

# Asset Management Plan (Consolidated) 2026/27



**TABLE OF CONTENTS**

- 1. EXECUTIVE SUMMARY ..... 4
  - Context ..... 4
  - Confidence Levels ..... 5
- 2. INTRODUCTION..... 6
  - 2.1 Background..... 6
  - 2.2 Goals and Objectives of Asset Management..... 6
  - 2.3 Plan Framework..... 6
  - 2.4 Expenditure Classifications..... 6
- 3. LEVELS OF SERVICE ..... 7
  - 3.1 Customer Research and Expectations ..... 7
  - 3.2 Strategic and Corporate Goals ..... 7
  - 3.3 Community Levels of Service..... 7
  - 3.4 Technical Levels of Service ..... 8
- 4. FUTURE DEMAND ..... 8
  - 4.1 Demand Drivers..... 8
  - 4.2 Demand Forecast ..... 8
  - 4.3 Demand Management Plan..... 8
  - 4.4 Asset Programs to meet Demand..... 8
- 5. LIFECYCLE MANAGEMENT PLANNING ..... 9
  - 5.1 Background Data ..... 9
  - 5.2 Renewal/Replacement Plan ..... 10
  - 5.3 Creation/Acquisition/Upgrade Plan ..... 10
  - 5.4 Disposal Plan ..... 10
- 6. FINANCIAL SUMMARY ..... 11
  - 6.1 Financial Projections..... 11
  - 6.2 Forecast Reliability and Confidence ..... 13
- 7. PLAN IMPROVEMENT AND MONITORING ..... 16
  - 7.1 Improvement Plan..... 17
  - 7.2 Monitoring and Review Procedures..... 20
  - 7.3 Performance Measures ..... 20

## 1. EXECUTIVE SUMMARY

### Context

Council possesses a substantial portfolio of physical assets to meet the service needs of the community. These assets are categorised into the following major classes:

- Land - Freehold
- Buildings
- Furniture and Equipment
- Plant and Equipment
- Vehicles
- Infrastructure – Roads
- Infrastructure – Bridges
- Infrastructure – Drainage
- Infrastructure – Footpaths
- Infrastructure – Parks & Reserves

By their nature, constructed or built forms deteriorate over the passage of time. These assets (or their components) require renewal or replacement at the end of their economic useful life to sustain a level of service that maintains an appropriate level of.

- a) Asset Safety
- b) Asset Quality
- c) Asset Functionality

A suite of Asset Management Plans has been developed, and reviewed and updated annually, to identify and forecast,

- a) What works are required
- b) When the works are required
- c) Cost of the works
- d) Funding sources of the works

### Asset Portfolio Summary

Council's asset portfolio is comprised as follows with a total replacement value of \$352m.

Asset category	Number of Units
<b><u>Land - Freehold</u></b>	
Freehold Land Parcels	41 Lots
<b><u>Buildings</u></b>	
Buildings	134 Structures
<b><u>Furniture and Equipment</u></b>	
Furniture and Equipment	
<b><u>Plant &amp; Equipment</u></b>	
Vehicles	56 items
<b><u>Infrastructure</u></b>	
Roads	634.50 km
Bridges	34 bridges
Drainage - Pipes	23.53 km
Footpaths	27.69 km
Equipment on Parks and Reserves	614 objects

## Confidence Levels

Asset Management Plans for the following asset categories

- a) Buildings
- b) Parks & Reserves
- c) Plant & Equipment - Vehicles

have been developed by Council officers from detailed assessment of component useful life and replacement values. It is considered by management that there is a reliable level of confidence with information contained in these developed asset management plans.

Council does not possess inhouse resource capacity to develop and maintain detailed asset planning for the following asset categories.

- a) Infrastructure – Roads
- b) Infrastructure – Drainage
- c) Infrastructure – Footpaths

Typically, Local Governments have dedicated staff to prepare, maintain and review their asset management plans, to enable them to satisfy the legislative requirements.

To meet a minimum compliance standard, Council produces an 'Asset Management Plan – Roads and Transport Infrastructure' that reports an evaluation of asset renewal requirements using annual depreciation. The 'Expenditure Profile' is an indication only and not detailed long term planning.

It is therefore considered that there is overall uncertainty with current long term asset planning information for Roads and Transport Infrastructure.

It is recommended that Council consider providing additional inhouse engineering asset planning staff if it has the intention to have a higher level of service for long term asset planning than the current level.

Until staff resources are created for roads and transport planning, reliability of information for this asset category will remain low, as existing staff are fully allocated in the planning and delivery of maintenance and capital works.

## **2. INTRODUCTION**

### **2.1 Background**

Asset management plans are to establish responsive management of assets, compliance with regulatory requirements, and to communicate funding needed to provide the required long-term levels of service.

Asset management plans are developed with reference to Council's Asset Management Policy and the following associated planning documents:

- The Shire of Donnybrook Balingup Council Plan
- The Shire of Donnybrook Balingup Long Term Financial Plan

### **2.2 Goals and Objectives of Asset Management**

Council exists to provide both legislative and discretionary services to the community. Provision of these services require direct and indirect use of physical assets. Council acquires assets by purchase, by contract, construction and by ceding of assets constructed by others.

The objective of asset management practices is for the organisation to undertake systematic and coordinated activities and practices to optimally and sustainably deliver its objectives through the cost-effective lifecycle management of assets.

### **2.3 Plan Framework**

Key elements of asset management planning include

- Levels of service – specifies the services and levels of service to be provided by Council
- Future demand – how this will impact on future service delivery and how this is to be met
- Life cycle management – how Council will manage its existing and future assets to provide defined levels of service
- Financial – what funds are required to provide the defined services
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting organisation's objectives
- Asset management improvement plan

### **2.4 Expenditure Classifications**

Key terms used in defining classifications of asset management expenditure.

- Operations – Expenditure which is continuously required to enable an asset to provide benefits to the community (e.g. mowing, street sweeping, electricity, alarm monitoring, insurance)
- Maintenance – Expenditure which maintains the asset but does not increase its service potential or life (e.g. minor repairs and servicing, repairing potholes, grading an unsealed road)
- Renewal – Expenditure that returns the service capability of an asset up to that which it had originally when new (e.g. resealing a sealed road, re-sheeting a gravel road, equipment replacement)
- Upgrade – Expenditure on upgrading an existing asset to provide a higher level of service (e.g. widening a road or bridge, providing a second carriageway, or replacing a bridge with one having a greater traffic capacity)
- New / Capital Expansion – Expenditure to purchase or create a new asset where one did not previously exist (e.g. constructing a new road, bridge, new library)

### 3. LEVELS OF SERVICE

Service levels are defined in two categories,

1. Customer levels of service
2. Technical levels of service.

Key factors that affect Council's capacity to provide levels of service include:

- Asset control: where asset ownership status, management and operational agreements between Council and community groups/facility users and/or committees of management for the ongoing use of an asset determines asset management obligations and capacity to influence levels of service
- Functional hierarchy: where Council ranks assets according to set criteria to assist in prioritisation of resource allocation
- Community requirements: these are community expectations of the services provided by the utilisation of the asset, which are, in turn, dependent upon the community's ability and willingness to pay
- Legislative requirements: these are those mandatory provisions or standards set by local, state, federal or international bodies that govern asset utilisation, particularly in terms of various issues affecting the community
- Strategic and corporate goals: these are the broad framework-based management directives issued by Council. These are expected to be consistent with Council's goals and values stated in policies, strategies, and the Corporate Plans
- Availability of resources: primarily financial constraints

#### 3.1 Customer Research and Expectations

The outcomes of the community consultation conducted as part of the development of the Strategic Community Plan or specific projects endorsed by Council, have informed relevant projects identified in respective asset management plans.

#### 3.2 Strategic and Corporate Goals

Asset management plans are prepared with reference to the Council's vision.

*"A proud community enjoying our rural lifestyle, cultural heritage and natural environment".*

#### 3.3 Community Levels of Service

Community Levels of Service measure how the community receives the service and whether the organisation is providing community value.

Community levels of service factors used in asset management planning are:

Quality	Standard of how well maintained an asset is
Function	Standard to which and asset meets user requirements
Capacity/Utilisation	Whether an asset over or under used

### **3.4 Technical Levels of Service**

Supporting the community service levels are operational or technical measures of performance. It is a service level associated with the physical characteristics of an asset. This includes how Council provides the service, essentially the behind-the-scenes activities of Council in the management of the physical condition and functional condition of assets. It provides leading indicators of problems with assets. It also includes Legislated/Regulated Level of Service that determines the legal requirements Council has in owning and operating an asset (e.g. signage, accessibility, fire, duty of care to provide safe community assets).

## **4. FUTURE DEMAND**

### **4.1 Demand Drivers**

Council's role of providing services to the community will be impacted by changes in demand. Factors which will influence demand in Council's region include:

- Population Change
- Regulation Changes
- Demographic Change
- Household Composition
- Social Trends
- Community Expectations
- Economic factors
- State Policy Decisions

### **4.2 Demand Forecast**

It is identified that a structured and formal analysis of demand drivers associated with an individual asset classes forms part of future improvements to mature Council asset management practices. When undertaken will be included within each individual asset management plan.

### **4.3 Demand Management Plan**

Demand for new services will be managed through a combination of managing or upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, mitigating against risks. Non-asset solutions focus on providing the required service without the need for asset ownership.

Where identified, Council's response to asset demand is planned in the individual Asset Management Plans for each asset class.

### **4.4 Asset Programs to meet Demand**

Acquiring new assets or asset upgrades will commit Council to fund ongoing operations, maintenance, and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations.

## 5. LIFECYCLE MANAGEMENT PLANNING

Lifecycle management planning involves how Council manages and operates its assets at the determined levels of service whilst managing lifecycle costs.

Assets are generally provided to meet design standards where they are available. Assets should perform in a manner that supports rather than hinders the service / function being provided through use of the asset. An asset may no longer be 'useful' because it cannot meet demand as its capacity to meet its function is inadequate, or it is unable to perform to the required level. This could be because it:

- no longer suits the service or function being provided and repairs and maintenance will not improve the position
- no longer suits, but an upgrade will improve the position
- is still quite suitable for service if in sound condition but it is unreliable or unsafe and in continual need of costly maintenance.

Assets where deficiencies in service / functional performance have been identified should be reviewed in terms of:

- should the asset be upgraded?
- should the asset be renewed (or replaced with an alternative)?
- should the asset be disposed of?

### 5.1 Background Data

#### 5.1.1 Asset condition

Condition of the following major assets are assessed every five years by independent asset inspections.

Table 1

Asset Class	Date of Last Condition Assessment
Buildings	30 June 2022
Infrastructure - Roads	1 July 2022
Infrastructure - Bridges	1 July 2022
Infrastructure - Drainage	1 July 2022
Infrastructure - Footpaths	1 July 2022
Infrastructure - Other Infrastructure	1 July 2022

Council officers assess asset condition on

- Plant & Equipment
- Asset subcomponents

### 5.1.2 Asset Carrying Values

Table 2

#### Property Plant and Equipment

	Land	Buildings	Furniture and equipment	Plant and equipment	Work in Progress - Movement	Total property, plant and equipment
Carrying Value	4,944,000	79,101,504	1,383,810	8,425,645	38,855	<b>93,893,814</b>
Accumulated Depreciation	0	(31,021,715)	(755,359)	(4,675,581)	0	<b>(36,452,655)</b>
<b>Depreciated Replacement Cost</b>	<b>4,944,000</b>	<b>48,079,789</b>	<b>628,451</b>	<b>3,750,064</b>	<b>38,855</b>	<b>57,441,159</b>

Source: 2024/25 Annual Financial Report

Table 3

#### Infrastructure

	Infrastructure - Roads	Infrastructure - Other	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Bridges	Infrastructure - Work in Progress Movement	Total Infrastructure
Carrying Value	137,234,242	12,888,593	28,345,789	5,200,047	74,490,540	30,828	<b>258,190,039</b>
Accumulated Depreciation	(45,697,229)	(5,527,147)	(10,413,437)	(1,503,124)	(43,548,272)	0	<b>(106,689,209)</b>
<b>Depreciated Replacement Cost</b>	<b>91,537,013</b>	<b>7,361,446</b>	<b>17,932,352</b>	<b>3,696,923</b>	<b>30,942,268</b>	<b>30,828</b>	<b>151,500,830</b>

Source: 2024/25 Annual Financial Report

### 5.2 Renewal/Replacement Plan

Renewal and replacement expenditure are works which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Projected asset renewal expenditure is detailed in respective asset management plans.

### 5.3 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development.

Projected asset creation, acquisition, upgrade expenditure is detailed in respective Asset Management Plans.

### 5.4 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition, or relocation.

Disposal of assets predominantly relates to trade in of vehicles and replacing aged equipment. Disposal of buildings typically requires significant consultation with the community. Council acknowledges the importance to fully consider the implications to users of decisions regarding disposal of public community assets. Once any consultation process has been undertaken and the asset has been confirmed for disposal, then the disposal project will be listed in respective Asset Management Plans.

## 6. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information detailed in respective asset management plans.

### 6.1 Financial Projections

Asset Renewal Expenditure (Consolidated)

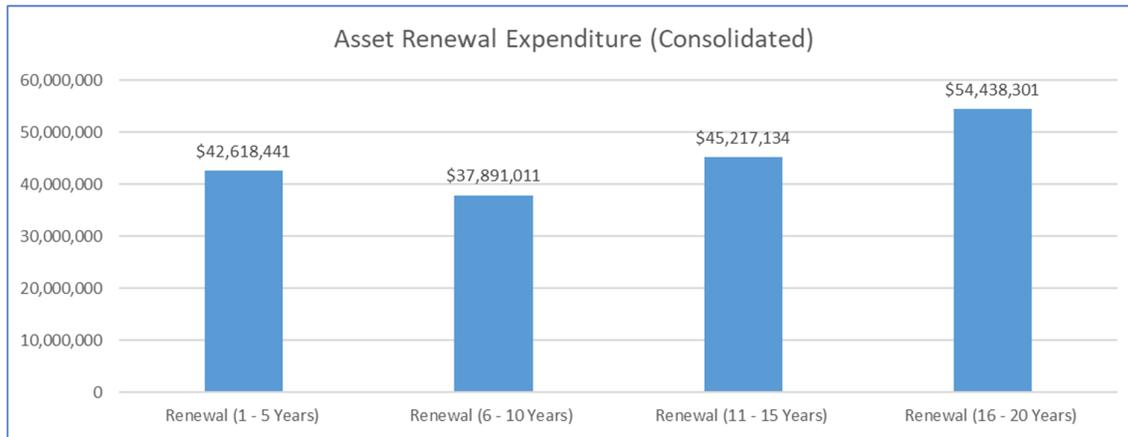


Figure 1

Financial forecasts are shown in Figure 2 (following page) for projected capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are indexed to reflect estimated future value of works.

Figure 2 - CONSOLIDATED SUMMARY

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	
<b>EXPENDITURE</b>																					
<b>Expenditure - Capital Upgrades &amp; Expansion</b>																					
Buildings	0	1,800,000	318,996	0	2,387,690	1,331,418	0	0	248,624	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Reserves	0	786,997	24,349	327,400	183,507	0	134,976	0	0	1,205,921	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roads & Transport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub Total - Expenditure - Capital Upgrades &amp; Expansion</b>	<b>0</b>	<b>1,800,000</b>	<b>1,105,993</b>	<b>24,349</b>	<b>2,715,089</b>	<b>1,514,925</b>	<b>0</b>	<b>134,976</b>	<b>248,624</b>	<b>1,205,921</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure - Capital Renewal</b>																					
Buildings	0	353,970	977,995	379,333	237,875	674,919	547,098	419,068	442,554	963,064	450,814	399,065	2,774,574	275,320	1,103,850	594,488	663,587	652,552	708,035	3,480,212	595,785
Parks & Reserves	0	192,282	175,135	495,623	414,490	626,409	868,714	666,773	497,319	422,076	567,835	2,190,419	1,229,903	716,002	1,057,718	677,804	1,023,587	345,938	707,699	265,174	1,180,996
Vehicles	0	550,827	560,459	559,453	827,766	651,123	1,554,956	50,891	1,401,592	861,072	1,492,413	431,366	1,155,356	976,007	1,453,021	804,327	1,516,614	785,093	2,873,726	363,449	2,235,578
Roads & Transport	0	4,172,769	4,297,952	4,426,891	4,559,697	4,696,488	4,837,383	4,982,504	5,131,980	5,285,939	5,444,517	5,607,853	5,776,088	5,949,371	6,127,852	6,311,688	6,501,038	6,696,069	6,896,951	7,103,860	7,316,976
Bridges	0	2,167,135	5,567,467	1,577,096	1,226,817	2,248,468	262,876	150,116	91,314	366,756	131,397	83,109	147,012	165,107	469,098	190,738	98,707	174,004	1,436,108	517,345	298,618
<b>Sub Total - Expenditure - Capital Renewal</b>	<b>0</b>	<b>7,436,983</b>	<b>11,579,008</b>	<b>7,438,397</b>	<b>7,266,645</b>	<b>8,897,408</b>	<b>8,071,026</b>	<b>6,269,352</b>	<b>7,564,759</b>	<b>8,086,577</b>	<b>8,711,812</b>	<b>10,582,932</b>	<b>8,083,807</b>	<b>9,259,539</b>	<b>8,579,044</b>	<b>9,803,532</b>	<b>8,654,257</b>	<b>12,622,520</b>	<b>11,730,040</b>	<b>11,627,952</b>	
<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>9,236,983</b>	<b>12,685,001</b>	<b>7,462,746</b>	<b>9,981,735</b>	<b>10,412,333</b>	<b>8,071,026</b>	<b>6,404,329</b>	<b>7,564,759</b>	<b>8,147,520</b>	<b>9,292,898</b>	<b>8,711,812</b>	<b>10,582,932</b>	<b>8,083,807</b>	<b>9,259,539</b>	<b>8,579,044</b>	<b>9,803,532</b>	<b>8,654,257</b>	<b>12,622,520</b>	<b>11,730,040</b>	<b>11,627,952</b>
<b>FUNDING</b>																					
Borrowings	0	0	0	0	2,375,067	1,331,418	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	1,433,486	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings Reserve	0	546,452	586,134	340,753	213,387	329,771	539,348	391,424	260,624	881,112	450,814	392,840	689,765	264,627	863,620	594,488	650,991	631,864	413,511	2,656,499	591,776
Buildings	0	4,413	125,008	5,319	12,290	395,148	7,749	181,930	330,566	0	6,226	1,529,364	10,693	223,720	0	7,394	0	294,524	782,129	4,059	
Parks & Reserves	0	760,216	0	327,400	0	134,976	0	0	0	1,205,921	0	0	0	0	0	0	0	0	0	0	
Parks & Reserves Reserve	0	192,282	201,916	519,972	414,490	809,916	868,714	666,773	497,318	422,076	567,835	756,933	1,279,902	718,002	1,057,718	677,804	1,023,587	345,938	707,699	265,174	1,180,996
Bridges Reserve	0	117,835	104,219	135,763	308,798	110,633	139,951	150,116	91,314	366,756	131,397	83,109	147,012	165,107	469,098	190,738	98,707	174,004	90,358	517,345	298,618
Buildings	0	1,603,105	585,848	33,262	24,821	0	0	27,643	0	0	0	0	55,445	0	16,511	0	5,202	20,688	0	41,584	0
Parks & Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridges	0	2,049,300	5,463,748	1,441,334	918,018	2,137,835	122,926	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	156,880	248,536	210,496	231,966	249,531	420,702	25,446	521,978	294,754	576,357	195,991	286,884	335,203	453,060	261,111	410,488	323,447	926,802	111,399	811,277
Vehicles Reserve	0	393,947	311,623	348,958	595,800	401,592	1,134,254	25,446	879,614	566,318	916,057	235,375	868,472	640,804	999,961	543,215	1,106,125	461,846	1,946,924	252,050	1,424,301
Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roads & Transport	0	4,172,769	4,297,953	4,426,891	4,559,697	4,696,488	4,837,383	4,982,504	5,131,980	5,285,939	5,444,517	5,607,853	5,776,088	5,949,371	6,127,852	6,311,688	6,501,038	6,696,069	6,896,951	7,103,860	7,316,976
<b>TOTAL FUNDING</b>	<b>0</b>	<b>9,236,983</b>	<b>12,685,001</b>	<b>7,462,746</b>	<b>9,981,735</b>	<b>10,412,333</b>	<b>8,071,027</b>	<b>6,404,329</b>	<b>7,564,758</b>	<b>8,147,520</b>	<b>9,292,898</b>	<b>8,711,812</b>	<b>10,582,932</b>	<b>8,083,807</b>	<b>9,259,539</b>	<b>8,579,044</b>	<b>9,803,532</b>	<b>8,654,257</b>	<b>12,622,520</b>	<b>11,730,040</b>	<b>11,627,952</b>

## 6.2 Forecast Reliability and Confidence

Projected expenditure and timing of works in Asset Management Plans are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5-level scale in accordance with Table 6.5.

### *Data Confidence Grading System*

<b>Confidence Grade</b>	<b>Description</b>
1 Highly Reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
2 Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
3 Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
4 Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
5 Unknown	None or very little data held.

**Data Confidence Assessment for Data used in Asset Management Plans**

Data	Confidence Assessment	Comment
<b><u>Buildings</u></b>		
Expenditure – New / Upgrade	Uncertain	<p>Reviews of future demand and level of service have been undertaken on a limited number of specific assets. Predominantly undertaken with business cases associated with current grant funded projects.</p> <p>The confidence assessment is based on known knowledge gaps due to absence of a structured review of the portfolio against demand drivers and level of service</p>
Expenditure – Asset Renewal	Reliable	Management undertakes annual review of building component renewal requirements and cost estimates of Council’s building portfolio.
Asset Values	Highly Reliable	Valuations are undertaken every 5 years by independent licensed valuer
Asset residual values	Not Applicable	
Asset useful lives	Highly Reliable	Independent valuations and asset condition assessment are undertaken every 5 years. Management undertakes interim annual review of building component renewal requirements
Asset Disposals	Unknown	No asset disposal identification process has been undertaken
<b><u>Parks &amp; Reserves</u></b>		
Expenditure – New / Upgrade	Uncertain	<p>Reviews of future demand and level of service have been undertaken on a limited number of specific assets. Predominantly undertaken with business cases associated with current grant funded projects.</p> <p>The confidence assessment is based on known knowledge gaps due to absence of a structured review of community needs against demand drivers and level of service</p>
Expenditure – Asset Renewal	Highly Reliable	Independent valuations and asset condition assessment are undertaken every 5 years. Management undertakes interim annual review of assets located on parks and reserves for renewal requirements and cost estimates
Asset Values	Highly Reliable	Valuations are undertaken every 5 years by independent licensed valuer
Asset residual values	Not Applicable	
Asset useful lives	Highly Reliable	Independent condition assessment are undertaken every 5 years Management undertakes annual review of assets located on parks and reserves for renewal requirements
Asset Disposals	Reliable	Assets of this class are discarded upon replacement due to duty of care obligations.

<b><u>Vehicles</u></b>		
Expenditure – New / Upgrade	Reliable	Forecast of future vehicle needs based on workforce planning
Expenditure – Asset Renewal	Highly Reliable	Management undertakes annual review of vehicle km/hours and condition
Asset Values	Reliable	Management estimates of expenditure based on historical vehicle purchases
Asset residual values	Reliable	Management estimates of trade in values based on previous trade in history
Asset useful lives	Highly Reliable	Management undertakes annual review of vehicle usage and condition. Vehicle replacement periods are based on independent study - Uniqco International Pty Ltd - Fleet Review for Shire of Donnybrook-Balingup 23 February 2017
Asset Disposals	Highly Reliable	Vehicles are traded at time of change over
<b><u>Roads &amp; Transport</u></b>		
Expenditure – New / Upgrade	Unknown	<p>Reviews of future demand and level of service have been undertaken on a limited number of specific road projects. Predominantly undertaken with projects eligible for external funding (e.g. Regional Road Group), or projects planned for delivery in the next 1 to 2 years.</p> <p>Strategic documents have also been developed to assist in the prioritising of works for the expansion of Shire path assets or for the sealing of gravel roads.</p> <p>The confidence assessment is based on Council being reliant on existing staff knowledge of the road and transport network. This knowledge however is at risk when staff leave the organisation, as Council does not currently have the inhouse staff resources to undertake a higher level of infrastructure asset planning.</p> <p>Until staff resources are created for roads and transport planning, reliability of information for this asset category will remain reliant on the knowledge of the relevant staff at that point of time.</p>
Expenditure – Asset Renewal	Uncertain	The confidence assessment is based on the Council being reliant on existing staff knowledge of the road and transport network. This knowledge however is at risk when staff leave the organisation, as Council does not currently have the inhouse staff resources to undertake a higher level of infrastructure asset planning.
Asset Values	Highly Reliable	Valuations are undertaken every 5 years by independent licensed valuer
Asset residual values	Not Applicable	
Asset useful lives	Highly reliable	Condition of road and transport infrastructure assets are independently assessed every 5 years by suitably qualified consultants.
Asset Disposals	Unknown	No asset disposal identification process has been undertaken

<b>Bridges</b>		
Expenditure – New / Upgrade	Highly Reliable	<p>Local Governments are allocated funds for bridges through the Local Grants Commission (LGGC). Project funds for bridges are allocated to renewal type projects, recognising that some of these projects may include some upgrading or replacement when the existing bridge has reached the end of its economic life.</p> <p>A bridge committee advises the LGGC on priorities for allocating funds for bridges. Membership of the committee is made up of representatives from the following organisations:</p> <ul style="list-style-type: none"> <li>• WA Local Government Grants Commission</li> <li>• Western Australian Local Government Association; and</li> <li>• Main Roads Western Australia (MRWA)</li> </ul> <p>The committee receives recommendations from MRWA on funding priorities for bridges. MRWA inspects and evaluates the condition of local government bridges and has the expertise to assess priorities and make recommendations on remedial measures.</p>
Expenditure – Asset Renewal	Highly Reliable	<p>Local Governments are allocated funds for bridges through the Local Grants Commission (LGGC). Project funds for bridges are allocated to renewal type projects, recognising that some of these projects may include some upgrading or replacement when the existing bridge has reached the end of its economic life.</p> <p>A bridge committee advises the LGGC on priorities for allocating funds for bridges. Membership of the committee is made up of representatives from the following organisations:</p> <ul style="list-style-type: none"> <li>• WA Local Government Grants Commission</li> <li>• Western Australian Local Government Association; and</li> <li>• Main Roads Western Australia (MRWA)</li> </ul> <p>The committee receives recommendations from MRWA on funding priorities for bridges. MRWA inspects and evaluates the condition of local government bridges and has the expertise to assess priorities and make recommendations on remedial measures.</p> <p>MRWA produces a 10-year bridge renewal strategy that is reviewed annually. This forms the bases of the Shire’s Bridge Asset Management Plan.</p>
Asset Values	Highly Reliable	Valuations are undertaken every 5 years by independent licensed valuer
Asset residual values	Not Applicable	
Asset useful lives	Highly reliable	Condition of bridges are independently assessed by MRWA and forms the basis for MRWAs 10 year bridge renewal strategy.
Asset Disposals	Unknown	No asset disposal identification process has been undertaken

## 7. PLAN IMPROVEMENT AND MONITORING

### 7.1 Improvement Plan

Key improvement items that once completed, will result in more effective and mature asset management practices for Council managing its asset portfolio and services. Tasks listed are not in any order of priority and timeframes are subject to financial resources being allocated where required.

#### *Improvement Plan*

Task No	Task	Resources Required
<b>1</b>	<b>Introduce additional staff resource to undertake transport Infrastructure asset planning</b>	<b>Additional budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Ability to produce long term plans detailing individual projects enable decision makers to be informed and set project priorities</li> </ul>	
	<ul style="list-style-type: none"> <li>Ability to identify long term asset renewal trends for improved financial sustainability decision making</li> </ul>	
	<ul style="list-style-type: none"> <li>Improved road grant planning</li> </ul>	
	<ul style="list-style-type: none"> <li>Improved accuracy of long-term financial planning</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Actual long term asset component renewal requirements are not known for these asset classes. It is therefore unknown if the exiting level of expenditure is sufficient to meet future requirements to maintain safe and functional standards</li> </ul>	
	<ul style="list-style-type: none"> <li>No structured long term planning system for this asset class inhibits a strategic approach to the development of this asset class</li> </ul>	
<b>2</b>	<b>Implement a Roads functional hierarchy to determine the strategic importance of Council's roads to guide prioritising new assets or upgrades</b>	<b>Additional budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Provides a foundation for the strategic planning of the road network</li> </ul>	
	<ul style="list-style-type: none"> <li>An impartial and transparent basis for determining development of the road network</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Organisation lacks a strategic basis for decision making relating to roads</li> </ul>	
<b>2</b>	<b>Implement suitable asset management software to improve asset management information and practices.</b>	<b>Additional budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Centralised integrated system that preserves the corporate knowledge relating to asset management</li> </ul>	
	<ul style="list-style-type: none"> <li>Improved workorder capturing and management</li> </ul>	

	<ul style="list-style-type: none"> <li>Improved reporting and planning capability</li> </ul>	
	<ul style="list-style-type: none"> <li>Moving Excel based plans into professional asset management software with expanded functionality</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Less functional / efficient management of Council's assets portfolio</li> </ul>	
	<ul style="list-style-type: none"> <li>Less information capturing and reporting capability</li> </ul>	
<b>3</b>	<b>Develop and evaluate demand drivers</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Increased understanding of future community needs for decision making</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Decision making fails to pre-emptively identify community needs and becomes responsive based</li> </ul>	
<b>4</b>	<b>Develop and evaluate Levels of Service</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Align service delivery with organisational goals</li> </ul>	
	<ul style="list-style-type: none"> <li>Transparency in informing residents and customers with levels of service to be delivered</li> </ul>	
	<ul style="list-style-type: none"> <li>Consistent methodology applied in decision making</li> </ul>	
	<ul style="list-style-type: none"> <li>Ability to identify service level gaps (over or under servicing)</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Inconsistent decision making</li> </ul>	
	<ul style="list-style-type: none"> <li>Adverse perception of inconsistent service levels across the Shire</li> </ul>	
	<ul style="list-style-type: none"> <li>Inefficient resource allocation though over servicing</li> </ul>	
<b>5</b>	<b>Provide asset management education to Elected Members</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Develop Elected Member knowledge of Shire specific matters relating to asset management</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Decision making not considering long term implications</li> </ul>	
<b>6</b>	<b>Greater degree of componentisation in the condition rating process</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>Develops more detailed understanding of asset condition</li> </ul>	
	<ul style="list-style-type: none"> <li>Improved asset renewal planning</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	

	<ul style="list-style-type: none"> <li>• Lesser standard of decision-making information</li> </ul>	
<b>7</b>	<b>Implement adopted building asset functional hierarchy and methodology to determine the strategic importance of buildings within Council’s asset portfolio to guide prioritising new assets or upgrades</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• A hierarchy enables a transparent basis for decisions on limited funding availability to be targeted towards community priority assets</li> </ul>	
	<ul style="list-style-type: none"> <li>• A transparent functional hierarchy methodology permits proposed projects to be assessment and prioritised against competing resources</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• Inconsistent decision making where no transparent methodology exists</li> </ul>	
<b>8</b>	<b>Implement adopted building asset functional hierarchy and methodology to determine the strategic importance of buildings within Council’s asset portfolio to guide prioritising new assets or upgrades</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• A hierarchy enables a transparent basis for decisions on limited funding availability to be targeted towards community priority assets</li> </ul>	
	<ul style="list-style-type: none"> <li>• A transparent functional hierarchy methodology permits proposed projects to be assessment and prioritised against competing resources</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• Inconsistent decision making where no transparent methodology exists</li> </ul>	
<b>9</b>	<b>Implement a Public Open Space functional hierarchy and methodology to determine the strategic importance of Council managed areas of open space to guide prioritising new assets or upgrades</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• A hierarchy enables a transparent basis for decisions on limited funding availability to be targeted towards community priority assets</li> </ul>	
	<ul style="list-style-type: none"> <li>• A transparent functional hierarchy methodology permits proposed projects to be assessment and prioritised against competing resources</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• Inconsistent decision making where no transparent methodology exists</li> </ul>	

<b>10</b>	<b>Develop and implement performance measures</b>	<b>Within existing budget allocation</b>
	<u>Benefits of implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• Provide a systematic approach to measure progress of asset management</li> </ul>	
	<ul style="list-style-type: none"> <li>• Demonstrate how funding is being used effectively to meet identified needs</li> </ul>	
	<ul style="list-style-type: none"> <li>• Demonstrate any shortfalls in funding</li> </ul>	
	<ul style="list-style-type: none"> <li>• Provide the link between corporate vision and operational asset delivery</li> </ul>	
	<u>Risks of not implementing the recommendation</u>	
	<ul style="list-style-type: none"> <li>• An organisational inability to facilitate effective communications demonstrating performance against identified needs</li> </ul>	

## 7.2 Monitoring and Review Procedures

Asset Plans are reviewed and updated annually with information current at the time.

## 7.3 Performance Measures

Local Government Operational Guidelines Number 18 – June 2013 (Financial Ratios), details ratios that required statutory reporting in the Annual Financial Report up until 1 June 2022. Practice has been to measure against these asset management financial ratios

The requirement to report these financial ratios has now been removed. The reason provided by the Department of Local Government, Sport and Cultural Industries is that the underlying financial information is still contained in the audited part of the financial statements and that the changes were based on recommendations made by the Office of the Auditor General.

It is identified that a structured methodology to further measure the effectiveness of Council's asset management planning, forms part of future improvements to mature Council asset management practices.

### 7.3.1 Asset condition Ratio

A useful indicator of asset condition is the Asset Consumption Ratio. This is an accounting measure which indicates the potential service remaining in Council's assets. If the Asset Consumption Ratio is high, this indicates that Council's assets are in good condition – that is, they are either relatively new or have been maintained in good condition. If the Asset Consumption Ratio is low, this indicates that Council's assets are in relatively poor condition – that is, assets have not been renewed at a time when renewal was expected to occur and the future service levels expected from these assets is lessened.

It is important to note that the ratio is an indicator based on accounting valuations only and does not replace physical inspections of individual assets as the primary source of asset condition.

Council obtains independent revaluations of its assets for accounting and insurance purposes by licensed valuers every 5 years. Most recent independent revaluations.

- a) Land & Buildings: June 2022
- b) Infrastructure: July 2022

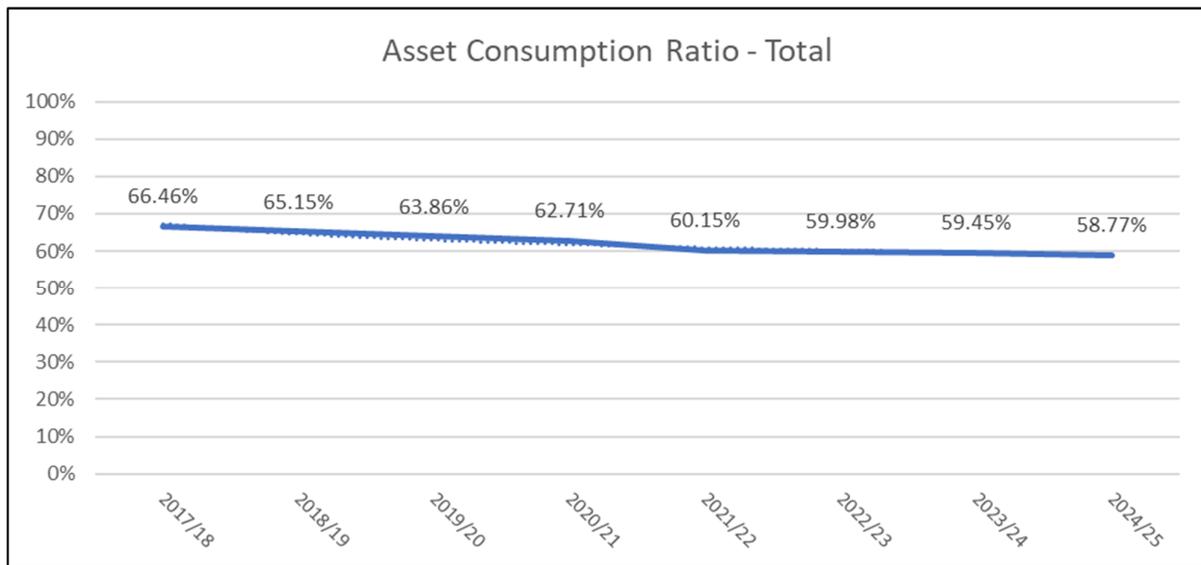


Figure 3

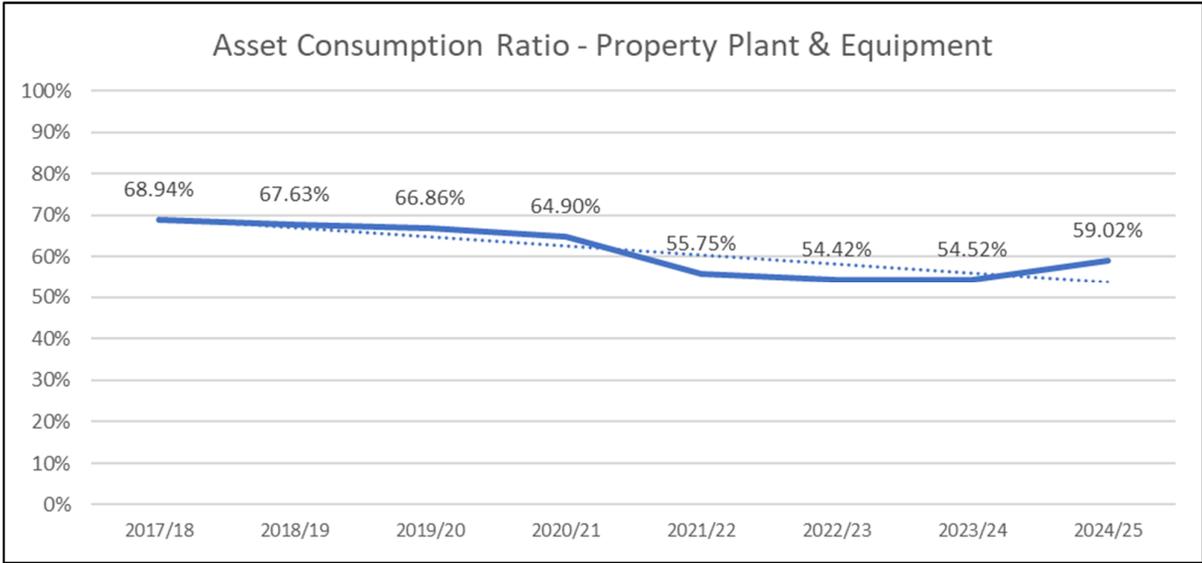


Figure 4

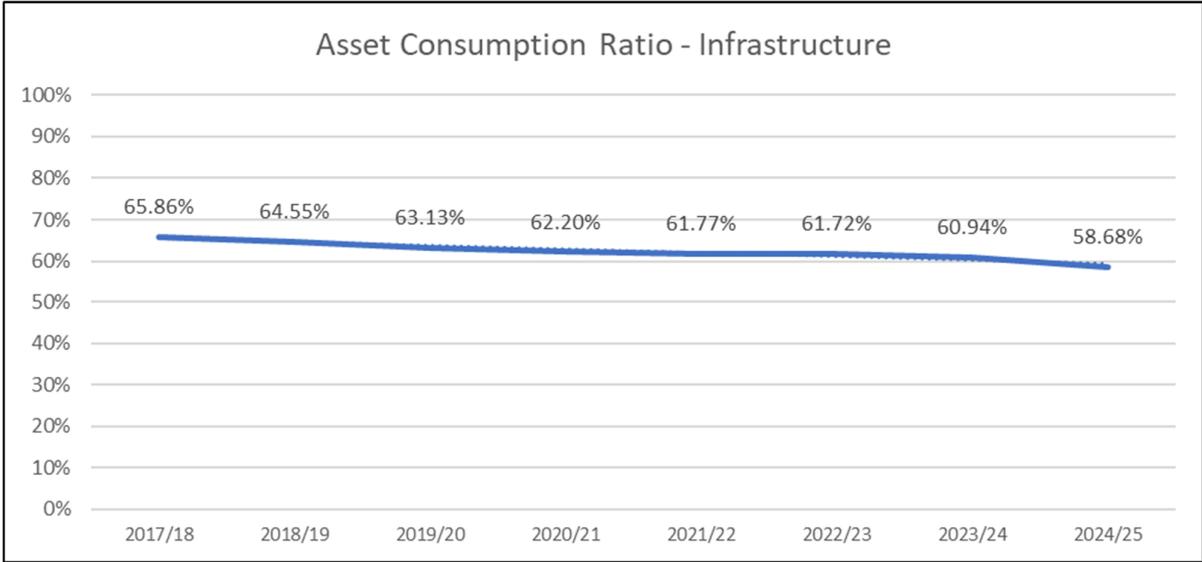


Figure 5