



District Council of Cooper Pedy

Asset Management Plan
Local Government Assets
2013/14 – 2022/23

March 2013

1. EXECUTIVE SUMMARY

This Asset Management plan deals specifically with assets that are used by the Coober Pedy Council in relation to what can be considered as the normal activities carried out by a local government entity.

Coober Pedy is in a fairly unusual situation as it is required to supply its community with Electricity and Water, activities that are not normally handled by local government in South Australia.

This plan is broken up into 4 distinct categories being:

- Road
- Buildings & Structures
- Plant & Equipment
- Airport & Other

With regard to buildings & structures and plant & equipment only those assets used in local government activities have been included in this plan. The remaining assets in these categories are included in Councils other asset management plan for Utilities.

1.1 Asset Values

The current replacement costs of the entire stock of each classification of asset listed above are as follows:

• Road	\$6.258M
• Buildings & Structures	\$6.412M
• Plant & Equipment	\$2.982M
• Airport & Other	\$3.016M
Total	\$18.70M

1.2 Forecast Capital Expenditure on Local Government Activity Assets for the Next 10 Years

The forecast total cost per asset category for the next 10 years in relation to replacing existing assets is:

• Road	\$2.21M
• Buildings & Structures	\$0.65M
• Plant & Equipment	\$0.71M
• Airport & Other	\$0.39M

The forecast cost total cost per asset category for the next 10 years in relation to building new or upgraded assets is:

- | | |
|--------------------------|----------|
| • Road | \$2.38M |
| • Buildings & Structures | Nil |
| • Plant & Equipment | \$0.331M |
| • Airport & Other | Nil |

Reference is made in Councils Long Term Financial Plan in relation to projects and new asset construction that may or may not go ahead in the future. Please refer to section 5 of the LTFP for further information on potential new assets that may be agreed to at some stage in the future. Should this occur then this AMP and the LTFP should be amended to reflect this. e.g. If Council is successful in obtaining grant funding then a new town hall will most likely be built.

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service.

The asset management plan is to be read with council's asset management policy, asset management strategy and the following associated planning documents:

- District Council of Coober Pedy Strategic Plan (currently under review)
- District Council of Coober Pedy Long Term Financial Plan 2013-2022
- District Council of Coober Pedy Asset Management Plans 2013-2022

2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers.

The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.

2.2.1 Vision

The following vision statement is contained in the ***Coober Pedy Strategic Plan 2014-2018***.

“Our ambition for Coober Pedy

In 2020—

- With our heart in a strong mining industry ... we will be a pivotal provider of services to the mining community.
- As the most prolific opal region in the world ... we will have nurtured the opal mining industry to meet demand from national and international markets.
- As a globally unique tourist destination ... we will offer a satisfying outback experience with transport links to other Australian icon destinations.
- As a home town to our local community ... we will have created an environment where our residents have a sense of personal safety and social wellbeing, and are able to access health, housing, education, child care, policing, sporting facilities and recreation services that meet the expectations of young people, young families and an ageing population, ensuring a high standard of living in a prosperous local economy.
- As a remote township ... we will have a culture of proud independence, freedom and autonomy, while working together across the community for the common good.
- As one of Australia’s most ethnically diverse populations ... our inclusive attitude, seen in our social programs and community governance, will be a model to all.”

2.2.2. Goals

- Enhance the economic prosperity of Coober Pedy
- Improve the social wellbeing of Coober Pedy
- Upgrade the visual amenity of Coober Pedy without compromising its character
- Increase community participation in the leadership of Coober Pedy
- Sustain local government services

2.3 Plan Framework

Key elements of the plan are

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

3. LEVELS OF SERVICE

This plan has been prepared on the assumption that current service standards are adequate to meet the expectations of the community. Further to this the LTFP indicates that Council is in a strong financially sustainable position. Accordingly scenario analysis has not been undertaken at this stage to determine the relative increases or decreases in costs associated with providing increased or decreased service ranges and levels.

Council is about to commence participation in the LGA’s Business Partnering Program which is focused on developing mechanism to comprehensively record the range and levels of both operating services as well as asset services. Once the range and level of services are identified then the associated cost of providing these services is quantified. This then provides Council with solid decision making data to analyse the impact of various scenarios on Councils long term financial position where services are increased or decreased.

Service levels will be defined in two terms:

3.1 Community Levels of Service

Relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance. Community levels of service measures used in the asset management plan are:

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

3.2 Technical Levels of Service

Supporting the community service levels are also technical measures of performance. These technical measures relate to the allocation of resources to service activities that the council undertakes to best achieve the desired community outcomes.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as opening hours, cleansing frequency, mowing frequency, etc.
- Maintenance – the activities necessary to retain an assets as near as practicable to its original condition (eg road patching, unsealed road grading, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Upgrade – the activities to provide an higher level of service (eg widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (eg a new library).

4. Future Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc.

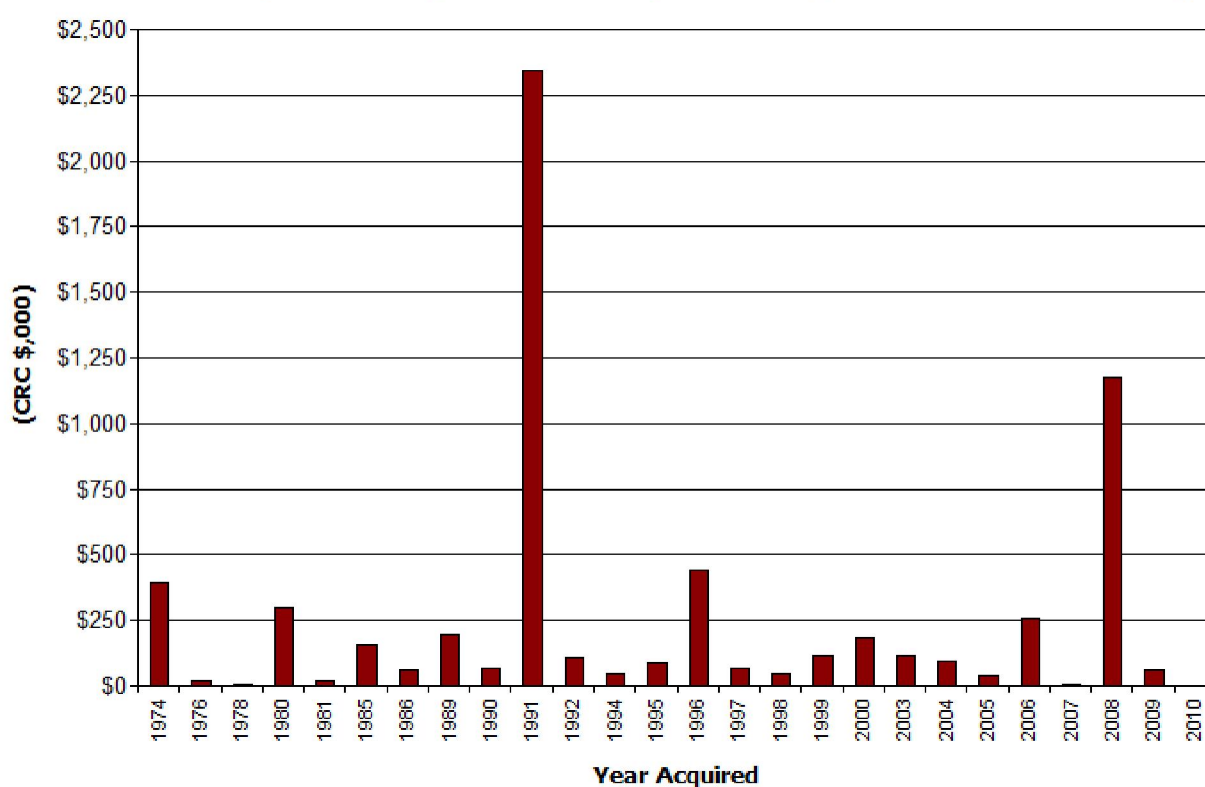
The view taken in the preparation of this plan as well as the LTFP is that there will be minimal shifts either upwards or downwards in current population levels. Should this change over time then both the AMP & LTFP will need to be updated.

5. Age Profiles of Councils Existing Local Government Activity Assets

Age profiles are not available for roads as the asset register for this category of assets needs to be restructured in order to be used for asset management purposes.

5.1 Age Profile of Buildings & Structures

Coober Pedy DC - Age Profile (Buildings and Structures)

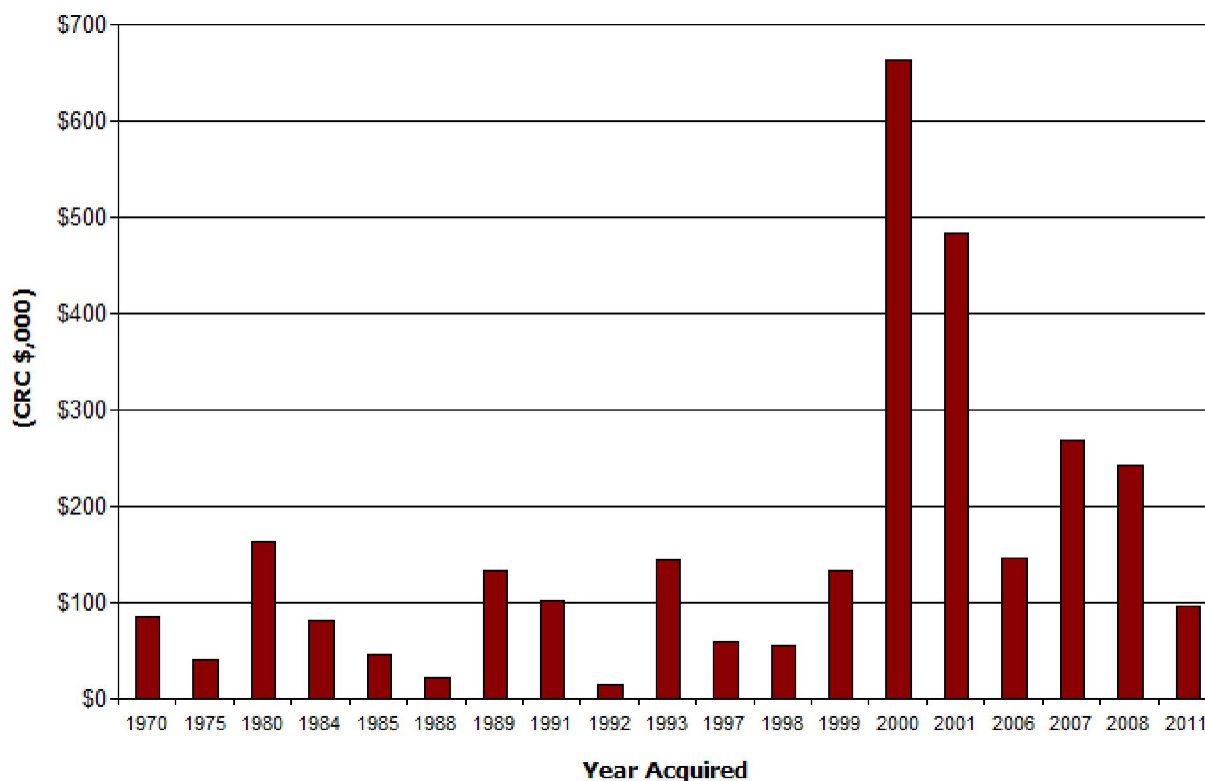


A large spike is observed in the 1991 due to the construction of the Council Depot and Offices/Chambers.

Another large spike is also observed in 2008 representing the construction of the Airport Terminal.

5.2 Age Profile of Plant & Equipment

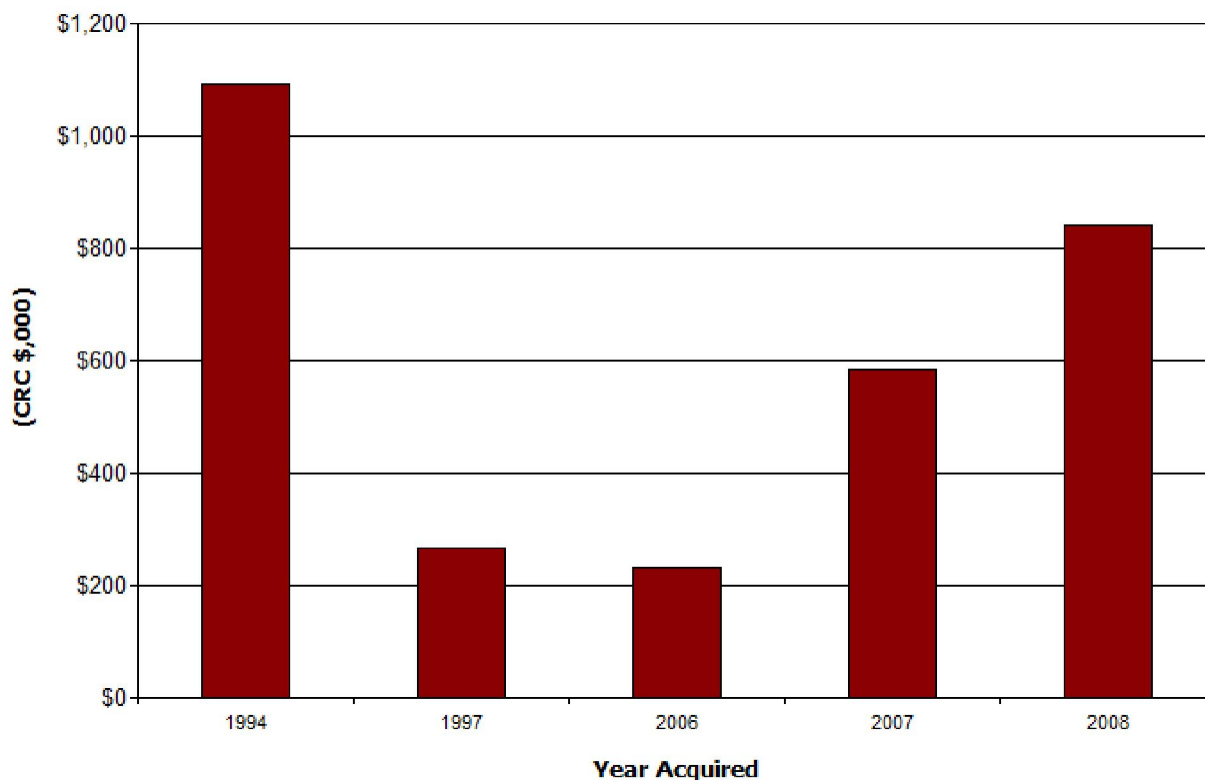
Coober Pedy DC - Age Profile (Plant and equipment)



The spikes observed in 2000 & 2001 relate primarily due to the purchase of two caterpillar graders as well as a garbage compactor truck.

5.3 Age Profile of Airport & Other assets

Coober Pedy DC - Age Profile (Airport and Other)



The spike observed in the 1994 year was due to the construction of the airport runway.

The spike observed in the 2008 year was due to a combination of sport infrastructure to the value of \$260k as well as the construction of aprons at the airport.

It should also be noted that the airport terminal is not included in this section but rather in buildings and structures used in local government activities.

6. Capital Expenditure Required on Local Government Assets for the Next 10 Years.

6.1 Construction of New or Upgraded Assets as distinguished from the Renewal or Replacement of Existing Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements.

A *new asset* is additional to Council's previous asset complement.

E.g. Roads constructed as part of a Council owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets.

An *upgraded asset* replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a *combination of renewal as well as upgrade*.

E.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

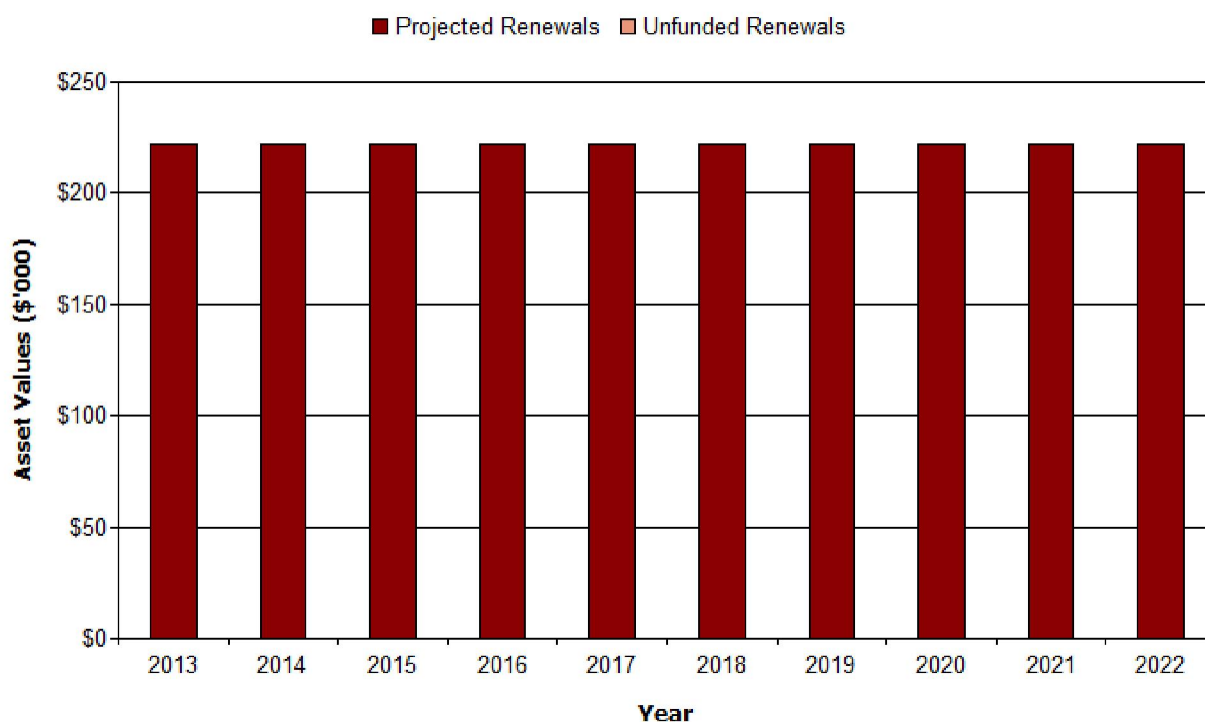
The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless less essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads) cannot be sold and will need to be maintained and eventually replaced. Fortunately the Coober Pedy Council is not in this situation at present.

The graphs in the following sections highlight the peaks and troughs of expenditure requirements required to maintain Councils existing local government asset portfolio. With the exception of roads the assets renewal dates have been determined from Councils' asset registers by comparing each assets construction date with its total useful life.

The only new local government assets planned to be constructed is roads, footpaths, kerbs & guttering. These are covered under 6.2.2.

6.2.1 Projected Capital Renewal Expenditure on Roads

Coober Pedy DC - Projected Capital Renewal Expenditure (Roads)



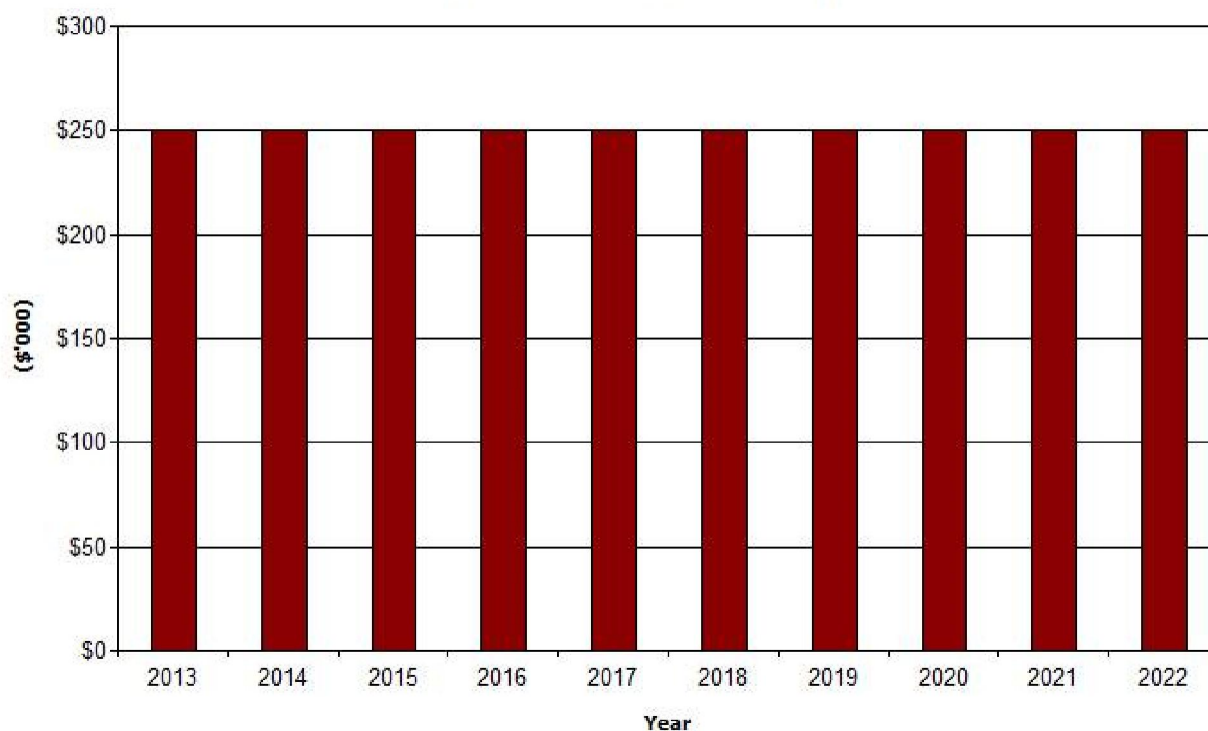
The recommended renewal program for roads totals \$2.2M for the ten year time frame of this plan.

Additional work needs to be undertaken in relation to the roads asset register.

Accordingly the asset management plan has used the aggregated depreciation value of the components of the road network in determining the annual amount to be spent on road renewal. Once the roads asset register has been restructured this asset management plan should be updated to reflect the capital renewals based on asset age instead of using the depreciation charge as a surrogate.

6.2.2 Projected Capital Expenditure on the construction of New Roads

Coober Pedy DC - Projected Capital Upgrade/New Expenditure (Roads)

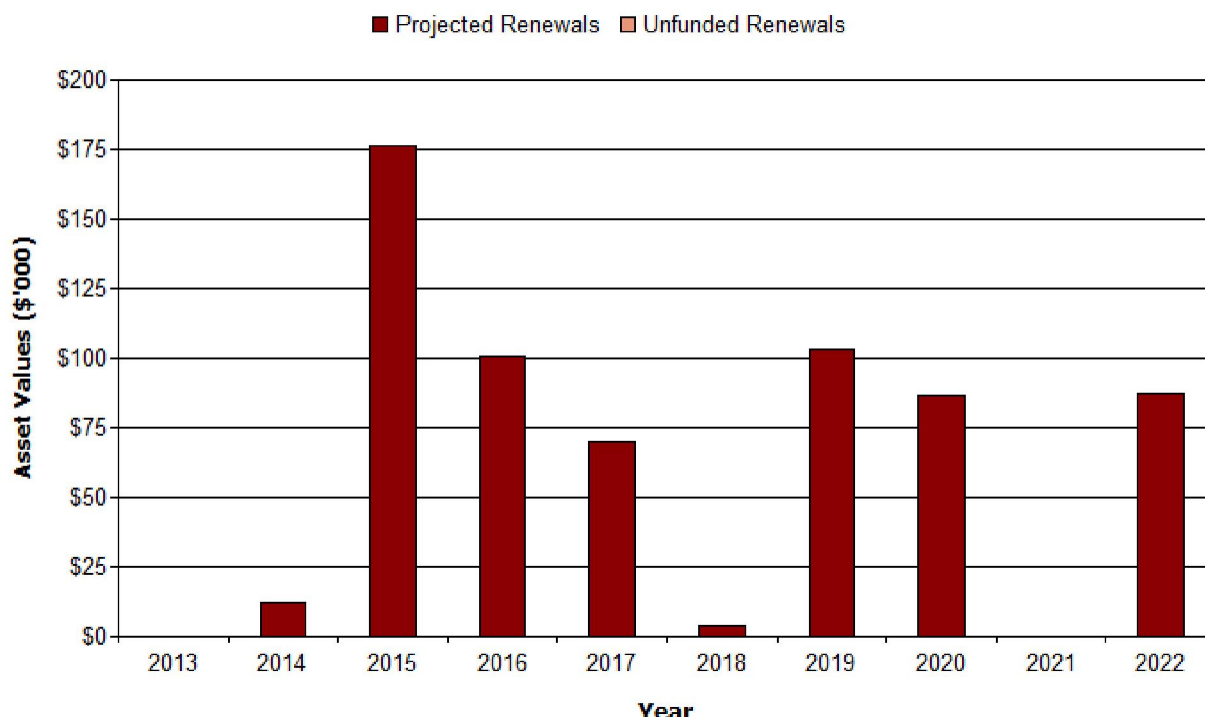


The expenditure on building new roads over the 10 year period is an extension of Councils' current sealing, kerb, gutter & footpath program. At \$250k per annum this totals \$2.5M over the 10 year program.

As well as providing the community with higher level transport services it is anticipated that a saving of at least \$150k per annum will be achieved in the maintenance costs of grading unsealed roads and maintenance work associated with footpaths, kerb & guttering. The long term finance plan builds this saving in from 2015 onwards.

6.3 Projected Capital Renewal Expenditure on Buildings and Structures Used in Local Government Activities

Coober Pedy DC - Projected Capital Renewal Expenditure (Buildings and Structures)



The recommended renewal program for buildings and structures on the following page totals \$640k in total for the 10 year time frame of this plan. As can be observed from the above graph a large portion of this expenditure will be required over a two year period.

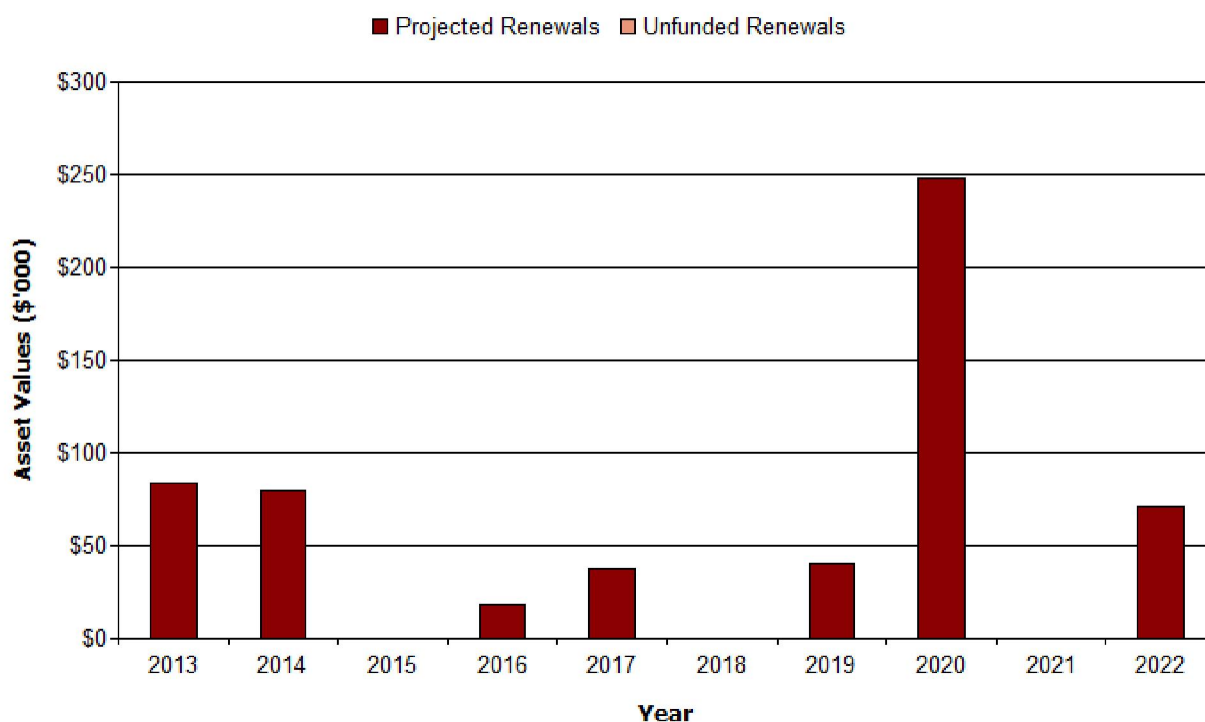
Please refer to the next page for the year by year detail that underpins this graph.

Renewal Program (Buildings and Structures)									
Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)	
24.01	Structure	Information Bay	Information Bay	Hutchison Street	1	2014	\$12,198	22	

							Subtotal 2014	\$12,198	
	56.01	Structure	Coober Pedy Day Care	Playground Equipment	-	2	2015	\$10,550	15
	1.02	Structure	Drive-in	Drive-in Screen	Hutchison Street	2	2015	\$67,288	25
	8.09	Structure	Triangle Project/ Recreation Ground	Barbecues	Hutchison Street	2	2015	\$8,563	15
	8.04	Structure	Triangle Project/ Recreation Ground	Playground Equipment	Hutchison Street	2	2015	\$31,209	15
	8.03	Structure	Triangle Project/ Recreation Ground	Shade Shelters	Hutchison Street	2	2015	\$58,463	15
							Subtotal 2015	\$176,073	
	1.03	Building	Drive-in	Store Room	Hutchison Street	3	2016	\$18,814	35
	3.01	Building	Old Cemetery	Church Structure	St Nicholas Street	3	2016	\$42,966	30
	6.01	Building	Old Gaol	Old Gaol	Umoona Road	3	2016	\$9,735	40
	27.01	Building	Refuse Depot	ATCO Site Office	Oodnadatta Road	3	2016	\$12,849	40
	8.06	Building	Triangle Project/ Recreation Ground	Soccer Ground Kiosk	Hutchison Street	3	2016	\$16,012	30
							Subtotal 2016	\$100,376	
	17.03	Structure	Drive-in	Night lighting Facilities/ Sundry Structures	Hutchison Street	4	2017	\$64,617	20
	3.02	Structure	Old Cemetery	Church Bell	St Nicholas Street	4	2017	\$5,495	25
							Subtotal 2017	\$70,112	
	1.04	Building	Drive-in	Ticket Office	Hutchison Street	5	2018	\$3,904	40
							Subtotal 2018	\$3,904	
	56.01	Structure	Coober Pedy Day Care	Shade Shelter	-	6	2019	\$45,513	20
	56.01	Structure	Coober Pedy Day Care	Shade Shelter	-	6	2019	\$40,528	20
	56.01	Structure	Coober Pedy Day Care	Shade Shelter	-	6	2019	\$9,969	20
	56.01	Structure	Coober Pedy Day Care	Shade Shelter	-	6	2019	\$7,339	20
							Subtotal 2019	\$103,349	
	29.01	Structure	Breakaways	Information Board	32km north west	7	2020	\$15,520	25
	30.01	Structure	Jewelers Shop Road Noodling Area	Shade Shelters	Jewelers Shop Road	7	2020	\$21,099	25
	9.03	Structure	Tennis Lighting	Tennis Court Lights	Hutchison Street	7	2020	\$49,847	25
							Subtotal 2020	\$86,466	
	57.01	Structure	SBS Communications Assets	Television Transmitting Equipment	-	9	2022	\$87,068	30
							Subtotal 2022	\$87,068	
							Program Total	\$639,546	

6.4 Projected Capital Renewal Expenditure on Plant & Equipment Used in Local Government Activities

Coober Pedy DC - Projected Capital Renewal Expenditure (Plant and equipment)



The recommended renewal program for Plant & Equipment used in local government activities on the following page totals \$580k in total for the 10 year time frame of this plan. As can be observed from the above graph a large portion of this expenditure will be required in the year 2020.

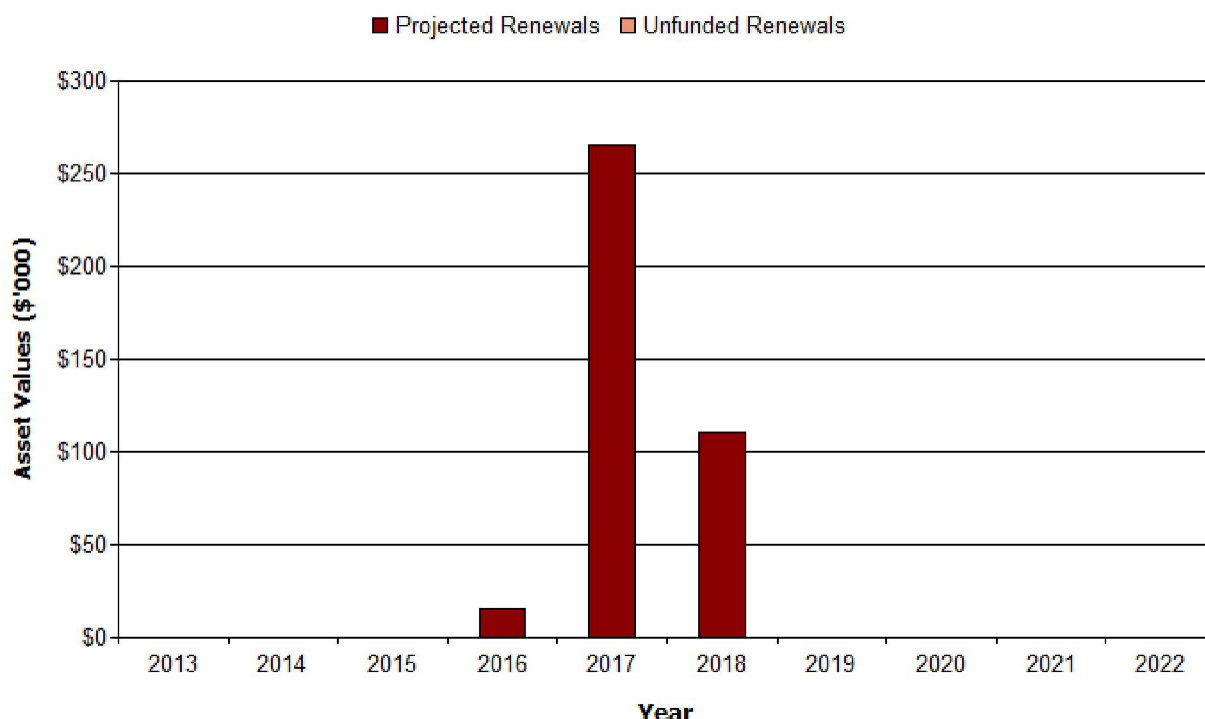
Please refer to the next page for the year by year detail that underpins this graph.

Renewal Program (Plant and Equipment)

	Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	VGN 246	Works	Dyna Tipper	Toyota Dyna Tipper		1	2014	\$11,000	22
	TKU 119	Works	Road Broom	- Road Broom		1	2014	\$39,000	39
	XKC341	Works	Rodeo 4x4	Holden Rodeo 4x4		1	2014	\$24,000	8
	TAU 387	Works	Roller Trailer	Bomag Roller Trailer		1	2014	\$5,600	14
Subtotal 2014								\$79,600	
	TAU 386	Works	Line Mark Trailer	A1 Road lines Line Mark Trailer		3	2016	\$18,667	28
Subtotal 2016								\$18,667	
	NSV 604	Works	Backhoe	Case Backhoe		4	2017	\$37,500	20
Subtotal 2017								\$37,500	
	2	Administration	CEO Sedan	Ford CEO S/Wagon		6	2019	\$20,000	8
	1	Administration	Mayor Sedan	Ford Mayor Sedan		6	2019	\$20,000	8
Subtotal 2019								\$40,000	
	XNA738	Works	Crew Cab 4x2	PJ Ranger Crew Cab 4x2		7	2020	\$23,100	21
	CVS-621	Works	Excavator	Caterpillar Excavator		7	2020	\$72,000	36
	1	Works	Ford Ranger 4x4	Works Manager		7	2020	\$21,000	9
	XPL-768	Works	Ford Ranger Works	Work Supervisor		7	2020	\$41,600	13
	WJW 852	Works	Prime Mover	Mitsubishi Prime Mover		7	2020	\$50,400	21
	WFB 827	Works	Tipper	Mitsubishi Tipper		7	2020	\$22,000	22
	WLT 272	Works	Utility	Holden Utility		7	2020	\$18,000	20
Subtotal 2020								\$248,100	
	XOT-748	Administration	DFA Utility	Ford DFA Utility		9	2022	\$47,500	15
	XKC341	Works	Rodeo 4x4	Holden Rodeo 4x4		9	2022	\$24,000	8
Subtotal 2021								\$71,500	
Program Total								\$579,367	

6.5 Projected Capital Renewal Expenditure on Airport and Other Assets

Coober Pedy DC - Projected Capital Renewal Expenditure (Airport and Other)



The recommended renewal program for Airport & Other assets on the following page totals \$392k in total for the 10 year time frame of this plan. As can be observed from the above graph a large portion of this expenditure will be required in the years 2017 & 2018 when the airport runways are due for resealing.

Please refer to the next page for the year by year detail that underpins this graph.

Renewal Program (Airport and Other)									
	Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
	11	Airport Runway	Taxiway	Sealed Surface		3	2016	\$15,564	10
Subtotal 2016								\$15,564	
	3	Airport Runway	Cross Runway	Formed & Surfaced		4	2017	\$265,760	20
Subtotal 2017								\$265,760	
	5	Airport Runway	Airport Apron 1	Sealed Surface		5	2018	\$40,201	10
	7	Airport Runway	Airport Apron 1a	Sealed Surface		5	2018	\$28,840	10
	9	Airport Runway	Airport Apron 2	Sealed Surface		5	2018	\$41,250	10
Subtotal 2018								\$110,291	
Program Total								\$391,615	