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Cootamundra - Gundagai Regional Council

Asset Management Plan - Fleet

May 2025

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Cootamundra-Gundagai Regional Council

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DOCUMENT CONTROL

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Version No	Date	Revision Details	Typist	Author	Verifier	Approver
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Version Control Protocol:

1. Primary number changes to Versions (e.g. V1.00 to V2.00) apply when the document undergoes its regular review and/or when significant changes are made.
2. Secondary number changes to Versions (e.g. V1.00 to V1.01) apply to minor amendments that do not materially impact the documents and are intended only to clarify or update issues.

Abbreviations

ABS	Australian Bureau of Statistics
AMP	Asset Management Plan
AMS	Asset Management System
AO	Audit Office of New South Wales
CAPEX	Capital Investment Expenditure
CRC	Current replacement cost
CSS	Customer Service Standard
DA	Depreciable amount
EP	Equivalent Persons
FWP	Forward Works Plan
CGRC	Cootamundra–Gundagai Regional Council
GIS	Geographic Information System
IRI	International Roughness Index
IRMP	Infrastructure risk management plan
KIM	Knowledge Information Mapping
KPI	Key Performance Indicator
LCE	Life Cycle Expenditure
LCC	Life Cycle Cost
LGIP	Local Government Infrastructure Plan
LoF	Likelihood of failure
LOS	Levels of Service
MMS	Maintenance management system
TCorp	New South Wales Treasury Corporation
RACAS	Road Asset Condition Assessment System
RUL	Remaining Useful Life
RV	Residual value
SL	Service Level

Executive Summary

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks.

The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 10 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the assets that provide fleet Infrastructure including.

Table 1 - Asset Classes

Fleet Asset Classes					
Trailers	Cars	Utilities	Backhoes	Trucks	Dozers
Excavators	Graders	Loaders	Rollers	Miscellaneous Attachments	Miscellaneous Equipment
Mowers	Street Sweeper	Ride-on mowers	Tractors	Forklifts	Prime Movers

The above Plant and Fleet assets have replacement value estimated at $5,738,000.

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planning period.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery. These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years, for the following:

- Operation, maintenance, renewal and acquisition and disposal of assets to meet service levels set by CGRC in annual budgets.

1.6 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- Current historic expenditure will cover the technical levels of service
- Remaining useful life in the financial exports depicts the forecast renewals

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

1.7 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

Task	Task	Responsibility	Resources Required	Timeline
1	Organisational decision and communication of 'one place of truth' for asset data storage and management.	Deputy General Manager - Operations	All Council staff	1/8/2025
2	Implement a dedicated Plant fund with Plant Hire Rates using the IPWEA Plant & Vehicle Management Manual as a guideline.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	1/7/26 Ongoing Budget timeframes (March each year)
3	Allocate separate light fleet budget (managed under a leasing agreement)	Deputy General Manager -	Both Team Leads – Engineering Cootamundra	1/7/26 Ongoing Budget

	and the plant operation and maintenance budget.	Operations	and Engineering Gundagai	timeframes (March each year)
4	Continue liaison and abreast with industry advancements.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	Ongoing
7	Defining ownership of various asset types (including clarification of budget allocations for each asset types).	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	31/12/2026
8	Clarification of each asset type including financial and non-financial assets with their inclusion into the Enterprise system.		Both Team Leads – Engineering Cootamundra and Engineering Gundagai	31/12/2026
9	Inspection system (condition) based on 3-year valuation process.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	Ongoing
9	Creation of documented maintenance/servicing programs for asset/services associated plant and fleet, with yearly review periods for KPIs.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	30/9/2025
10	Consistent work processes and procedures is key across both offices of the CGRC, especially in the event de-merging does not occur. The support of change management	Deputy General Manager - Operations	All Council staff	1/5/2025

	processes throughout the Council operations is warranted to ensure the amalgamated Council operates across the two distinct operational bases to obtain operational benefits through sharing information, knowledge and experience to further develop asset management culture within the organisation. The use of a Change Management support organisation should be considered, to support this activity across Councils organisational operational base.			

BACKGROUND

2.1 Purpose of the Plan

The purpose of this AMP is to assist Council in two (2) principal ways. The first purpose is to document asset management information in regards to Councils' Fleet and Plant assets. The second purpose, which is unique to Cootamundra Gundagai Regional Council, is that this AMP will be utilised to support Council navigation through any potential 'de-amalgamation' process, should it be approved.

The documentation of asset management planning information for Plant and Fleet Assets for the council is undertaken through:

- Documenting its current management approach of Fleet assets;
- Demonstrating responsible management;
- Understanding and managing significant risks;
- Identifying opportunities to improve the management of Fleet assets; and
- Identifying opportunities to support the separation of Fleet assets in the event of initiation of potential de-amalgamation activities.

This AMP documents asset management planning information for the Fleet assets for the Council. This includes a review of strategic trends facing the Council and potential impacts on the asset stock, asset condition and performance against key indicators, long term financial forecasts for the 10-years 2024/25 to 2033/34 and an improvement plan for managing the assets. Financial implications for providing the required levels of service into the future are also provided based on the associated separate spreadsheet model for the AMP.

The potential benefits are:

- Enables Council to satisfy more community needs at less cost allowing the resources saved to be deployed to provide more services;
- Enables Council to know where to spend funds to get the most bang for their buck;
- Protects Council from industry regulators, Audit Office (AO) etc.;
- Protects Council against potential litigation;
- Documented asset management processes make it easier for existing and new staff;
- Enables Council to avoid waste and the associated unfavorable publicity; and
- Financial Sustainability.

2.2 Council's Vision, Aims, Outcomes and Strategies

Councils' Community Strategic Plan (2022-32) includes a number of strategic objectives, which link to Councils AMP documents. For the Fleet AMP document, the link it to support the plant that is involved in operations, maintenance and construction activities, to support the strategic plan objectives, such as:-

A Vibrant, Safe and Inclusive Community

- Community satisfaction with parks and recreational areas
- Level of community satisfaction with the provision of parks and recreational areas

A Protected and Enhanced Environment

- We have attractive towns and villages
- Undertake place making and beautification activities at entrances

Integrated and Accessible Region

Known for our good road network

- Revising the asset management plan
- Prioritising access road maintenance and future development to provide safe and efficient road and pathway network
- Considering alternate/additional road maintenance partners

Easily accessible from major cities and other regional towns

- Improve road conditions across the region, and advocate to improve access to regional cities and connection out of the region
- Establish linked network of pedestrian footpaths and cycle paths through continued extension and upgrade of pedestrian and cycle paths

A safe, sustainable and efficient road and pathway network

- Community satisfaction with the safety of the road network in their town or village and across the region
- Community satisfaction with the condition of the road network in their town or village and across the region

The key vision for Council to work towards meeting these strategies are:

- Providing a defined level of service and monitoring performance (as amended from time to time),
- Linking to a Long-Term Financial Plan (including renewal, maintenance and operational funding) which identifies required, affordable forecast costs and how it will be allocated.
- Taking a life cycle approach;
- Developing cost-effective management strategies for the long term;
- Identifying, assessing and appropriately controlling risks,
- Review our services to ensure they meet our customer needs within the financial constraints of Council;
- Sustainable use of physical resources; and
- Continuous improvement in asset management practices.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Risk Management – how to manage these risks, and
- Asset management improvement plan – how we increase asset management maturity across the organisation.

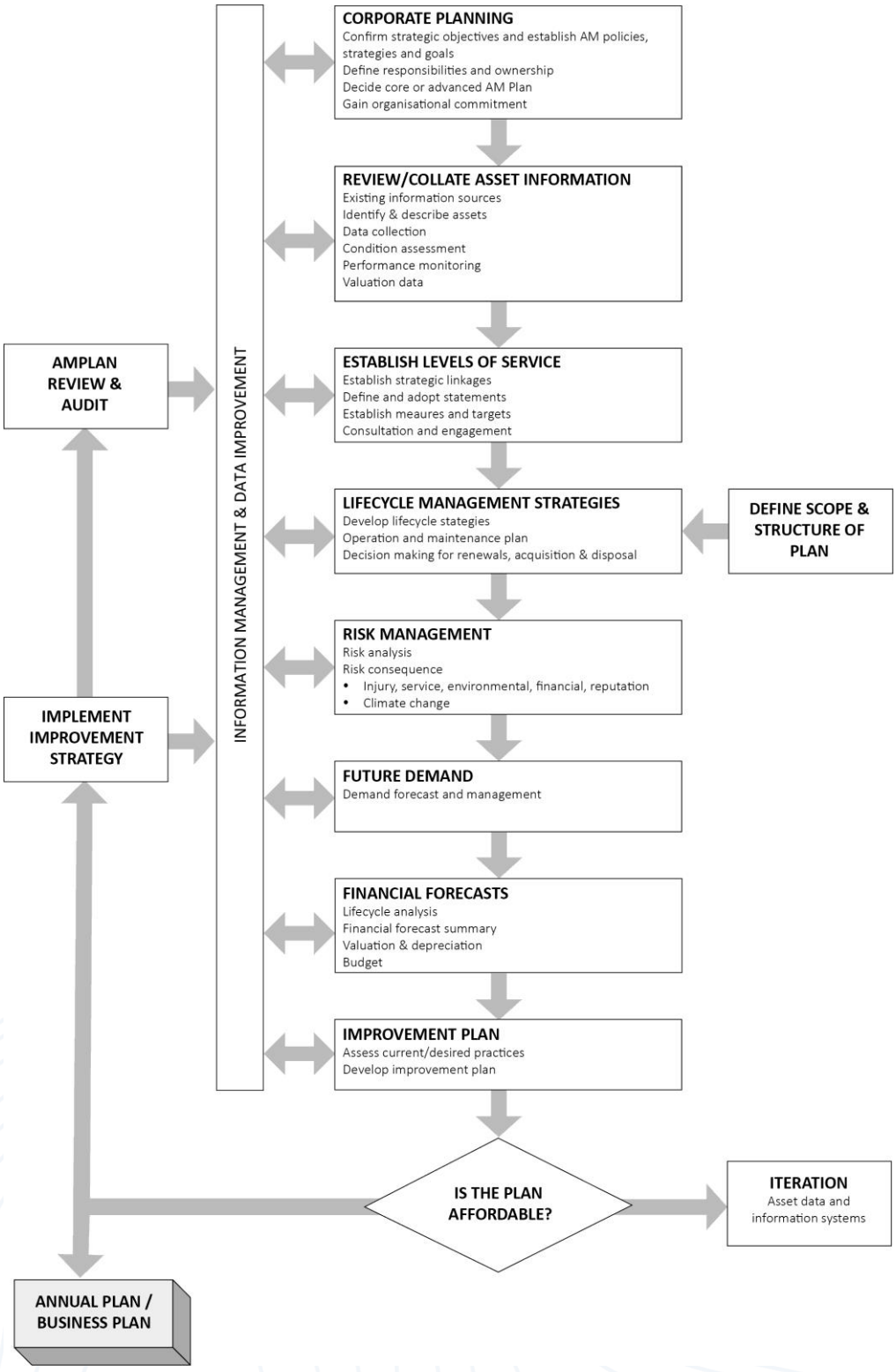

Figure 1 - Road Map for preparing an Asset Management Plan (IPWEA, 2006)

2.3 Key Stakeholders

Good asset management requires the alignment of resources with all people understanding the objectives and then playing their respective roles in the management of assets and the delivery of services to the community. Table 2 outlines the roles and responsibilities for asset management within Council.

Table 2 - Key Stakeholders and Roles

Role	Who	Responsibilities
Strategic Direction	Councillors	• Represent needs of community and service level expectations; • Endorsement of the asset management policy and plans; • Ensure Council is financially sustainable; • Approval of this AMP; and • Approval of allocation of resources.
Operational Decision Making	Executive Management Team	• Overall responsibility for developing an asset management policy, plans and procedures and reporting on the status and effectiveness of asset management within Council; • Allocate resources to meet the organisation's objectives in providing services while managing risks; • Ensuring Council is financially sustainable. • Provision of sound organisation structure • Lead the organisations culture • Managing risks in accordance with adopted appetite • Manage Statutory Requirements • Develop and Administer Policies • Provide Service Strategy • Asset management objectives
Strategic Alignment/ Organisational Alignment	Asset Management Working Group	• Custodian of the corporate asset register and ensuring the asset valuations are accurate; • Preparation of asset sustainability and financial reports incorporating asset depreciation in compliance with current Australian accounting standards; • Asset Management System development and

		administration; • Develop 10-Year Capital Works Plans and budgeting; • Ensure funds are invested appropriately to ensure best value for money is delivered to the community; and • Develop the maintenance standards deployed and Council's ability to meet technical and community levels of service. • Championing promotion of adequate resourcing for asset management • Whole of Council asset performance monitoring • Demonstrate whole of organisation support for sustainable asset management • Wider accountability for achieving and reviewing sustainable asset management practices • Encourage buy-in and responsibility; • Coordinate strategic planning, information technology and asset management activities • Promote uniform and fit for purpose asset management practices across the organisation • Information sharing across IT hardware and software • Pooling of corporate expertise • Championing of asset management improvement initiatives
Tactical / Operational	Asset Custodians Maintenance Managers Service Managers	• Service delivery • Asset data capture • Operational risk management • Alignment of service levels to budgets • Asset Management Plan Development • Development of renewal and upgrade plans • Asset specific condition monitoring • Asset and resource optimisation • Asset Maintenance and Operations • Identification of asset disposal opportunities • Identification of service efficiency

		opportunities
Tactical / Operational	Staff	• Verify the size, location, and condition of assets; • Provide local knowledge detail on all infrastructure assets; • Capital Works, Operation and Maintenance management to meet agreed levels of service; and • Liaison internally with the Senior Management Team regarding asset prioritisation and planning.
	Community (residents, businesses, property owners)	• End users of services provided by assets; • Aware of service levels and costs; • Participate in consultation processes; and • Provide feedback on services.
	Consultants	• Engineering expertise input.
	Utility Service Providers	• Interaction in service delivery.
	State and Federal Government	• Provision of various grants and subsidies; • Provide Leadership in promoting Best Practice Asset Management; • Facilitate Training and Education; • Recognising the importance of LG Assets to community and provide funding; and • Other assistance to sustain.

2.4 Legislative Requirements

The management of assets is often driven by complex legislative arrangements. Table 1.d provides a list of Legislation that is relevant to the Fleet asset class.

Table 3 - Legislation and Requirements

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery, , the acquisition and disposal of assets and requirements for corporate and operational plans. The Local Government (Finance, Plans and Reporting) Regulation is subordinate legislation.
Roads Act 1997	To provide public access to Roads, to classify Roads, to act as the local road authority, to carry out certain functions e.g. road works and to regulate activities on public Roads.
Work Health and Safety Act & Regulation 2011	This Act is directed at eliminating the human cost to individuals, families and the community of death, injury and damage/ destruction of property that can be caused by electricity. It sets out roles and responsibilities to secure the health, safety, and welfare of persons at work.
The Australian Accounting Standards	The Australian Accounting Standards consisting of AASB13, AASB 16, AASB116 define the financial accounting requirements related to assets. The Australian Accounting Standards Section 27 (AAS27) requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Civil Liability Act 2002	To manage negligence, elements of a claim, duty of care, standard of care and causation and to address the requirements of sections 42 and 45.

Overarching Organisation Structure (as of 30 June 2024) is shown below

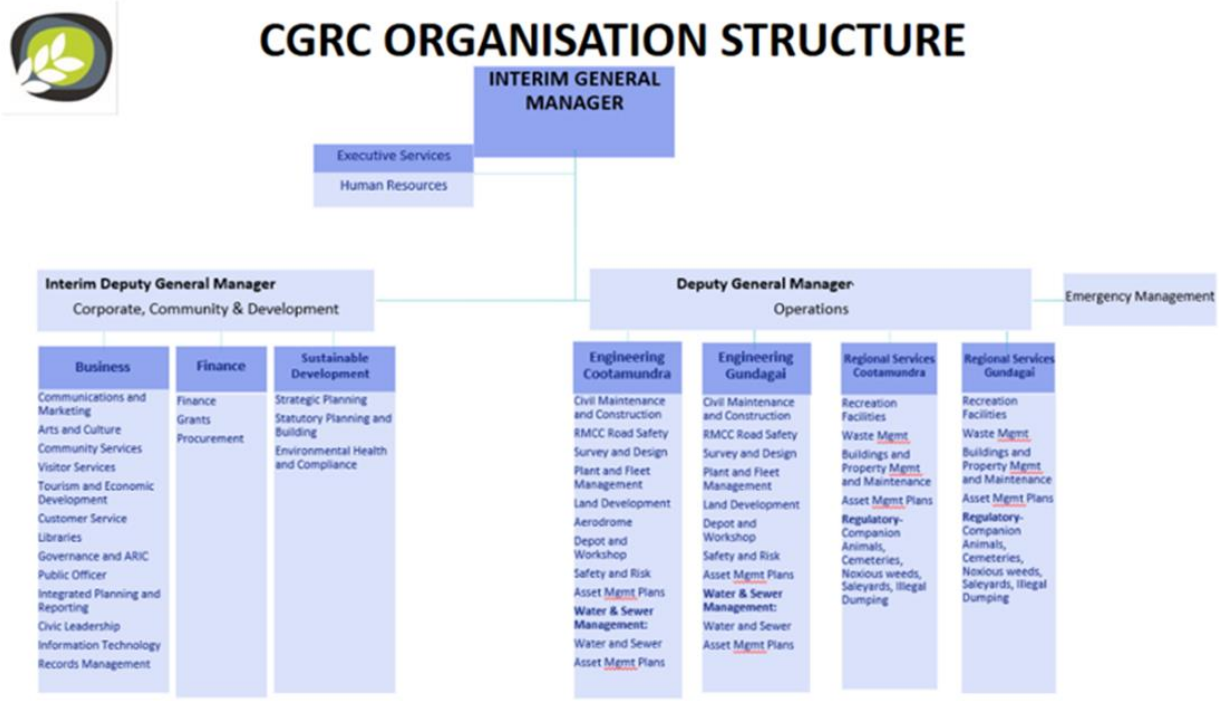

Figure 2 -Council Organisational Structure

The council itself is currently involved within a review of its overarching body. The outcome of this review may see the council remain as a combined (amalgamated) organisation, or it may see the council be de-amalgamated into its separate components. At the time of production of this AMP document, the outcome of this review is not known. Therefore, this document has been written with both options in mind. Therefore in certain parts of this document, additional NOTE: comments have been made, which need to be considered for each eventual outcome.

From an asset management perspective, the importance of data management and clear delineation of asset ownership is underlined. In the event, de-amalgation occurs, it is imperative that the necessary slip of asset ownership is undertaken cleanly. This could be supported prior to the review being completed, through ensuring asset data systems have a link to asset ownership during the collection/management phase.

ASSET DESCRIPTION

The Council owns and maintains the local and regional road network within the Cootamundra–Gundagai Regional Council area. This AMP is for the Council owned Fleet assets.

2.5 Physical Parameters

The assets included in this Asset Management Plan are shown in table 2.a below, based on data from Council's website and GIS data.

Table 4 - Asset Class

Fleet Asset Classes					
Trucks	Cars	Utilities	Backhoes	Trailers	Dozers
Excavators	Graders	Loaders	Rollers	Miscellaneous Attachments	Prime Movers
Mowers	Street Sweeper	Ride-on Mowers	Tractors	Forklifts	Miscellaneous Equipment

2.6 Asset Valuations

Asset valuations for the Fleet class was completed as part of the development of this AMP.

2.7 Asset Registers

Council's asset register is maintained in Authority which is Council's primary ERP (Enterprise Resource Planning) system. This system offers advanced capabilities when it is well configured and data is regularly maintained.

2.8 Asset Useful Life & Condition

Asset lives for Fleet assets in Council's asset register vary from 1-47 years. Council's 2025 asset revaluation had useful life ranges from 2-22 years. Use of the Useful Life, Remaining Useful Life and Expiry Date fields within Authority requires review to improve consistency and reporting.

LEVELS OF SERVICE

3.1 Background

One of the basic tenets of good asset management practice is to provide the level of service the current and future community want and are prepared to pay for, in the most cost effective way (NZ NAMS 2007).

3.2 Community Levels of Service

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 commonly used in the asset management planning are:

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

Table 5 - Community Level of Service

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Provide fleet and plant which is operational.	• Quantity of equipment failures. • Scheduled / unscheduled maintenance ration.	Satisfactory	Fleet and Plant assets are managed as per OEM.
Function	Provide sufficient Fleet and Plant to meet Councils operational needs.	Specifications for equipment's meets operator needs.	Sufficient fit for purpose assets is available to meet council's needs.	Sufficient assets are available to meet council's needs.
Capacity	Ensure assets are maintained and serviced and repaired to industry standards.	Fleet and Plant meets Australian standards and compliance inspections.	Daily prestart inspections, no non-compliance failures, all equipment meets standards.	No compliance failures, all equipment meets standards.

3.3 Technical Levels of Service

Technical Levels of Service support the community service levels and are operational or 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;
- **Maintenance** – the activities necessary to retain an assets as near as practicable to its original condition;
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally;
- **Upgrade** – the activities to provide a higher level of service (e.g. sealing and unsealed road or widening a sealed road) or a new service that did not exist previously (e.g. adding a road onto Council's maintained road network);

Table 6 - Technical Level of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Expansion of fleet and plant assets to be undertaken where a long term operational need is required.	Fleet replacement program objectives achieved.	N/A	Expected to remain steady.
Operation	Fleet and Plant are operated efficiently and effectively.	Registration and insurance.	All fleet and plant are registered and insured.	Expected to remain steady.
	Maximise utilisation results.	Plant hours Optimised renewal Service intervals.	Utilisation reporting being defined.	Expected to remain steady.
	Fleet and plants cause no harm to the operator, public or environment.	Pre-start check lists; trained and competent operators.	No uncontrolled risk applicable to fleet and plant.	Expected to remain steady.
Maintenance	Fleet are suitable for purpose	Reactive service requests completed within adopted time	Responded within expected timeframes	Expected to remain steady.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		frames		
		Planned maintenance activities completed to schedule	Fleet and plant maintained as per manufactures specifications.	Expected to remain steady.
Renewal	Fleet and plant renewed to minimise whole of life costs.	Asset renewed as per fleet and plant policy.	15% of assets not renewed at end of useful life.	Expected to remain steady.
Upgrade	Upgrade to meet user's need	User survey	The upgrade activities that can be done within the current Planned Budget restraints	The upgrade activities within current planned budget

There is no previous Fleet and Plant AMP document. There are also no currently documented levels of services (LOS) for the Fleet and Plant asset class.

3.4 Sustainable Asset Base

Based on the financial position of Council ensuring that Fleet services are prioritised and provided adequate funding is essential to ensure fleet is available for Council operations across the Council responsibilities.

FUTURE DEMANDS

The Cootamunda-Gundagai Regional Council population was 11,403 in the later ABS Census Data from 2021. The current growth rate is flat (0.75%) and predicted to continue as such or decline further in future years.

It is not expected that future demand (growth) will influence this class of assets over the next 20 years. Any planned upgrades or improvements in the Plant and Fleet category will be focused on renewal of existing plant and fleet sites. These works will generally be funded through external grants obtained by Council.

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

There are no known or planned large demographical changes across the Council area that would impact on changing plant and fleet needs of the Council. Some projects are planned (including alternative energy construction and links) but it is expected there to have minimum impacts across the Council network, as their workers would be of a short term nature, spread across the entire region.

4.2 Technological Changes

Technology changes are forecast to affect the delivery of services covered by this plan. Historically changes in technology have the effect of reducing whole-of-life costs. Changes in technology will be embraced where possible by Council, to reduce future whole of life costs.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 7.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 7.

Table 7 - Demand Drivers

Demand driver	Current position	Future Projection	Impact on services	Demand Management Plan
Departmental operational needs	Steady: council plant is sufficient for current operations.	Remain steady	No impact expected.	Continually monitor and discuss with departments, utilisation of resource/plant pool.
Fleet utilisation	Utilisation is changing due to the rationalisation of existing pool.	Increase	Expect higher utilisation, this reduces useful lives of the fleet.	Continually monitor and discuss with departments, utilisation of resource/plant pool.
Plant utilisation	Utilisation is changing due to the rationalisation of existing pool.	Increase	Expect higher utilisation, this reduces useful lives of the fleet.	Continually monitor and discuss with departments, utilisation of resource/plant pool.
Safety and Technology Advancements	Safety and technology are considered as part of the evaluation process.	Increase	Increase safety and productivity. Could lead to additional operational expense.	Continually assess and evaluation the return of investment in safety and technology advancements.

4.4 Cootamundra Regional Council

4.4.1 Operations and Maintenance Expenditure (Opex)

Historical

Future maintenance and operations expenditure figures have been taken from Council's financial forecast models. Based on available data which has been reviewed by Councill staff the figures in table 8 represent the best available data for maintenance costs.

Table 8 - Future Operations and Maintenance Costs (2024)

Expenditure Type	$
Operations	$1,646,970
Maintenance	$816,405
Total OPEX (O & M)	$2,463,375

Future

For the purposing of this asset management plan the historical average has been used with a 0% annual increase being applied as well as the inclusion of additional operations and maintenance costs associated with new or upgraded assets.

4.5 Capital Expenditure (Capex)

Historical

Council's fleet has remained relatively consistent over recent years. Over recent years renewal programs have been lower than required resulting in a financial backlog. Considerable wait times are now being experienced to obtain the required plant from overseas. This also increasing costs to obtain.

4.6 Forward Works Program

Future Capital Funding

Planned renewals total $24.5M for the 10 year period based on the forward works program. Projected renewals total $22M for the next 10-years to 2033 derived from valuations data for remaining useful lives. Thus, the average amount projected for renewals from valuations is approximately $2.2M per year (in current dollars).

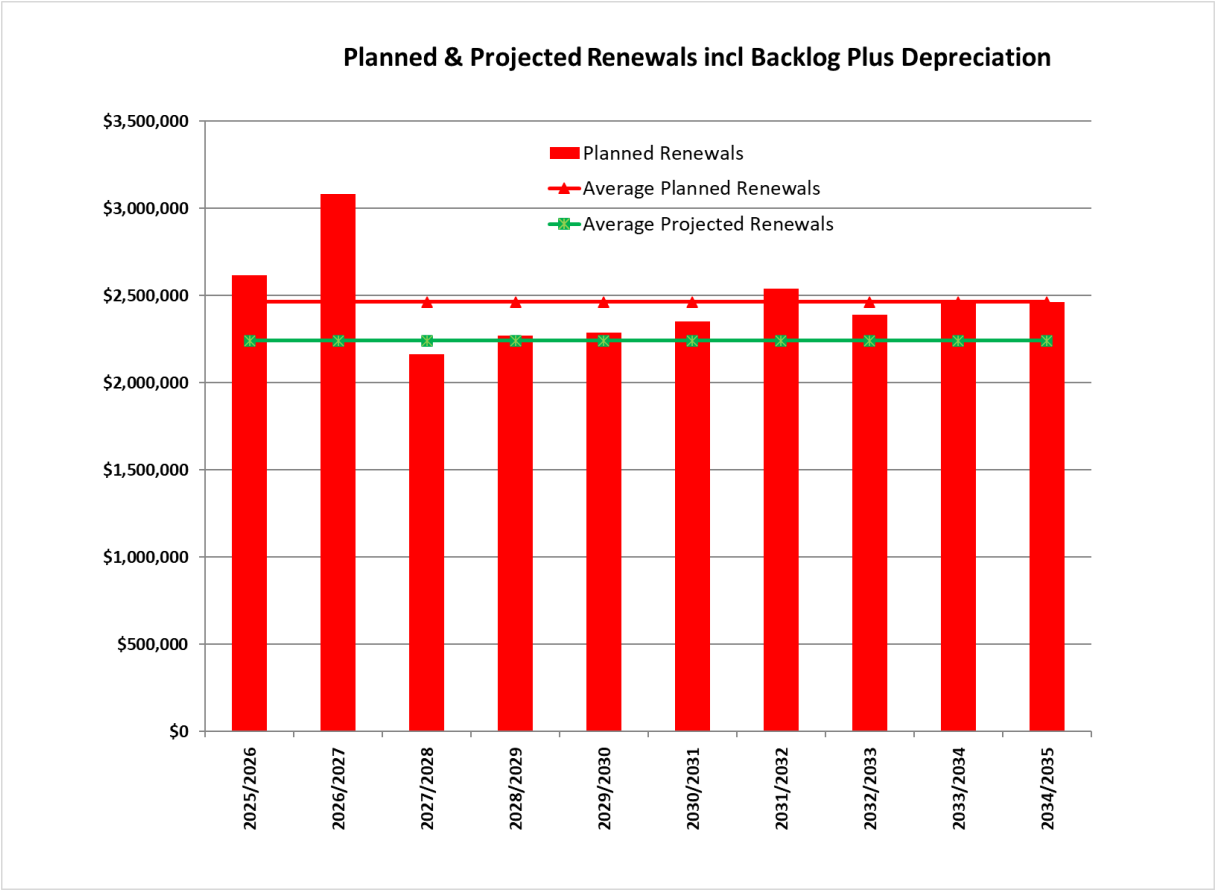

Figure 3 - Planned and Projected Renewals and Depreciation

4.7 Asset Sustainability Ratio

A financial measure of satisfactory levels of expenditure on asset replacements is the Asset Sustainability Ratio - the net capital expenditure on replacements as a percentage of the depreciation. It indicates whether the amount of replacement exceeds or is less than the amount of depreciation, that is, whether assets are being replaced at the rate they are wearing out. Although not a true reflection of the required long-term funding, depreciation does indicate the rate of consumption of assets. The Queensland Audit Office sets a target for renewals for infrastructure assets that is equal to or greater than 90% of depreciation. While the target is not a requirement for plant and fleet assets the principles behind the target still has relevance.

A 90% target for equates to $1.35M per annum. Projected renewals over the next 10 years average $2.2M per year and planned renewals of an average of $2.4M per year. If Council can fund renewals at the projected levels the fleet class will be financially sustainable for the planning period of this asset management plan.

Figure 4 shows the annual sustainability ratio based on planned and projected renewals.

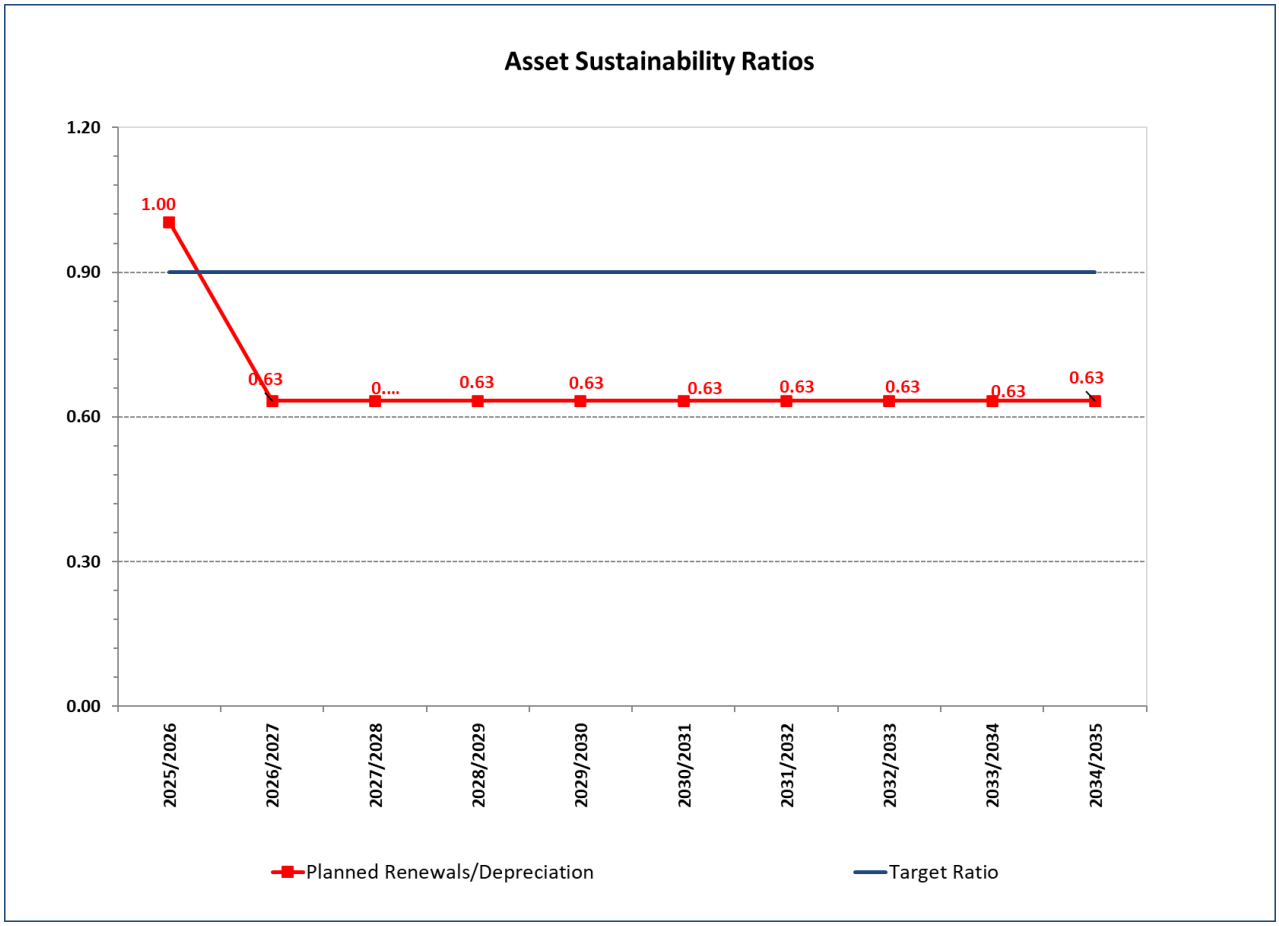

Figure 4 - Asset Sustainability Ratios

FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

5.1 Summary Financial Projections

The Life Cycle Cost (LCC) shown in Figure 5 is the average projected cost to provide the service over the longest asset life cycle. It comprises required annual maintenance based on New South Wales Treasury Corporation benchmarks and asset consumption expense, represented by depreciation expense. The average LCC over the forward 10 years to provide the Fleet network is estimated at approximately $3.1M per annum.

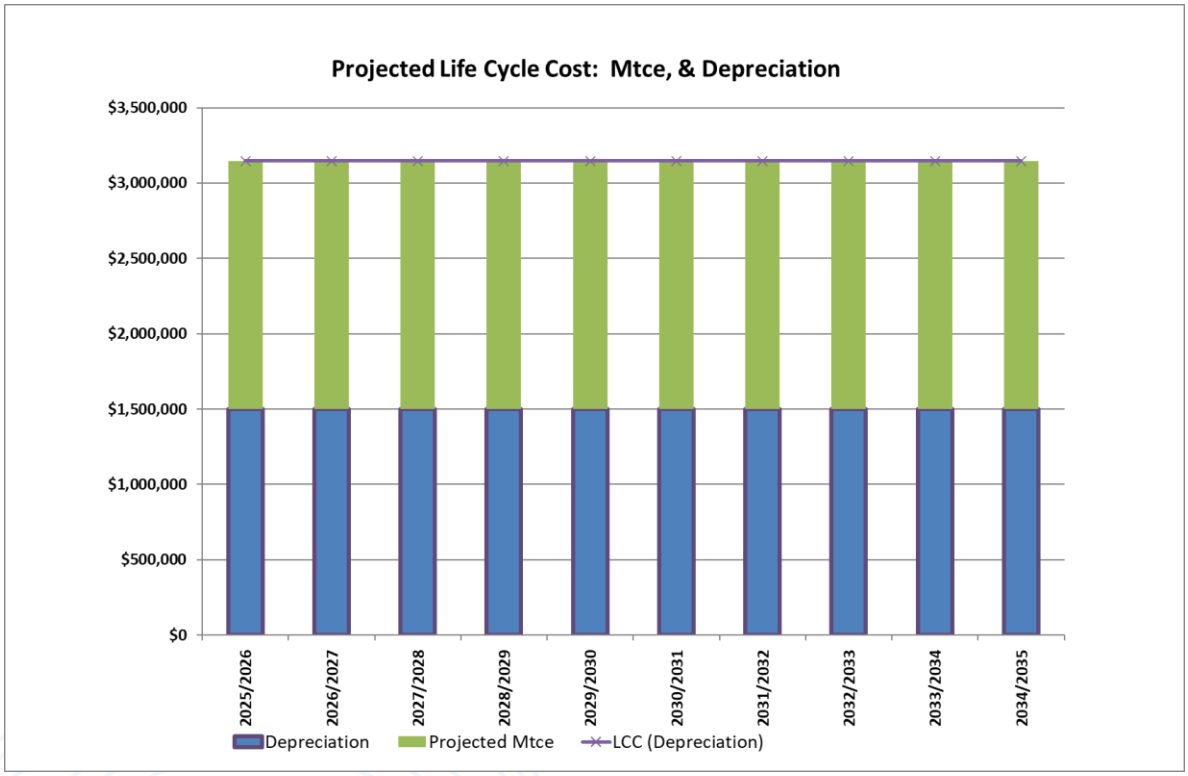

Figure 5 - Life Cycle Cost

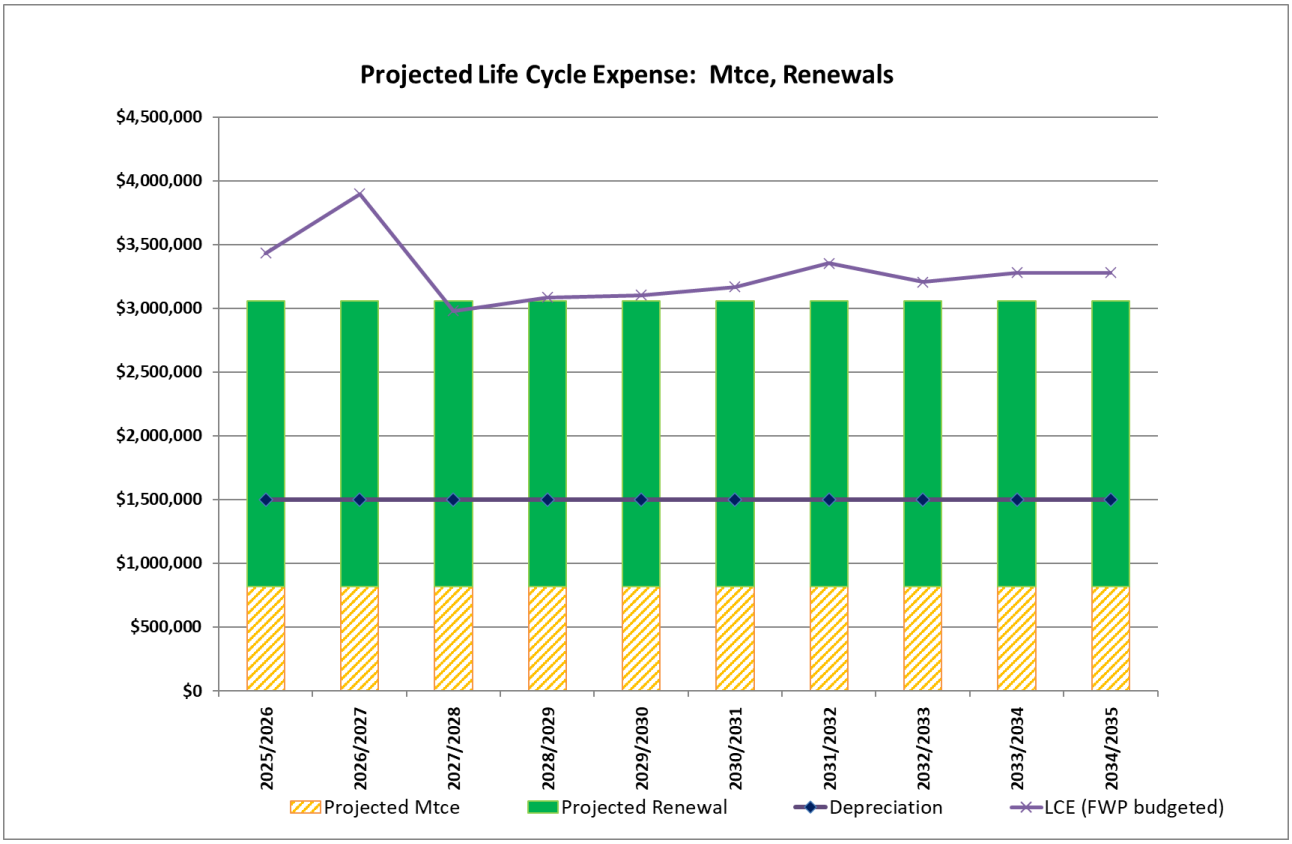

Figure 6 - Life Cycle Expenditure

5.2 Future Valuations

Fleet assets are not subject to asset revaluations and are valued on a cost basis. Current demand for vehicles and plant has increased both purchase price and resale values meaning that movement in asset values are relative so long as fleet items are of reputable branding and being sold while still in good condition and operational.

Given the relatively small value of Council's fleet in terms of its total asset base and the fact that there is an open an active market to acquire and dispose of assets when required the financial management of fleet should be guided by utilisation and profitability rather than overall class valuations.

5.3 Key Assumptions made in Financial Forecasts

This section details 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:

- Natural disasters (such as flood), vandalism and other unplanned events impacting on the works required to be completed by fleet and plan assets are not considered in the asset lifecycles;
- Information within the Plant and Fleet register and values are based on current' good condition' state;
- Maintenance and operations allocations are largely based on maintaining current budget levels; and
- Depreciation has been calculated on a straight-line basis,
- Forward works budgets are accurate to analysis required plant and fleet for works to be completed.

RISK MANAGEMENT

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 9. Failure modes may include physical failure, collapse or essential service interruption.

Table 9 - Critical Assets

Critical Asset(s)	Failure Mode	Impact
Waste compactor	Breakdown	Loss of waste compaction on site at Refuse Facility. Impacts onto operation of facility and disposal operations of waste operations.

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 7 below.

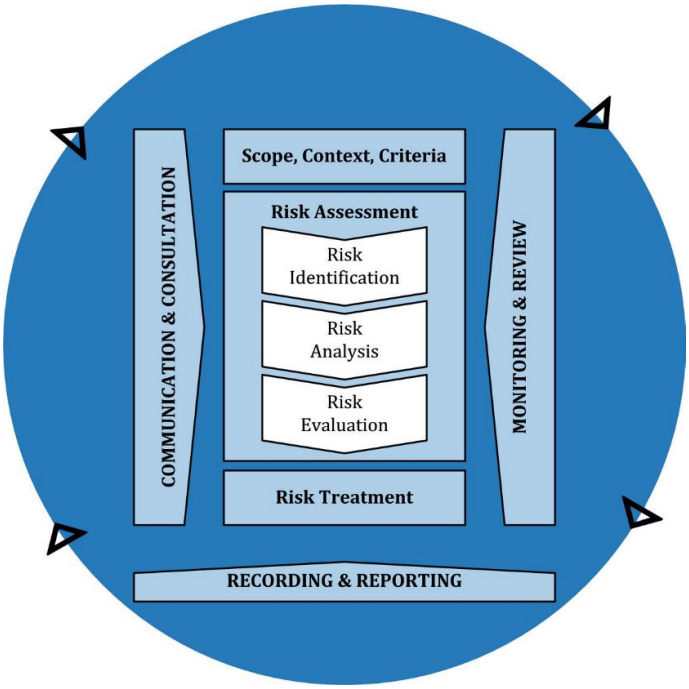

Figure 7 - Risk Management Process *(ISO 31000:2018)*

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 10. It is essential that these critical risks and costs are reported to management and the Cootamundra-Gundagai Regional Council.

Table 10 - Risk Management

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Road Maintenance Plant	Breakdown, Inability to service in an emergency situation	High	Maintenance Systems	Low	Included in existing operational budgets
Dangerous failure of assets that are poorly maintained and/ or in poor condition	Injury or death of staff or member of the public	Medium	Regular asset inspection and maintenance	Low	Included in existing operational budget
Ageing Plant and Equipment	Increase in purchase price for replacement assets Increase in maintenance and operating costs	High	Prioritise renewals and explore purchase alternatives such as dry hire. Regular monitoring of costs throughout asset life	Low	Funding for renewals included in the Capital Works Program and Long Term Financial Plan Ongoing staff time
Existing plant and equipment assets	Items do not comply with regulations	High	Regular inspections at scheduled services and vehicle roadworthy checks. Use online safety systems to keep up to date with regulations	Low	Ongoing staff time
Plant and Equipment Reduced Safety	Damage to plant assets or injury to operators and others	High	Start-up sheets, inductions, training etc. Training, tooling, review of useful lives	Low	Ongoing staff time

IMPROVEMENT PROGRAM AND MONITORING

7.1 Improvement Program

Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

Focus areas for Fleet assets are related to better understanding the condition of assets so that renewals can be effectively planned into the future.

Figure 11.a provides a list of improvements that Council should pursue in the Fleet asset class.

Table 11 - Improvement Program

Task	Task	Responsibility	Resources Required	Timeline
1	Organisational decision and communication of 'one place of truth' for asset data storage and management.	Deputy General Manager - Operations	All Council staff	1/8/2025
2	Implement a dedicated Plant fund with Plant Hire Rates using the IPWEA Plant & Vehicle Management Manual as a guideline.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	1/7/26 Ongoing Budget timeframes (March each year)
3	Allocate separate light fleet budget (managed under a leasing agreement) and the plant operation and maintenance budget.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	1/7/26 Ongoing Budget timeframes (March each year)
4	Continue liaison and abreast with industry advancements.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	Ongoing

7	Defining ownership of various asset types (including clarification of budget allocations for each asset types).	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	31/12/2026
8	Clarification of each asset type including financial and non-financial assets with their inclusion into the Enterprise system.		Both Team Leads – Engineering Cootamundra and Engineering Gundagai	31/12/2026
9	Inspection system (condition) based on 3-year valuation process.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	Ongoing
9	Creation of documented maintenance/servicing programs for asset/services associated plant and fleet, with yearly review periods for KPIs.	Deputy General Manager - Operations	Both Team Leads – Engineering Cootamundra and Engineering Gundagai	30/9/2025
10	Consistent work processes and procedures is key across both offices of the CGRC, especially in the event de-merging does not occur. The support of change management processes throughout the Council operations is warranted to ensure the amalgamated Council operates across the two distinct operational bases to obtain operational benefits through sharing information, knowledge and experience to further develop asset management culture within the organisation. The use of a Change Management support organisation should be	Deputy General Manager - Operations	All Council staff	1/5/2025

	considered, to support this activity across Councils organisational operational base.			

7.2 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating in line with comprehensive revaluation cycles.

7.3 Performance Measures

No data on asset management performance measures was available at the time of preparation of this Asset Management Plan. Council should develop performance measures which can include:

- The degree to which the required forecast costs (and necessary cashflows) are incorporated into the long-term financial plan as identified within this AM Plan.
- The degree to which works as recommended by Councils 1-5 year detailed works programs, budgets, business plans and corporate structures are considered within this AM Plan,
- The incorporation of service levels, risks mitigation strategies and improvement tasks are incorporated into Councils Financial Planning processes and Strategic Planning documents and associated plans,

REFERENCES

- IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMG.
- IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM.
- ISO 55000 Asset Management Standards, Australian Standards Board
- Accounting Standards, Australian Accounting Standards Board

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APPENDICES

APPENDIX A

Definitions

Appendix A: Definitions

Asset Condition Assessment	The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Plan	A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide specified level of service. A significant component of the plan is a long term cash flow projection for the activities.
Asset Renewal	Replacement or rehabilitation to original size and capacity of a road or drainage asset or the component of the asset. Renewals are "capitalised", so that the cost can be depreciated over the future life of the asset.
Core Asset Management	Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, condition assessment and defined levels of service, in order to establish alternate treatment options and long term cash flow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than risk analysis and optimised renewal decision making).
Infrastructure Assets	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycle ways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed in place and are often have no market value.
Level of Service	The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).
Life Cycle Cost	The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life

	Cycle Cost does not indicate the funds required to provide the service in a particular year.
Life Cycle Expenditure	The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an initial indicator of life cycle sustainability.
Maintenance and Renewal Sustainability Index	Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15-years).
Performance Measure	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.
Reactive Maintenance	Unplanned repair work carried out in response to service requests and management/supervisory directions.
Scheduled Maintenance	Maintenance carried out in accordance with a routine maintenance schedule e.g. scheduled maintenance grading.
Planned Maintenance	Repair work that is identified and managed through the customer requests system (Dataworks). These activities include inspections, 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.
Rate of Annual Asset Renewal	A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/ depreciable amount).
Reactive Maintenance	Unplanned repair work carried out in response to service requests & management / supervisory directions.
Recurrent Expenditure	Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.
Remaining Life	The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life (also useful life).
Renewal Expenditure	Major works which do not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential.
Upgrade/Expansion Expenditure	Work over and above restoring an asset to original service potential.

Useful Life (also economic life)	Either:(a) the period over which an asset is expected to be available for use by an entity, or (b) the number of production or similar units expected to be obtained from the asset by the entity. It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.
New Assets	Activities that create a road or drainage asset that did not exist previously or extend an asset beyond its original size or capacity. New assets are also "capitalised", but they increase the asset base rather than restore its capacity to perform.


SHEPHERD
asset management solutions

GPO Box 422, Brisbane Q 4001

P: (07) 4911 2716

E: info@shepherdservices.com.au

W: shepherdservices.com.au

Shepherd Services Pty Ltd ACN 611 140 946