



District Council of Mount Remarkable

Infrastructure Asset Management Plan

Transport Assets

2014/15 – 2023/24

Adopted by Council

7 October 2015

1. Executive Summary

The District Council (DC) Mount Remarkable owns, operates and maintains a vast roads network containing 96kms of sealed roads 779kms of sheeted roads.

1.1 Asset Values

The current replacement costs of the entire stock of each classification of asset covered in this plan are as follows:

• Sealed Roads (96kms)		\$ 13.9M
• Unsealed Roads – Class 1	(287km)	\$ 7.3M
• Unsealed Roads – Class 2	(362kms)	\$ 7.2M
• Unsealed Roads – Class 3	(128kms)	\$ 258k
• Kerbing & Water Table		\$ 2.7M
Total		\$31.36M

1.2 Forecast Capital Expenditure – next 10 years total

• Sealed Roads		\$ 194k
• Unsealed Roads – Class 1		\$ 7.5M
• Unsealed Roads – Class 2		\$ 2.5M
• Kerbing & Water Table		\$ 241k
Total		\$10.44M

1.3 Maintenance

Maintenance levels have been increased over the past 2 years to ensure that they are in line with then service standards outlined in section 3 that follows. The amounts included in the budget for 2015-16 are seen to be adequate to maintain Councils current service levels for the life of this plan.

2015-16 Annual Budget allocations:

• Footpaths & Kerbing	\$ 75k
• Patrol Grading	\$ 327k
• Flood Maintenance	\$ 48k
• Sealed Rd Maintenance	\$ 124k
Total	\$ 574k

2. Introduction

2.1 Background

This infrastructure 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.

2.2 Goals and Objectives 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 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,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices
- Ensuring Council has a clear plan of disposal or removal of assets which are not to be replaced;
- Ensuring that the proposed renewal practices reflect suited-for-purpose principles.

2.2.1 Mount Remarkable Strategic Management Plan 2008-2020

Council's strategic and other long term plans outline the longer-term objectives and priorities for the Community. These Plans, together with the Annual Business Plan and Budget, determine the infrastructure needs and services Council will provide, including the costs required to deliver those services. Council's objectives for the District are detailed within Council's Strategic Management Plan, in the form of the Vision, its Mission, its Values and its Objectives. These are as follows:

Our Vision

Our Organisation

A financially sustainable, proactive and responsive customer focused organisation which meets and exceeds the diverse needs and expectations of our stakeholders in an efficient and effective manner.

Through team work, co-operation and continuous improvement, and by fostering creativity and developing our valued employees, we will grasp the challenges and capture the opportunities for the benefit of all, to ensure our respected position at the leading edge of our industry is maintained.

Our Council

A dynamic, skilled and representative elected body respected and recognised at the local, regional, state and national levels for its advocacy and positive leadership of all sectors of its Communities, with a strategic focus on policy and effective decision making.

Our Communities

With enviable facilities and services, growing populations and thriving and sustainable economies, our vibrant and diverse Communities are safe, secure, friendly and welcoming to all. Community spirit, co-operation and a sense of belonging are fostered by our determined, hardworking people with positive vision and initiative to make our Communities exceptional places to live, visit, work and do business.

Our Mission

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living. Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

- acting as a representative, informed and responsible decision maker;*
- providing and coordinating services, facilities and programs that are adequate, appropriate and equitably accessed;*
- developing the Community, its resources and its infrastructure in a socially just and sustainable manner;*
- ensuring that Council resources are used fairly, effectively and efficiently;*
- encouraging and developing initiatives within the Community for improving the quality of life and amenity of the Community;*
- managing, developing and protecting the environment in an ecologically sustainable manner;*
- planning at the local and regional level for the development and future requirements of the Community;*
- promoting the area and providing an attractive climate and location for the development of business, commerce, industry and tourism;*
- ensuring a proper balance between economic, social, environmental and cultural considerations within the Community;*
- developing its capacity and professionalism to undertake a growing range of leadership, advocacy and service delivery challenges; and*
- exercising, performing and discharging the power, functions and duties of the Local Government Act 1999 and other relevant legislation.*

Our Values

As a results oriented organisation, Council is committed to its core values of:

- pro-active and effective communication*
- honesty and transparency*
- accepting and pursuing challenges*
- creative, positive and energetic workforce and leadership*

2.3 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.
- Asset management improvement plan

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.

The fact that Council is generally risk averse, and is meeting its regulatory requirements, indicates that the level of service can be regarded as adequate. Further to this, the Council's Long-Term Financial Plan (LTFP) indicates that Council was already in a reasonably financially sustainable position before its latest asset revaluations. That position has been further reinforced by significant reductions in annual depreciation expenses. Accordingly 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.

Council's administration continues to be active in developing mechanisms to comprehensively record the range and levels of its asset services, and the cost of providing the services to the established levels of service. This then provides Council with solid decision making data to analyse the impact of various scenarios on Councils long term financial position where services are increased or decreased. Service levels are defined by two measures:

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.

Maintenance programs are in place for all of Councils transport assets and are fully funded within Councils Annual Budget. These levels of expenditure have been assumed to be consistent for the life of this plan.

The largest area of transport maintenance expenditure is incurred by the patrol grading program. This program grades the class 1 roads twice a year, class 2 roads once a year with class 3 roads being patched and repaired on an as needs basis.

Resheeting is classified as replacement or renewal expenditure. In effect this activity returns the road to its original state thereby continuing to provide the same level of service as previously.

Resheeting Standards are as follows:

- Class 1 – Intervention point is when there is 50mm or less of sheeting is remaining. The full depth of class 1 roads is 150mm (8 meters wide) accordingly when the intervention point is reached the road is resheeted back to this overall depth.
- Class 2 – The intervention point is where there is 25mm or less of sheeting remaining. The full depth of class 2 roads is 100mm (6 meters wide) accordingly when this point is reached the road is resheeted back to this overall depth.
- Class 3 – Council is not planning to resheet any of these roads. Class 3 roads will be patched and repaired on an as needs basis. When it is taken into account that Council is already maintaining 649kms of class 1 & class 2 roads combined it can be understood that it would be almost physically impossible to resheet the class 3 roads as well.

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 Infrastructure Asset Management Plan (IAMP) & LTFP will need to be updated.

5. Capital Expenditure Required on Transport Assets for the Next 10 Year Period.

5.1 Construction of New or Upgraded Assets as distinguished from the Renewal or Replacement of Existing Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements.

A new asset is additional to Council's previous asset complement. For example, roads constructed as part of a Council owned subdivision are new assets; similarly laying footpaths in areas where they did not previously exist are also new assets.

An upgraded asset replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a *combination of renewal as well as upgrade*. For Example, the replacement of a road that was initially was 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 less 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. Fortunately the Mount Remarkable Council is not in this situation at present.

No new transport assets have been included in this iteration of the transport assets management plan. As outlined in the long term financial plan (LTFP) Council is in a strong financial position, accordingly it may decide to construct strategic new assets. Any such developments will be incorporated into future iterations of this plan as well as future iterations of the LTFP.

5.2 Projected Capital Renewal Expenditure

The asset data that underpins this plan indicates that only relatively small amounts of renewal expenditure will need to be incurred on Councils' existing Kerb & Water Table assets as well as Councils' sealed road network.

The areas of significant renewal expenditure will be incurred is in the resheeting of Councils unsealed road network.

This plan has considered the overall number of kilometres of resheeting required over the next 10 years and then determined an annual level that can be reasonably achieved as a minimum. Council is planning to resheet 15kms of Class 1 (\$750k p.a.) roads per annum and 15kms of Class 2 (\$250k p.a.) roads per annum as a minimum. The actual roads to be resheeted will be determined on an annual basis as part of the Annual Business Plan & Annual Budget process. Should it be necessary there is scope to increase the number of kilometres sheeted each year.

6 Improvements to the IAMP

Improvements to the IAMP will come from

- Gradual redefining of maintenance and operational account lines and/or cost codes, to build a profile for each road
- From a capital works perspective (renewal, disposal and upgrading), ongoing updating and more detailed assessment of individual components of infrastructure over time;
 - keeping records of actual costs;
 - monitoring evidence of different values of parameters such as useful lives and the like
 - bringing to account the financial impact of necessary changes to practices brought about by Regulatory changes and/or changes driven by improved knowledge within the sector across the State.
 - further analysis of the existing roads data to ensure the current classification of unsealed roads reflects the expectations of the community
 - the development of a 10 year capital renewal program that specifically identifies which roads will be renewed in which years. Such a program would still be reviewed on an annual basis as part of the annual business Plan and Annual Budget process.