

Gunnedah Shire

Saleyards Asset Management Plan

November 2024



Document Control

Saleyards Asset Management Plan

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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	4
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Executive Summary	6
--------------------------	----------

Introduction	7
Asset Information	9
Asset Hierarchy	11
Asset Expected Life	11
Asset Quality, Condition and Distribution	12
Critical Assets	14

Stakeholders	14
---------------------	-----------

Current and Desired Levels of Service	15
--	-----------

Future Demand	17
----------------------	-----------

Life Cycle Planning/Strategies	18
Operations Plan	18
Maintenance Plan	18
Renewal Plan	18
Acquisition Plan	19
Disposal Plan	19

Financial Summary	19
Asset Valuations	20
Future Renewal Forecast	21
Future Acquisition Forecast	23
Conclusions	23
Assumptions	24
Data Confidence	24

Risk Management	24
------------------------	-----------

Plan Improvement and Monitoring	25
Monitoring and Reviewing	25
Improvement Plan	25

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 Saleyards Asset Management Plan, which covers the premier selling facility which services a large area. The centre provides services to local agents, vendors both local and outside the immediate area and a large buyer pool across the eastern seaboard. The facility is located on the Kamilaroi Highway on the northern edge of the Gunnedah township. It consists of yards and associated infrastructure such as scales, loading ramps, truck wash, scanning facilities, vet crush, canteen, cattle and sheep yards.

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:

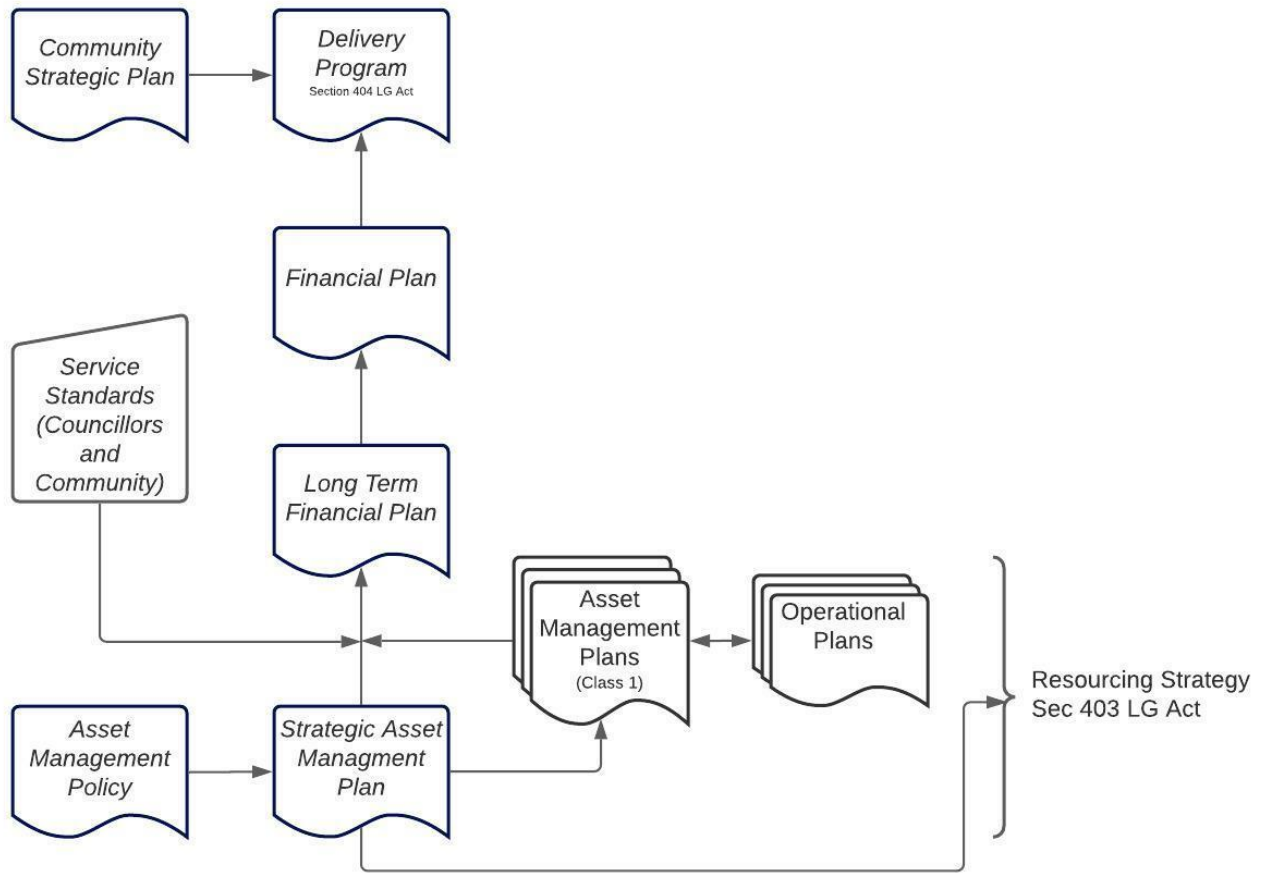


Figure 1: Strategic Asset Management Plan and the Asset Management Planning Process

Executive Summary

This document outlines in detail how Saleyards 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 Saleyards 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 to provide 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.

We currently have an estimated \$200k per annum (\$2m across 10-years) for the renewal of this asset class, and a forecasted funding requirement of \$932,069 over the planning period to meet the desired level of service. Assuming funding can be rolled over, this budget is sufficient.

The overall portfolio condition is forecasted to degrade from 0.33 to 0.95. The level of confidence is assessed as Low due to the currently available data and assumptions that were required during the lifecycle modelling.

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
Current LTFP Funding	\$932,069	\$0	\$0	\$0	\$0	\$0	\$932,069	0.95
Desired LoS Required Funding	\$932,069	\$0	\$0	\$0	\$0	\$0	\$932,069	0.95

As can be seen from the table above the current level of funding is sufficient, assuming the Council adapt a flexible budget for renewal funding allocation, in terms of the year a project is scheduled.

The current budget is also largely used for reactive maintenance requiring capital investment such as animals breaking the pens, vehicle damage, gate latch fixes, and other general reactive requests that occur frequently.

The current budget 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.

Upcoming capital works include:

- Saleyards Upgrade Project, \$27,769,760

The upgrade project has a completion date of early 2025.

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
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
Local Government Act 1993	Sets out the role, purpose, responsibilities and powers of local governments.
WHS Act 2000	Secures and promotes health and safety of employees at work.
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.
Noxious Weeds Act 1993	Prevents the establishment of new and spread of existing significant weeds. Reduces existing weeds.
Stock Diseases Act 1923 No 34 – Regulation 2009	National Livestock identification scheme implementation and monitoring.
Biosecurity (National Livestock Identification System) Regulation 2017	Establishes a general biosecurity duty to make sure responsibility for biosecurity risk is shared among government, industry and the community.

Asset Information

This plan applies to Saleyards assets which provide services to local agents, vendors both local and outside the immediate area and a large buyer pool across the eastern seaboard.

The Saleyards network comprises the below assets, with the condition graph representing the total value of the assets in each condition as opposed to quantity.

Table 5: Asset value

Asset	Replacement Value
Saleyards - Weighbridge	\$236,000
Saleyards - Agents Office	\$ 34,500
Saleyards - Old Canteen Works Office	\$742,000
Saleyards - Old Office Amenities Block	\$207,000
Saleyards - Shed	\$ 63,500
Saleyards - Truck wash 2022	\$1,876,000
Saleyards - Weighbridge Office	\$129,000
Saleyards - Workshop and Crib room	\$76,900
Saleyards - Yards	\$4,835,000
Saleyards Extension - New Selling Yards	\$55,200
Saleyards - New Building	\$4,733,212
Truck Wash	\$1,713,248
Workshop Sheds	\$300,334
Eastern Yards (1B, 5, & 6)	\$1,414,819
Central Yards (2,3 & 4)	\$917,040
Western Yards (1A)	\$425,571
Cattle Ramp & Dump (12.5 degrees)	\$385,697
3.3m Adjustable Cattle Ramp	\$7,496
Roofing	\$11,012,533
Other (sprinkler, walkway, tanks, scanners, etc)	\$6,079,810
Total	\$35,244,860

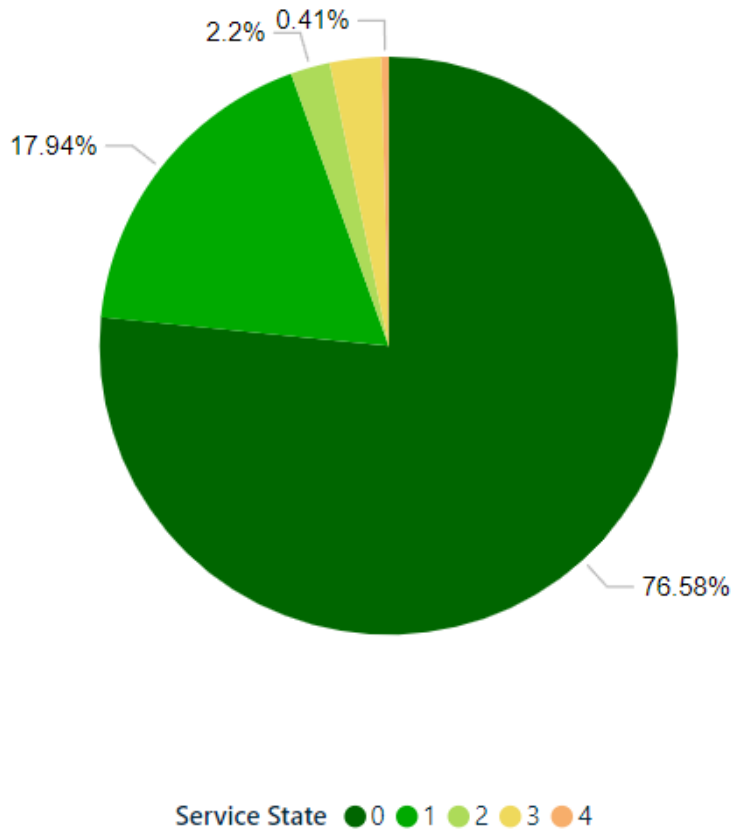


Figure 2: Current Condition State of the Assets

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 Saleyards 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 3 shows that the deterioration curves of red and black show a true reflection on an assets ageing profile, as it typically deteriorates faster towards the end of its life.

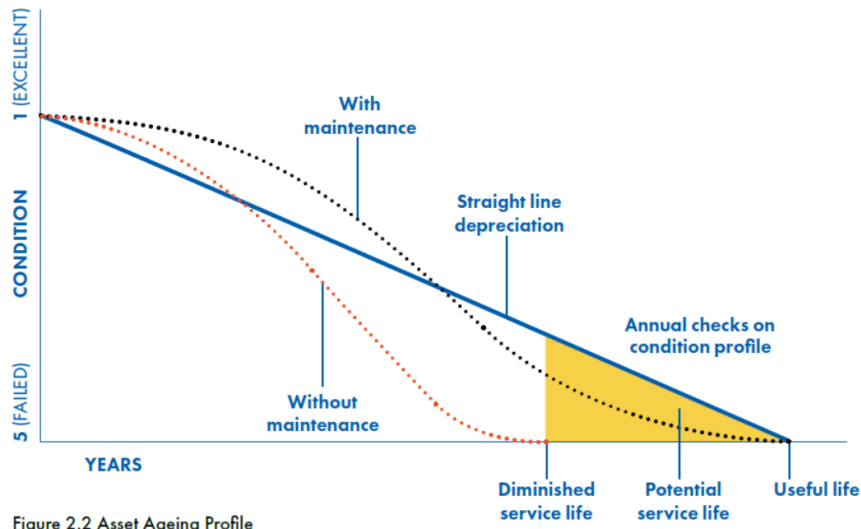


Figure 2.2 Asset Ageing Profile

Figure 3: 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

All assets were assessed for condition on 30 June 2024, excluding the new assets to be added to the portfolio upon completion early 2025 which have a condition rating of 0. The data below is an average of each condition as each asset is comprised of a number of components.

Table 7: Average Condition Score by Asset

Asset	Average Score
Saleyards - Shed	4
Saleyards - Workshop and Crib room	4
Saleyards - Agents Office	2.90
Saleyards - Old Canteen Works Office	2.81
Saleyards - Weighbridge	2.5
Saleyards - Old Office Amenities Block	2.15
Saleyards - Yards	2
Saleyards Extension - New Selling Yards	2
Saleyards - Weighbridge Office	1.88
Saleyards - Truck wash 2022	1
3.3 m Adjustable Cattle Ramp	0
Cattle Ramp & Dump (12.5 degrees)	0
Central Yards (2,3 & 4)	0
Eastern Yards (1B, 5, & 6)	0
Other (sprinkler, walkway, tanks, scanners, etc)	0
Roofing	0
Saleyards - New Building	0
Truck Wash	0
Western Yards (1A)	0
Workshop Sheds	0

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 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).

Critical assets include:

- Weighbridge
- Yards and Ramps

These assets are rated as 4 to 5 meaning that the impact of failure means that the saleyards ability to remain operational will be negatively affected. All remaining assets are rated as a 3.

Stakeholders

Saleyards assets are managed through Gunnedah Shire Council's Community and Development Directorate / Economy and Growth. The key stakeholders and their roles are defined below.

Table 9 Key Stakeholders

Key Stakeholders	Roles in Asset Management
Council Officers	Council officers play a role in managing Saleyards assets to ensure that they provide a level of service that meets the needs of local agents, vendors and buyers.
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.

Key Stakeholders	Roles in Asset Management
Industry	The Saleyards provides a critical connection for the local agricultural industry.
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*'.

Customer (Community) Level of Service

Council has not carried out any research on customer expectations of the facility however the Gunnedah Stock and Station Agents Association have presented Council with the findings from a telephone survey conducted. The survey looked at the level of satisfaction with the facility and compared the facility to others in regional NSW. Council has responded to the survey by continuing to support the facility.

Table 10: Customer (Community) Levels of Service

Strategic Goal	Criteria	Level of Service Objective	Performance Measure	KPI
2.2 Access to our goods, services, and markets	Quality	A facility that provides good surface conditions of yards	Complaints lodged by agent's yards per month.	0-2 complaints per month
2.2 Access to our goods, services, and markets	Function	Scales, computer networks and scanner available for each sale	Time out recorded in hours pa	6 hours pa time out
2.2 Access to our goods, services, and markets	Availability	Entire facility available to users as per lease agreement for next 3 years	% of yards unavailable per annum	0%
1.5 Strategically managed infrastructure	Safety	Provide a safe facility for all users	Number of incidents reported by lessee and general public per year	Nil incidents per year

Table 11: Technical Level of Service

Strategic Goal	Performance Measure	Level of Service	Performance Measure	KPI
1.5 Strategically managed infrastructure	Condition	Selling pens are clean and level with mud no deeper than 15 cm in wet conditions	Complaints	0
1.2 Council is a sustainable, ethical and efficient organisation		All cattle selling and holding pens have stock water	Water available 100% of the time.	99%
1.5 Strategically managed infrastructure		Maintenance of EPA Licence requirements	Annual reporting of effluent water testing results	100%
1.5 Strategically managed infrastructure		Assets are maintained to an acceptable level of service and remain operational	Condition rating of 4 or under	<4

Strategic Goal	Performance Measure	Level of Service	Performance Measure	KPI
1.5 Strategically managed infrastructure	Amenity	Level of airborne dust	Complaints received	<2 incidents per year
2.2 Access to our goods, services, and markets	Cost	Provide a competitively priced selling facility	Benchmarking of comparable facility in surround areas of NSW	Maintain average per head through yards at 125,000pa
2.2 Access to our goods, services, and markets	Effectiveness	100% of cattle sale yards available in a safe condition at all times	% of yards unavailable on sale days	100%

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.

There has an increase in the growth of the population of Gunnedah over the last few years, which may increase demand for saleyards quality and capacity if this increase continues.

Factors affecting the future demand specific to the Gunnedah Regional Saleyards are seasonal factors, new selling systems, economic factors and expectations of animal welfare.

Seasonal influences that have been observed in the past include, a variation of cattle numbers offered for sale based on drought or an abundance of stock feed directly related to climatic conditions.

New selling systems are now available including internet selling, direct selling and video sales. Whilst the new technology is available no great deviation of numbers has been observed through the Gunnedah Regional Sale Yards.

Economic factors such as changes to farming practices and world demand for red meat all influence the numbers of stock being grown in the saleyard drawing area. The demand for sheep facilities has been reduced markedly by changes in farming practices. At this time the Saleyard facility is only used spasmodically for sheep selling.

Expectations of animal welfare are having an impact on the physical asset, with pressure from interest groups to promote animal health and welfare.

The numbers of cattle sold show a consistent volume over the past ten years with this trend expected to continue into the future.

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 Saleyards AMP are shown in the Asset Information section above.

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

Operations Plan

Operational activities are regular ongoing practices that keep the buildings and yards functional and ready for use. Operational activities do not affect the condition of the asset and include cleaning, safety audits, condition assessments and supply of utilities.

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.

Maintenance is largely reactive with planned maintenance largely consisting of visual inspections. Maintenance is carried out according to the Sale Yard standard operating procedures.

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.

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.

Until recently, renewal was undertaken as part of normal maintenance activities with a run to fail approach. Assets were renewed based on industry standards and officer judgement. Council

intends to move to a more proactive renewal approach in the future, utilising the results of the supporting life cycle model.

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.

Additional yard expansion, shading, and other infrastructure assets totalling an estimated \$27M will complete construction in early 2025 and have been reflected in this asset management plan and predictive asset modelling.

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.

The only Council approved forecast constructed acquisitions are listed below:

- Saleyard expansion and upgrade, est. \$27M

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.

Assets are currently being evaluated for disposal, including older works offices. A decision is yet to be made.

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, firstly a scenario that models the current LTFP funding allocation. The current allocation for is \$200k per annum. Secondly, a Desired LoS required funding scenario 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 12: Summary of Cost Forecasts

Year	Current LTFP Funding Scenario				Desired LoS Required Funding			
	O&M Costs	Renewal Costs	Acquisition Costs	Workbank Backlog	O & M Costs	Renewal Costs	Acquisition Costs	Workbank Backlog
1	\$0	\$121,420	\$0	\$0	\$0	\$121,420	\$0	\$0
2	\$0	\$26,712	\$0	\$0	\$0	\$26,712	\$0	\$0
3	\$0	\$36,432	\$0	\$0	\$0	\$36,432	\$0	\$0
4	\$0	\$250,895	\$0	\$0	\$0	\$250,895	\$0	\$0
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	\$0	\$431,000	\$0	\$0	\$0	\$431,000	\$0	\$0
9	\$0	\$63,334	\$0	\$0	\$0	\$63,334	\$0	\$0
10	\$0	\$2,277	\$0	\$0	\$0	\$2,277	\$0	\$0
Total	\$0	\$932,069	\$0	\$0	\$0	\$932,069	\$0	\$0

The cost of maintenance is rolled into the renewal costs at this stage and also addresses any reactive works each year which include unforeseen costs due to animals damaging fences or other infrastructure or vehicle damage.

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.

A review of the current and future operational cost requirements is being undertaken, particularly given the upcoming expansion and upgrade works.

Future Renewal Forecast

The below graph demonstrates the renewal funding using the current budget of \$200k per annum across 10 years. Total cost of renewals across 10 years is \$932,069 under current funding which matches the desired level of service. It is noted that the funding of \$200k per annum is also utilised to address ad-hoc capital renewal works as a result of unforeseen asset failure from damage by livestock or vehicles, and also incorporates any maintenance funding.

Additional analysis is being undertaken to uplift data confidence and maturity to better inform actual funding requirements.

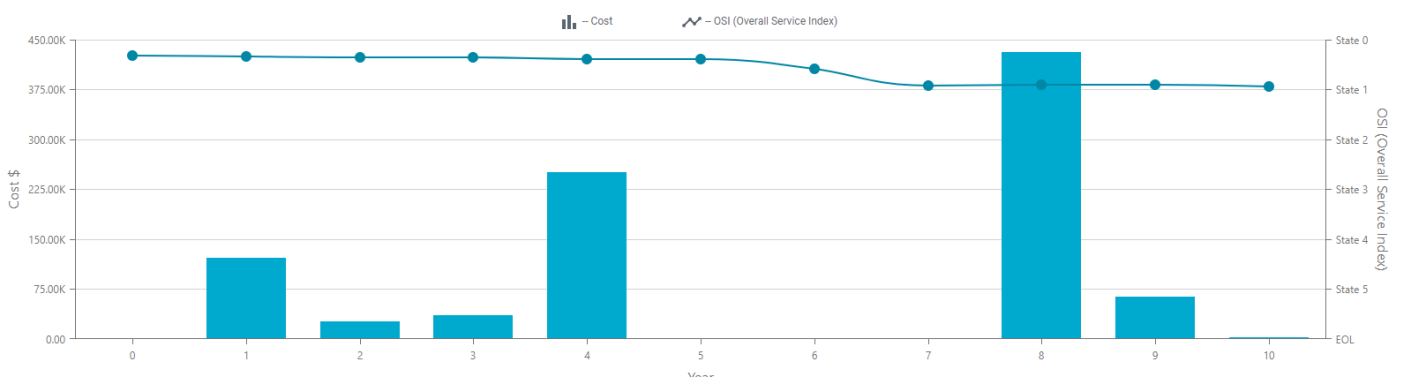


Figure 4: Total Renewal Costs by Year – Desired LoS Scenario

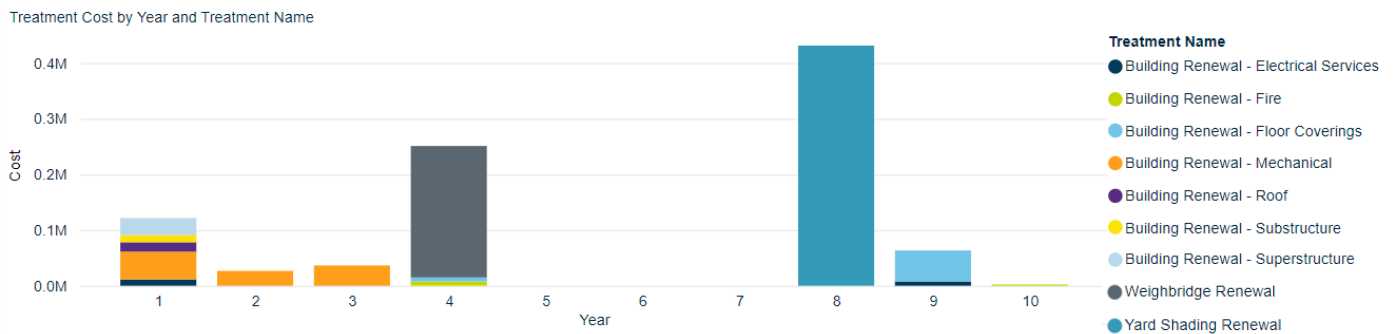


Figure 5: Total Renewal Costs by Year and Treatment Type – Desired LoS Scenario

Table 13: Renewal Cost Summary

Year	Current LTFP Funding Scenario		Desired LoS Required Funding	
	Renewal Cost	Ave. Condition	Renewal Costs	Ave. Condition
1	\$121,420	0.33	\$121,420	0.33
2	\$26,712	0.34	\$26,712	0.34
3	\$36,432	0.35	\$36,432	0.35
4	\$250,895	0.36	\$250,895	0.36
5	\$0	0.39	\$0	0.39
6	\$0	0.40	\$0	0.40
7	\$0	0.59	\$0	0.59
8	\$431,000	0.92	\$431,000	0.92
9	\$63,334	0.90	\$63,334	0.90
10	\$2,277	0.90	\$2,277	0.90
Total	\$932,069	0.95	\$932,069	0.95

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

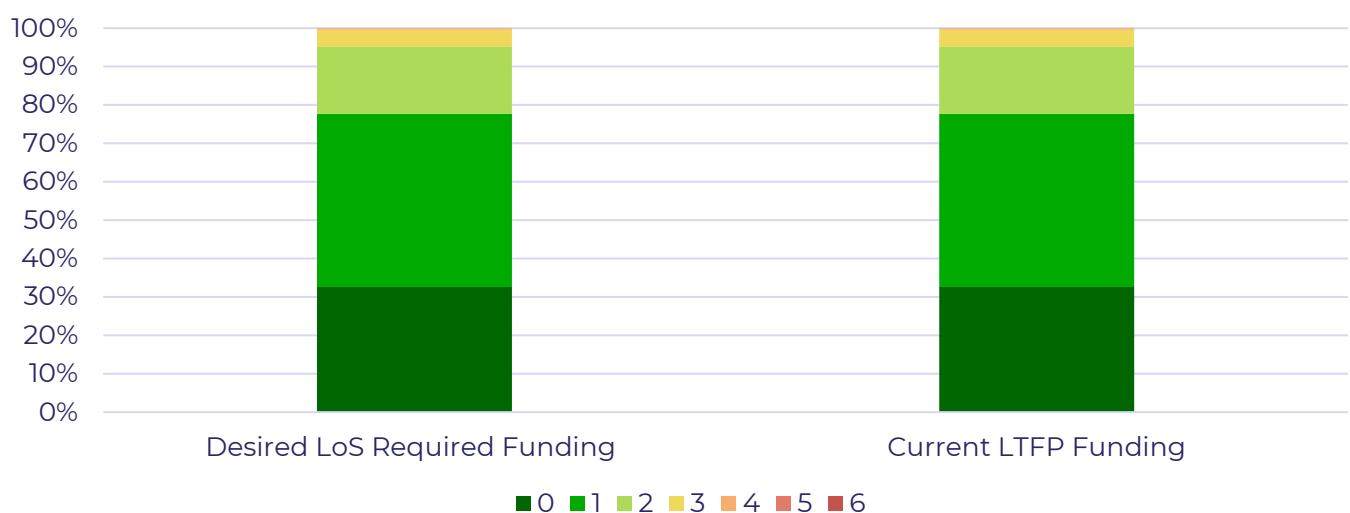


Figure 6: Condition Distribution Scenario Comparison at Year 10

Table 14: Condition Distribution Scenario Comparison at Year 10

Scenario	0	1	2	3	4	5	6
Desired LoS Required Funding	32.60%*	45.06%	17.46%	4.46%	0.42%	0.00%	0.00%
Current LTFP Funding	32.60%*	45.06%	17.46%	4.46%	0.42%	0.00%	0.00%

*The significant proportion of assets in new condition are the new yards and assets currently set to be complete in 2025.

Reviewing the performance of the LTFP Funding scenario shows that it will continue to meet current expected service levels, assuming no significant reactive maintenance occurs that requires capital renewal funding.

Future Acquisition Forecast

The supporting lifecycle model includes the expansion and upgrade project, valued at \$27m. Additional works may be undertaken in the next 10-15 years.

Conclusions

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

Table 15: Net Strategy Comparison

Scenario	Treatment Cost*	Operational Costs	Maintenance Cost	Initial Backlog	Final Backlog	Total Change in Backlog	Net Strategy Costs	Final Ave. Cond
Current LTFP Funding	\$932,069	\$0	\$0	\$0	\$0	\$0	\$932,069	0.95
Desired LoS Required Funding	\$932,069	\$0	\$0	\$0	\$0	\$0	\$932,069	0.95

As can be seen from the table and sections above the current level of funding is sufficient, assuming Council can adapt a flexible budget for renewal funding allocation in terms of the year a project is scheduled.

The current budget is also largely used for reactive maintenance requiring capital investment such as animals breaking the pens, vehicle damage, gate latch fixes, and other general reactive requests that occur frequently.

The current budget 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.

Assumptions

Significant assumptions were made in the development of this AMP and its underlying predictive analysis.

- Asset hierarchy requires additional work, particularly for inclusion of new assets
- Potential assets missing in data
- Remaining useful lives require review and standardisation
- Asset value requires review and standardisation with replacement value needing to be identified rather than asset valuation
- It has been assumed that budget can be carried over each year to address any shortfalls or variations in forecast requirements
- Current budget is an estimate provided by Gunnedah Shire Council

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 16: Risk Management Plan

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Power interruption rendering scales and computer recording systems inoperable	Moderate	The installation of alternative power supply in place to minimal operation capacity.	Economy & Growth
Contract cancellation or alteration may result in change in remuneration	Moderate	Nil	Economy & Growth
Animal Disease resulting in closure of facility due to disease outbreak in the area i.e. foot and mouth disease	Extreme	Disaster Management National Plan in place. A local plan has been suggested but nil action to date	Department of Primary Industry and Federal Government

Risk	Risk Rating	Control Measure / Treatment Approach	Responsibility
Community feedback regarding location of yards and impacts to nearby residents	Moderate	Planted tree barrier, increased irrigation for dust suppression and monitoring for wind impacts.	Economy & Growth

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 17: 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 Economy & Growth
New assets to be integrated once complete	The new assets have been brought in and aligned to the current hierarchy where possible. Once a hierarchy has been better defined and the works complete, the data should be reviewed and adjusted to more accurately reflect costs and assets.	Engineering Services Economy & Growth
Budget requirements	Once data quality has been uplifted to sufficient level, budget should be reviewed and appropriately allocated for both capital and operational requirements of the facility	Finance

Improvement Item	Action(s)	Responsibility
Levels of service	Levels of service to be reviewed and updated.	Economy & Growth
Predictor life cycle 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
Maintenance practices	Current maintenance practice is predominately reactive. Development of a planned maintenance schedule and list would ensure assets are appropriately maintained to an acceptable condition rather than run to failure.	Economy & Growth