



City of
Mount Gambier



Asset Management Summary

2025-2034

May 2024

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TABLE OF CONTENTS

1.	Summary	1
2.	Key Asset Management Projects	3
	2.1. Strategic Asset Management Planning.....	3
	2.2. Business Systems and Infrastructure.....	3
3.	Caroline Landfill	4
4.	IT and Sundry	4
5.	New Projects	4
6.	Asset Management Plans	4
7.	Asset Management Practices	5
	7.1. Accounting / Financial Systems.....	5
	7.2. Council's audit regime includes the required annual statutory audit required by legislation and also a periodic 'procedural' audit. This process is also completed on an annual basis.....	5
	7.3. Asset Management Systems.....	5
	7.4. Information Flow Requirements and Processes.....	5
8.	Plan Improvement and Monitoring	6
	8.1. Performance Measures.....	6
	8.2. Improvement Plan.....	6
	8.3. Monitoring and Review Procedures.....	6
	Appendix 1 - Summary Forward Capital Works Program	7

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1. Summary

The City of Mount Gambier currently manages approximately \$400 million of assets on behalf of the community. Council recognises the importance that these assets be provided and maintained at a satisfactory level taking into consideration legislative and compliance obligations, community expectations and available resources.

Assets are categorised into asset classes. Each class contains complex data, including information about an asset's age, location, use, type, estimated useful life and residual values. Table 1 provides a summary of Council's asset categories as at 30 June 2023.

Table 1a: Infrastructure, Property, Plant and Equipment Summary, as at 30 June 2023

Asset Class	Fair Value ('000)	Annual Depreciation ('000)	Acc. Depreciation ('000)	Replacement Cost. ('000)
Building/Structures	\$114,079	\$3,524	\$55,438	\$169,517
Buildings	\$93,693	\$2,782	\$43,469	\$137,162
Structures	\$20,386	\$742	\$11,969	\$32,355
Infrastructure	\$205,676	\$3,639	\$61,542	\$267,218
Carpark	\$7,235	\$256	\$3,378	\$10,613
Footpaths	\$19,050	\$407	\$6,335	\$25,385
Kerb & Channel	\$55,230	\$831	\$15,038	\$70,268
Pavement	\$43,332	\$784	\$12,504	\$55,836
Retaining Walls	\$367	\$6	\$12	\$379
Safety Barriers	\$30	\$1	\$3	\$33
Seals	\$18,660	\$1,143	\$5,437	\$24,097
Lighting	\$1,549	\$24	\$24	\$1,573
Sub Pavement	\$50,679	\$8	\$13,940	\$64,619
Traffic Lights	\$2,286	\$54	\$2,276	\$4,562
Stormwater	\$7,258	\$125	\$2,595	\$9,853
Land	\$62,766	\$0	\$0	\$62,766
Land	\$62,766	\$0	\$0	\$62,766
Plant & Equipment	\$6,185	\$692	\$3,966	\$10,151
Graders	\$70	\$0	\$180	\$250
Loaders	\$892	\$101	\$583	\$1,475
Minor Plant	\$162	\$34	\$208	\$370
Rollers	\$267	\$11	\$106	\$373
Staff Vehicles	\$393	\$42	\$182	\$575
Sundry Equipment	\$602	\$33	\$33	\$635
Sundry Plant	\$824	\$146	\$782	\$1,606
Tractors	\$174	\$12	\$114	\$288
Trucks	\$2,801	\$313	\$1,778	\$4,579
Sundry	\$8,022	\$257	\$2,041	\$10,063
Art & Historical Collections				
Art Collection	\$4,356	\$0	\$0	\$4,356
Historical Materials	\$300	\$0	\$0	\$300
Furniture & Fittings				
Electrical Equipment	\$286	\$11	\$14	\$300
Furniture	\$793	\$55	\$789	\$1,582
Miscellaneous	\$33	\$2	\$2	\$35

Information Technology				
IT - Hardware & Equipment	\$1,153	\$100	\$413	\$1,566
Software	\$123	\$41	\$509	\$632
Land Improvements				
Landscaping	\$155	\$4	\$35	\$190
Pine Plantation	\$8	\$0	\$0	\$8
Street Trees	\$476	\$11	\$55	\$531
Other				
Christmas Decorations & Banners	\$54	\$9	\$33	\$87
Sundry Public Art	\$10	\$2	\$9	\$19
Waste Collection Assets	\$275	\$22	\$182	\$457
Waste Management (Caroline Cells)	\$390	\$1,754	\$9,841	\$10,231
Capping	\$0	\$792	\$3,848	\$3,848
Construction	\$0	\$957	\$5,433	\$5,433
Make Good/Restoration	\$390	\$5	\$560	\$950
Grand Total	\$397,118	\$9,866	\$132,828	\$529,946

NB - This table excludes work in progress and right of use assets.

Table 1b: Infrastructure and Property Summary, revaluations as at 1 July 2023

Asset Class	Fair Value ('000)	Annual Depreciation ('000)	Acc. Depreciation ('000)	Replacement Cost. ('000)
Building/Structures	\$130,562	\$4,506	\$60,332	\$190,894
Buildings	\$110,811	\$3,691	\$48,579	\$159,390
Structures	\$19,751	\$815	\$11,753	\$31,504
Other Infrastructure	\$37,503	\$617	\$14,346	\$51,849
Carpark	\$7,300	\$237	\$3,301	\$10,601
Retaining Walls	\$4,299	\$64	\$1,355	\$5,654
Stormwater	\$25,904	\$316	\$9,690	\$35,594

NB - This table excludes work in progress and right of use assets. It has been included to show the impact of revaluations as at 1 July 2023 due to the materiality of their impact from 30 June 2023

2. Key Asset Management Projects

2.1. Strategic Asset Management Planning

Asset Management Planning is one of the three “unlocking” strategic priority projects to be undertaken by the Council to optimise its Asset Management practices and the Asset Investment Strategy. A Community asset service level satisfaction survey and the Mount Gambier 2035 strategic vision will guide Council’s strategic plan and determine the optimal asset renewal criteria and asset investment within this period.

A restructure of asset classes and asset management practices are currently under review and will be dynamically updated in response to the completion of the “unlocking” strategic priority projects with integration of Asset Management and Accounting as a crucial priority over the next Three (3) years.

2.2. Business Systems and Infrastructure

Business Systems and Infrastructure is the second of three “unlocking” strategic priority projects to be undertaken by the Council to optimise its data management, asset management, improve process and equip the organisation to adequately support an efficient and mobilised workforce.

Equipping staff in the field with appropriate technology / devices will allow identification and reporting of any asset-related issues in real time which will streamline maintenance schedules and procedures. It will also assist with more accurate costings, further strengthening the ability to allocate, track and forecast Council’s resources.

A strategic review of current systems has commenced to assess their capability to deal with data management has commenced. This project is critical for the successful integration of Asset Management and Accounting and for organisational monitoring and reporting.

3. Caroline Landfill

Caroline Landfill is a critical piece of infrastructure for the region, being the only engineered landfill in South Australia located south of Murray Bridge.

The ongoing challenges with current market conditions and design requirements to meet EPA compliance for construction of fully engineered landfill cells has had a significant impact on the cost of construction. Construction of Cell 4 is well progressed, however leachate management continues to present a recurring risk for Council.

Due to growth, cost increases and a tightly regulated environment, Waste Management master planning for Councils' Waste service, from kerbside to landfill, has commenced. Financial modelling is key to support the management and future planning of the site.

Financial modelling related to Caroline Landfill is being undertaken by a specialist consultant. This work involves looking at all costs associated with running the facility - including operations, constructing cells, capping cells, and post closure provisions. This work will be used to adjust the landfill gate fee, to ensure financial sustainability of the facility, and ensure Council has adequate resources to fulfill its post closure obligations. In the interim, the forward capital works program has been updated.

Due to availability of specialist consultants, there have been some initial delays experienced with the master plan however, it is now well underway and this work will inform the next iteration of the Asset Management Plan for this class in 2025/2026.

4. IT and Sundry

The Asset Management Planning and Business Systems and Infrastructure strategic priority projects are progressing and it is anticipated that this work will significantly reshape this asset class. In the interim, the forward capital works program has been updated.

The work that is progressing at the time of writing this summary will inform the next iteration of Asset Management Plan for this class in 2025/2026.

5. New Projects

The Asset Management Plans include a provision for new/upgrade projects over the next 10 years. This creates the capacity for future investment. Individual projects will be incorporated in each annual budget following a ranking process undertaken to ensure that Council invests in priorities that will deliver public value to the community.

6. Asset Management Plans

This year Council has reviewed and updated asset management plans for the following classes:

- Infrastructure
 - Footpaths and Shared Paths
 - Kerb and Gutter
 - Roads
 - Traffic Signals
 - Stormwater
 - Carparks
 - Retaining Walls
- Buildings and Structures
- Plant and Equipment

Asset Management Planning as a strategic priority project for Council means that each asset class is being systematically reviewed and deliberate steps have been taken to ensure strategic alignment with Council and community priorities. This is a dynamic process that will evolve our Asset Management and Asset Accounting practice and processes with a view to achieve best practice over the coming three years.

Refer to Appendix 1 for the consolidated Asset Management Plan budget based on the Forward Capital Works Program.

7. Asset Management Practices

7.1. Accounting / Financial Systems

- Local Government authorities in South Australia are established under the provisions of the Local Government Act, 1999.
- Financial and Accounting practices and procedures are required to be in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations and the Australian Accounting Standards.
- Council's Asset Accounting Policy (as amended in September 2023) ensures that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards ("the Standards") pursuant to Local Government Act 1999 under section 303(4).organisation.

7.2. Council's audit regime includes the required annual statutory audit required by legislation and also a periodic 'procedural' audit. This process is also completed on an annual basis.

- Council's accounting and financial systems utilise the Civica local government enterprise software solution entitled 'Authority'.
- The Authority software solution enables integration of all Council operations including the Finance and Asset Management functions.

7.3. Asset Management Systems

Council uses Civica Authority as its accounting and financial system. This system integrates with Council's asset management system, another module of the Civica Authority suite.

The link between asset management and the financial system includes:

- The assumed works programs and trends
- The resulting budget, valuation and depreciation projections
- Useful life analysis (including renewal projections)
- Inputs to Council's LTFP and ABP&B

7.4. Information Flow Requirements and Processes

The key information that flows into the AM Plans are:

- The asset register data on size, age, value, remaining life of the network
- The unit rates for categories of work/material
- The adopted service levels
- Projections of various factors affecting future demand for services
- Correlations between maintenance and renewal, including decay models
- Data on new assets acquired by Council.

The key information that flows from the AM Plans are:

- The assumed Works Program and trends
- The resulting budget, valuation and depreciation projections;
- The useful life analysis
- Funding gap/excess considerations
- Improvements for AM planning.

These will impact on the LTFP, Strategic Plan 2020-2024, Annual Business Plan and Budget.

8. Plan Improvement and Monitoring

8.1. Performance Measures

The effectiveness of the Infrastructure and Asset Management Plan can be measured in the following ways:

- The degree to which the required cashflows identified in this Asset Management Summary are incorporated into Council’s LTFP and Community Plan;
- The degree to which 1-10 year detailed works programs, budgets, business plans and organisational structures take into account the ‘global’ works program trends provided by the Asset Management Plans.

8.2. Improvement Plan

Asset Management Planning is one of the three “unlocking” strategic priority projects to be undertaken by the Council to optimise its Asset Management practices and the Asset Investment Strategy. In the three-year Asset Management Planning approach the following steps have been outlined.

Figure 1. Unlocking Projects



8.3. Monitoring and Review Procedures

This Asset Management Summary and supporting Asset Management Plans will be reviewed and updated annually in accordance with the “unlocking” Strategic Projects to reflect the improvements implemented with developing an integrated asset management and accounting process. Strategic Asset Management will be undertaken concurrent to the annual business plan and budget and Long-Term Financial Plan.

Under the Local Government Act 1999, the Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.

Appendix 1 - Summary Forward Capital Works Program

Including SROSS New											
Asset Management Plan - 2025-2034											
\$'000s		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Infrastructure	Renewal	3,624	3,565	3,869	3,897	3,470	3,587	4,098	3,565	3,569	3,707
	Upgrade/new	411	374	374	374	374	374	374	374	374	374
Buildings	Renewal	1,197	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627
	Upgrade/new	1,588	155	155	655	4,655	655	4,655	655	4,655	655
Plant	Renewal	3,613	2,279	2,128	1,976	2,191	2,573	3,122	2,314	1,664	2,490
	Upgrade/new	456	305	750	510	790	40	40	40	40	1,040
Caroline	Upgrade/new	0	0	0	0	0	0	3,333	0	0	2,960
IT	Renewal	23	75	75	75	75	75	75	75	75	75
	Upgrade/new	140	100	100	100	100	100	100	100	100	100
Sundry	Renewal	240	150	150	150	150	150	150	150	150	150
	Upgrade/new	146	100	100	100	100	100	100	100	100	100
TOTAL	Renewal	8,696	7,696	7,849	7,724	7,513	8,012	9,072	7,730	7,085	8,049
	Upgrade/new	2,742	1,034	1,479	1,739	6,019	1,269	8,602	1,269	5,269	5,229
	TOTAL	11,438	8,730	9,328	9,463	13,532	9,281	17,674	8,999	12,354	13,278

NB - The Caroline Asset Management Plan has not been updated at this stage.