City of
Mount Gambier

Caroline Landfill
Asset Management Plan

2020/2029

March 2019

Document Control	

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1	March 2019	Creation of separate Asset Management Plan for Caroline Landfill	KR	DM	NS

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ABBREVIATIONS

ABP&B	Annual Business Plan and Budget
AMP	Asset Management Plan
IRMP	Infrastructure Risk Management Plan
MMS	Maintenance management system
LTFP	Council's Long Term Financial Plan

1. INTRODUCTION

1.1 Background

Caroline Landfill Asset Management Plan is to be read in conjunction with Council's Asset Management Policy, Asset Management Strategy and the following associated planning documents:

- Community Plan
- Long Term Financial Plan (LTFP)
- Annual Business Plan and Budget (ABP&B)
- Landfill Environmental Management Plan
- Future Cell Construction & Capping Plan 2020-2029 (Appendix A).

The Landfill components covered by this Asset Management Plan (AMP) are shown in Table 1.

Table 1 Landfill assets covered by this Plan

(As at 1 July 2018)

Asset Category	Number	Net Fair Value ($)
Caroline Landfill Existing (incorporates Cells 1 and 2 construction and cap)	2	$1.28M
Caroline Landfill Cell 3	1	$0.602M
Caroline Landfill Cap Cell 3	1	$2.1M
TOTAL		**$3.98M**
Remaining Caroline Landfill Cells yet to be constructed, filled and capped (refer Appendix A)	13	

1.2 Assumptions

This Landfill AM Plan is based on the Environmental Management Plan (EMP) which is the overarching document that determines the operational and management activities that occur onsite in accordance with Council's EPA licence for the operation of a landfill facility.

It is assumed that the current financing approach will continue.

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.

Table 2: Key Stakeholders

Key Stakeholder	Role in AM Plan
Councillors	• Represent needs of the community and stakeholders • Set targeted sustainability ratios • Annual budget approvals
Executives	• Adopt Asset Management Plan • Portfolio sponsor
Regulatory Authority	• Provide guidelines/standards • Compliance audits
Customers	• End users of service/assets
Insurers and Lessors	• Partner with Council to mutually cover risk exposure • Partner with Council to provide alternate financial solutions
Engineering Business Unit	• Plan and facilitate asset construction and capping in accordance with this plan • Establish service levels • Mitigate risk exposure • Monitor assets (including condition) • Coordinate planned and reactive maintenance with Council staff • Management of operational requirements • Ensure compliance with legislative requirements
Technical Experts/Consultants	• Environmental consulting • Testing and monitoring reports
Strategic Finance & Accountability Business Unit Finance Business Unit	• Council's LTFP • Asset valuation and depreciation • Procurement facilitation

1.3 Goals and Objectives of Asset Management

The Council exists to provide services to its community; one of these services is Waste Management. Caroline Landfill is the only engineered landfill site located in the South East of South Australia and began operations in 1997. Council's goal in managing landfill assets is to meet the agreed level of service in the most cost effective manner for present and future consumers. The key elements of landfill asset management are:

- Taking a life cycle approach to developing cost-effective management strategies for the long term
- Providing a defined level of service and monitoring performance in line with stakeholder needs and environmental licence requirements
- Managing risks associated with asset failures and disasters
- Continuous improvement in asset management practices.[1]

Our Vision is: **An inclusive city where people lead fulfilling lives.**

The objectives contained within the Community Plan fall under four key themes:

Our People	A safe, inclusive city where access to quality services and facilities supports a socially connected, vibrant and healthy community
Our Location	A perfectly centered place where people aspire to live, work, visit and invest
Our Diverse Economy	A diversified, innovative and resilient economy that generates jobs and services
Our Climate, Natural Resources, Arts, Culture and Heritage	A culturally-inspired city that strives to minimise its ecological footprint.

Key envisaged outcomes, projects and services described in the Community Plan that directly relate to Council's landfill asset management are:

- Sustainability and environmental practices embedded in Council processes and decision making
- A healthy and pristine natural environment, including underground aquifer system
- Educate and support the community to reduce greenhouse gas emissions, water consumption and waste
- Strive to make Mount Gambier a recognised environmentally sustainable place
- Develop innovative programs to protect our environment
- Develop and implement a strategy to facilitate a reduction in greenhouse gas emissions

[1] IIMM 2006 Sec 1.1.3, p 1.3

- Reduce waste received at the landfill.

A ‘bottom up’ approach has been used to develop organisational requirements for sustainable service delivery and long term financial planning and reporting. This is mainly due to the key drivers that influence when and how construction and capping of landfill cells is required. The key drivers are:

- The amount (in tonnes) of waste to be entombed

- The strict legislative requirements surrounding waste management practices and landfill operations.

This plan is prepared to facilitate community consultation and in line with section 122(6) and 122(7) of the Local Government Act the draft plan is made available to the public at our principal office for feedback prior to adoption by Council.

Future revisions may include greater community consultation on service levels and costs of provision to assist Council and the community in balancing the level of service needed and/or desired with the community’s ability and willingness to pay for the service(s) incorporating a wider view of all waste management services.

1.4 Plan Framework

Key elements of the Plan are

- 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 the required services

- Financial summary – what funds are required to provide the required services

- Asset management practices

- Monitoring – how the Plan will be monitored to ensure it is meeting Council’s objectives

- Asset management improvement plan.

A road map for preparing an Asset Management Plan is shown below.

Figure 1: Road Map for preparing an Asset Management Plan
Source: IIMM Fig 1.5.1, p1.11

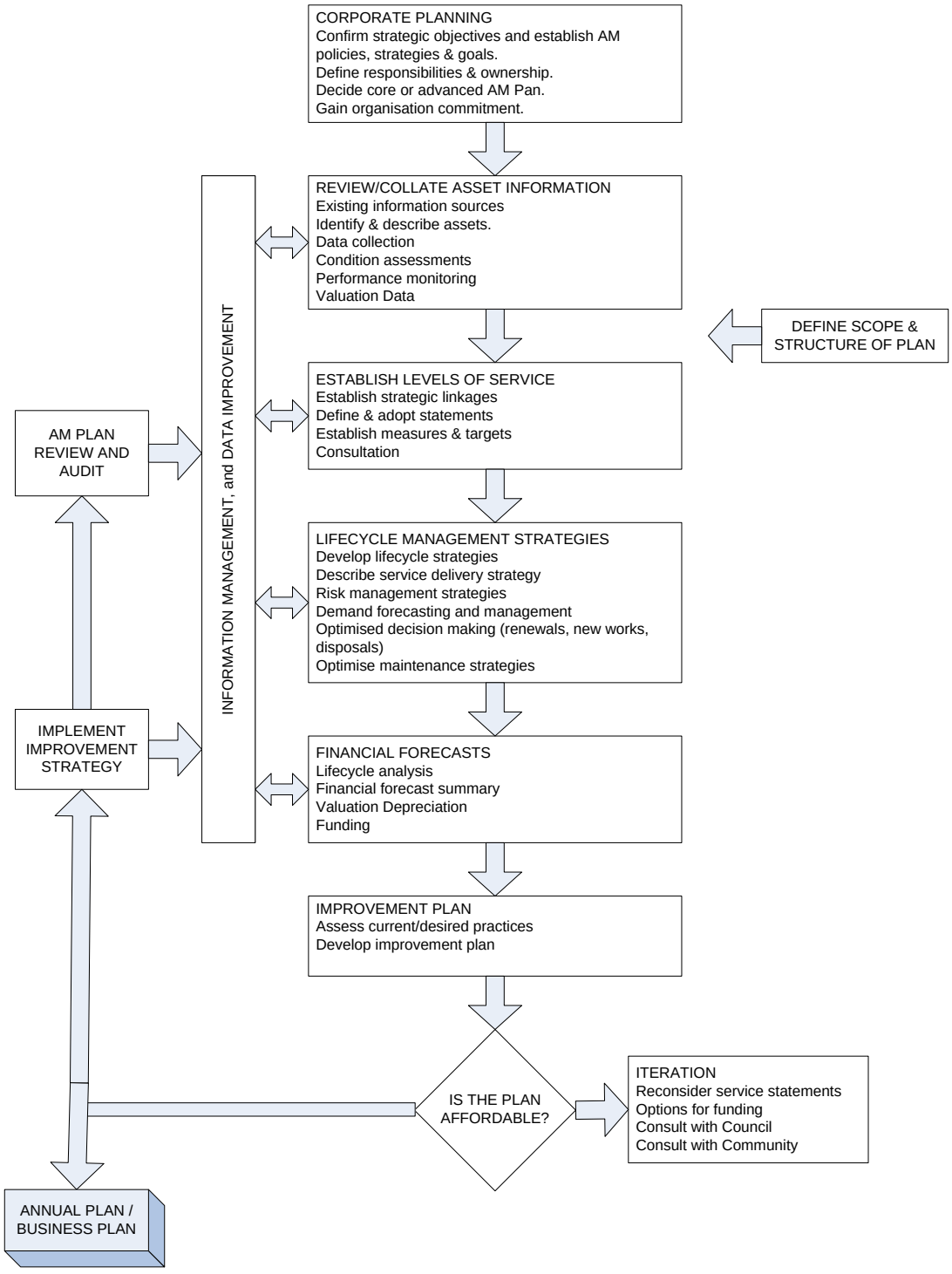


Table 3: Legislative Requirements

Legislation	Requirement
Local Government Act, 1999	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by Infrastructure and Asset Management Plans for sustainable service delivery.
Development Act and subordinate legislation (example Development Plan and Building Code)	Provides Council with the legislative framework to guide the preservation and enhancement of its landfill.
Environment Protection Act	To regulate the development and operation of Caroline Landfill
State Records Act, 1997	Set out responsibilities and requirement in relation to the management of Council records.
Work Health and Safety Act, 2012	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work

2.2 Current Levels of Service

Council has defined service levels in two terms:

1. Community Service Levels

   These relate to how the community receives the service in terms of safety, quality, function, quantity, reliability, responsiveness and cost/efficiency.

2. Operational or Technical Service Levels

   These measures relate to the allocation of resources to service activities that the Council undertakes to best achieve the desired community outcomes, whilst meeting all legislative requirements.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, function, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Operations – the regular activities to provide services such as opening hours, compacting and covering of waste.

Maintenance – the activities necessary to retain assets as near as practicable to their original condition for example repairing weather damage.

Renewal – the activities that return the service capacity of an asset up to that which it had originally, for example, frequency and cost of new landfill cell construction.

Upgrade - upgrading the activities to provide a higher level of service for example, extending opening hours, introducing a new initiative such as gas collection and utilisation facilities, installing a weighbridge at the landfill site.

Quantity – ability to accept varying volumes of waste.

Safety – protection of person(s) from injury and accidents, for example, safe work method statements.

Council's current service levels are detailed in Table 4.

Table 4: Current Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Landfill is tidy and accessible	customer complaints	1 complaint per year	TBA
Function	Tip face is compacted and covered with appropriate cover material each day it is operational	Manager to review	100%	TBA
Safety	Public and customer access is clearly monitored and signed	Reported accidents and incidents	zero	TBA
TECHNICAL LEVELS OF SERVICE				
Condition	1) Site is managed to legislative requirements/ best practice standards 2) Machinery is reliable and well maintained	1) EPA Reports and responses, customer complaints 2) Machine availability	1) Zero 2) 100% of scheduled time	TBA
Safety	Site is safe and meets all legislative requirements	reported accidents/ incidents	Zero	TBA
Cost Effectiveness	Landfill is operated within budget	$/% amount over/underspent of the budget	Expense within 5% of budget and does not exceed income generated	TBA

For details on current service levels, refer to the Landfill Environmental Management Plan. Future iterations of this AMP will include further details on current performance.

2.3 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including the residents' feedback to Councillors and staff, service requests and correspondence. Council has still to quantify all desired levels of service. This will be incorporated in future revisions of this AMP.

3. FUTURE DEMAND

3.1 Demand Forecast

Drivers affecting demand include population change, changes in demographics, seasonal factors, consumer preferences and expectations, technological advances, economic factors, environmental awareness, changing legislative requirements, risk management practices, etc.

Demand factor trends and impacts on service delivery are summarised in Table 5.

Table 5 Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	26,276 *(census 2016))*	32,000 people by 2027[3]	Should the target projection be met filling rates at the landfill would increase. It is expected that these would be offset by increased rates and user pays revenue.
Demographics	Ageing population Already servicing wider District Council of Grant area		Demographic factors unlikely to have significant impact on waste management facilities as Council is already servicing a much wider region.
Climate change	susceptible to el nino conditions periods of intense rainfall can have adverse effects on leachate contamination at the landfill site	Once in every 10 years	Large impact on budget to manage contamination in line with EPA requirements
Legislative changes	Landfill Environmental Management Plan (LEMP) Meeting all EPA requirements	Continuation of LEMP and meeting all EPA requirements	No significant impacts to services

3.2 Changes in Technology

Technology changes are forecast to have effect on the delivery of services covered by this Plan, and will likely reduce operating costs due to real-time monitoring (eg. Web based communication to Council, smart phone and mobile technology, leachate monitoring systems, automatic monitoring systems for gas collection and utilisation, GPS tracking on compacting machinery, drone technology for site surveying).

Council will face increasing community pressure to retrofit existing facilities with technology that will improve the overall environmental sustainability of the facility.

Technology changes forecast to affect the delivery of services covered by this plan are detailed in Table 6.

[3] Referenced from Community and Recreation Hub Feasibility Study

Table 6: Forecast changes in technology and effect on service delivery

Technology Change	Effect on Service Delivery
Introduction of weighbridge at landfill site	At present customers weigh in at the Waste Transfer Centre before driving to Caroline Landfill to deposit their load of waste. This requires the site operator to check all tickets before allowing the load to be unloaded. A weighbridge onsite has potential to: • automate gate opening and security over site • mobile technology to automatically deliver results to landfill operator and officers located offsite to the Landfill • provide more accurate data • provide increased control • reduces risk of customers collecting rubbish after they have weighed in at the Waste Transfer Station
CCTV Cameras	Council are in the process of implementing CCTV systems and this may be able to be utilised in asset management, assessment and surveillance to assist in reduction of damage to infrastructure and machinery.
Gas Utilisation and Collection	Council is currently seeking tenders for the provision of landfill gas management services utilising automated technology to monitor and provide data.

3.3 Demand Management Plan

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 include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, such as leasing arrangements or providing services from existing infrastructure which may be located in another community area. They also include managing expectations in relation to service standards and service failures.

Opportunities identified to date for demand management are shown in Table 7. Further opportunities will be developed in future revisions of this AMP.

Table 7: Demand Management Plan Summary

Service Activity	Impact	Demand Management Plan
Operational expectations, financial sustainability and continuous improvement	Need for mobile solutions and systems due to location of Caroline Landfill	Engage with i-Services to identify
Containment of contamination and leachate	Reduction in leachate overflow and contamination.	Installation of vetiver grasses and leachate pumping alternatives. The vetiver grasses are currently in trial phase but have the potential (if proved successful) to reduce the reliance on pond storage and evaporation as well as offsite disposal. This has the potential to reduce the operational costs of leachate management
Environmental sustainable solutions for gas emissions	Reduction in methane gases currently entering the atmosphere from waste decomposition	Tender currently seeking interest in gas management services

4. LIFECYCLE MANAGEMENT PLAN

The Lifecycle Management Plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in the section “Levels of Service”) while optimising life cycle costs.

4.1 Background Data

4.1.1 Physical Parameters

The assets covered by this plan are shown in Table 1 and Appendix A.

4.1.2 Asset Capacity and Performance

Council’s services are generally provided to meet design and environmental standards where these are available. Areas targeted for improvement are detailed in Table 8.

Table 8: Improvements

Service	Improvement
Cover Material	Identification of alternative cover materials from stock piles of concrete, brick and limestone to meet EPA requirements. Aim to reduce on site stockpiles and utilise as cover. In addition, alternative daily cover materials are being investigated such as water based chemicals that will replace the need for daily soil covers
Litter	Reduction of windblown litter.
Critical machinery	Alternative solutions should the landfill compactor be out of action Consideration of insurance to cover loss of production/revenue.
Leachate Ponds	Alternative solutions to vetiver grasses include covering leachate ponds to reduce increase in volume due to rainfall. Consideration of alternate options should the vetiver grass trial not be successful. I.e. utilisation of onsite gas to pre heat or boil off the leachate is one such example being investigated

Approximately 25,000 tonnes of waste per annum has been entombed at Caroline Landfill since the 2017 financial year. At the time of writing this plan, Council is on target to receive approximately 25,000 tonnes again for the financial year ended 30 June 2019.

Table 9: Tonnes of Waste entombed to Caroline Landfill

Financial year ended 30 June	Tonnes entombed	Tonnes entombed by Council	% of Council Waste entombed
2014	19,892	6,531	33%
2015	20,560	6,644	32%
2016	21,801	7,199	33%
2017	25,648	7,099	28%
2018	24,606	7,165	29%

4.1.3 Asset Condition

The condition profile of Council's Landfill Cell's is not a key driver for renewal. The capacity used in the cell is a key driver as this relates to the amount of airspace remaining for waste to be entombed.

The buildings and structures, plant and machinery currently used at Caroline Landfill are captured under their own category of asset management plans. Asset condition is a key driver for the buildings located at the landfill site, but is not a key driver for renewal of the critical plant and machinery required to be used to operate the site.

The value of Caroline Landfill assets in this IAMP relates to cell construction and capping only. Landfill remediation and cell development assets are amortised on a consumption basis over the individual landfill cell's capacity to receive waste. At the time of construction of a cell, Council includes the present value of estimated costs to cap and close the cell into the landfill cell. This estimate is offset by the recognition of a provision. This recognition of the capping costs is amortised in line with the consumption of the landfill cell's capacity used in any one year. Unwinding of present values are completed annually to bring values into alignment with present day.

As at 30 June 2018 the value of these assets was:

Total Value (at cost & fair value)	$8.876M
Accumulated Depreciation	$6.068M
Carrying Amount	$2.808M
Annual Depreciation Expense	$0.623M

4.2 Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets identifies critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Table 10 shows a summary of risk assessments undertaken for aspects of Caroline Landfill operations and capital expenditure.

Table 10: Caroline Landfill Risk Assessments

Asset	Method/Description	Responsibility
Current		
Tana Compactor (machinery)	Plant Assessor – in relation to the machine itself does not factor the environment it is operating in	Mechanics
Cell Construction (for individual cells)	Council template – identifies risks for the construction project of an individual cell only	Engineering
Safe Work Method Statements (SWMS)		Operational Staff/WHS

Environmental Management Plan		General Manager City Infrastructure
Improvements		
Overarching Risk Assessment (in particular items not covered by the Landfill Environmental Management Plan)	Needs to address the following risks - loss of critical compaction machinery - loss of revenue - succession planning for staff - financial ability/cash flow of Council - legislative changes	Executives

A formal approach to assessing the overarching risks with Council's Caroline Landfill assets was not complete at the time of writing this Plan. Further iterations of this Plan will contain details on risks, risk ratings, treatments and estimated costs.

4.3 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

4.3.1 Maintenance Plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, 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.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle and may include painting, re-roofing, replace occasional window etc.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

Actual past maintenance and operating expenditure is shown in Table 11. Figures presented in this table include employee costs, utilities, equipment and finance costs, but exclude depreciation and building maintenance (building maintenance is included in the Buildings and Structures AM Plan).

Table 11: Actual past maintenance and operating expenditure

Year	$'000
2016	1,021
2017	1,697
2018	1,668

4.3.2 Standards and Specifications

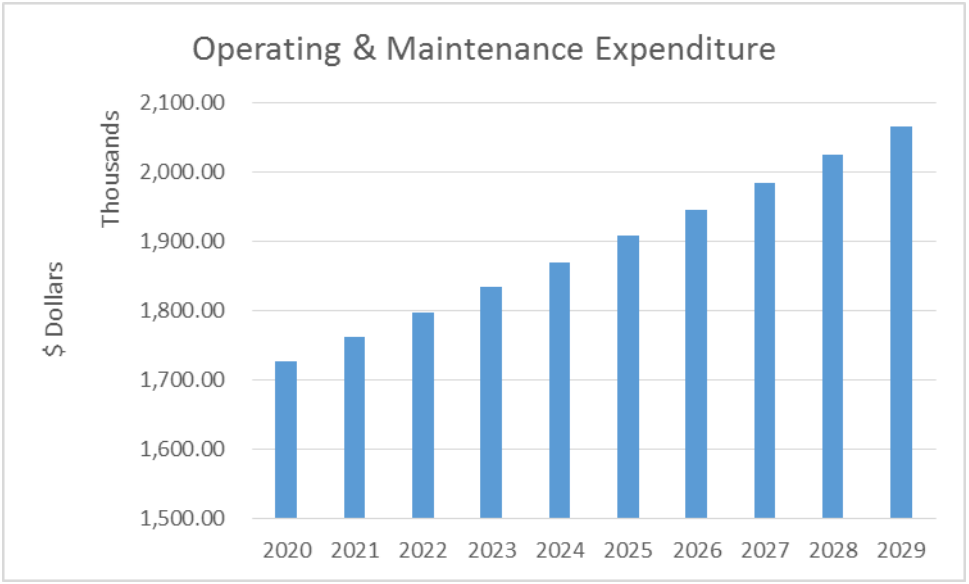
Maintenance work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
- Environmental Guidelines
- Environmental Management Plan
- Work Health Safety Act and Regulations
- Council Standards and Specifications

4.3.3 Summary of Future Maintenance & Operating Expenditures

Future maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 2. Note that all costs are shown in nominal values.

Figure 2. Maintenance and Operating Expenditure



4.4 Renewal / Replacement Plan

Renewal expenditure is major work 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.

4.4.1 Renewal Plan

Assets requiring renewal are identified from one of three methods:

Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year

Method 2 uses capital renewal expenditure projections from external condition/usage modelling systems

Method 3 uses a combination of average network renewals plus defect repairs.

Method 2 was used for this Plan using in-house engineering construction plans and modelling.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

4.4.2 Renewal Standards

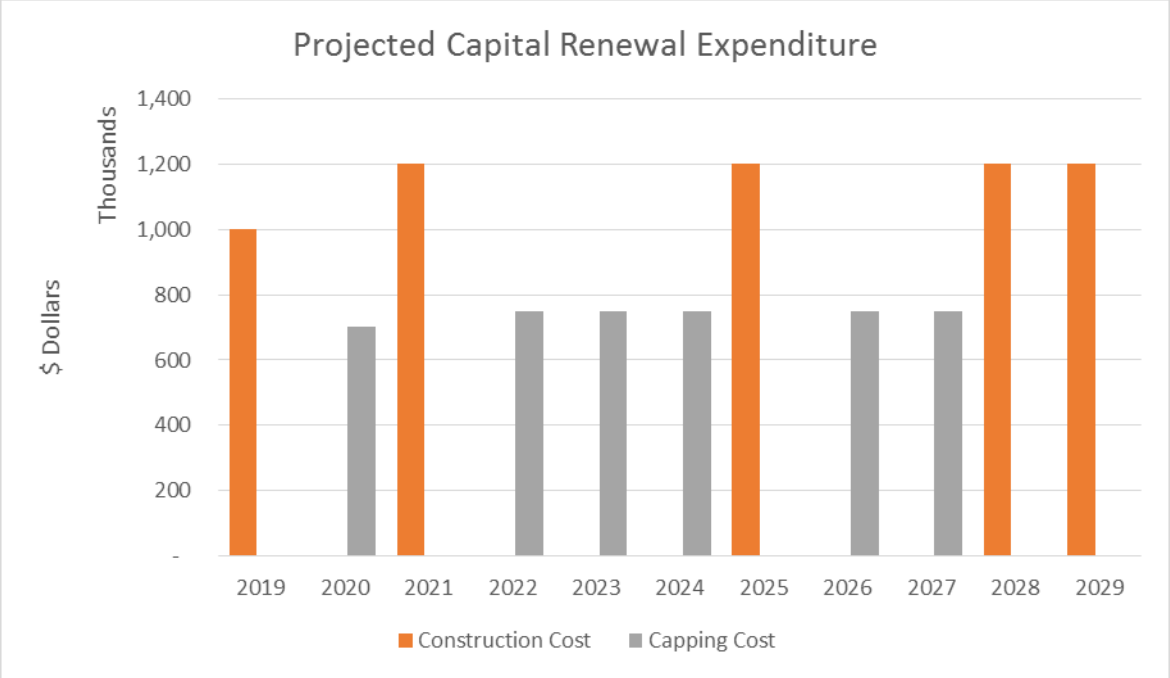
Renewal work is carried out in accordance with the following Standards and Specifications:

- Current Australian and Industry Standards
- Environmental Guidelines
- Work Health Safety Act and Regulations
- Best Industry Practice Standards
- Planning and scheduling renewal projects to meet defined service levels in the most efficient and effective manner.

4.4.3 Summary of Future Renewal Expenditure

Projected future renewal expenditures are forecast to increase over time as the cost of contractors, materials and employees increases. The costs are summarised in Figure 3. Note that all costs are shown in real dollar values.

Figure 3: Projected Capital Renewal Expenditure



Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in Council's Risk Management Plan. Renewal and replacement expenditures in Council's capital works program will be accommodated in Council's LTFP.

Renewals are to be funded from Council's capital works program and grants where available.

4.5 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 Council from land development. These assets from growth are considered in Section 4.4.

4.5.1 Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, Councillor/Executive requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are investigated to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs. Council ultimately makes the decision on priority ranking of new assets based on this information.

At the time of writing this plan, no priority ranking standards had been documented by Council. Future iterations of this plan will incorporate such agreed standards.

4.5.2 Summary of Future Upgrade / New Assets Expenditure

New assets and services are to be funded from Council's capital works program and grants where available. This is further discussed in Section 5.

4.6 Disposal Plan

There are no assets identified for possible decommissioning and disposal at the time of writing this plan. Due to the unique nature of Landfill Cells the purpose of their construction is to provide airspace capacity to entomb waste. Once the airspace capacity of the cell has been consumed, the Landfill cell has no net fair value and therefore no requirement for disposal.

5. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this AMP. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

5.1 Financial Statements and Projections

The financial projections are shown in Table 12 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

Note that all costs are shown in nominal dollar values.

Table 12: Projected and Planned Renewals and Expenditure Gap

Year	Projected Renewals $'000	Planned Renewals $'000	Renewal Funding Gap $'000	Cumulative Gap $'000
2019	895	1,000	105	105
2020	895	700	-195	-90
2021	692	1,224	532	442
2022	692	780	88	530
2023	692	796	104	634
2024	692	812	120	754
2025	713	1,325	612	1,366
2026	713	845	132	1,498
2027	713	861	148	1,646
2028	750	1,406	656	2,302
2029	765	1,434	669	2,971

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewal expenditure and actual (planned) expenditure indicates that further work is required to manage required service levels and future planned expenditure funding needs to eliminate any funding gap.

Council will need to manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services, and to ensure that the gap closes to a controllable level.

5.1.1 Sustainability of Service Delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense). The landfill annual life cycle cost for the services covered in Part 2 of this AMP is $2.623 million.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan (2019 budget) is $2.589 million.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of this AMP is to identify levels of service that the community needs and can afford and develop the necessary long term financial plans to provide the service in a sustainable manner.

Medium term – 10 Year Financial Planning Period

This AMP identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core AMP, a gap is generally due to increasing asset renewals or underfunding of capital renewal programs.

5.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's Long Term Financial Plan.

5.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council. Depreciation expense values are forecast in line with estimated capacity of use.

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the consumption and renewal of existing assets.

5.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this AMP and in preparing forecasts of required operating and capital expenditure and asset values. 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 AMP are:

- Units of Production method of depreciation which results in a charge based on the expected use or output of the asset. In the case of the Caroline Landfill, it refers to the expected use of airspace.
- The construction of a new cell is considered renewal expenditure as Council is renewing its capacity to receive waste and operate.
- Dollars are in real terms and no indexation has been applied.
- This AMP was put together based on the information at hand at the time of preparing the Plan. As asset information is updated and more accurate information becomes available, the AMP will become more accurate.

Accuracy of future financial forecasts may be improved in future revisions of this AMP by the following actions:

- Full cost attribution on future works programs through more sophisticated accounting measures.
- Improved data collection and assessment of assets and recording of this data in AIM program through centralised asset management and data analysis.

5.5 Systems and Monitoring

5.5.1 Accounting and financial 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 Australian Accounting Standards provide the benchmark against which Council reports on asset accounting. Council's current capitalisation threshold is $5,000.

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.

5.5.2 Required changes to accounting financial systems arising from this AM Plan

Changes to accounting and financial systems identified as a result of preparation of this IAMP are:

- Classification of capital expenditure as renewal and upgrade/new
- Development of a single corporate asset register
- Improved forecasting and development of unit rates.

REFERENCES

City of Mount Gambier Community Plan – The Futures Paper 2016-2020

City of Mount Gambier Annual Report and Budget

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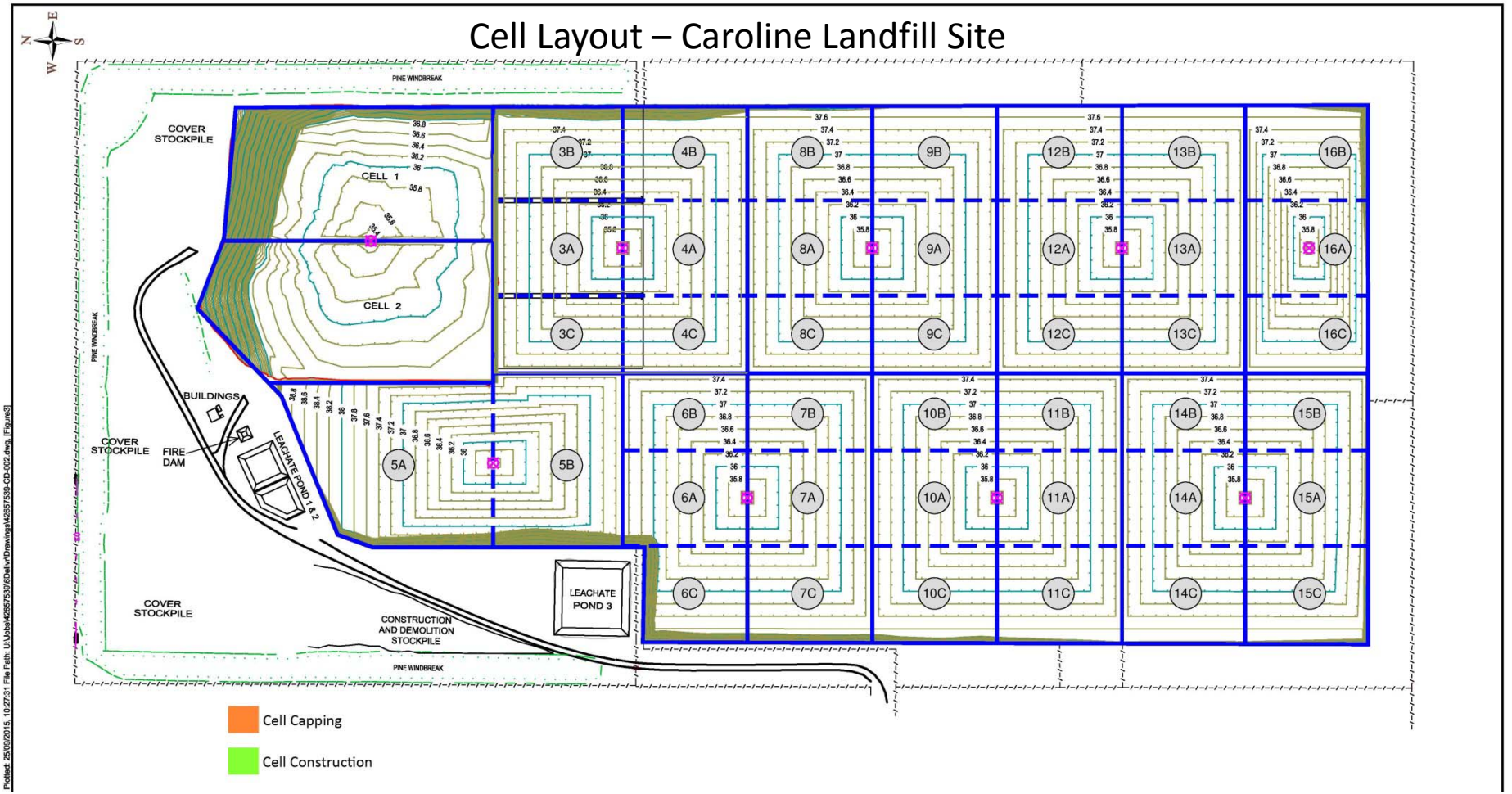
IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au

APPENDICES

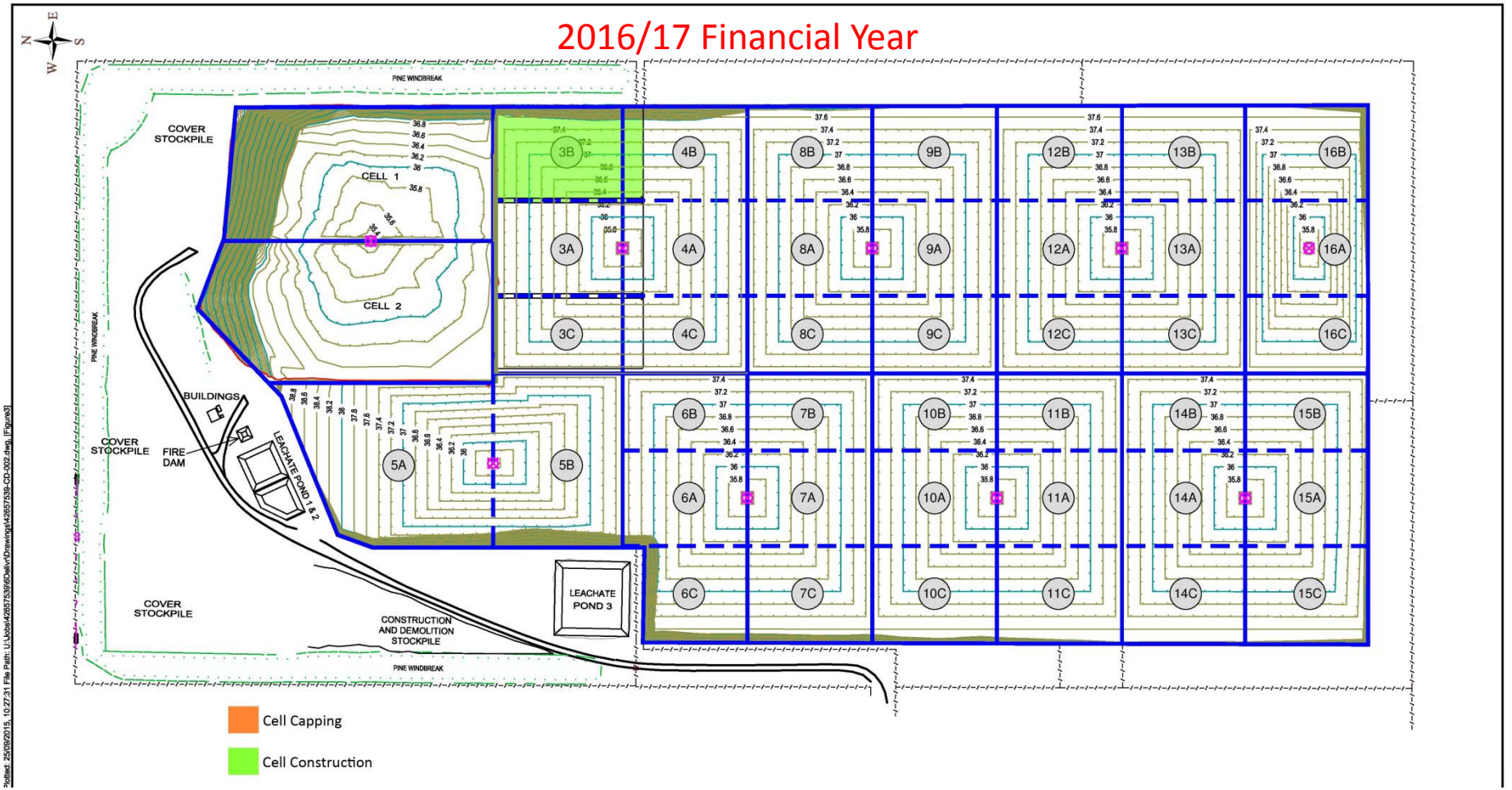
Appendix A Caroline Landfill – Future Cell Construction & Capping Plan 2020-2029


CAROLINE LANDFILL – FUTURE CELL CONSTRUCTION & CAPPING PLAN
2020 - 2029
Updated 19/2/2019

Cell Layout – Caroline Landfill Site

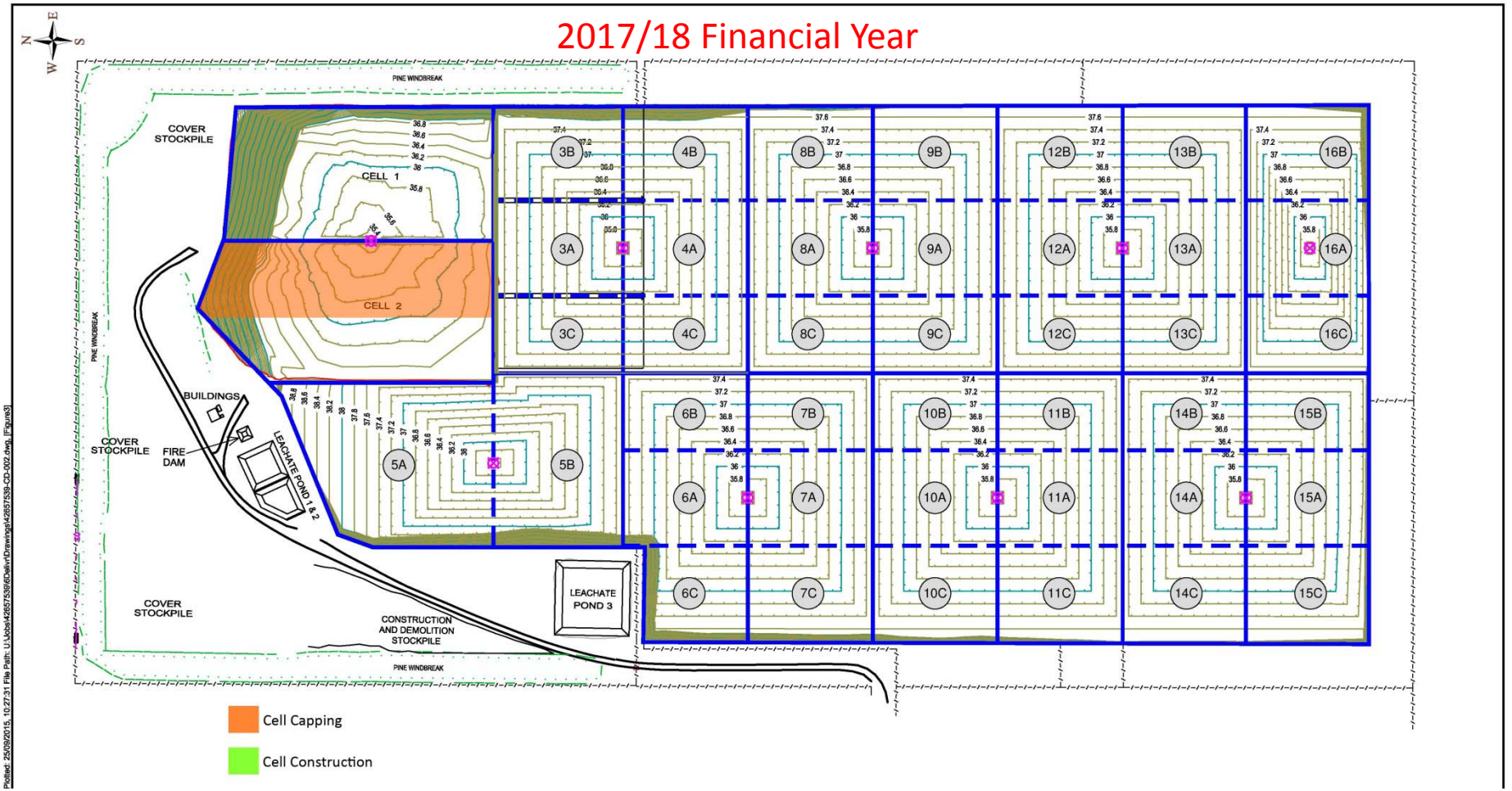


2016/17 Financial Year



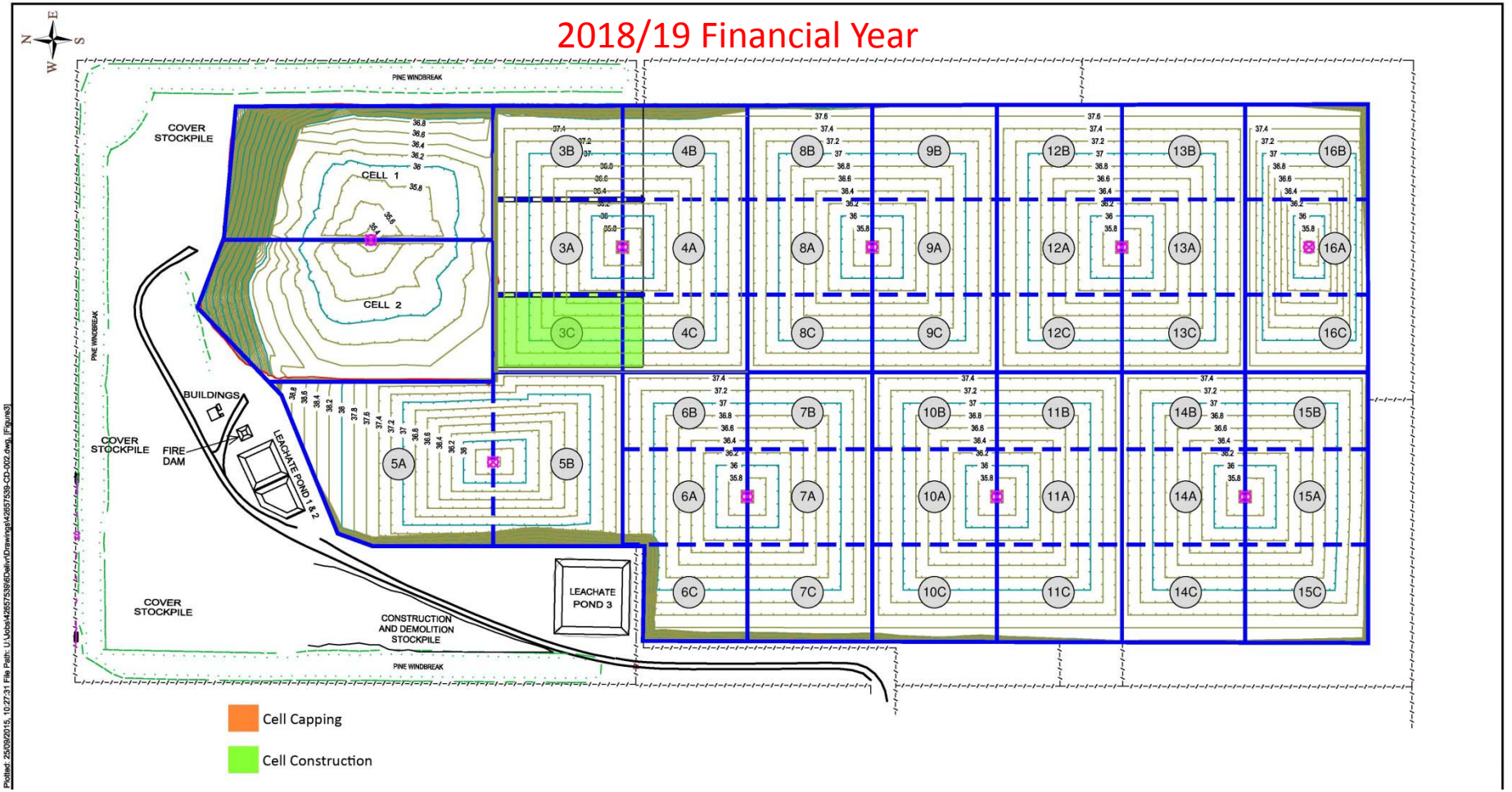
$720,000

2017/18 Financial Year



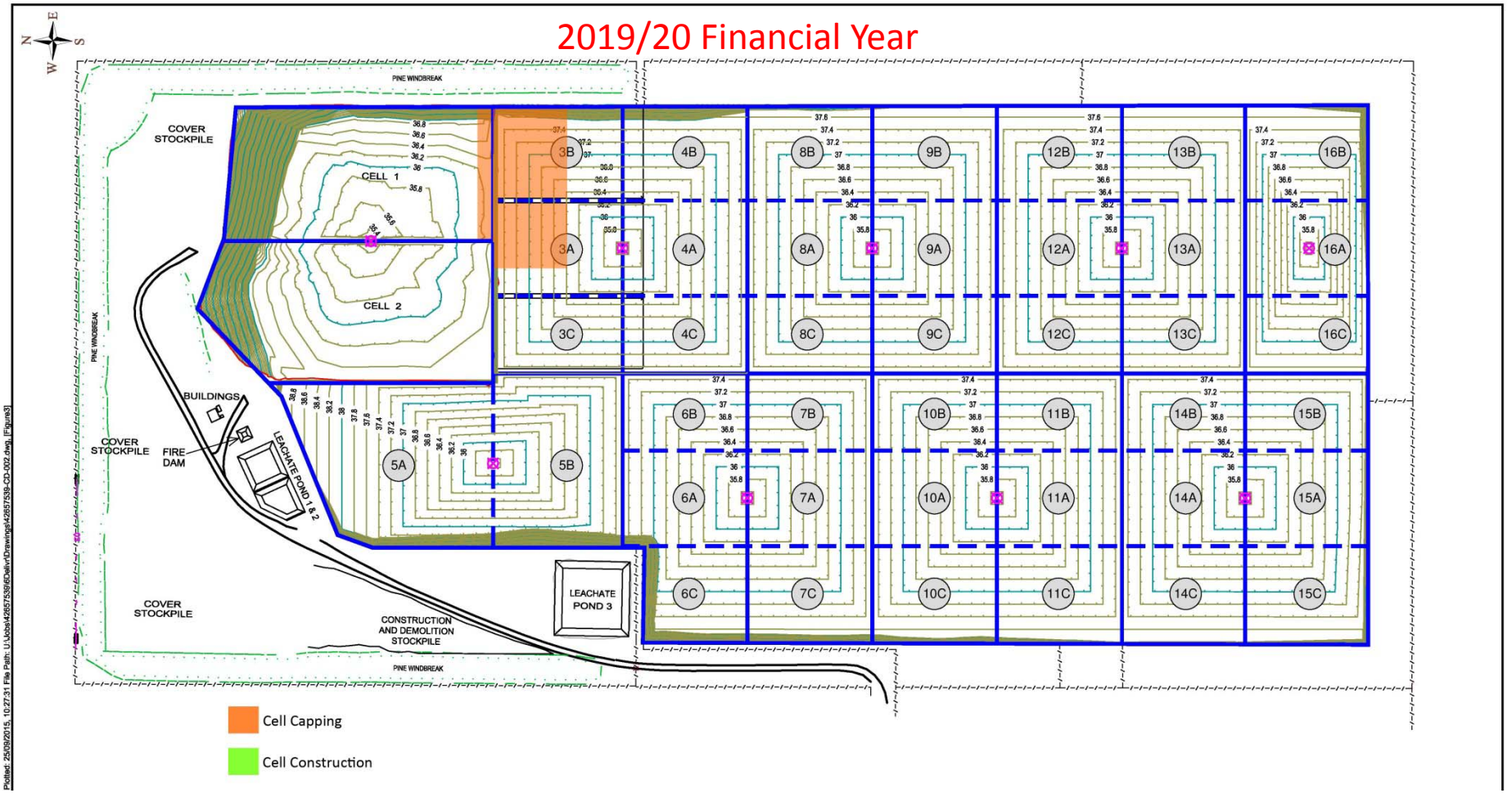
$1,000,000

2018/19 Financial Year



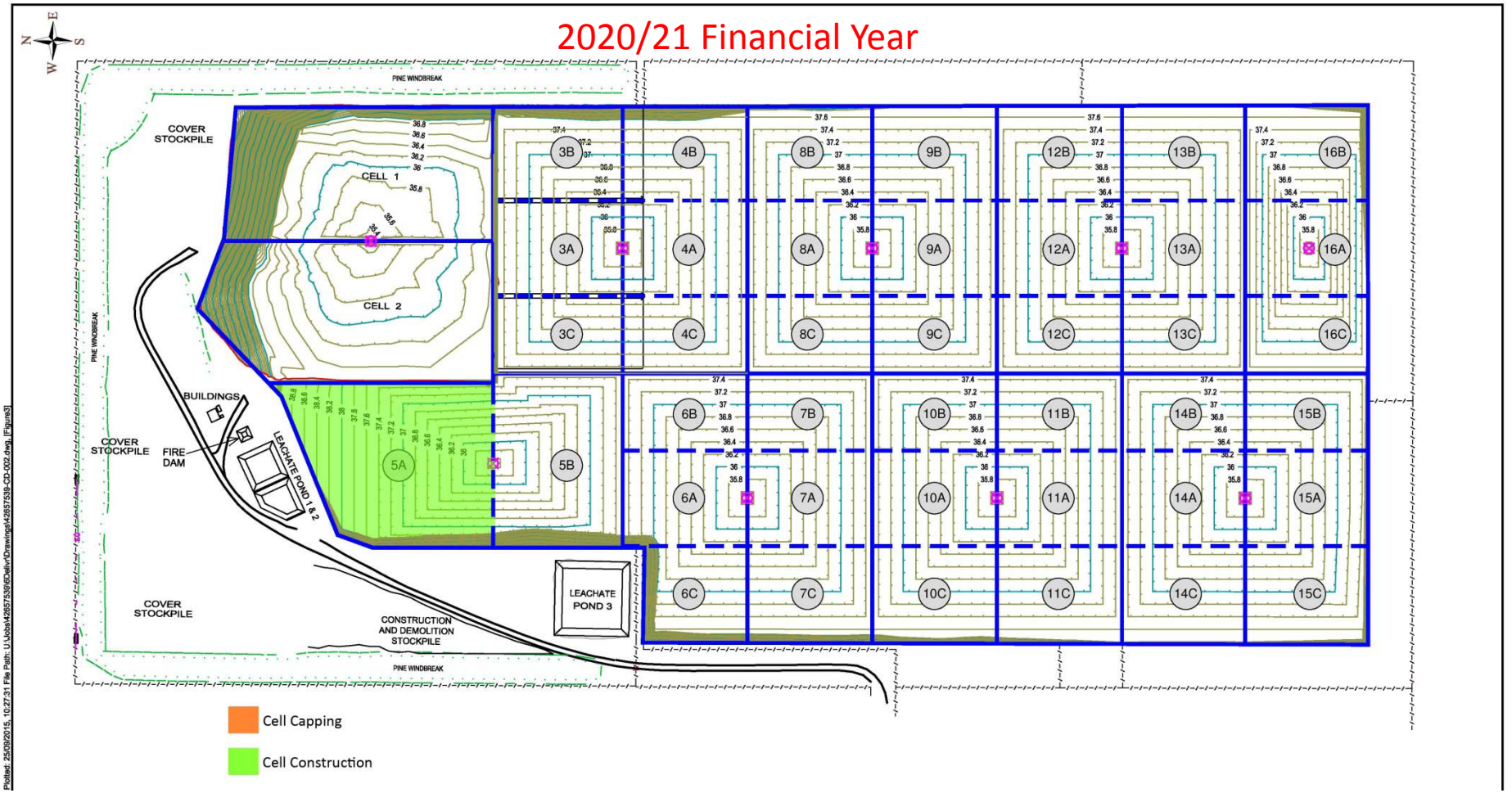
$1,000,000

2019/20 Financial Year



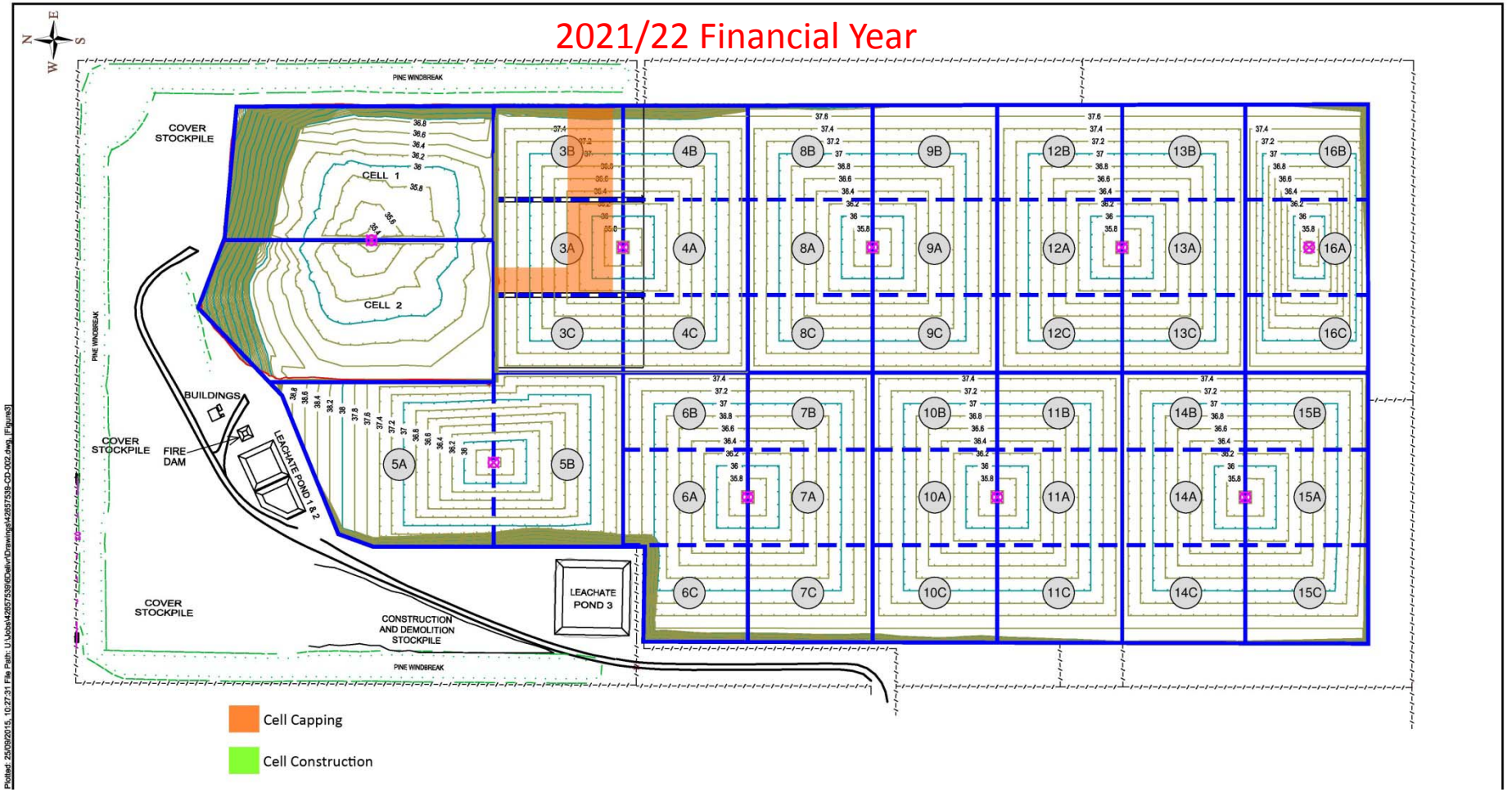
$700,000

2020/21 Financial Year



$1,200,000

2021/22 Financial Year



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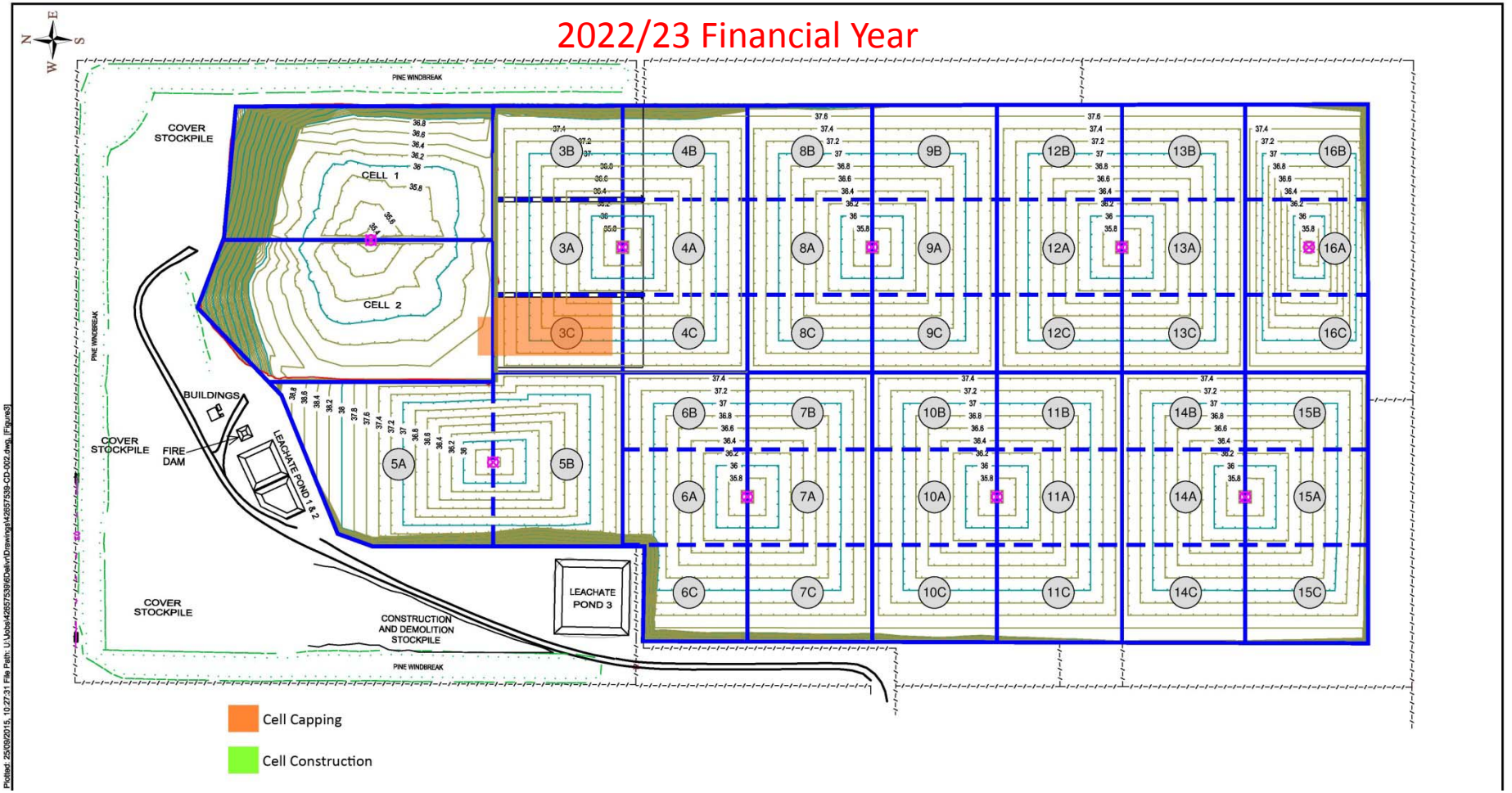
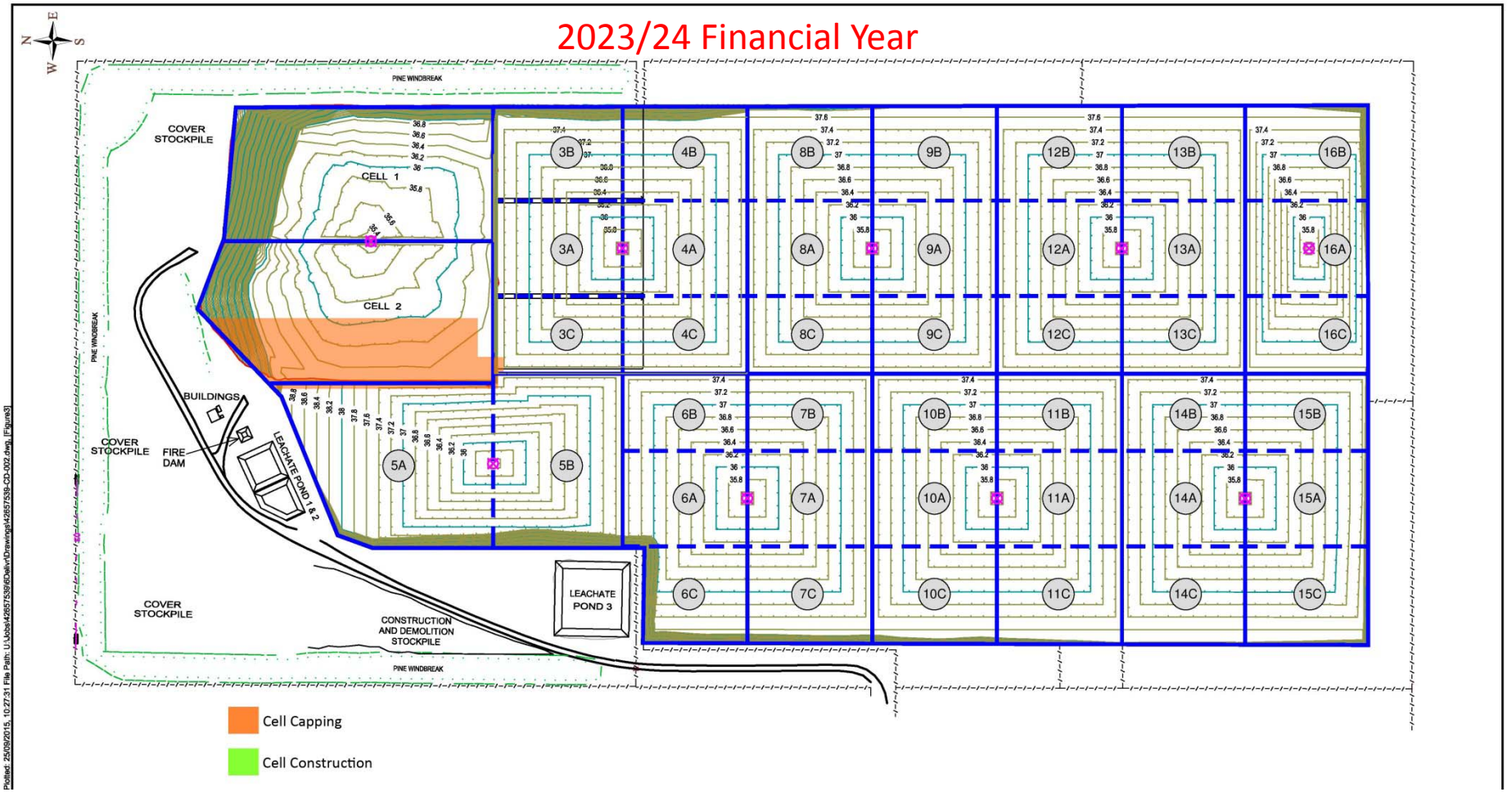
$750,000

2022/23 Financial Year



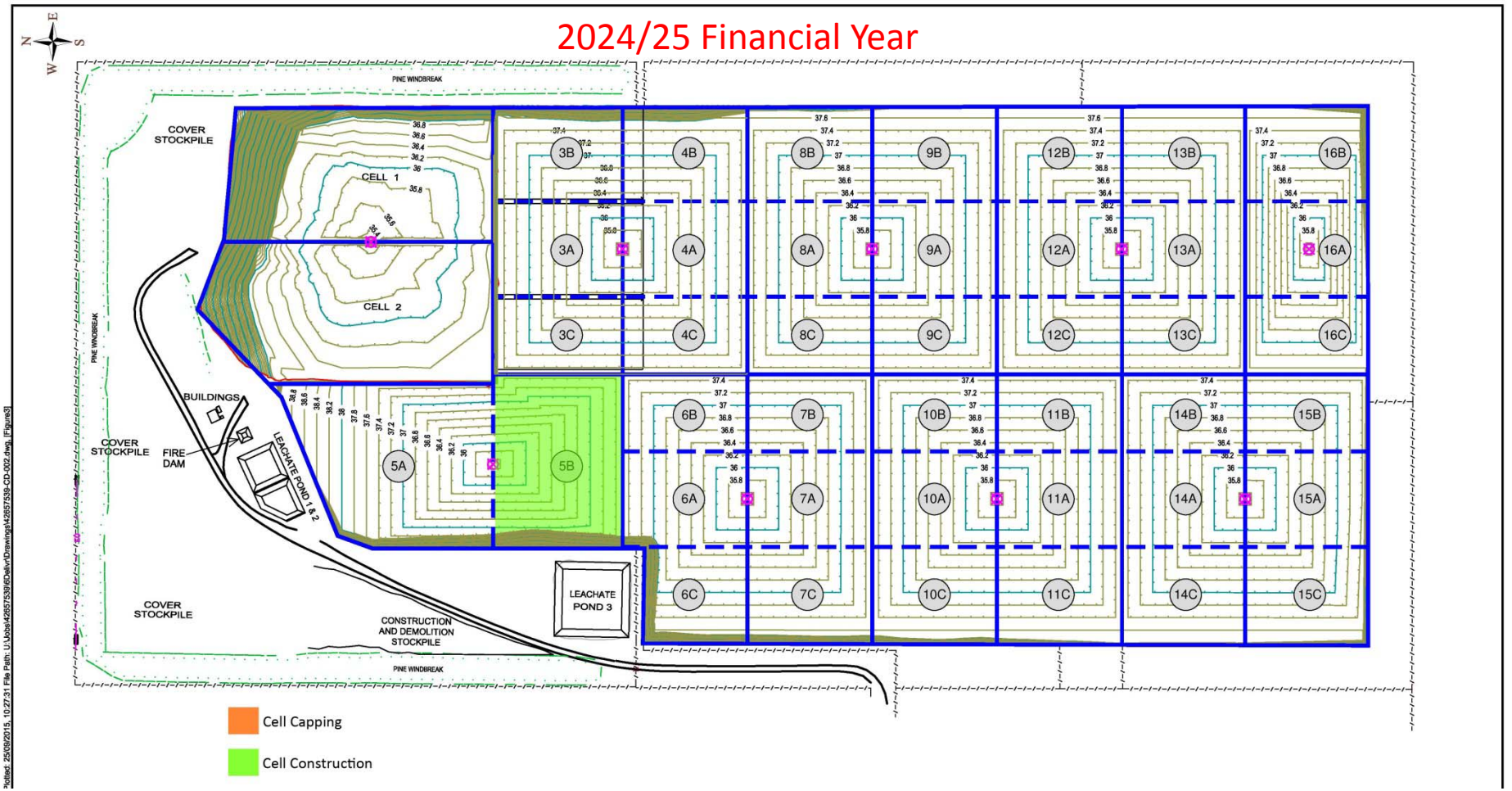
$750,000

2023/24 Financial Year



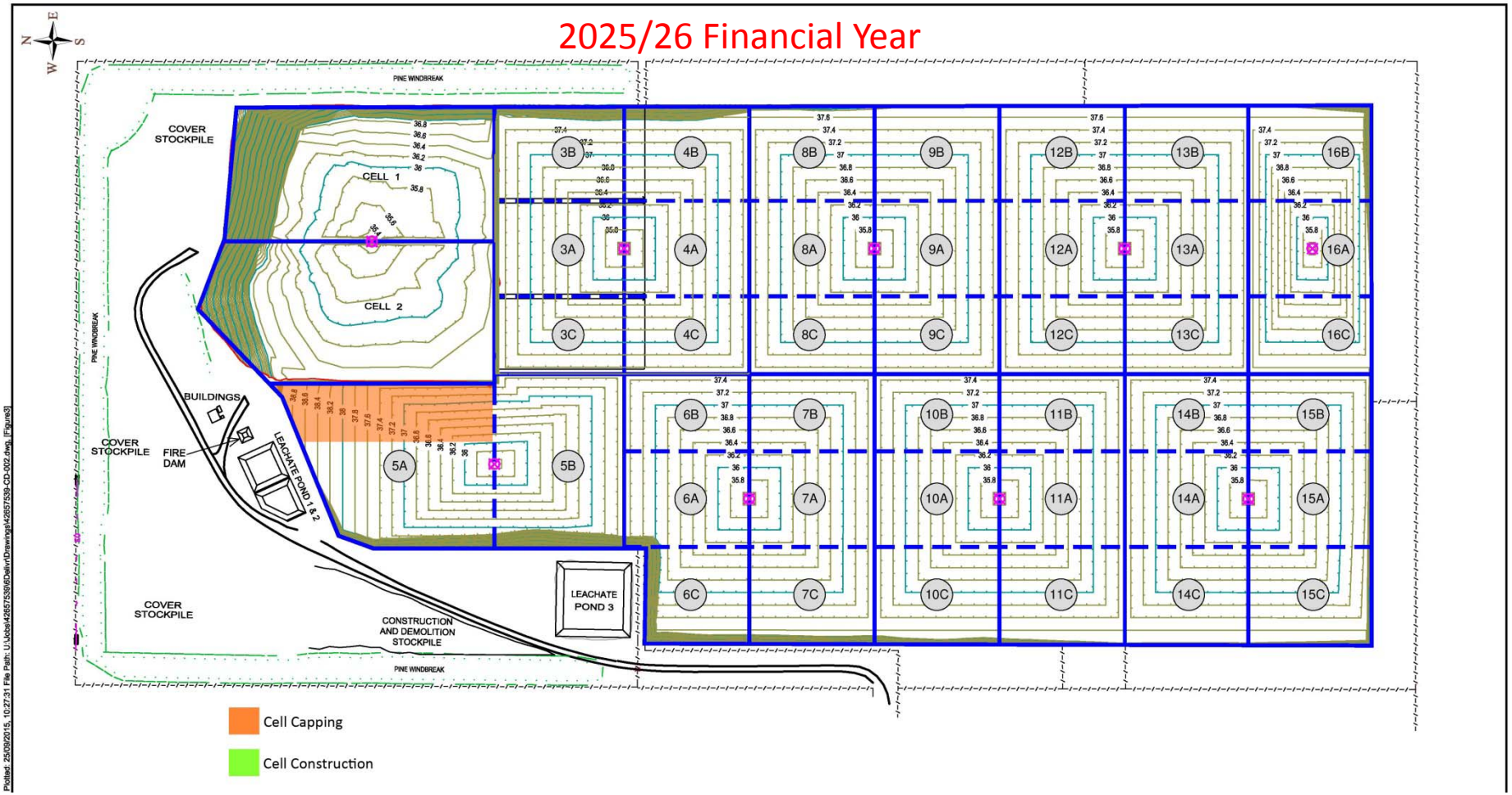
$750,000

2024/25 Financial Year



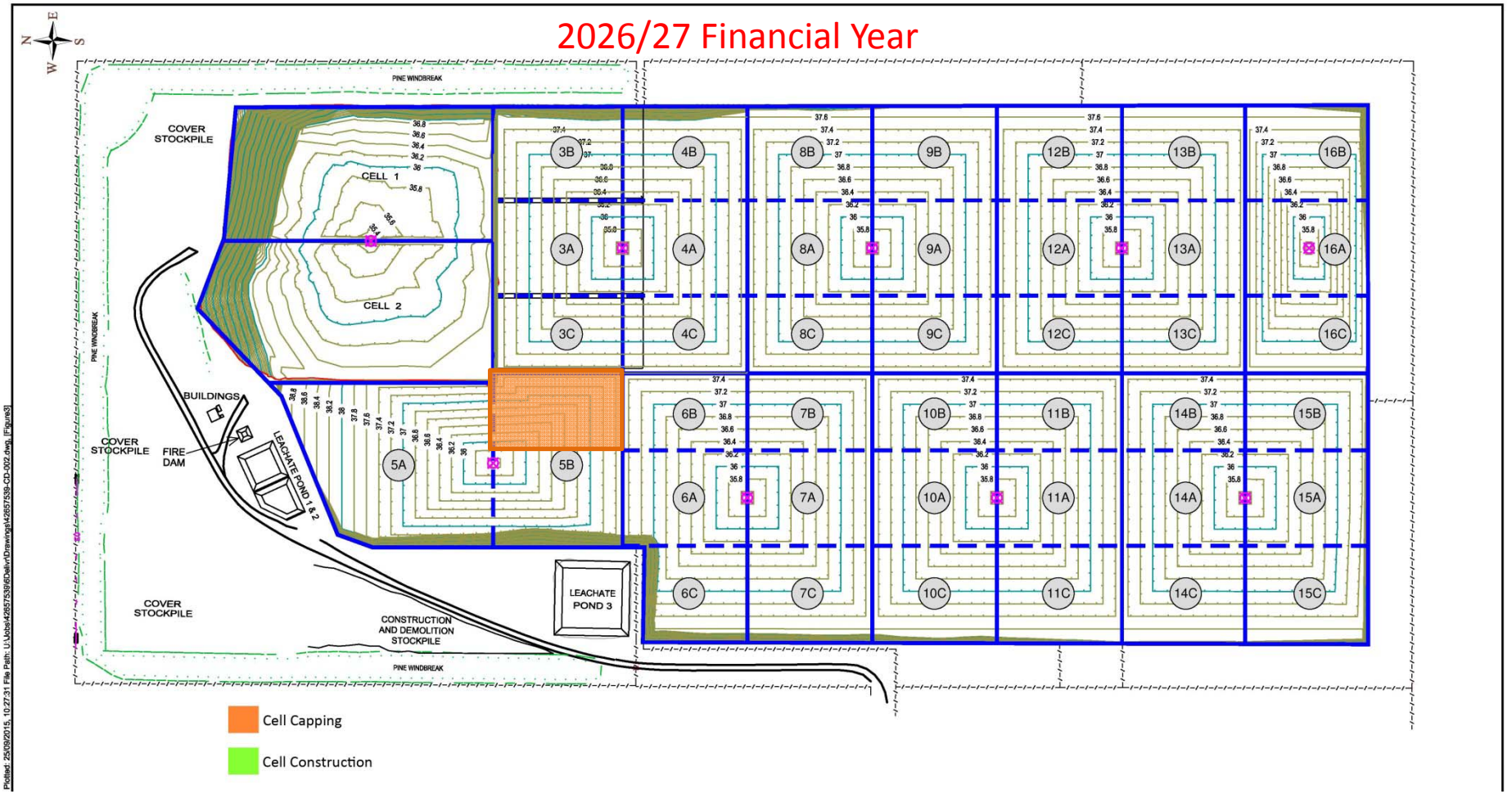
$1,200,000

2025/26 Financial Year



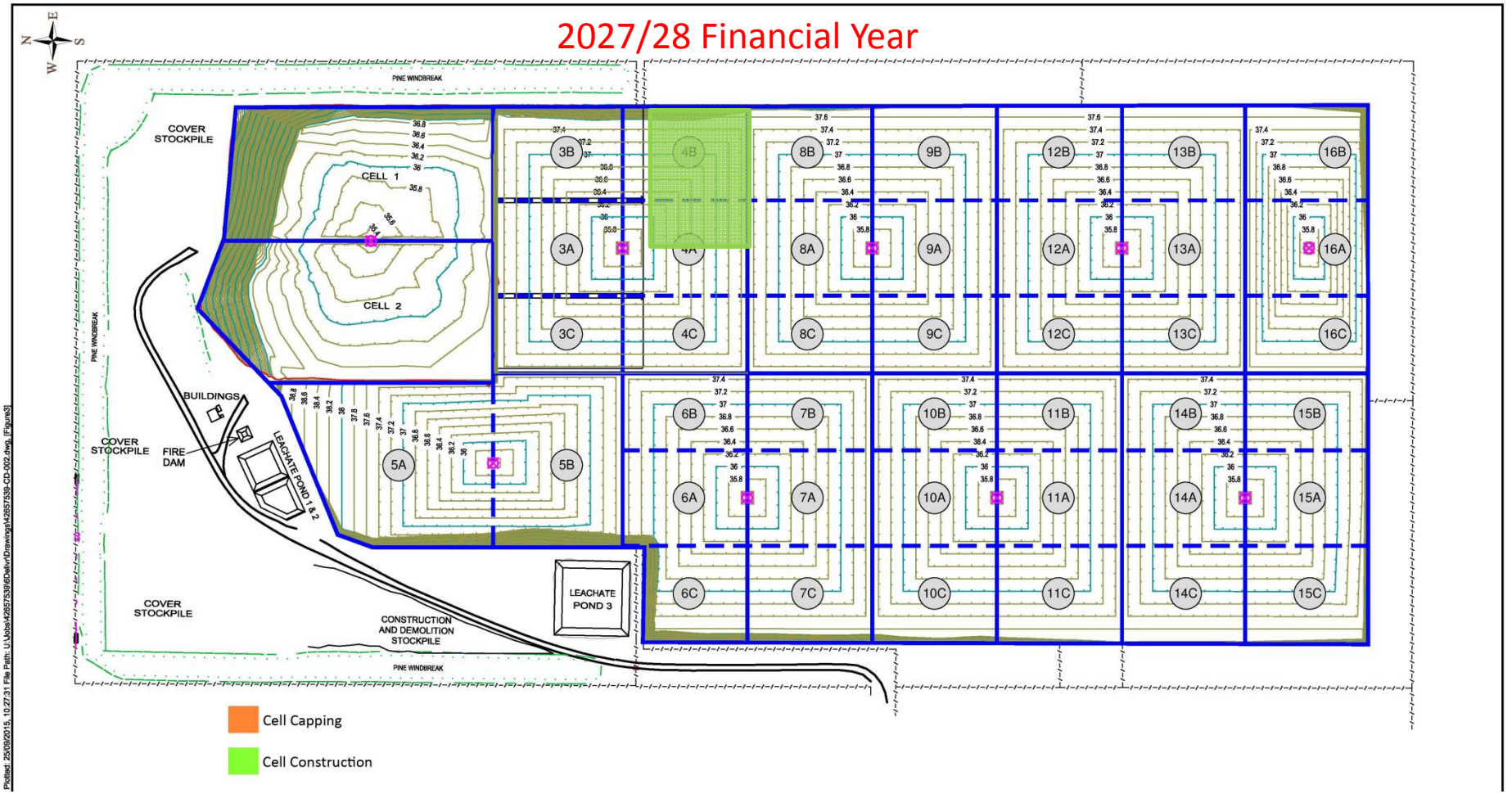
$750,000

2026/27 Financial Year



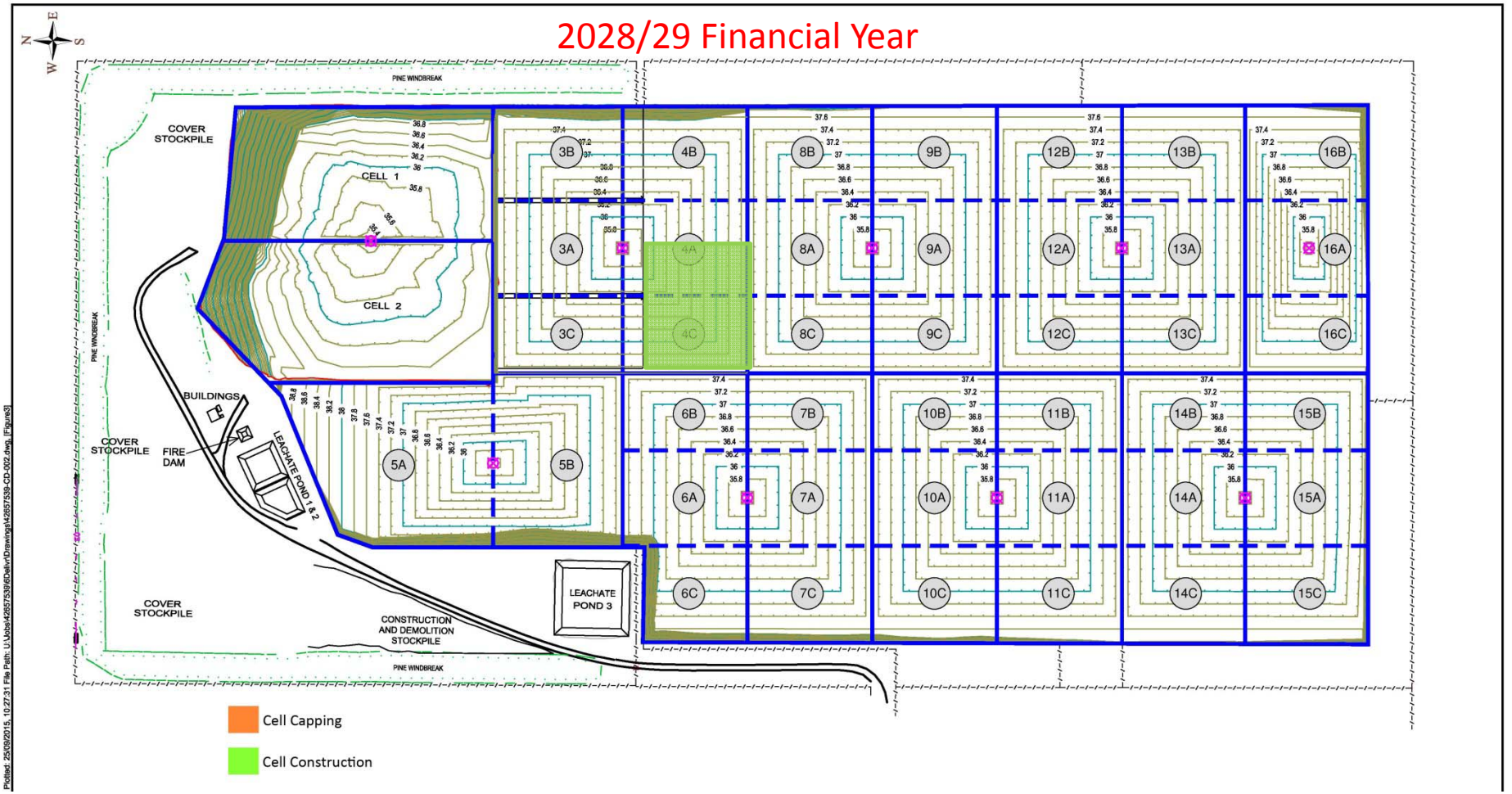
$750,000

2027/28 Financial Year



$1,200,000

2028/29 Financial Year



$1,200,000

City of
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