


# Coorong District Council

# 2023-2033 Asset Management Strategy Bridging Document*

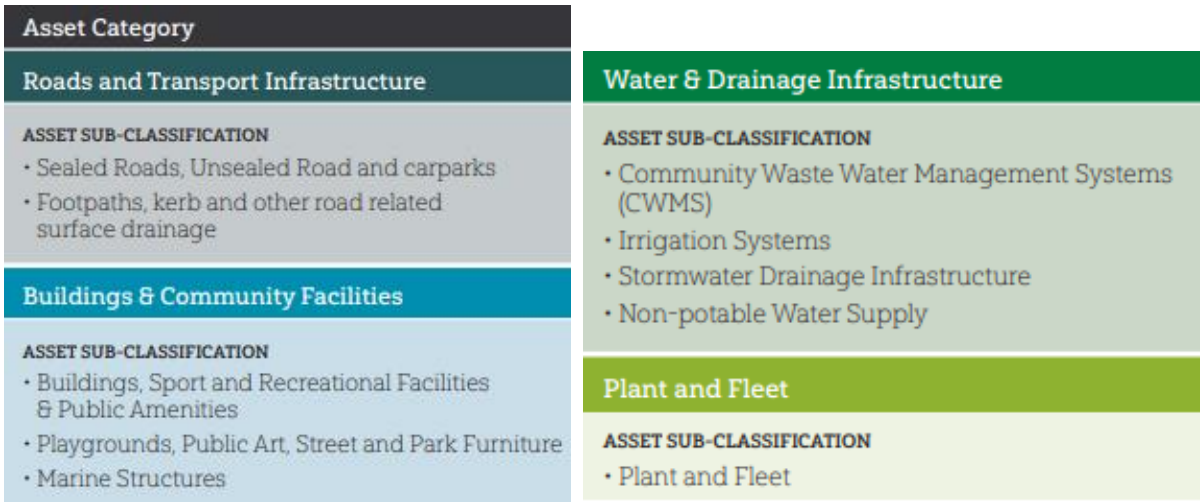
** This document bridges the Asset Management Plans (AMP) against the 2024/25 – 2033/34 Long Term Financial Plan. AMPs for respective asset classes will be revised by mid-2024/25 to ensure alignment.*

## Introduction

This document has been created to provide a forecast position of the Coorong District Council's Asset Management Plans (AMPs) upon completion of a detailed review to be completed in 2024. This document will review their current adopted positions by including assumptions and modelling adjustments based on known and expected asset data. Each asset class has been reviewed from a high-level perspective and this document will clearly identify the current adopted asset class position and the forecast position. This document is intended to be used to provide a more accurate representation of the Council's financial position during the 2024 Long Term Financial Plan (LTFP) review. This document also sets out the improvement schedule for 2024 to enable Council to update the AMPs to a satisfactory level and evolve its asset maturity to an acceptable level.

## Background

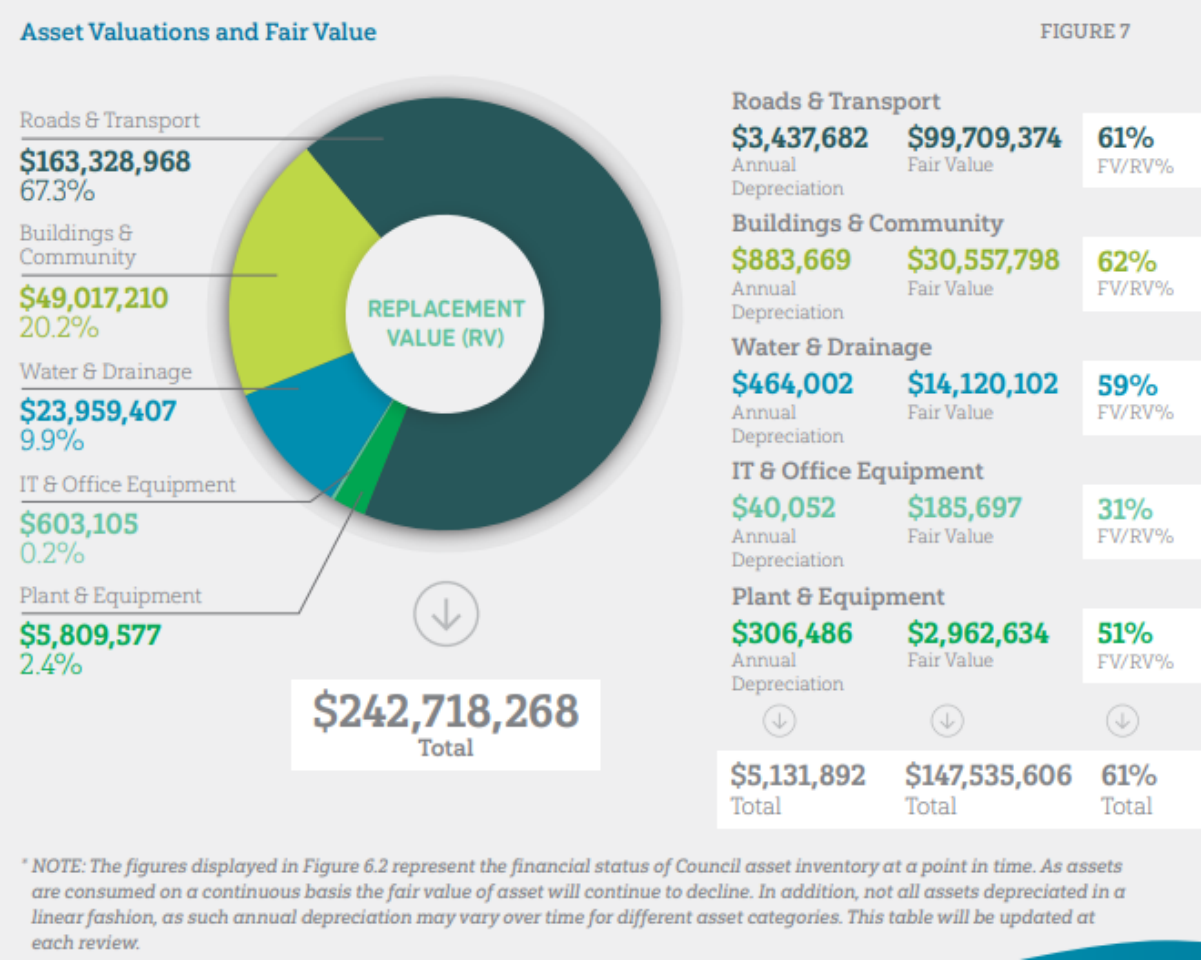
Coorong District Council has adopted an overarching Coorong Asset Management Strategy (CAMS) which set out the high level strategic framework in which each asset class is managed. There are four asset categories which are then further broken down into sub classifications (see below the breakdown of the asset structure).




The CAMS also sets the current level of maturity of the Council within the asset management area and sets out some improvement opportunities and associated time frame and budget allocation to enable this maturity level to increase to a level which has been agreed upon by Council as an acceptable level of maturity.

## Depreciation

The Coorong Asset Management Strategy (CAMS) sets out the high-level depreciation figures for each asset class utilising the existing data within Council's asset management software (see below – extract from the CAMS).




Council is forecasting a slight increase in the depreciation figures due to the movement in asset valuation data from the 2022/23 post-closing movements.

The following tables provide the anticipated depreciation movements in 2023/24. Table 1 below is a summary of the data presented within the CAMS with a calculated average useful life across each asset class.

| **CAMS Data** | | | | | |
|---|---|---|---|---|---|
| **Asset Class** | **Valuation** | | **Depreciation** | | **Avg Useful Life** |
| **Roads & Transport** | $ | 163,328,968 | $ | 3,437,682 | 47.5 |
| Buildings & CF | $ | 49,017,210 | $ | 883,669 | 55.5 |
| Water & Drainage | $ | 23,959,407 | $ | 464,002 | 51.6 |
| IT & Office | $ | 603,105 | $ | 40,052 | 15.1 |
| Plant & Equipment | $ | 5,809,577 | $ | 306,486 | 19.0 |
| **Totals** | **$** | **242,718,267** | **$** | **5,131,891** | **37.7** |

*Above: Table 1.*

The below table is a forecast of the depreciation schedule presented in the CAMS utilising the 2022/23 end of financial year asset valuation data, while adopting the same average useful life.

| 2022/23 EOFY Asset Data | | | | | |
|---|---|---|---|---|---|
| **Asset Class** | **Valuation** | | **Depreciation** | | **Ave Useful Life** |
| **Roads & Transport** | $ | 185,407,814 | $ | 3,902,389 | 47.5 |
| Buildings & CF | $ | 49,521,582 | $ | 892,762 | 55.5 |
| Water & Drainage | $ | 27,797,180 | $ | 538,325 | 51.6 |
| IT & Office | $ | 716,454 | $ | 47,579 | 15.1 |
| Plant & Equipment | $ | 6,158,396 | $ | 324,888 | 19.0 |
| | | | | | |
| **Totals** | **$** | **269,601,426** | **$** | **5,705,943** | **37.7** |

*Above: Table 2.*

The above data is calculated using high level asset class data which is suitable for the purpose of LTFP and annual budgeting. The actual depreciation will be calculated as an individual asset level which may result in small variance from the forecast figures.

## Forecast Depreciation

Beyond the 2023/24 financial year a forecast is required to be made into the asset data of each individual asset classification. Council has undertaken an asset understanding exercise where a review of the asset information has presented some forecast variations in asset valuations, asset quantities and useful lives. The review of each asset class has assessed the known asset data and made assumptions based on the forecast gaps to provide an expected renewal level into the future.

The forecast takes into account Council's ability to fund the renewal required to achieve the desired service level of the asset class. Council has introduced a stepped approach to increasing the renewal funding to achieve a fully funded renewal program over a five-year period. Given the large, anticipated leap in depreciation and renewal, it is not financially sustainable to adopt a fully funded renewal program in Year 2 of the program. Council will need to gradually increase the level of renewal funding while simultaneously increasing their revenue to fund the expenditure.

A stepped approach to the increase in renewal funding does present some asset management challenges; some assets will not be renewed in line with their renewal triggers, resulting in a lower service level of the asset. It will also generate asset renewal backlog where the assets are past their useful life before being renewed. This will cause the value of the renewal to increase as the asset condition is poorer when undertaking renewal, resulting in more expenditure required to restore its condition.

## Roads & Transport Infrastructure

### Introduction

During 2023 Council undertook a comprehensive update of the Roads & Transport Infrastructure Asset Management Plan. This AMP review looked at the roads condition data which had been gathered in previous years and was still valid for accuracy. It also included an in-depth analysis of the adopted useful life, renewal values, asset componentisation and intervention levels for each classification of the assets. This has set the precedence for the works which need to be undertaken in the remaining asset classes during 2024.

### Asset Renewal

The below funding renewal program is the proposed funding renewal program as adopted in the Roads & Transport Infrastructure AMP.

10 Year Roads & Transport Capital Renewal Funding — FIGURE 6.1

| Year | Financial Year | Sealed Roads | Unsealed Roads | Footpath | Kerb | Total |
|---|---|---|---|---|---|---|
| Year 1 | 2023/24 | $1,600,000 | $2,600,000 | $50,000 | $50,000 | $4,300,000 |
| Year 2 | 2024/25 | $2,592,017 | $3,214,020 | $58,000 | $50,000 | $5,914,037 |
| Year 3 | 2025/26 | $2,196,632 | $4,199,033 | $58,000 | $50,000 | $6,503,665 |
| Year 4 | 2026/27 | $2,264,565 | $3,308,721 | $58,000 | $50,000 | $5,681,286 |
| Year 5 | 2027/28 | $2,332,862 | $3,409,575 | $58,000 | $50,000 | $5,850,437 |
| Year 6 | 2028/29 | $2,401,523 | $2,666,911 | $116,000 | $100,000 | $5,284,434 |
| Year 7 | 2029/30 | $2,461,471 | $2,495,209 | $116,000 | $100,000 | $5,172,680 |
| Year 8 | 2030/31 | $2,546,968 | $3,727,526 | $116,000 | $100,000 | $6,490,494 |
| Year 9 | 2031/32 | $2,620,233 | $3,832,187 | $116,000 | $100,000 | $6,668,420 |
| Year 10 | 2032/33 | $2,705,392 | $3,951,512 | $116,000 | $100,000 | $6,872,904 |
| Total | | $23,721,663 | $33,404,694 | $862,000 | $750,000 | $58,738,357 |
| **10 year Average** | | **$2,372,166** | **$3,340,469** | **$86,200** | **$75,000** | **$5,873,836** |

*NOTE: All dollar figures are expressed in 2023 terms – no indexing has been included with in the asset management strategy*

## Assumptions

High level assessments of this asset class have revealed the following assumptions:

- Kerbing replacement values were significantly lower than actual achieved rates per metre and required a 100% increase in replacement values. Replacement values were $150 per metre, actual rates were $300 per metre.
- Kerbing assets were not fully captured within the asset system. It is anticipated that kerbing assets within the field are not fully represented in the asset system, therefore forecasting a 25% increase in the kerbing quantity.
- Footpath budget updated to reflect adopted 2023/24 budget and allowance for a transition to $75k per annum budget with a 3% CPI annual increase.
- Kerbing budget to increase by 3% annual forecast CPI from 2027/28 onwards.

## Forecast

Taking into account the above-mentioned assumptions, it is anticipated that upon full completion of AMP reviews the renewal program for Roads & Transport Infrastructure assets will have a depreciation similar to the below:

| Year | Financial Year | Sealed Roads | Unsealed Roads | Footpath | Kerb | Total |
|---|---|---|---|---|---|---|
| **1** | 23/24 | $ 1,800 | $ 2,600 | $ - | $ - | $ 4,400 |
| **2** | 24/25 | $ 2,180 | $ 3,310 | $ 53 | $ 180 | $ 5,723 |
| **3** | 25/26 | $ 2,246 | $ 3,409 | $ 54 | $ 185 | $ 5,894 |
| **4** | 26/27 | $ 2,313 | $ 3,511 | $ 56 | $ 191 | $ 6,071 |
| **5** | 27/28 | $ 2,383 | $ 3,617 | $ 58 | $ 196 | $ 6,253 |
| **6** | 28/29 | $ 2,454 | $ 3,725 | $ 59 | $ 202 | $ 6,441 |
| **7** | 29/30 | $ 2,528 | $ 3,837 | $ 61 | $ 208 | $ 6,634 |
| **8** | 30/31 | $ 2,603 | $ 3,952 | $ 63 | $ 215 | $ 6,833 |
| **9** | 31/32 | $ 2,682 | $ 4,071 | $ 65 | $ 221 | $ 7,038 |
| **10** | 32/33 | $ 2,762 | $ 4,193 | $ 67 | $ 228 | $ 7,249 |
| **Total** | | **$ 23,951** | **$ 36,224** | **$ 535** | **$ 1,826** | **$ 62,537** |

*Above: Table 3.*

Given Council's financial position, it is not deemed financially sustainable to fully fund the forecast depreciation of the Roads & Transport Infrastructure assets. Council will be required to undertake detailed review of assets within the Roads & Transport Infrastructure class to reduce the total asset valuation. In addition, Council will also be required to adopt a stepped approach to achieving a fully funded renewal program (refer the following table identifying the funding renewal transition).

| Year | Financial Year | Renewal % | Sealed Roads | Unsealed Roads | Footpath | Kerb | Total |
|---|---|---|---|---|---|---|---|
| **1** | 23/24 | 100% | $ 1,800 | $ 2,600 | $ - | $ - | $ 4,400 |
| **2** | 24/25 | 75% | $ 1,635 | $ 2,482 | $ 40 | $ 135 | $ 4,292 |
| **3** | 25/26 | 80% | $ 1,797 | $ 2,727 | $ 43 | $ 148 | $ 4,715 |
| **4** | 26/27 | 85% | $ 1,966 | $ 2,985 | $ 48 | $ 162 | $ 5,160 |
| **5** | 27/28 | 90% | $ 2,144 | $ 3,255 | $ 52 | $ 177 | $ 5,628 |
| **6** | 28/29 | 95% | $ 2,331 | $ 3,539 | $ 56 | $ 192 | $ 6,119 |
| **7** | 29/30 | 100% | $ 2,528 | $ 3,837 | $ 61 | $ 208 | $ 6,634 |
| **8** | 30/31 | 100% | $ 2,603 | $ 3,952 | $ 63 | $ 215 | $ 6,833 |
| **9** | 31/32 | 100% | $ 2,682 | $ 4,071 | $ 65 | $ 221 | $ 7,038 |
| **10** | 32/33 | 100% | $ 2,762 | $ 4,193 | $ 67 | $ 228 | $ 7,249 |
| **Total** | | | **$ 22,248** | **$ 33,640** | **$ 494** | **$1,686** | **$ 8,069** |

*Above: Table 4.*

The above renewal table is the adopted renewal/depreciation schedule to be included in the LTFP.

## Buildings & Community Facilities

### Introduction

Council's Building & Community Facilities AMP was adopted in 2018 using asset data from 2017. Council undertook review of this asset class and building condition assessment data in 2021/22. Council also utilised a digital asset dashboard through its asset management provider to present and assist in the modelling the building data. Both sets of financial information are included below.

The buildings within Council's asset management system are comprehensive and accurate, however the community facilities asset data is incomplete. We have a large majority of assets like park shelters, BBQ's and street furniture which are not contained within the asset data. Council intends to capture these assets in the revised Asset Management Plans. Low individual value assets like street furniture will be grouped together and input as a single asset, whereas park shelters will be included with each shelter as an individual asset.

### Asset Renewals

The below funding renewal program was the proposed funding renewal program as adopted in the Buildings & Community Facilities AMP.

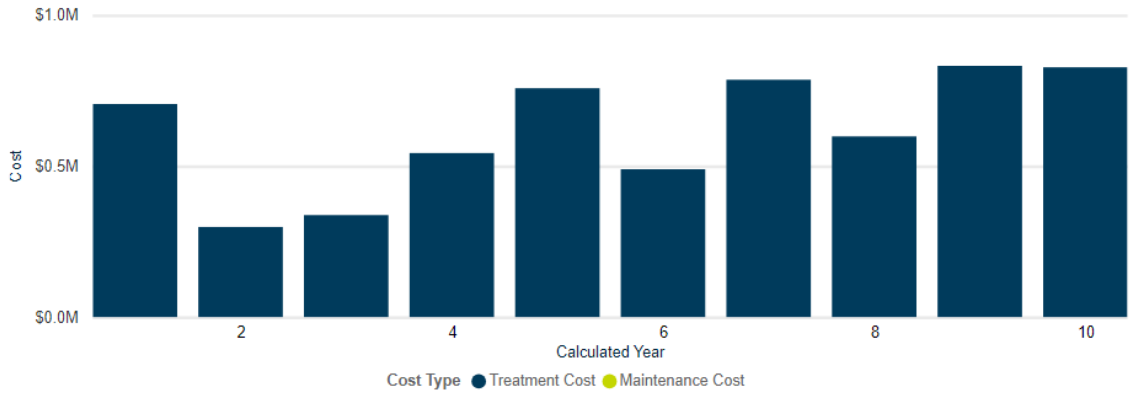
The values for Buildings as at 30 June 2017 are shown below.

| Component Name | Replacement Value | Depreciation Expense | Accumulated Depreciation | Written Down Value |
|---|---|---|---|---|
| Structure | $10,533,941 | $113,899 | $4,606,970 | $5,926,971 |
| Fitouts, Fittings, Floor Coverings | $2,831,943 | $97,617 | $1,458,654 | $1,373,288 |
| Building Services | $4,719,737 | $205,290 | $2,396,074 | $2,323,663 |
| Site Services and Infrastructure | $1,073,613 | $30,001 | $569,374 | $504,239 |
| **Total** | **$19,159,234** | **$446,806** | **$9,031,072** | **$10,128,162** |

The following data is extracted from Council's asset dashboard and is inclusive of the data captured from the 2021/22 condition assessment.

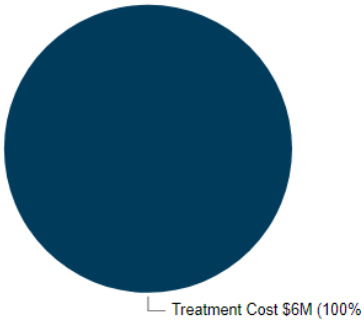
Service Level Analysis | Funding Distribution | Asset Life Cycle | Year-level Comparison | Service-level Comparison

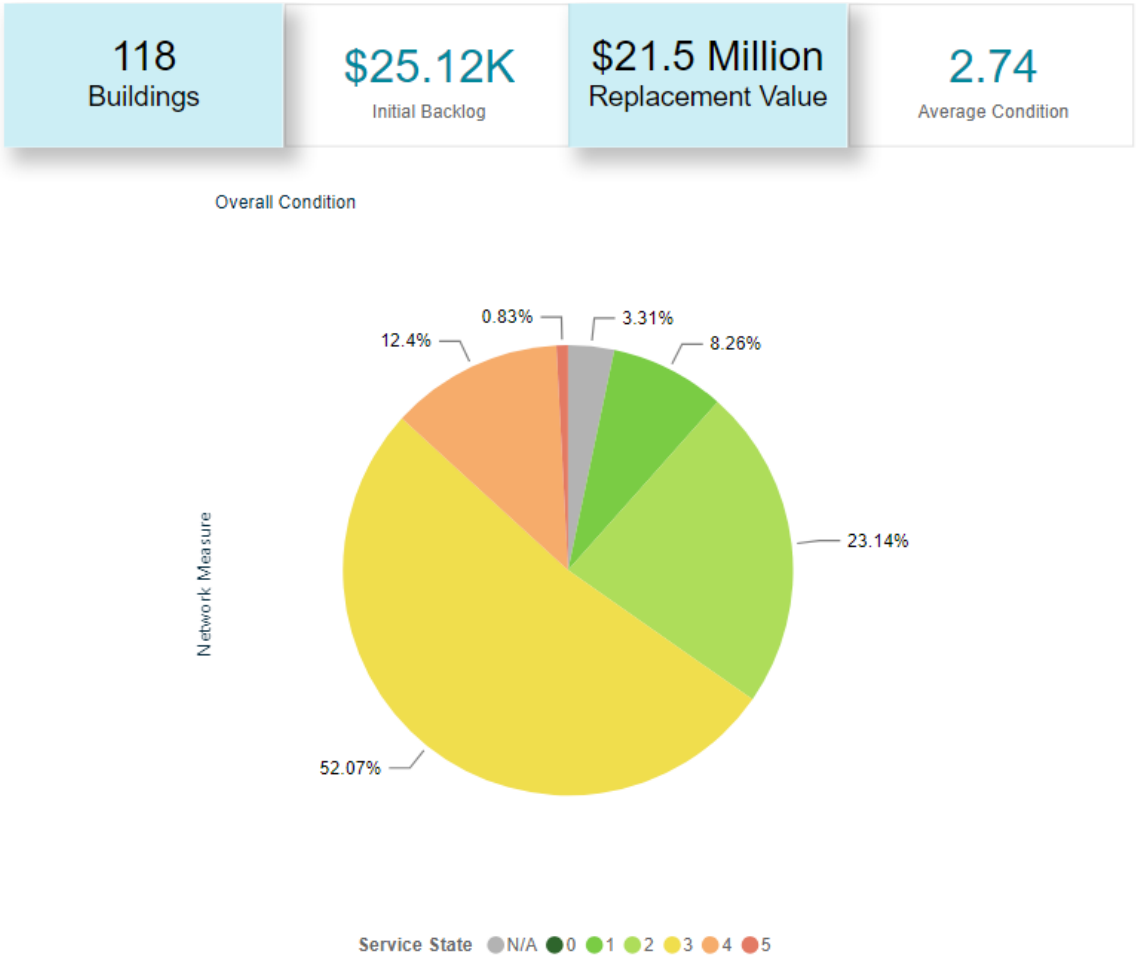
Total Cost by Year




| Year | Treatment Cost |
|---|---|
| 1 | $705,472 |
| 2 | $298,308 |
| 3 | $337,574 |
| 4 | $543,091 |
| 5 | $757,761 |
| 6 | $489,452 |
| 7 | $785,835 |
| 8 | $598,211 |
| 9 | $831,813 |
| 10 | $827,098 |
| | **$6,174,614** |

Cost Type Distribution






The data displayed above shows a valuation increase from 2017 to 2022 and a depreciation expense increase from approximately $447k per annum to $617k per annum. This is due to the increase in total value as well as the adjustment of useful lives to ensure the building condition remains at an acceptable level.

## Assumptions

- Current data shows $21.5M valuation and $617k annual depreciation. With addition of missing community facilities assets and inflation, an estimated $5M of total valuation increase is expected. By holding the same useful lives that forecast depreciation at $750k per annum.
- It has been forecast to transition to a fully funded depreciation system over a three-year transition period to ease the financial strain.
- It has been assumed that the adopted useful lives for each asset type are satisfactory; this will be reviewed during the AMP update process.
- Assumed 3% CPI annual increase.

## Forecast

Taking into account the above-mentioned assumptions it is anticipated that upon full completion of AMP reviews, the renewal program for Buildings & Community Facilities assets will have a depreciation program similar to the below.

| Year | Financial Year | Depreciation | Buildings | |
|---|---|---|---|---|
| **1** | 23/24 | 100% | $ | 976.50 |
| **2** | 24/25 | 100% | $ | 513.40 |
| **3** | 25/26 | 100% | $ | 528.80 |
| **4** | 26/27 | 100% | $ | 544.67 |
| **5** | 27/28 | 100% | $ | 561.01 |
| **6** | 28/29 | 100% | $ | 577.84 |
| **7** | 29/30 | 100% | $ | 595.17 |
| **8** | 30/31 | 100% | $ | 613.03 |
| **9** | 31/32 | 100% | $ | 631.42 |
| **10** | 32/33 | 100% | $ | 650.36 |
| **Total** | | | $ | 6,192.19 |
| **10 Year Average** | | | $ | 619.22 |

*Above: Table 5.*

Given Council's financial position it is not deemed financially sustainable to fully fund the forecast depreciation of the Building & Community Facilities Assets. Council will be required to undertake detailed review of assets within the asset class to reduce the total asset valuation. In addition, Council will also be required to adopt a stepped approach to achieve a fully funded renewal program (see below – table identifies the funding renewal transition).

| Year | Financial Year | Renewal | | |
|---|---|---|---|---|
| **1** | 23/24 | 100% | $ | 976.50 |
| **2** | 24/25 | 75% | $ | 385.05 |
| **3** | 25/26 | 80% | $ | 423.04 |
| **4** | 26/27 | 85% | $ | 462.97 |
| **5** | 27/28 | 90% | $ | 504.91 |
| **6** | 28/29 | 95% | $ | 548.94 |
| **7** | 29/30 | 100% | $ | 595.17 |
| **8** | 30/31 | 100% | $ | 613.03 |
| **9** | 31/32 | 100% | $ | 631.42 |
| **10** | 32/33 | 100% | $ | 650.36 |
| **Total** | | | $ | 5,791.38 |
| **10 Year Average** | | | $ | 579.14 |

*Above: Table 6.*

The above renewal table is the adopted renewal/depreciation schedule to be included in the LTFP.

## Water & Drainage Infrastructure

### Introduction

Council has an adopted AMP for Water and Sewerage assets from 2018 which was completed using data collected in 2017. In 2022 Council undertook review of the CWMS component of this asset class in preparation for the AMP updates.

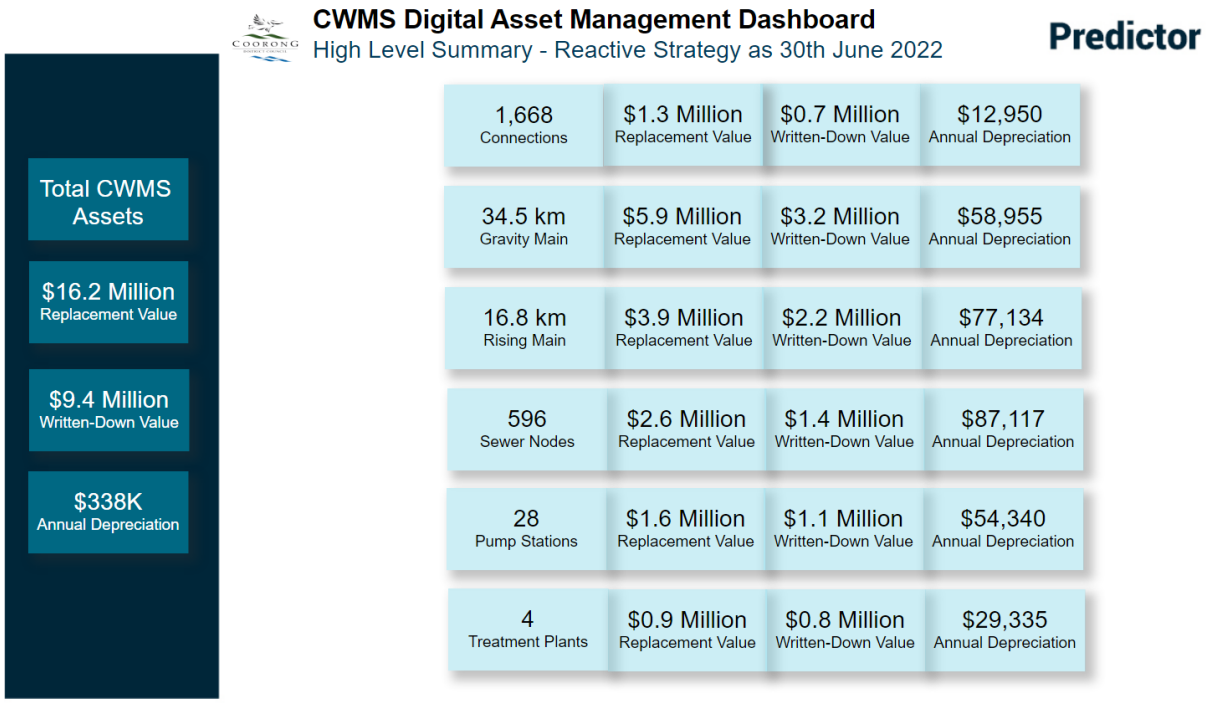
### State of Assets

From the 2018 adopted Water and Sewerage AMP the financial data for the asset class appears below.

| Asset Financial Class | Replacement Value ($) | Written Down Value ($) | Accumulated Depreciation ($) | Annual Depreciation ($) |
|---|---|---|---|---|
| Stormwater | 4,161,247 | 2,261,345 | 1,899,903 | 71,202 |
| Water | 1,371,476 | 826,819 | 544,657 | 27,948 |
| Sewer | 18,121,918 | 12,841,255 | 5,280,663 | 326,290 |
| **Total** | **23,654,641** | **15,929,419** | **7,725,223** | **425,440** |

Table 7 - Coorong District Council Financial Revaluation Values as at 30 June 2017

In 2022 CWMS assets were reviewed and below is the data presented from this revision.




### Assumptions

Council's data confidence for CWMS and Water supply is quite high and aside from industry inflation increasing, the replacement values and small variations to useful

lives it is not expected to have any significant discrepancy between the current data and the new data to be captured for the 2024 AMP update.

The stormwater asset class is an area of known deficiency for Council – it is expected that up to 50% of Council's stormwater assets are not recorded in the asset management system. This is based on recent experience at Meningie where Council data showed approximately 60 pit assets, and a mapping exercise uncovered 120 pit assets in the town.

The following assumptions have been made:

- CWMS and Water supply assets remain as per current asset information.
- 50% of Council's stormwater assets are not captured in the asset management system.
- Transition to fully funded stormwater depreciation over a three-year period.
- 3% CPI annual increase.

### Conclusion

Taking into account the above-mentioned assumptions it is anticipated that upon full completion of AMP reviews, Council's Water & Drainage assets will have a depreciation program similar to the below.

| Year | Financial Year | Drainage / Stormwater | CWMS | Water Supply | Total |
|---|---|---|---|---|---|
| **1** | 23/24 | $ 290 | $ 743 | $ 70 | $ 1,103 |
| **2** | 24/25 | $ 128 | $ 287 | $ 4 | $ 419 |
| **3** | 25/26 | $ 131 | $ 296 | $ 4 | $ 431 |
| **4** | 26/27 | $ 135 | $ 305 | $ 4 | $ 444 |
| **5** | 27/28 | $ 139 | $ 314 | $ 4 | $ 458 |
| **6** | 28/29 | $ 144 | $ 323 | $ 5 | $ 471 |
| **7** | 29/30 | $ 148 | $ 333 | $ 5 | $ 486 |
| **8** | 30/31 | $ 152 | $ 343 | $ 5 | $ 500 |
| **9** | 31/32 | $ 157 | $ 353 | $ 5 | $ 515 |
| **10** | 32/33 | $ 162 | $ 364 | $ 5 | $ 531 |
| **Total** | | $ 166 | $ 375 | $ 5 | $ 546 |

*Above: Table 7.*

Given Council's financial position it isn't deemed financially sustainable to fully fund the forecast depreciation of the Water & Drainage assets, Council will be required to undertake detailed review of assets within the asset class to reduce the total asset valuation. In addition, Council will also be required to adopt a stepped approach to achieve a fully funded renewal program (refer following table which identifies the funding renewal transition).

| Year | Financial Year | Renewal % | Drainage / Stormwater | CWMS | Water Supply | Total |
|---|---|---|---|---|---|---|
| **1** | 23/24 | 100% | $ 290 | $ 743 | $ 70 | $ 1,103 |
| **2** | 24/25 | 75% | $ 96 | $ 215 | $ 3 | $ 314 |
| **3** | 25/26 | 80% | $ 105 | $ 237 | $ 3 | $ 345 |
| **4** | 26/27 | 85% | $ 115 | $ 259 | $ 4 | $ 378 |
| **5** | 27/28 | 90% | $ 125 | $ 283 | $ 4 | $ 412 |
| **6** | 28/29 | 95% | $ 136 | $ 307 | $ 4 | $ 448 |
| **7** | 29/30 | 100% | $ 148 | $ 333 | $ 5 | $ 486 |
| **8** | 30/31 | 100% | $ 152 | $ 343 | $ 5 | $ 500 |
| **9** | 31/32 | 100% | $ 157 | $ 353 | $ 5 | $ 515 |
| **10** | 32/33 | 100% | $ 162 | $ 364 | $ 5 | $ 531 |
| **Total** | | | $ 1,486 | $ 3,437 | $ 108 | $ 5,031 |

*Above: Table 8.*

The above renewal table is the adopted renewal/depreciation schedule to be included in the LTFP.

# Plant & Fleet

## Introduction

Council undertook a review and update in 2022 on the Plant & Fleet asset group. Unfortunately during, and shortly after this review significant increases in Plant & Fleet pricing were observed due to the COVID-19 pandemic, creating huge backlogs of supply. Whilst the useful life and renewal cycles of the plant and equipment is correct and hold true to current day, the replacement values have inflated significantly.

## State of Assets

As of 2022 the below figures are the replacement values and renewal funding proposal for the Plant & Fleet AMP.

| Category | No. | Ave Age | Disposal Trigger [1] | unit | UL[2] | Total Replacement Value | Total Annual Depreciation |
|---|---|---|---|---|---|---|---|
| Float | 1 | 14.6 | 500,000 | km | 20 | $ 150,000.00 | $ 6,000.00 |
| Grader | 4 | 3.9 | 10,000 | hr | 4 | $ 1,500,000.00 | $ 300,000.00 |
| Heavy Plant | 4 | 8.3 | 7,500 | hr | 8 | $ 690,000.00 | $ 69,000.00 |
| Heavy Truck | 5 | 12.2 | 500,000 | km | 10 | $ 410,000.00 | $ 32,800.00 |
| Light Commercial | 14 | 4.2 | 150,000 | km | 7 | $ 550,000.00 | $ 62,857.14 |
| Light Plant | 2 | 4.7 | 6,000 | hr | 7 | $ 155,000.00 | $ 17,714.29 |
| Light Truck | 5 | 8.4 | 250,000 | km | 10 | $ 735,000.00 | $ 58,800.00 |
| Misc | 5 | 8.1 | NA | na | 7 | $ 75,000.00 | $ 3,742.86 |
| Mower | 7 | 4.2 | 4,000 | hr | 5 | $ 235,000.00 | $ 37,600.00 |
| Passenger | 9 | 2.2 | 100,000 | km | 5 | $ 345,000.00 | $ 55,200.00 |
| Roller | 7 | 9.2 | 5,000 | hr | 10 | $ 735,000.00 | $ 59,777.78 |
| Tractor | 3 | 9.6 | 5,000 | hr | 9 | $ 120,000.00 | $ 10,666.67 |
| Trailer | 15 | 3.2 | NA | na | 10 | $ 147,500.00 | $ 11,800.00 |
| **TOTAL** | | | | | | **$ 5,847,500.00** | **$ 725,958.73** |

**Table 4: Plant and Fleet Useful Life, Retention triggers, Replacement Value and Annual Depreciation.**

| Finaicial Year | Plant and Fleet Budget | Status | Backlog | ASR% |
|---|---|---|---|---|
| 2021/22 | $ 1,510,000.00 | Adopted | $ 784,041.27 | 216% |
| 2022/23 | $ 1,182,500.00 | Recommended | $ 456,541.27 | 169% |
| 2023/24 | $ 1,030,000.00 | Recommended | $ 304,041.27 | 147% |
| 2024/25 | $ 1,015,000.00 | Recommended | $ 289,041.27 | 145% |
| 2025/26 | $ 687,500.00 | Recommended | -$ 38,458.73 | 98% |
| 2026/27 | $ 675,000.00 | Recommended | -$ 50,958.73 | 97% |
| **TOTAL** | **$ 6,100,000.00** | | **$ 1,744,247.62** | |
| **Average** | **$ 1,016,666.67** | | **$ 290,707.94** | **145%** |

**Table 5: Annual Plant and Fleet Renewal Summary**

## Assumptions

The recent purchase of a grader, utility vehicle and tractor have been modelled to understand an estimated increase in replacement value. The average actual replacement value for these pieces of equipment was 140% of the AMP document replacement value.

The following assumptions have been made:

- Accurate useful life of all plant and fleet.
- 140% increase in the replacement value of the plant and fleet.
- 3% CPI Annual increase.

## Conclusion

Taking into account the above-mentioned assumptions it is anticipated that upon full completion of the AMP review for Plant & Fleet assets, Council will have a depreciation program similar to the below.

| Year | Financial Year | Plant | |
|---|---|---|---|
| **1** | 23/24 | $ | 978.00 |
| **2** | 24/25 | $ | 877.46 |
| **3** | 25/26 | $ | 903.78 |
| **4** | 26/27 | $ | 930.89 |
| **5** | 27/28 | $ | 958.82 |
| **6** | 28/29 | $ | 987.58 |
| **7** | 29/30 | $ | 1,017.21 |
| **8** | 30/31 | $ | 1,047.73 |
| **9** | 31/32 | $ | 1,079.16 |
| **10** | 32/33 | $ | 1,111.53 |
| **Total** | | $ | 9,892.16 |
| **10 Year Average** | | $ | 989.22 |

*Above: Table 9.*

Given Council's financial position it is not deemed financially sustainable to fully fund the forecast renewal of the Plant & Fleet assets. Council will be required to undertake detailed review of assets within the asset class to reduce the total asset valuation. In addition, Council will also be required to adopt a stepped approach to achieve a fully funded renewal program (refer following table which identifies the funding renewal transition).

| Year | Financial Year | Renewal % | Plant | |
|---|---|---|---|---|
| **1** | 23/24 | 100% | $ | 978.00 |
| **2** | 24/25 | 75% | $ | 877.46 |
| **3** | 25/26 | 80% | $ | 723.02 |
| **4** | 26/27 | 85% | $ | 791.26 |
| **5** | 27/28 | 90% | $ | 862.94 |
| **6** | 28/29 | 95% | $ | 938.20 |
| **7** | 29/30 | 100% | $ | 1,017.21 |
| **8** | 30/31 | 100% | $ | 1,047.73 |
| **9** | 31/32 | 100% | $ | 1,079.16 |
| **10** | 32/33 | 100% | $ | 1,111.53 |
| **Total** | | | $ | 9,426.51 |
| **10 Year Average** | | | $ | 942.65 |

*Above: Table 10.*

The above renewal table is the adopted renewal/depreciation schedule to be included in the LTFP.

## Bridging Document Conclusion

The works undertaken to complete this review and the development of this bridging document will be utilised for Council's long term financial planning as well as set out forecast for Council's asset management maturity over the next 12 months.

Council will endeavour over the course of the 2023/24 financial year to complete a comprehensive review and stocktake of its asset register. This will involve the GIS mapping of all appropriate assets and stocktake to ensure all assets are recorded within the updated asset register. Council intends to have the new asset register be operational for the commencement of the 2024/25 financial year and all asset management financial processing associated with the 2024/25 financial year be undertaken utilising the updated register.

Upon successful completion of the asset register update, Council will commence the process of completing comprehensive review and updates of its Asset Management Plans to align to the newly adopted Asset Management Strategy and the Roads & Transport Asset Management Plan. Council's priority will be to complete the Building & Community Facilities AMP, then the Water & Drainage Infrastructure AMP and finally the Plant & Fleet AMP. It is Council's intention to complete the Buildings & Community Facilities AMP and have this adopted prior to the end of the 2024/25 Financial Year. Water & Drainage Infrastructure and the Plant & Fleet AMPs will be completed in the 2025/26 financial year.

The following page sets out the Capital Works renewal funding proposal utilised within Council's long term financial planning.

## Long Term Financial Plan – Capital Works Forecast

| Capital Expenditure Summary by Asset Type - LTFP - Stepped Renewal - $'000 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Renewal %** | 100% | 75% | 80% | 85% | 90% | 95% | 100% | 100% | 100% | 100% |
| | **Yr 1** | **Yr 2** | **Yr 3** | **Yr 4** | **Yr 5** | **Yr 6** | **Yr 7** | **Yr 8** | **Yr 9** | **Yr 10** |
| **Asset Type** | **2024** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** |
| Land | - | - | - | - | - | - | - | - | - | - |
| Sealed Roads | 1,800 | 1,635 | 1,797 | 1,966 | 2,144 | 2,331 | 2,528 | 2,603 | 2,682 | 2,762 |
| Unsealed Roads | 2,600 | 2,482 | 2,727 | 2,985 | 3,255 | 3,539 | 3,837 | 3,952 | 4,071 | 4,193 |
| Drainage / Stormwater | 290 | 96 | 105 | 115 | 125 | 136 | 148 | 152 | 157 | 162 |
| CWMS | 743 | 215 | 237 | 259 | 283 | 307 | 333 | 343 | 353 | 364 |
| Water Supply | 70 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| Kerb & Gutter | - | 135 | 148 | 162 | 177 | 192 | 208 | 215 | 221 | 228 |
| Footpaths | - | 40 | 43 | 48 | 52 | 56 | 61 | 63 | 65 | 67 |
| Plant & Equipment | 978 | 877 | 723 | 791 | 863 | 938 | 1,017 | 1,048 | 1,079 | 1,112 |
| Office/IT Equipment/Other | 92 | 130 | 134 | 138 | 142 | 146 | 151 | 155 | 160 | 165 |
| Buildings | 977 | 385 | 423 | 463 | 505 | 549 | 595 | 613 | 631 | 650 |
| **RENEWALS** | **7,550** | **6,000** | **6,341** | **6,931** | **7,550** | **8,200** | **8,883** | **9,149** | **9,424** | **9,706** |
| Roads | 2,259 | | | | | | | | | |
| Drainage | | | | | | | | | | |
| Buildings | 30 | | | | | | | | | |
| Structures | | | | | | | | | | |
| Other Assets | 265 | 500 | 515 | 530 | 546 | 563 | 580 | 597 | 615 | 633 |
| **NEW ASSETS/ UPGRADES** | **2,554** | **500** | **515** | **530** | **546** | **563** | **580** | **597** | **615** | **633** |
| **TOTAL CAPITAL EXPENDITURE** | **10,103** | **6,500** | **6,856** | **7,461** | **8,097** | **8,763** | **9,462** | **9,746** | **10,039** | **10,340** |

*Above: Table 11.*