3 New Assets

New asset construction included in the Annual Business Plan for 2020-21 totalling \$1.3M for the following projects:

Stormwater Harvesting & Catchment	\$ 1.1M
Hall – Solar Panels & Air-Conditioning Installed	\$ 100k
Hall – Install Digital Projector & Cinema Equipment	\$ 100k

No new assets have been included from the 2021-22 year onward.

2. Introduction

2.1 Background

The requirement to have an asset management plan is outlined in the following extract from the Local Government Act 1999:

‘122—Strategic management plans

- (1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—
- (a) a long-term financial plan for a period of at least 10 years; and
 - (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,
- (and these plans will also be taken to form part of the council's strategic management plans).’

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

An asset management plan details information about infrastructure 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.

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.

The asset management plan is to be read with the following associated planning documents:

- District Council of Cleve Strategic Management Plan
- District Council of Cleve Long Term Financial Plan 2021-2030
- District Council of Cleve Annual Business Plan & Annual Budget 2020-21

2.2 The Purpose of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by ‘purchase’, by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council’s goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers.

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,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.

2.3 Relationship of the Asset Management Plan with Councils' Strategic Management Plan

This asset management plan identifies operational strategies to assist Council in delivering the relevant sections of the following strategic objectives and principal activities as outlined in the recently updated Strategic Management Plan 2020-25.

Vision:

A thriving district of inclusive and supportive rural and coastal communities enjoying a safe, well-serviced and relaxed country lifestyle.

Mission:

- Providing leadership and working with our community to meet their expectations
- Fostering a sense of community and inclusion
- Delivering quality community services and providing, maintaining and improving community facilities
- Encouraging economic development and maintenance of a sustainable population
- Engaging with community and working with Stakeholders
- Being financially responsible in its decision making

Strategic Goals:

- A Connected, Resilient & Thriving Community
- Maintaining a Sustainable Population
- Prosperous Local Economy
- Quality Services & Infrastructure
- An Engaged Community

2.4 Plan Framework

Key elements of the plan are

- Levels of service.
- 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 required services.
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives.
- Asset management improvement plan.

2.5 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:

- The projected works program,
- The resulting budget and long term financial plan expenditure projections.

These will impact the Long Term Financial Plan, Annual Budget and Annual Business Plan both today and into the future

2.6 Importance of accurate asset management data to long term financial sustainability

Financial asset data has two types of use. Firstly, it is used to calculate depreciation in the Statement of Comprehensive Income (Operating Statement) as well as the fair value of Property, Plant & Equipment in the Statement of Financial Position (Balance Sheet). The second use for financial asset data is to determine how much an asset will cost to replace and which year it is likely to need to be replaced.

Depreciation is one of the largest expense items in the Statement of Comprehensive Income, and the capital renewal expenditure (as contained in the asset management capital renewal programs) are the most material cash outflows contained in the Long Term Financial Plan. There is an obvious connection between these items and long term financial sustainability.

Up to date data is essential as situations change over time, hence the need to update the asset management renewal programs only a timely basis and at least on an annual basis as part of the legislatively required review of the Long Term Financial Plan.

The following process was undertaken to ensure the accuracy of Councils asset data in relation to its sealed and unsealed road networks:

1. The existing road hierarchy as contained in Councils roads asset register was colour coded to a poster sized rack map of Councils road network
2. A comprehensive review of road classifications was undertaken by the Works manager in consultation with the Director Corporate & Community Services as well as an external consultant
3. The existing asset data was updated to reflect the outcome of the review. There were some changes in the classification of some segments of the road network, changes to the standard unit rates and changes to the average total useful life assumption for each category of road.

4. A desk top revaluation was undertaken that resulted in an increase in the depreciation charge as well as the current replacement cost of the road network. These increases reflect the actual costs incurred in renewing these assets as reported in Councils works costing ledger over the previous two years.

3. Levels of Service

This plan has been prepared on the assumption that current service standards are adequate to meet the expectations of the community. Service level scenario analysis has not been undertaken at this stage to determine the relative increases or decreases in costs associated with providing increased or decreased service ranges and levels.

Service levels are defined in two terms:

3.1 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 measures used in the asset management plan are:

Quality	How good is the service?
Function	Does it meet users' needs?
Safety	Is the service safe?

3.2 Technical Levels of Service

Supporting the community service levels are also technical measures of performance. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (e.g. road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

4. Future 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 view taken in the preparation of this plan as well as the LTFP is that there will be minimal shifts either upwards or downwards in current population levels. Should this change over time then both the AMP & LTFP will need to be updated.

5. Routine Maintenance Plan

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

Maintenance includes reactive, planned and specific maintenance work activities.

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

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, etc. This work generally falls below the capital/maintenance threshold but may require a specific budget allocation.

Assessment and prioritisation of reactive maintenance is undertaken by operational staff using experience and judgement.

Current maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

Management intend to develop improved maintenance programs and recording systems across all categories of assets to better demonstrate the link between current expenditure levels with the current service standards.

More specifically management will be looking for opportunities to deliver the same levels of service in a more efficient manner thus leading to savings in expenditure. Further to this if there is a need to increase services then the reason for doing so will be clearly demonstrated.

6. Types of Capital Expenditure - Renewal / Replacement vs New / Upgrade

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.

e.g. Resheeting a road to its previous width & depth.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' 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.

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.

e.g. Installing a CWMS for the first time

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 estimate.

It is possible for capital expenditure to be a combination of renewal as well as upgrade.

e.g. the replacement of a road that was initially a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads) cannot be sold and will need to be maintained and eventually replaced.

7. Transportation Assets

7.1 Description

Transportation assets include sealed roads, unsealed roads, footpaths, kerb & guttering and bridges. These assets have a total current replacement cost of \$50.2M.

7.2 Unsealed Roads

7.2.1 Unsealed Roads Hierarchy

Categories of roads

Council has categorised its unsealed road network into four categories based primarily on usage patterns:

- Category 1 – Primary collector roads
- Category 2 – Secondary collector roads
- Category 3 – Property access roads
- Category 4 – Formed Roads

7.2.2 Service Standards – Construction / Resheeting Unsealed Roads

Council have agreed to use the following specifications when constructing or resheeting unsealed roads. These are known as service levels. The higher the category of road then the higher the service level applied.

Service levels are an important mechanism available to Council to influence its long term financial sustainability. There is a connection with capital outlays, as the higher the service level then the greater the cost per kilometre to resheet or construct. Accordingly, by amending the specifications or the number of kilometres of road in a particular category of road Council has the ability to increase or decrease future capital expenditure levels upwards or downwards.

Service levels also impact on depreciation calculations. In general, the lower the category rating then the longer is the total useful life of the section of road and accordingly the lower the depreciation charge. Further to this the lower the category the lower is the cost of construction.

The following service levels / construction levels have been identified by Council staff as 'typical dimensions' roads in these categories are built to.

Category 1	9m wide & approx 200mm deep
Category 2 & 3	8m wide & approx 150mm deep

7.2.3 Asset Data

Size of sheeted road network:

Category 1	198kms / Total Useful Life 20 years
Category 2	249kms / Total Useful Life 25 years
Category 3	256kms / Total Useful Life 35 years

Total Sheeted network - 701kms

Required average number of resheet kilometres per annum calculation:

Category 1	200kms divide by TUL of 20 = 10 kms
Category 2	250kms divide by TUL of 25 = 10 kms
Category 3	250kms divide by TUL of 35 = 8 kms

Total – 28 kms per annum

28kms p.a. included in AMP and funded in LTFP

Size of formed road network

Category 4	1,200kms
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Graded once per year

7.2.4 Forecast Expenditure on Resheeting

The timing of the required work has been prioritised in the tables below based on a condition assessment undertaken by Council staff. Roads in the worst condition have been scheduled for replacement ahead of roads in better condition. History has shown that it is more cost effective to re-sheet or reseal a road in a timely manner as opposed to having to rebuild the road completely.

The following resheeting program will be reviewed on an annual basis. This will ensure that any roads that have deteriorated at a faster rate than expected are moved up the schedule such that where possible they are replaced in a timely manner. Such an approach is particularly relevant should a bumper harvest mean increased traffic on a particular road causes the road to wear out faster than predicted. Similar damage can also be caused by an increase number of RA vehicles using the road than in previous years.

Road	Cat	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Old Darke Peak	2	4									
Ross Ramsey	3		3	6	3						
Rangeview	2					6	6	5			
O'Connor	2								6	5	
Kielpa/Kilroo	2		4						5	3	
Wudinna	1				8	7	4	6	3		
Dog Fence	1	3	3	5							
Hampel	3						3	2			
Chappell	3							4	4		
Caraptee Hill	1									3	5
Syversten	2	4	4	4							
Old Main	1	3									
Pump Station	1						5	4			
Five Cross	1								4		
Pine Corner	3									6	4
Rehn	2				3						
Hutchins	-									5	
Plane	2	6									
Wharminda	2	6	4	5	4	2					
Masters	2								6	6	
Kielpa - Gumflat	2	4	6	3							
Schubert	2					5	4				

Road	Cat	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Girdham	3				3	3					
John Burton	1						4	4			
Heggaton	1			5	7	5	3	4			
Kielpa - Mangalo	1	3	4								
Blomberry	2										2
South Spriggs	3										5
Pahls Hill	2										5
Standpipe	-										5
Total kms per annum		33	28	28	28	28	29	29	28	28	26
Total \$ per annum (,000)		1,452	1,232	1,232	1,232	1,232	1,276	1,276	1,232	1,232	1,144

7.2.5 Patrol Grading Program

The target frequency of grading varies from category to category as follows:

- Category 1 roads are graded 3 times a year
- Category 2 roads are graded twice a year
- Category 3 roads are graded once a year

Some roads may be graded more frequently than this whilst other roads might have fewer than this based on the actual condition at the time as well as seasonal factors. The cost of the grading program is built into the operating budget and may vary from year to year due to climactic influence as well as other competing demands.

The unsheeted road network is also monitored for sectional failure with appropriate remedial maintenance being undertaken on an as needs basis. E.g. 150-200m of a road that is subject to flooding might be resheeted sooner than the rest of that segment of the road. As potholes emerge these are repaired. The cost of this type of road maintenance is also built into the operating budget and also can vary from year to year.

7.3 Sealed Roads

7.3.1 Sealed Roads Hierarchy

Categories of roads

Council has categorised its unsealed road network into three categories based on location as well as usage patterns:

- Rural
- Township Category 1 – roads leading into and out of townships
- Township Category 2 – all other sealed township roads

7.3.2 Construction Standards – Sealed Roads

Initial construction

14/7mm 2 coat seal with C170 Bitumen at a cost of \$7.38 per sqm including aggregate and cartage.

Reseals

7mm single coat seal with C170 Bitumen at a cost of \$5.48 per sqm including aggregate and cartage.

7.3.3 Asset Data

Size of sheeted road network:

- Rural - 96 kms / Total Useful Life 25 years
- Category 2 - 3 kms / Total Useful Life 25 years
- Category 3 - 23 kms / Total Useful Life 55 years

Total Sealed network - 122kms

7.3.4 Forecast Expenditure on Resealing

The costs of resealing the following lengths of road have been included in the Long Term Financial Plan.

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Edwards Tce (Nth) 2,800 sqm	West Tce 7,200 sqm	Wake Rd 4,620 sqm	John St 1,000 sqm	Whyte St 2,250 sqm	First St 6,250 sqm				Edwards Tce 700 sqm
Stubing St 1,582 sqm	Airport Rd 3,200 sqm	Blomberry Rd 6,400 sqm	Howard Tce 1,000 sqm	Silver St 2,000 sqm	Second St 5,125 sqm				Mitchell St 6,300 sqm
Price St 891 sqm		Rudall Service Rd 2,800 sqm	Charles St 1,000 sqm	Cowley Rd 700 sqm	South Tce 7,300 sqm	Balumbah Kinnard Shoulder refurbishing Reseal			
Forbes St 1,431 sqm		East Tce 9,384 sqm	Theakston Tce 1,712 sqm	Creek Rd 7,850 sqm					
Arno Bay Service Rd 1,728 sqm			Henry St 3,600 sqm						

Cleve Mangalo \$150,000 Reseal Line Marking & Guidepost	Cleve Mangalo \$150,000 Reseal & Selected profiling		Darke Tce 3,600 sqm						
			East Tce 9,384 sqm						
8,432 Sqm	10,400 Sqm	23,204 Sqm	21,296 Sqm	23,000 Sqm	18,675 Sqm	(3kms)	(3kms)	(3kms)	(3kms)
\$217,456	\$195,520	\$232,040	\$234,256	\$276,000	\$242,775	\$120,000	\$124,800	\$126,000	\$127,200

7.4 Footpaths, Kerb & Guttering

Council has allocated in its long term financial plan an average of \$65k per annum for reconstruction of the existing network of footpath, kerb & guttering.

By delivering the footpath construction listed in the table below Council will have at least a footpath on one side of each street for both of the townships of Cleve and Arno Bay. It should also be noted that this work also redirects Council staff away from renewing existing assets.

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arno Bay Alexandria Terrace 250m	Arno Bay Alexandria Terrace 250m	Cleve West Tce/ Fitzgerald 280m	Cleve Fitzgerald / Brookes 230m	Arno Bay Ismalia Terrace 265m	Arno Bay Ismalia Terrace 265m	Arno Bay Cairo Terrace 250m	Arno Bay Cairo Terrace 250m	Arno Bay First Street 150m	Cleve East Tce 250m
375 sqm	375 sqm	420 sqm	345 sqm	400 sqm	400 sqm	375 sqm	375 sqm	225 sqm	375 sqm
\$54,375	\$57,000	\$67,200	\$57,960	\$70,400	\$73,600	\$72,000	\$75,000	\$46,800	\$81,000

7.5 Bridges

Council is responsible for the maintenance of two significant bridges located on the Cowell Mangalo road.

At this point in time no significant renewal works has been identified as being necessary for the ten years of this plan.

Annual maintenance is undertaken on an as needs basis together with routine inspections to ensure the bridge meets the required standards for use.

8 Buildings & Structures

8.1 Asset Class Description & Value

The current replacement cost of this class of assets is \$11.2M.

Council is responsible for the maintenance and periodical renewal of components of the following significant buildings:

- Four accommodation units in Cleve
- Three works depot sheds/buildings
- SES Depot
- CFS Depot
- Three Toilet Blocks
- RSL Hall
- Cleve Institute Building
- Council Civic Centre
- Two residential dwellings
- Cleve Aerodrome and terminal building
- Waste Transfer Station

Structures include items such as:

- Arno Bay Creek Boardwalk
- Numerous differing sized sheds
- Mt Nield Base Station Tower and radio base
- Crash Barriers
- Various park and foreshore shelters and amenities
- Viewing platforms
- Arno Bay Jetty
- Cleve Median Irrigation System
- Arno Bay Jumping Pillow

8.2 Forecast Capital Expenditure on Buildings & Structures for the next 10 years

Council has allocated in its long term financial plan an average of \$66k per annum for the renewal of various components of these buildings.

The requirement to undertake any significant work on these buildings is reviewed on an annual basis, with appropriate amounts being included in the Annual Budget as required.

The operating budget also contains an allocation of funding to cater for the ongoing annual maintenance requirements of these buildings.

9 Plant & Equipment

9.1 Asset Class Description & Value

Plant & Equipment are a significant class of asset and include large pieces of equipment such as graders and tractors as well as the small fleet of Council cars and utilities.

The current replacement cost of this class of assets as recorded in the financial statements is \$4.4M.

9.2 Forecast Capital Expenditure on Plant & Equipment for the next 10 years

	Year End 30 June 2021	
John Deere Grader (Construction) (P180)	420,000	
Mitsubishi Utility (Patrol) (P1200)	40,000	
Mitsubishi Utility (Patrol) (P1207)	40,000	
Mitsubishi Utility (Patrol) (P1208)	40,000	
Twin Cab Utility (Construction) (P1212)	40,000	
John Deere Tractor (P160)	130,000	710,000
	Year End 30 June 2022	
Compactor Truck (P1300)	400,000	
Price Water Tanker Trailer (P106)	100,000	
John Deere Lawn Mower (P148)	30,000	
Rake Bucket (new purchase)	10,000	540,000
	Year End 30 June 2023	
John Deere Grader (Patrol) (P181)	420,000	
Mitsubishi Prime Mover (P105)	250,000	
Works Managers Vehicle	55,000	
Assistant Works Managers Vehicle	50,000	
CEO Vehicle	55,000	830,000
	Year End 30 June 2024	
Cat Vibe Roller (P161)	190,000	
Komatsu Loader (P1500)	250,000	
JCB 3CX Backhoe (P153)	140,000	580,000
	Year End 30 June 2025	
Ute (Parks/Gardens) (P1206)	42,000	
Ute (Mechanic) (P1205)	42,000	
Ute (Maintenance) Twin Cab (P1204)	45,000	
John Deere Skid Steer (P153)	68,000	
Iseki Tractor Mower (P146)	40,000	
Isuzu 8 Tonne Tip Truck (P1100)	160,000	
CEO Vehicle	58,000	497,000
	Year End 30 June 2026	
Cat 12M Grader (Patrol) (P182)	430,000	
Works Manager Vehicle	55,000	
Assistant Works Manager Vehicle	50,000	535,000
	Year End 30 June 2027	
Isuzu Tip Truck (3 Tonne) (P116)	85,000	
Case IH Tractor (P1400)	85,000	
Crown Forklift (P145)	70,000	
CEO Vehicle	60,000	300,000

	Year End 30 June 2028	
Cat 12M Grader (Patrol) (P183)	440,000	
Isuzu CXZ Prime Mover (P1000)	210,000	
Hitachi Loader (P1501)	280,000	930,000
	Year End 30 June 2029	
Isuzu 8T Tip Truck (P1101)	170,000	
Mitsubishi Utility (Patrol)	45,000	
Mitsubishi Utility (Patrol)	45,000	
Mitsubishi Utility (Patrol)	45,000	
Twin Cab Utility (Construction)	45,000	350,000
	Year End 30 June 2030	
Grader (Patrol) replaces grader purchased in 2020-21	450,000	
Truck 8 Tonne	190,000	640,000

10 Other Assets

10.1 Asset Class Description & Value

The current replacement cost of this class of assets as is \$9.5M.

This class of assets includes the following significant assets:

- Yeldulknie Walking & Cycling Trail
- Arno Bay Boat Ramp
- Arno Bay Marina, fittings and structures
- Skate Park
- Water tanks and reuse scheme
- Turnbull Park facilities
- Weighbridge

10.2 Forecast Capital Expenditure on Other Assets for the next 10 years

Council has allocated in its long term financial plan an average of \$65k per annum for the renewal of various components of these assets.