Gunnedah Shire

Airport Asset Management Plan

November 2024

Document Control

Airport Asset Management Plan					
ECM Document ID : 1986793 (Template)					
Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
V0.1	25/11/24	Draft for Gunnedah review	Brightly		

In presenting this document to the community, Gunnedah Shire Council acknowledges the Kamilaroi Nation as the traditional Custodians of the Land on which we live and work. In doing so, Council pays its respect to all Elders both past and present as well as to the young Indigenous leaders of tomorrow.

Contents

Background

Asset Management Plans are important documents which help us to plan and invest wisely to maintain our assets and infrastructure so we can continue to deliver valuable services for our community now and into the future.

Assets are the foundation stones of the Shire and include the streets we drive on, the parks and reserve our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across our LGA.

Here we present the Airport Asset Management Plan, which covers Gunnedah's Airport, a facility that services the local area catering for general aviation including the Gunnedah Aero Club, British Aero Space Training School, Emergency Service Aircraft and visitor air traffic.

Asset Management Plans provide a snapshot of the current and future state of Council's infrastructure. The plans ensure we maintain and renew assets in a cost effective and sustainable manner that meets our community's expectations.

In the management of assets, we have to balance the service standard expectations of the community with the cost of delivering the service. While we would all like the highest standard of our assets this comes at a cost, the long-term impact of which needs to be carefully considered.

Behind the plans is a significant amount of investigation, planning and financial modelling to help council staff to maintain our assets cost effectively. The Asset Management Plans also highlight that when we build new assets or upgrade assets, we must plan for the ongoing maintenance and ultimate replacement of the assets at the end of their life.

We encourage you to have a look at the Asset Management Plans and review whether the service levels presented here are consistent with your vision for the future of Gunnedah Shire Council.

The following shows our AM documents in relation to other documents of Gunnedah Shire Council:

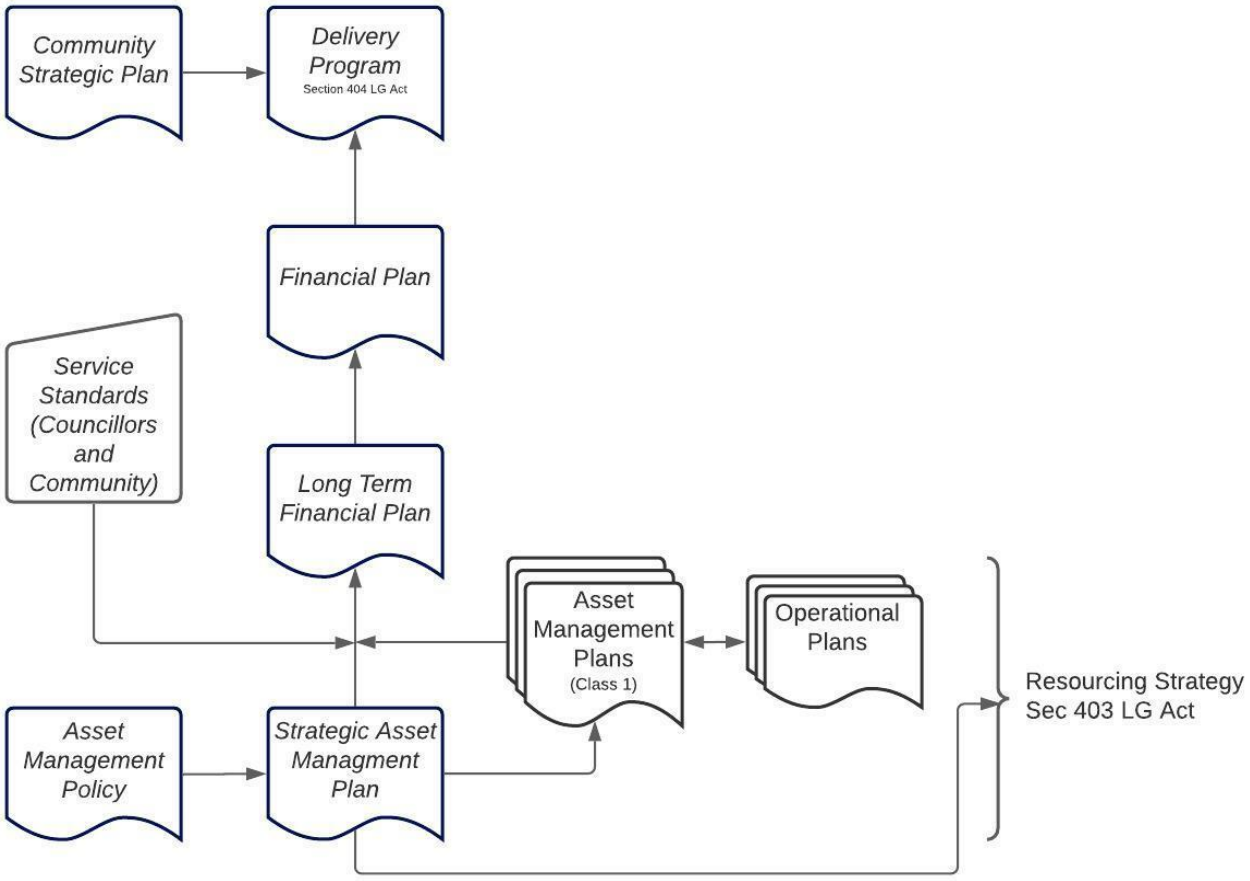

Figure 1: Strategic Asset Management Plan and the Asset Management Planning Process

Executive Summary

This document outlines in detail how Airport assets are obtained, maintained, retained, and disposed of to provide best value for Gunnedah Shire Council to meet its organisational objectives.

This Asset Management Plan (AMP) provides information about Airport assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan outlines the services to be provided, how the services are provided and what funds are required over the 10-year planning period. The AMP will link to a Long Term Financial Plan (LTFP) which typically considers a 10-year planning period.

Council currently has a total 10-year LTFP renewal funding allocation of $11,772. There is a forecasted funding requirement of $2,168,897 over the planning period to meet the desired level of service indicating a significant funding gap. The current backlog is assessed to be $218,300 and is forecast to increase to $2,078,084 by Year 10.

The overall portfolio condition is forecasted to degrade from an average condition of 2.15 to 3.37 for Buildings and Other Infrastructure, and from 1.04 to 2.09 for Runway and Carpark assets under the current funding scenario. The level of confidence is assessed as low due to the currently available data and assumptions that were required during the lifecycle modelling.

The following table shows the net strategy costs of scenarios modelled over the planning period:

Table 1: Net Strategy Comparison

	Scenario	Treatment Cost	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Runway and Carpark	Current LTFP Funding	$923	$275,900	$27,855	$38,750	$1,841,921	$1,803,171 increase	$2,107,879	2.09
	Desired LoS Required Funding	$1,881,594	$275,900	$24,607	$38,750	$0	$38,750 decrease	$2,143,351	1.09
Buildings and Other Infrastructure	Current LTFP Funding	$6,275	$562,630	$492,780	$179,550	$236,163	$56,613 increase	$1,118,298	3.37
	Desired LoS Required Funding	$287,303	$562,636	$196,141	$179,550	$0	$179,550 decrease	$1,046,080	2.62

As can be seen from the table above it is unsustainable to continue to allocate minimal funding for renewals given the worsening condition of the assets over time meaning they are unable to

provide the level of service required. For runway assets, this may carry additional risk through unevenness of surface.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario in Tables 18 and 19, $2,168,897 total over the 10-year planning horizon (on average $216,899 per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

A breakdown of the associated costs and projected requirements are listed in the Financial Summary.

Introduction

In accordance with the *Local Government Act 1993* (the Act) and the Community Strategic Plan (2017-2027), Council provides a range of community services to the members of the local community and visitors. The services include transport services, waste management services, environmental services, social and recreational services, open space services and stormwater drainage services.

Under the Act, Council is required to develop and adopt an infrastructure and asset management plan covering a period of at least 10 years. In addition, Council is required to adopt a Long Term Financial Plan associated with such service plans also covering a period of at least 10 years. There is a direct link between the development and implementation of these two plans, with the LTFP updated to reflect forecast expenditure as detailed within these plans. Variations to the scheduled works within the AMP and the LTFP may be adjusted as the need arises. The primary intent of asset management is to meet a required level of service in the most cost-effective way, through the creation, acquisition, maintenance, operation, rehabilitation, and disposal of assets to provide for present and future community needs. The AMP will be a living document over the next 3 to 4 years complying to all legislative requirements, and to communicate funding required to provide the required levels of service over a 10-year planning period.

This plan also aims to align with ISO 55000 (international standard for asset management) but does not seek to become accredited as an ISO document or process. This document aims to align the delivery of asset management activities with the organisation's goals and objectives; this process is known as the "line of sight" with asset management. The ISO framework also aims to create transparency and accountability through all aspects of asset management; this process ensures that all stakeholders understand their roles and responsibilities of achieving the intentions of the plan.

The AMP works in conjunction with the following Council's plans and strategies:

Table 2: Plans, Strategies and Policies

Plans, Strategies and Policies	Description
Community Strategic Plan 2017 to 2027	Is a long-term plan that outlines the community's vision, values, key themes and action statements for the future. It involves extensive community engagement to ensure the plan reflects the aspirations and needs of the community. The plan guides decision-making and resource allocation, aiming to improve the quality of life, economic development, and sustainability within the community.
Delivery Program	Aligned to the strategic directions of the Community Strategic Plan, the Delivery Program describes what the elected council commits to deliver over their 4-year term.
Operational Plan	The Operational Plan identified the annual projects and activities to deliver against the Delivery Program outcomes, in alignment with the Community Strategic Plan.
Long Term Financial Plan	The Long Term Financial Plan (LTFP) is a 10-year rolling plan that informs decision-making and demonstrates how the objectives of the Community Strategic Plan and commitments of the Delivery Program and Operational Plan will be resourced and funded.
Asset Management Policy	Outlines the organisation's principles and guidelines on how AM will be done to achieve the organisation's objectives.
Strategic Asset Management Plan (SAMP)	High-level plan to implement the Asset Management Policy and outlines how assets will be managed – relies on lower-level plans for execution.
Risk Management Policy	Provides a framework and guidance for the management of risks associated with the delivery of the entirety of Council's functions and operations and to maximise opportunities and minimise adverse impacts.
Risk Management Framework	Documents a set of components that provide the foundations for risk management throughout Council including policies, procedures, business rules and risk management tools.

Table 3: Definitions

Abbreviation	Meaning
ABS	Australian Bureau of Statistics
AM	Asset Management
AMP	Asset Management Plan
FY	Financial Year
LGA	Local Government Area
LoS	Level of Service
LTFP	Long Term Financial Plan

Abbreviation	Meaning
PCI	Pavement Condition Index
SCI	Surface Condition Index
Workbank Backlog	The value of engineering works that are requiring to be delivered to meet the desired level of service, but where capital renewal funding is not adequate.

Table 4: Legislation and Relevant Acts

Legislation	Requirements
CASA	The Civil Aviation Regulations 1988 (CAR) and Civil Aviation Safety Regulations 1998 (CASR) are the regulatory controls for aviation safety in Australia. They contain the detailed safety standards that people and organisations must comply with. The CASR are typically grouped around a foundation, such as flight operations.
Environmental Planning and Assessment Act 1979	Institutes a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments.
Part 139 (Aerodromes) Manual of Standards 2019	Manuals of Standards (MOS) that relate to a Part of the Civil Aviation Safety Regulations (CASR). The MOS set out more detailed standards and technical requirements that must be followed like the law
Rural Fires Act 1997	Coordinates bush fire fighting and bush fire prevention.
WHS Act 2000	Secures and promotes health and safety of employees at work.

Asset Information

This plan applies to Airport assets which provide general aviation services for the community.

The Airport network comprises the below assets:

Table 5: Summary of Airport Assets

Asset Category	Asset	Quantity	Replacement Value
Buildings	Airport - Terminal	1	$672,000
	Airport - Aero Clubhouse	1	$281,000
	Airport - Workshop	1	$69,000
	Hangar 6	1	Nil (not owned by Council)
Airport Plant and Equipment	3 Phase / Transformer	1	$43,194
	Fence	7	$39,208
	Gate	2	$3,702
	Kerb/Gutter	1	$10,313
	Passenger Gate	1	$1,851
	Paths	2	$4,398
	Tie-Down	6	$3,702
	Tower Lights/Transformers	3	$67,876
	Windsock Tower	1	$30,000
Signals	Cone	171	$27,811
	Gables	63	$19,437
	Runway Lights	115	$382,222
Runways	Apron A	1	$2,741,500
	Apron B	1	$669,593
	Apron Tie-Down Formation	1	$274,927
	RWY 11-29 Formation	1	$5,434,093
	Taxiway 1 Formation	1	$2,741,500
	Taxiway 2 Formation	1	$2,056,125
Carpark	Car Park - Airport Terminal	1	$30,280
Total		**383**	**$23,142,244**

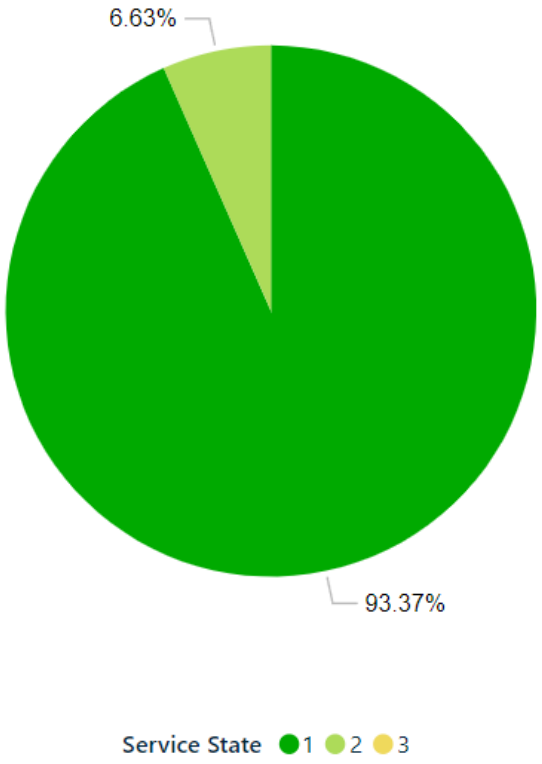

Figure 2: Current Condition State of the Runway and Carparks

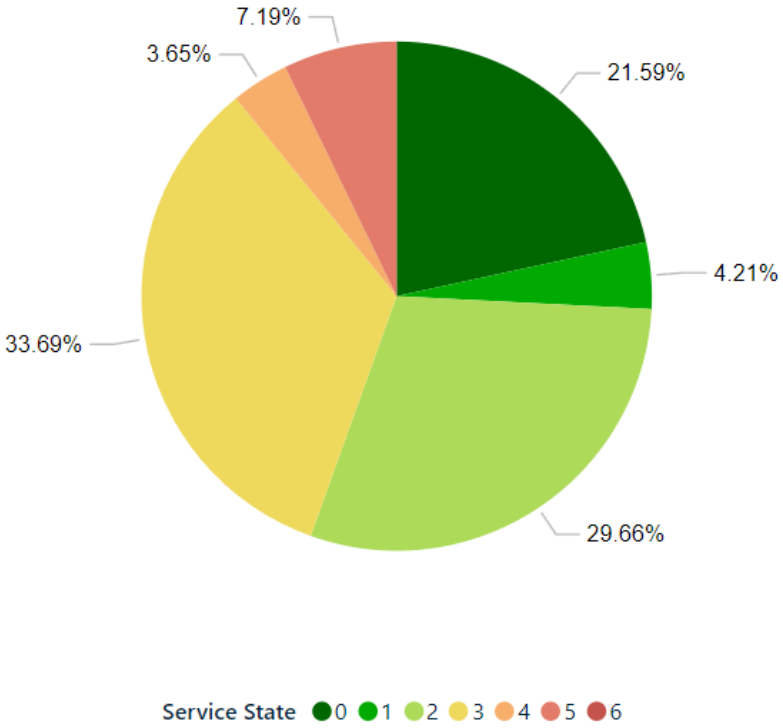

Figure 3: Current Condition State of Buildings and Other Infrastructure

Asset Hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in the collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

Asset Expected Life

All assets are provided with a baseline straight line useful life value (blue line), used for the purposes of lifecycle cost planning and accounting for asset valuation and depreciation. This straight-line depreciation is used in Council's financial reporting. The service life of some assets, such as transport, differs from the standard design life and the useful life, as it also accounts for the ongoing maintenance and renewal of the asset to maintain a designated technical level of service (black line). The setting of service levels will be undertaken by council staff in consultation with the community and elected members, to optimise whole of life costs for the assets.

As upkeep of the asset is made through the capital renewal and maintenance budgets, the condition should be maintained at the desired level to ensure assets reach their potential service life (black line). If no regular maintenance occurs the potential asset life will not be reached (red line).

Figure 4 shows that the deterioration curves of red and black show a true reflection on an assets aging profile, as it typically deteriorates faster towards the end of its life.

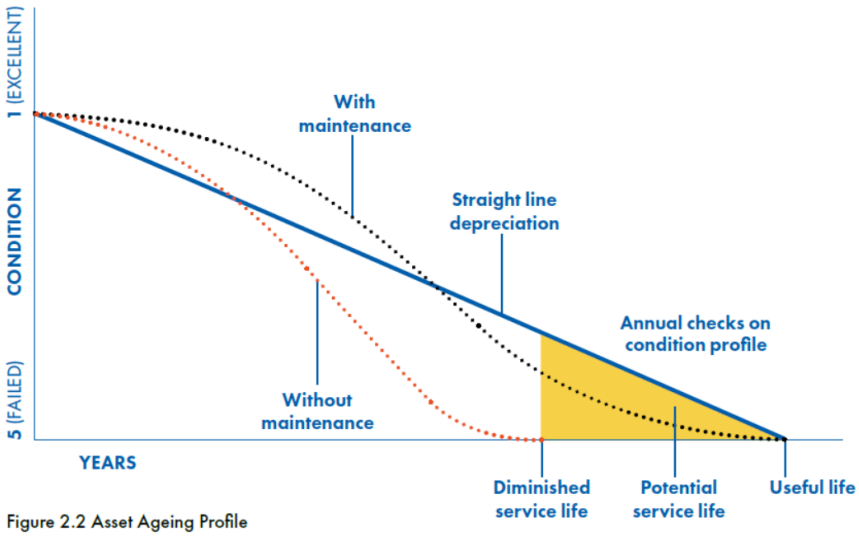

Figure 4: Asset Ageing Profile

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

Asset Quality, Condition and Distribution

The condition data that underpins this AMP and supporting lifecycle model is based upon valuation assessments completed by 30 June 2024. The condition framework used in the assessments was:

Table 6: Condition Assessment Framework

Condition Rating	Condition Description	Actions
0	As New	No action required
1	Excellent/Very Good	No action required
2	Good	Minor defects only
3	Fair	Maintenance required to return to accepted level of service
4	Poor	Consider renewal
5	Very Poor	Approaching unserviceable
6	End of Life	Unserviceable

The average condition score by asset type derived from the assessments was:

Table 7: Average Condition Score by Asset Type

Asset Category	Asset	Average Condition
Buildings and Other Infrastructure		
Buildings	Airport - Terminal	3.41
	Airport - Aero Clubhouse	2.15
	Airport - Workshop	3.00
Airport Plant and Equipment	3 Phase / Transformer	2.83
	Fence	4.43
	Gate	5.00
	Kerb/Gutter	3.25
	Passenger Gate	5.00
	Paths	3.25
	Tie-Down	3.70
	Tower Lights/Transformers	2.83
	Windsock Tower	3.00
Signals	Cone	4.28
	Gables	3.33
	Runway Lights	0.11
Runway and Carpark		
Runways	Apron A	1
	Apron B	2
	Apron Tie-Down Formation	2
	RWY 11-29 Formation	1
	Taxiway 1 Formation	0
	Taxiway 2 Formation	0
Carpark	Car Park - Airport Terminal	1
Total Average		**2.66**

Critical Assets

Criticality has been assessed on a 1 (low) to 5 (high) scale as per the below:

Table 8: Criticality Rating Framework

Rating	Requirements
1	Asset is no longer operational – it is dormant, pending disposal, demolition, etc.
2	Ancillary functions only with no critical operational role (e.g. storage, pump station building or building has a limited life).
3	Functionality-focused asset (e.g. Deport facility, Treatment plant building).
4	Good public presentation and a high quality working environment are necessary (e.g. Library, Branch Office Building).
5	High profile purpose with critical results (e.g. Entertainment Centre) or high profile public building (e.g. Council Administration Building).

The following assets are regarded as high criticality:

Table 9: Critical Assets

Critical Asset	Rating	Location	Impact of Failure
Buildings and Other Infrastructure			
Fences and Gates	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Cones, Lights, Gables			
Passenger Gate			
Tower Lights			
Windsock Tower			
Runway and Carpark			
Apron A	4	Gunnedah	Service interruption, public safety risks, reputation damage and negative financial impact.
Apron B			
Apron Tie-Down Formation			
RWY 11-29 Formation			
Taxiway 1 Formation			
Taxiway 2 Formation			

Stakeholders

Airport assets are managed through Gunnedah Shire Council's Engineering Services / Public Facilities. The key stakeholders and their roles are defined in Table 10.

Table 10: Key Stakeholders

Key Stakeholders	Roles in Asset Management
Council Officers	Council officers play a role in managing assets to ensure that they provide a level of service that meets the needs of both residents and visitors to the area. Council officers implement the components identified in the Airport AMP.
Council Representatives	This stakeholder group includes Councillors and the Mayor for the Council. They are primarily responsible to ensure that their decisions represent and reflect the needs of the wider community.
Residents	Residents are the core users of airport assets. Their needs, wants and expectations are conveyed to Council, which should be reflected in the desired levels of service.
Visitors	Visitors are the second largest users of airport assets, due to their likely frequency of use. Visitor's wants, needs and expectations drive the development in areas of the highest usage and also commercial areas.
Insurers	Insurers have an interest to drive the implementation of systems, which would allow Council a better position in the knowledge of the condition of our assets. This should be reflected in by the number of claims made against this asset group.

Current and Desired Levels of Service

This AMP is prepared to facilitate consultation prior to adoption of levels of service by Gunnedah Shire Council.

Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

The International Infrastructure Management Manual describes Levels of Service (LoS) as '*defined service quality for an activity or service area against which service performance may be measured*'.

Table 11: Customer (Community) Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
1.5 Strategically Managed Infrastructure	Quality	Maintain acceptable level of runway roughness	Performance measures and KPIs have not yet been determined.	
		Apron and Car park Lighting is fit for purpose		
	Availability	The Aerodrome is available for use by the community		
	Safety	Airside is free from hazards		

Table 12: Technical Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
1.5 Strategically Managed Infrastructure	Condition	Maintain acceptable level of runway roughness and surface texture	Runway surface / seal condition rating	Reseal & Paint at SCI>=3
			Runway pavement condition rating	Rehabilitation at PCI>=4
	Amenity	Apron and Car park Lighting is fit for purpose	Illumine measure from MOS	MOS Ch 9
			Lights condition rating	Renew at condition >=5
		Grounds maintained through mowing and tree trimming as required to minimise bird hazard	Complaints and accidents	Nil complaints received Nil Accidents from bird strike
	Cost	Provide appropriate airport facilities in a cost effective manner	Airport budget is able to sustain a cost effective approach to maintaining asset condition	Assets are maintained in acceptable condition to ensure maintenance costs do not exceed Council or user appetite via an increase in poorer condition assets
	Effectiveness	Provide a facility that can meet current and future demand for air traffic	Requests for landing with pavement load concessions	300

Future Demand

Over time, the community's demand for the services which Gunnedah Shire Council provides changes. The reason for change can be varied, but some of the common drivers are population, demographics, technology, environmental, economic and political. Naturally as service demand changes, Council's assets may also need to change.

Table 13: Demand Management

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
Population – Gunnedah Shire Council's population as of the 2021 census was 12,691 people.	By 2036 the population is expected to increase by 589 people (4.6%) to 13,280.	Negligible or minor.	N/A
Community Expectations – According to the 2024 Community Research Survey, the community regards the Airport as a lower importance asset (31% importance rating). However the satisfaction ratings are in the 'needs improvement' range (58% satisfaction rating) which is well below the regional benchmark.	The Community Research Survey was based on current status, not forward focused. The condition projections included in the supporting lifecycle model are the only forward focused performance information. Under the current LTFP funding scenario the average condition of the portfolio is predicted to deteriorate which may reduce community satisfaction and trigger extra community focus / expectations	Community becomes unsatisfied with assets. Community expects higher service standard Reputation damage for Council.	Airport asset maintenance and renewals to be completed based on agreed services levels that meet community expectations.
Environmental Performance – As Australia moves towards achieving its's emission deduction and net zero targets, local government authorities will need to	See left.	Expansion, New and Upgrade projects will need to comply with modern environmental standards and may	All Expansion, New and Upgrade projects to comply with standards. Monitor Council's position and take

Current Position	Demand Forecast	Demand Impact	Demand Management Plan
consider the carbon impact from construction activities and the availability and utilisation of recycled materials. Furthermore, solar lighting may need to be considered for lighting schemes.		incur higher costs than traditional projects. Community expectations / Council initiatives for better environmental performance may demand proactive upgrade of underperforming assets.	opportunities to upgrade to better environmentally performing components where it is cost effective to do so.

Life Cycle Planning/Strategies

The lifecycle management plan details how Gunnedah Shire Council plans to manage and operate the assets at the agreed levels of service while managing life cycle. The assets covered by this Airport AMP are shown in the Asset Information section above.

This section presents an analysis of Council's Airport assets information and the life cycle management plans covering the five key work activities to manage Airport assets.

Operations Plan

Operational activities are regular ongoing practices that keep the assets functional and ready for use. Operational activities do not affect the condition of the asset and include cleaning, safety audits, condition assessments, supply of utilities, vegetation and weed control and the management of wildlife to ensure aircraft safety.

Council has typically spent $83,853 per annum on operational activities for Airports. It is expected that this trend will continue over the planning horizon.

Maintenance Plan

Maintenance is the regular ongoing work necessary to keep assets serviceable. Maintenance activities are required to ensure assets meet their design life and this includes reactive and proactive works.

Reactive maintenance is unplanned repair work carried out in response to service requests and supervisory directions, for example repairing a broken window. Proactive (planned) maintenance is work that is planned and scheduled often as a preventative measure against failure, for example servicing of plant and equipment. This is often cyclical in nature.

The work and costs associated with maintenance activities is dependent on the condition state of the asset. As a general rule, the worse the condition state, the higher the reactive maintenance cost requirements.

Council on average spends $35,935 on maintenance activities for buildings, runways and other infrastructure. It is expected that this trend will continue over the planning horizon, however the actual maintenance cost requirements will depend on the renewal & acquisition strategy adopted by Council, noting the dependency on condition state.

Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, 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 considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified through asset lifecycle modelling using the Brightly Predictor modelling software. This uses asset specific condition assessments and degradation profiles to understand the current condition, forecast the expected year of renewal works, propose the type of renewal works required, and provide a strategic estimate for the renewal cost. It is noted that the software provides works candidates using technical criteria that are then reviewed and prioritised into a delivery program.

Traditionally Council has had a minimal budget for Airport asset renewal. The projections in the below Financial Summary section indicates that this not a sustainable approach moving forward if Council is to provide acceptable services to the community.

Acquisition Plan

Acquisitions are new assets which did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to Council.

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, service manager studies and proposals identified by strategic plans. Potential upgrades and new works should be reviewed to verify that they are essential and non-asset solutions should always be considered.

The airport has recently undergone an upgrade which may affect maintenance and renewal funding requirements.

Selection Criteria

When Council commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. This is outlined in Council's Asset Management Policy.

Currently there are no planned acquisition projects.

Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Council's Asset Disposal Policy outlines this process.

In the 10-year planning horizon no asset disposals are planned.

Financial Summary

This section contains the financial impacts and requirements from all the information provided in the previous sections.

Financial predictions can be improved when further information becomes available and documented in future AMPs, on desired levels of service and current and projected future asset performance.

Two funding scenarios have been developed per asset group:

- a scenario that models the current LTFP funding allocation
- a Desired LoS required funding scenario which demonstrates the required expenditure to meet the desired levels of service by adopting an unconstrained budget in the supporting lifecycle model.

The summary of costs for each scenario is shown below:

Table 14: Summary of Cost Forecasts for Runway and Carpark

Year	Current LTFP Funding Scenario				Desired LoS Required Funding			
	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog
1	$30,337	$0	$0	$38,750	$30,279	$38,750	$0	$38,750
2	$30,337	$0	$0	$38,750	$30,279	$0	$0	$0
3	$30,337	$0	$0	$38,750	$30,337	$0	$0	$0
4	$30,337	$0	$0	$38,750	$30,337	$0	$0	$0
5	$30,337	$0	$0	$123,380	$30,209	$84,630	$0	$0
6	$30,337	$675	$0	$38,750	$30,337	$23,144	$0	$0
7	$30,337	$248	$0	$145,849	$30,337	$0	$0	$0
8	$30,465	$0	$0	$1,530,780	$27,776	$1,696,320	$0	$0
9	$30,465	$0	$0	$311,141	$30,279	$38,750	$0	$0
10	$30,465	$0	$0	$311,141	$30,337	$0	$0	$0
Total	**$303,755**	**$923**	**$0**	**$1,841,921 (Closing)**	**$300,507**	**$1,881,594**	**$0**	**$0 (Closing)**
Net Strategy Costs				**$2,107,879***	**Net Strategy Costs**			**$2,143,351***

*Includes change in work bank backlog in calculation.

Table 15: Summary of Cost Forecasts for Buildings and Other Infrastructure

Year	Current LTFP Funding Scenario				Desired LoS Required Funding			
	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog	O & M Costs	Renewal Costs	Acquistion Costs	Work Bank Backlog
1	$83,791	$432	$0	$179,118	$66,712	$179,550	$0	$179,550
2	$87,980	$432	$0	$178,686	$69,557	$0	$0	$0
3	$96,183	$586	$0	$178,100	$70,661	$0	$0	$0
4	$100,346	$586	$0	$188,019	$71,881	$0	$0	$0
5	$106,397	$734	$0	$177,513	$74,773	$11,240	$0	$0
6	$108,754	$734	$0	$187,285	$75,476	$0	$0	$0
7	$111,729	$882	$0	$186,637	$77,786	$821	$0	$0
8	$115,916	$882	$0	$188,636	$81,863	$1,722	$0	$0
9	$120,533	$1,006	$0	$189,463	$86,633	$4,406	$0	$0
10	$123,782	$0	$0	$236,163	$83,436	$89,565	$0	$0
Total	**$1,055,410**	**$6,275**	**$0**	**$236,163 (Closing)**	**$758,778**	**$287,303**	**$0**	**$0**
Net Strategy Costs				**$1,118,298***	**Net Strategy Costs**			**$866,531***

*Includes change in work bank backlog in calculation.

Asset Valuations

Council undertakes 'Revaluations' in line with the Asset Management Policy. Valuations are undertaken in alignment with Australian Accounting Standard 'AASB13 Fair Value'.

Valuations are required every three to five years and are independently audited. Valuations are undertaken to satisfy the financial reporting requirements and to understand the cost to replace assets.

Operations and Maintenance Trends and Forecasts

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of, the forecast operation and maintenance costs are expected to decrease.

Furthermore, the work and costs associated with maintenance activities is dependent on the condition state of the asset. Therefore, if the asset portfolio experiences poorer condition states, increased maintenance costs will be anticipated.

As stated in the Lifecycle Planning/Strategies section the typical operational and maintenance budget averages are $83,853 and $35,935 respectively. These values are calibrated into the supporting lifecycle model, from which future costs can be projected including maintenance cost forecasts that consider network growth (or decline) and a changing condition distribution.

The forecasts are shown in the below figures and table:

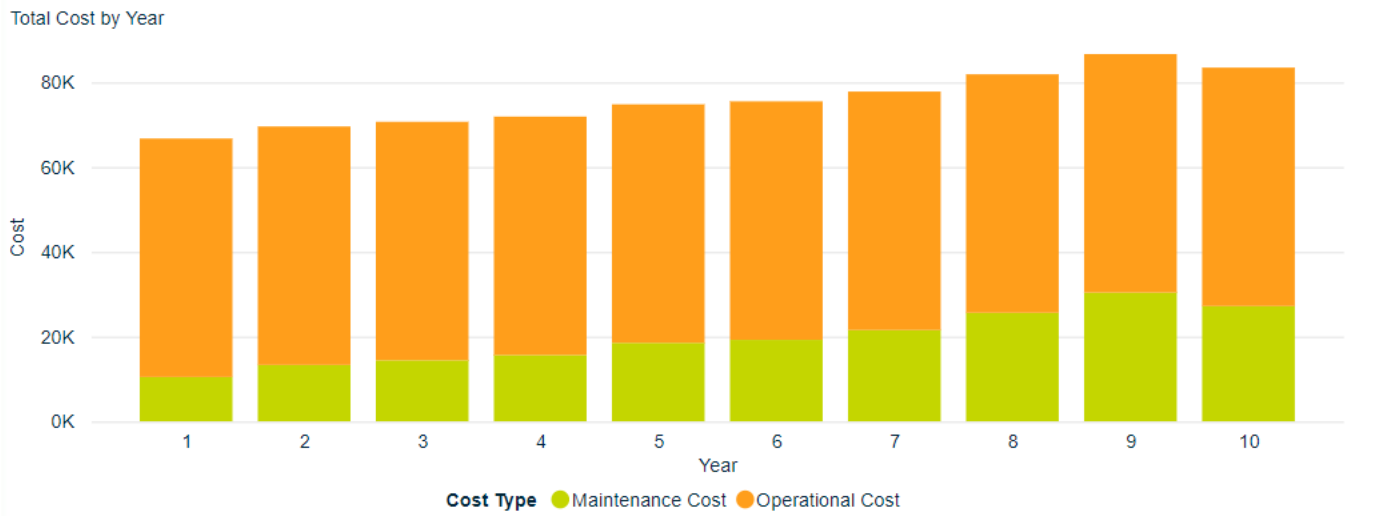

Figure 5: Building and Infrastructure Total Maintenance and Operations Costs by Year (Desired Los)

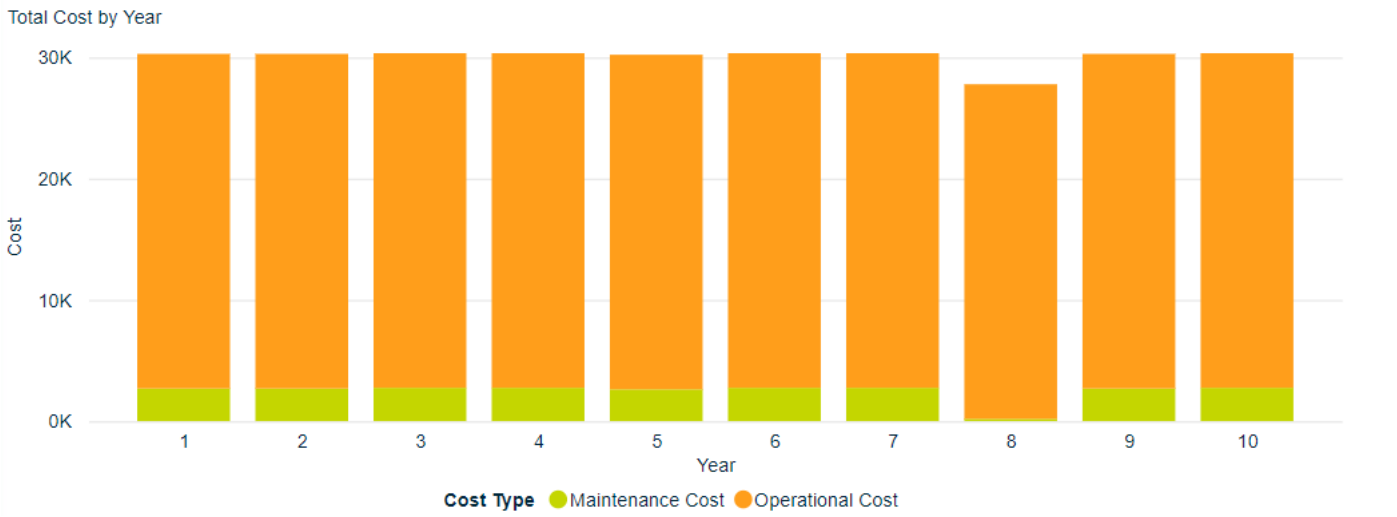

Figure 6: Runway and Carpark Total Maintenance Costs by Year (Desired LoS)

Table 16: Maintenance Cost Summary Runway and Carpark

Year		Current LTFP Funding Scenario		Desired LoS Required Funding	
	Operational Costs	Maintenance Cost	Ave. Condition	Maintenance Costs	Ave. Condition
1	$27,590	$2,747	1.07	$10,448	1.07
2	$27,590	$2,747	1.07	$13,293	1.02
3	$27,590	$2,747	1.07	$14,397	1.02
4	$27,590	$2,747	1.07	$15,617	1.05
5	$27,590	$2,747	1.09	$18,509	1.07
6	$27,590	$2,747	1.11	$19,212	1.02
7	$27,590	$2,747	1.11	$21,522	1.02
8	$27,590	$2,875	1.98	$25,600	1.89
9	$27,590	$2,875	2.09	$30,369	0.99
10	$27,590	$2,875	2.09	$27,172	1.07
Total	**$275,900**	**$27,855**	**2.09**	**$196,141**	**1.07**

Table 17: Maintenance Cost Summary Building and Other Infrastructure

Year		Current LTFP Funding Scenario		Desired LoS Required Funding	
	Operational Costs	Maintenance Cost	Ave. Condition	Maintenance Costs	Ave. Condition
1	$56,263	$27,528	2.15	$10,448	2.15
2	$56,263	$31,717	2.24	$13,293	1.70
3	$56,263	$39,920	2.50	$14,397	1.98
4	$56,263	$44,083	2.59	$15,617	2.05
5	$56,263	$50,134	2.64	$18,509	2.11
6	$56,263	$52,491	2.78	$19,212	2.18
7	$56,263	$55,466	2.96	$21,522	2.40
8	$56,263	$59,653	3.04	$25,600	2.50
9	$56,263	$64,270	3.16	$30,369	2.64
10	$56,263	$67,519	3.31	$27,172	2.81
Total	**$562,630**	**$492,780**	**3.37**	**$196,141**	**2.62**

The above forecasts indicate that the current maintenance cost allocation is insufficient to continue to service the portfolio.

The effect of poorer condition states increasing maintenance costs can be seen by comparing the two scenarios, with significantly more costs experienced by the Current LTFP Funding Scenario which are escalated by increased maintenance funding of poorer condition assets.

Future Renewal Forecast

The below graph demonstrates the required renewal funding alongside the estimated maintenance budget across 10 years. Additional analysis is being undertaken to uplift data confidence and maturity to better inform actual funding requirements.

The below section is split into their relevant models for accuracy.

Runway and Carpark

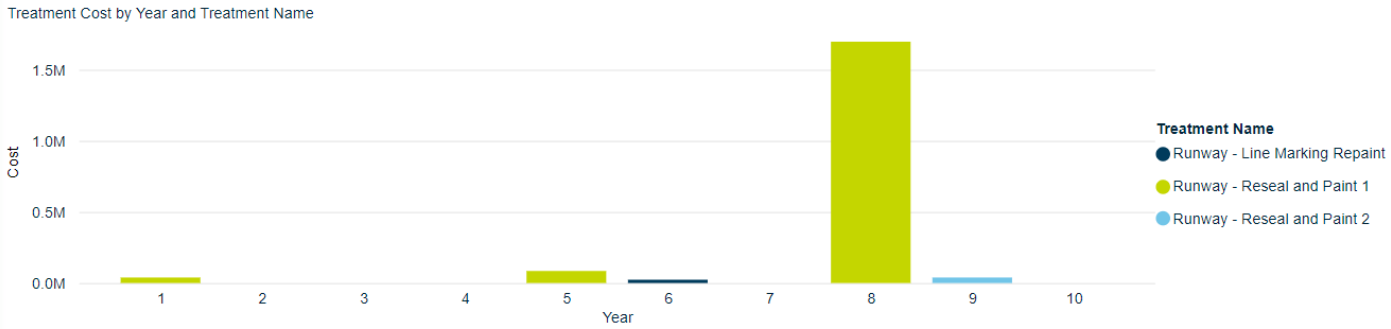

Figure 7: Total Renewal Costs by Year and Treatment Type – Desired LoS Scenario

Table 18: Renewal Cost Summary Runway and Carpark

Year	Current LTFP Funding Scenario		Desired LoS Required Funding	
	Renewal Cost	Ave. Condition	Renewal Costs	Ave. Condition
1	$0	1.07	$38,750	1.07
2	$0	1.07	$-	1.02
3	$0	1.07	$-	1.02
4	$0	1.07	$-	1.05
5	$0	1.09	$84,630	1.07
6	$675	1.11	$23,144	1.02
7	$248	1.11	$-	1.02
8	$0	1.98	$1,696,320	1.89
9	$0	2.09	$38,750	0.99
10	$0	2.09	$-	1.07
Total	**$923**	**2.09**	**$1,881,594**	**1.07**

A breakdown of asset condition at year 10, based on the two modelled scenarios, is displayed below:

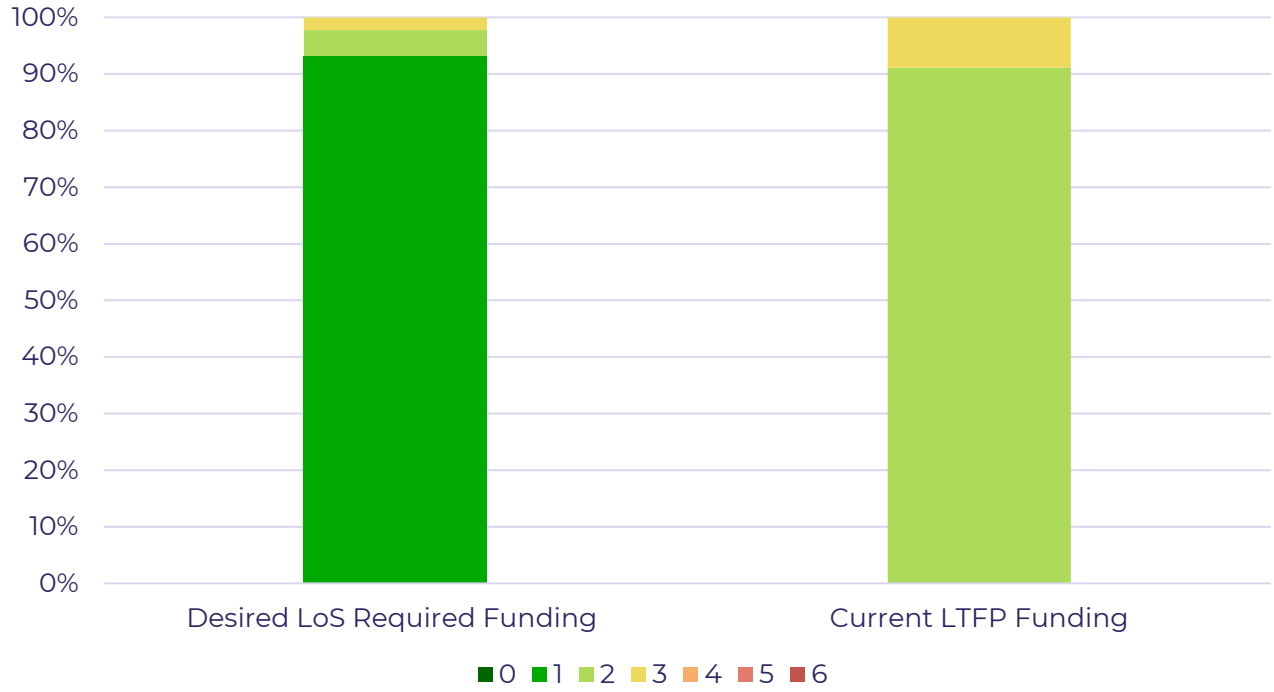

Figure 8: Condition Distribution Scenario Comparison – Year 10

Buildings and Other Infrastructure

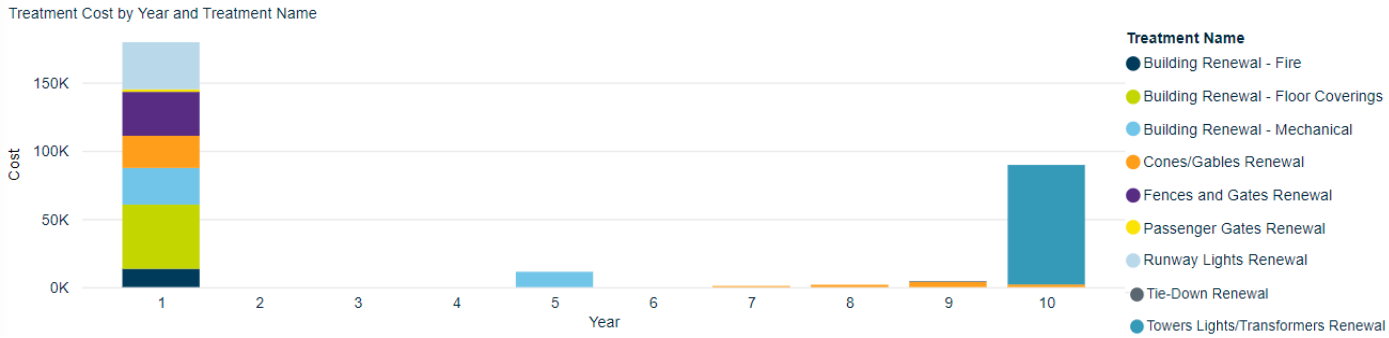

Figure 9: Total Renewal Costs by Year and Treatment Type – Desired LoS Scenario

Table 19: Renewal Cost Summary Building and Infrastructure

Year	Current LTFP Funding Scenario		Desired LoS Required Funding	
	Renewal Cost	Ave. Condition	Renewal Costs	Ave. Condition
1	$432	2.15	$179,550	2.15
2	$432	2.24	$0	1.70
3	$586	2.50	$0	1.98
4	$586	2.59	$0	2.05
5	$734	2.64	$11,240	2.11
6	$734	2.78	$0	2.18
7	$882	2.96	$821	2.40
8	$882	3.04	$1,722	2.50
9	$1,006	3.16	$4,406	2.64
10	$0	3.31	$89,565	2.81
Total	**$6,275**	**3.37**	**$287,303**	**2.62**

A breakdown of asset condition at year 10, based on the two modelled scenarios, is displayed below:

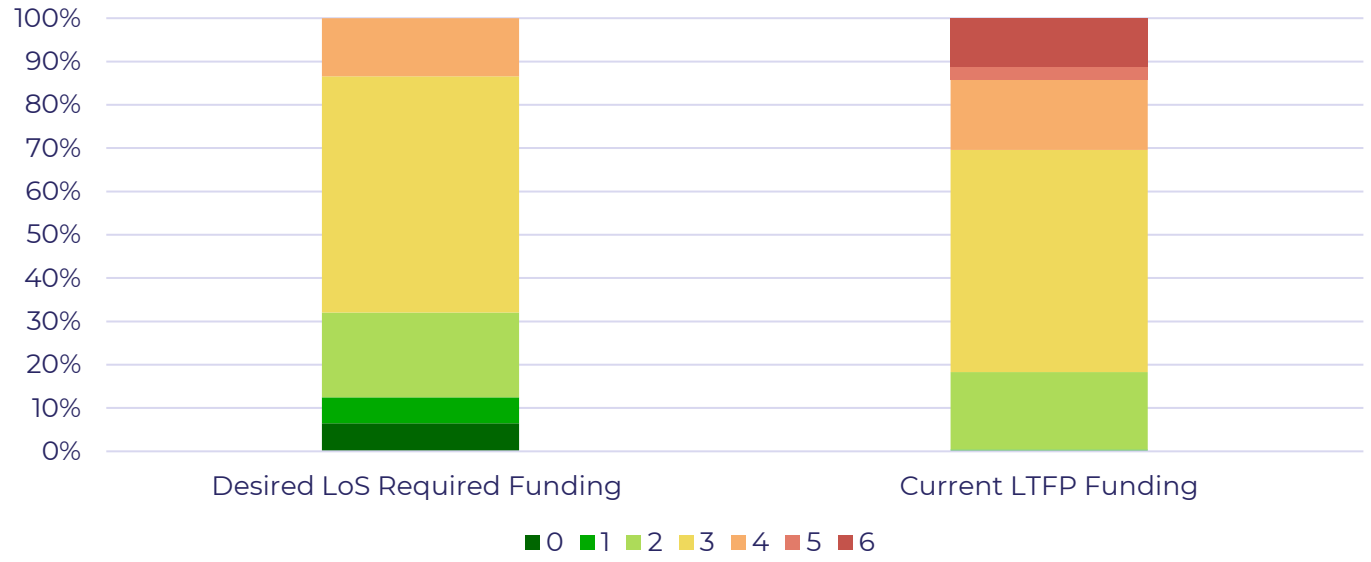

Figure 10: Condition Distribution Scenario Comparison – Year 10

Scenario comparison all models

Table 20: Condition Distribution Scenario Comparison at Year 10

Model	Scenario	0	1	2	3	4	5	6
Runway and Carpark	Current LTFP Funding	0.0%	0.0%	91.1%	8.9%	0.0%	0.0%	0.0%
	Desired LoS Required Funding	0.0%	93.2%	4.6%	2.3%	0.0%	0.0%	0.0%
Buildings and Other Infrastructure	Current LTFP Funding	0.11%	0.33%	17.83%	51.33%	16.13%	3.08%	11.18%
	Desired LoS Required Funding	6.45%	5.99%	19.61%	54.53%	13.42%	0.00%	0.00%

Future Acquisition Forecast

No future acquisitions are planned at this stage.

Assumptions

Significant assumptions were made in the development of this AMP and its underlying predictive analysis, including:

- Remaining useful lives require review and standardisation
- Due to the modelling approach and restrictions on the level of detail in the data, the renewals budget has been split evenly between Runway and Carparks, and Building and Infrastructure.
- Maintenance budget has also been split across the two models using percentage estimates of spend across each.
- Length for some runway assets has been estimated which may affect costings.

Conclusions

The following table shows the net strategy costs of scenarios over the planning horizon:

Table 21: Net Strategy Comparison

	Scenario	Treatment Cost	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Runway and Carpark	Current LTFP Funding	$923	$275,900	$27,855	$38,750	$1,841,921	$1,803,171 increase	$2,107,879	2.09
	Desired LoS Required Funding	$1,881,594	$275,900	$24,607	$38,750	$0	$38,750 decrease	$2,143,351	1.09
Buildings and Other Infrastructure	Current LTFP Funding	$6,275	$562,630	$492,780	$179,550	$236,163	$56,613 increase	$1,118,298	3.37
	Desired LoS Required Funding	$287,303	$562,636	$196,141	$179,550	$0	$179,550 decrease	$1,046,080	2.62

As can be seen from the table and sections above it is unsustainable to continue to allocate minimal funding for renewals given the worsening condition of the assets over time meaning they are unable to provide the level of service required. For runway assets, this may carry additional risk through unevenness of surface.

It is recommended that Council increase the renewal funding allocation to the values presented in the Desired LoS Required Funding scenario in Table 18 and 19, $2,168,897 total over the 10-year planning horizon (on average $216,899 per year). This is anticipated to strike an acceptable balance between, expenditure, community expectations and risk. Should Council choose to allocate a lesser amount of renewal funding it would need to consider the long-term effects on asset performance, service levels and risk.

Data Confidence

The expenditure and valuations projections in this AMP are based on best available corporate data. Currency and accuracy of data is critical to effective asset and financial management.

The confidence in the data for this AMP is Low

Risk Management

An assessment of risks associated with service delivery from infrastructure assets has identified the most critical risks to Council. The risk assessment process identifies and assesses risks, develops a risk rating and develops a risk treatment plan for non-acceptable risks.

Table 22: Risk Management Plan

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Accident due to surface condition of Runway	Extreme	Maintain and renew runway and aprons as required by this asset plan	Public Facilities
Damage to aircraft due to bird strike	High	Regular mowing of grass to minimise seed load and discourage birds in area	Public Facilities
Environmental leakage of fuel tanks	High	Presently maintained by Gunnedah Aero Club	External Entity
Lack of maintenance and renewal leading to inability for RPT to operate	Moderate	Maintain and renew assets as required by this plan consistent reintroduction possible RPT services	Public Facilities

Plan Improvement and Monitoring

This plan is to be reviewed and update alongside any major changes to legislation or internal policies or strategies, or when required.

Monitoring and Reviewing

The Asset Management Plan is not a one-off document but part of the Council's business planning process. For this reason, it is necessary to review and update any key assumptions, strategic change or budget decision that may affect the planned service levels and future expenditure requirements.

To keep this AMP current, Council will schedule the plan review into its strategic and annual planning and budget processes. The asset management plan has a life of 4 years (or in line with the next revaluation of the asset group to assist with better data being available).

Improvement Plan

Table 23: Improvement Plan

Improvement Item	Action(s)	Responsibility
Quality of data	Review and uplift data quality, including hierarchy, condition, asset value or replacement value and useful life. This is currently underway.	Engineering Services Public Facilities
Budget requirements	Once data quality has been uplifted to sufficient level, budget should be reviewed and appropriately allocated for both capital and operational requirements.	Finance
Predictor model to be updated	Once data has been updated to meet sufficient reporting requirements, Predictor model should be updated to reflect these changes.	Engineering Services
Asset hierarchy	Asset hierarchy within Assetic to be upgraded to support future modelling enhancement, such as consolidating line markings and pavement condition, runway seal into components.	Engineering Services
Runway network measure	Runway assets should be measured for accuracy	Public Facilities
Maintenance costings	Maintenance costings to be reviewed to ensure ability to delineate between asset types, such as cost spent on building maintenance vs runway maintenance.	Public Facilities