Forer footpaths and cycleways

ASSET MANAGEMENT PLAN

Version 3.0

Adopted 24 March 2014
## Document Control

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Appendix 1. Maps of Proposed and existing formed footpath and cycleway network .......................... 1
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAAC</td>
<td>Average annual asset consumption</td>
</tr>
<tr>
<td>AMP</td>
<td>Asset management plan</td>
</tr>
<tr>
<td>ARI</td>
<td>Average recurrence interval</td>
</tr>
<tr>
<td>BOD</td>
<td>Biochemical (biological) oxygen demand</td>
</tr>
<tr>
<td>CRC</td>
<td>Current replacement cost</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CWMS</td>
<td>Community wastewater management systems</td>
</tr>
<tr>
<td>DA</td>
<td>Depreciable amount</td>
</tr>
<tr>
<td>DoH</td>
<td>Department of Health</td>
</tr>
<tr>
<td>EF</td>
<td>Earthworks/formation</td>
</tr>
<tr>
<td>IRMP</td>
<td>Infrastructure risk management plan</td>
</tr>
<tr>
<td>LCC</td>
<td>Life Cycle cost</td>
</tr>
<tr>
<td>LCE</td>
<td>Life cycle expenditure</td>
</tr>
<tr>
<td>MMS</td>
<td>Maintenance management system</td>
</tr>
<tr>
<td>PCI</td>
<td>Pavement condition index</td>
</tr>
<tr>
<td>RV</td>
<td>Residual value</td>
</tr>
<tr>
<td>SS</td>
<td>Suspended solids</td>
</tr>
<tr>
<td>vph</td>
<td>Vehicles per hour</td>
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</table>
GLOSSARY

Annual service cost (ASC)
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class
Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

Asset condition assessment
The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management
The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Assets
Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*
The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**
Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure
Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council’s asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or formed footpath and cycleway network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure
Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital funding
Funding to pay for capital expenditure.

Capital grants
Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure
See capital expenditure definition

Capital new expenditure
Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure
Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a formed footpath and cycleway network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure
Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council’s asset base, e.g. widening the sealed area of an existing formed footpath and cycleway, replacing drainage pipes.
with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

**Carrying amount**
The amount at which an asset is recognised after deducting any accumulated depreciation/amortisation and accumulated impairment losses thereon.

**Class of assets**
See asset class definition

**Component**
An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

**Cost of an asset**
The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Current replacement cost (CRC)**
The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Current replacement cost “As New” (CRC)**
The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

**Cyclic Maintenance**
Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Depreciable amount**
The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

**Depreciated replacement cost (DRC)**
The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation / amortisation**
The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**
See useful life definition.

**Expenditure**
The spending of money on goods and services. Expenditure includes recurrent and capital.

**Fair value**
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm’s length transaction.

**Greenfield asset values**
Asset (re)valuation values based on the cost to initially acquire the asset.

**Heritage asset**
An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**
The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**
Physical assets of the entity or of another entity that contribute to meeting the public’s need for access to major economic and social facilities and services, e.g. formed footpath and cycleways, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

**Investment property**
Property held to earn rentals or for capital appreciation or both, rather than for:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of business (AASB 140.5)
Level of service
The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

Life Cycle Cost **
The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure **
The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings
Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in ‘spreading the burden’ of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap
Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index
Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Maintenance expenditure
Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset’s useful life.

Materiality
An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.
A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Non-revenue generating investments
Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, formed footpath and cycleways and bridges, libraries, etc.

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. power, fuel, staff, plant equipment, on-costs and overheads.

Pavement management system
A systematic process for measuring and predicting the condition of formed footpath and cycleway pavements and wearing surfaces over time and recommending corrective actions.

Planned Maintenance**
Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

PMS Score
A measure of condition of a formed footpath and cycleway segment determined from a Pavement Management System.

Rate of annual asset consumption*
A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal*
A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade*
A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

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

Recoverable amount
The higher of an asset’s fair value, less costs to sell and its value in use.

Recurrent expenditure
Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent
expenditure includes operating and maintenance expenditure.

Recurrent funding  
Funding to pay for recurrent expenditure.

Rehabilitation  
See capital renewal expenditure definition above.

Remaining life  
The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal  
See capital renewal expenditure definition above.

Residual value  
The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Revenue generating investments  
Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management  
The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment  
A self-contained part or piece of an infrastructure asset.

Service potential  
The capacity to provide goods and services in accordance with the entity’s objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*  
A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset’s potential to provide services that are still available for use in providing services (DRC/DA).

Strategic Management Plan (SA) **  
Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council’s objectives and activities.

Sub-component  

Smaller individual parts that make up a component part.

Useful life  
Either:  
(a) the period over which an asset is expected to be available for use by an entity, or  
(b) the number of production or similar units expected to be obtained from the asset by the entity.  
It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use  
The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset’s ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary  
Note: Items shown * modified to use DA instead of CRC  
Additional glossary items shown **
1. EXECUTIVE SUMMARY

What Council Provides

Council provides a formed footpath and cycleway network to enable pedestrian and cyclist access to strategic points around Bathurst city area and within some villages. This includes links between the city area and outer suburban areas (Kelso, Eglinton, South Bathurst, Llanarth, Windradyne).

The network consists of 19.2km of cycleways and 82.5km of formed footpaths (101.7km total).

What does it Cost?

There are two key indicators of cost to provide the formed footpath and cycleway service.

- The life cycle cost being the average cost over the life cycle of the asset, and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council’s long term financial plan.

The life cycle cost to provide the formed footpath and cycleway service is estimated at $347,933 per annum. Council’s planned life cycle expenditure for year 1 of the asset management plan is $219,700 which gives a life cycle sustainability index of 0.63.

There is no Capital Renewal budget for formed footpath and cycleways in the 2013/14 and future Management Plans. While this does not currently pose an issue to the integrity or safety of the network, as the overall age of the network increases it will be a requirement in the near future (3-5 years and beyond).

The total maintenance expenditure budgeted to provide the formed footpath and cycleway network in the next 10 years is estimated at $2,554 million. This is an average of $255,369 per annum; giving a 10 year sustainability index of 0.73.

Plans for the Future

Council plans to operate and maintain the formed footpath and cycleway network to achieve the following strategic objectives.

1. Construct new cycleway and footpath network in accordance with the adopted Bathurst Community Access and Mobility Plan, 2011

2. To provide resources to ensure the formed footpath and cycleway network is maintained at a safe and functional standard as set out in this asset management plan.

Measuring our Performance

Quality

Formed footpath and cycleway assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired.

Function

Our intent is that an appropriate footpath and cycleway network is maintained to provide adequate access to strategic points around Bathurst city area and within some villages.

Footpath and cycleway assets will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure key functional objectives are met:

- Defects are detected, quantified and programmed for maintenance
- Footpath condition will be monitored on a 3-year basis and section of path replaced when no longer serviceable
- Prolong life of assets through effective maintenance

Safety

Council’s asset team undertakes a defect inspection on all formed footpath and cycleways on the following basis:

- Level 1 (higher identified risk, e.g. CBD area, Schools) – biannually
- Level 2 (all other formed footpaths and cycleways) - annually

Reported defects are recorded on the Customer Request Maintenance System (CRMS) and sent to the appropriate manager for assessment. Repairs are carried out in accordance CRMS timeframes and available funding.

The Next Steps

The actions resulting from this asset management plan are:

- Develop a capital renewal programme for the footpath network
- Improve the standard of inspections
- Make use of available financial data to produce accurate input to future budgets
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 the following associated planning documents:

- Asset Management Policy 2013
- Bathurst Community Access and Cycling Plan 2011
- Pedestrian Access and Mobility Plan 2001
- Bathurst City Council CBD Beautification Plan 1998
- Bathurst Local Area Bike Plan 1993

This asset management plan covers the following infrastructure assets:
- Formed footpaths – sealed, concrete and asphalt, typically 1.2m wide
- Formed footpaths – unsealed, granite and spray seal surfaces
- Formed cycle ways – typically 2.5m wide

Table 2.1. Assets covered by this Plan

<table>
<thead>
<tr>
<th>Asset category</th>
<th>Length (km)</th>
<th>Replacement Value ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paved formed footpaths</td>
<td>82.5</td>
<td>$7.260</td>
</tr>
<tr>
<td>Paved formed cycleways</td>
<td>19.2</td>
<td>$1.716</td>
</tr>
<tr>
<td>Total</td>
<td>101.7</td>
<td>$8.976</td>
</tr>
</tbody>
</table>

Key stakeholders in the preparation and implementation of this asset management plan are:

<table>
<thead>
<tr>
<th>Councillors</th>
<th>Formulate policy for the allocation of resources to maximise benefit to the community whilst minimising the Council’s exposure to risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Council</td>
<td>To manage the implementation of policy in a timely and cost effective manner. To ensure resources are effectively utilised</td>
</tr>
<tr>
<td>Access Committee</td>
<td>Representative of end users with particular access requirements</td>
</tr>
<tr>
<td>General Public</td>
<td>End users of the network</td>
</tr>
</tbody>
</table>
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,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.¹

This asset management plan is prepared under the direction of Council’s vision, mission, goals and objectives.

Council’s vision:
"To enhance the lifestyle and environment through effective leadership, community involvement and commitment to service."

Council’s mission
"The equitable development and maintenance of services provided for the general health and well-being of the citizens of the Bathurst Region and the adjustment of these services to meet changing needs."

Relevant Council goals and objectives and how these are addressed in this asset management plan are:

<table>
<thead>
<tr>
<th>Goal</th>
<th>Objective</th>
<th>How Goal and Objectives are addressed in IAMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>To enhance lifestyle ...</td>
<td>Maintain and improve existing formed footpath and cycleway infrastructure throughout the network</td>
<td>By linking residential areas and (where appropriate) satellite villages to areas of community needs/interest</td>
</tr>
<tr>
<td>To enhance ...environment...</td>
<td>Promoting the principles of sustainable living while still meeting the needs of everyday life</td>
<td>Provision of a network of formed footpaths and cycleways that allow a viable alternative to motor vehicles for commuting and leisure activities</td>
</tr>
<tr>
<td>Adequate infrastructure for projected population 80,000 by 2050</td>
<td>To have in place quality infrastructure that meets the needs of the community by providing adequate facilities for a population of 80,000 by the year 2050</td>
<td>The construction of new formed footpath and cycleway assets to adequately serve the expected rise in population. This includes any upgrading of existing formed footpath and cycleways required to meet the expected growth</td>
</tr>
<tr>
<td>To provide a formed footpath and cycleway infrastructure network that provides safe and convenient movement to, from and within the council area.</td>
<td>To commit to maintaining and improving existing formed footpath and cycleway infrastructure throughout the network</td>
<td>By allocating appropriate levels of funding for implementing a program of improvements and continuing an appropriate maintenance program</td>
</tr>
</tbody>
</table>

¹ IIMM 2006 Sec 1.1.3, p 1.3
2.3 **Plan Framework**

Key elements of the plan are:

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

A road map for preparing an asset management plan is shown over.

2.4 **Core and Advanced Asset Management**

This asset management plan is prepared as a ‘core’ asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a ‘top down’ approach where analysis is applied at the ‘system’ or ‘network’ level.

Future revisions of this asset management plan will incorporate a review of the benefits of an ‘advanced’ plan offset the investment in systems and processes to provide better value for Council.

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2 [See pp 14 NAMS PLUS3 Guidelines]: “Seeking advanced practice in all areas may not be the best solution for all organisations. It will depend on the scale and type of assets the organisation manages and the business context. Significant investment in systems, data and process is required to achieve advanced asset management.”
Road Map for preparing an Asset Management Plan

Source: IIMM Fig 1.5.1, p 1.11

CORPORATE PLANNING
Confirm strategic objectives and establish AM policies, strategies & goals.
Define responsibilities & ownership.
Decide core or advanced AM Plan.
Gain organisation commitment.

REVIEW/COLLABORATE ASSET INFORMATION
Existing information sources
Identify & describe assets.
Data collection
Condition assessments
Performance monitoring
Valuation Data

DEFINE SCOPE & STRUCTURE OF PLAN

ESTABLISH LEVELS OF SERVICE
Establish strategic linkages
Define & adopt statements
Establish measures & targets
Consultation

LIFECYCLE MANAGEMENT STRATEGIES
Develop lifecycle strategies
Describe service delivery strategy
Risk management strategies
Demand forecasting and management
Optimised decision making (renewals, new works, disposals)
Optimise maintenance strategies

FINANCIAL FORECASTS
Lifecycle analysis
Financial forecast summary
Valuation Depreciation
Funding

IMPLEMENT IMPROVEMENT STRATEGY

IS THE PLAN AFFORDABLE?
Reconsider service statements
Options for funding
Consult with Council
Consult with Community

ANNUAL PLAN / BUSINESS PLAN

AM PLAN REVIEW AND AUDIT

INFORMATION MANAGEMENT, and DATA IMPROVEMENT

DEFINE SCOPE & STRUCTURE OF PLAN

INFORMATION MANAGEMENT, and DATA IMPROVEMENT

IMPLEMENT IMPROVEMENT STRATEGY

IS THE PLAN AFFORDABLE?
Reconsider service statements
Options for funding
Consult with Council
Consult with Community

ANNUAL PLAN / BUSINESS PLAN
3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

The 2012 Bathurst Regional Council Community Survey was conducted between 15 November 2012 and 1 February 2013. The survey aimed to gauge resident satisfaction with a range of Council provided services and facilities and to determine the importance of a variety of local issues. A total of 269 surveys were completed.

Respondents were asked to nominate their top five priorities from a list of fourteen options.

![Bar chart showing the levels of service preferences]

Respondents were provided with a list of the key infrastructure projects identified in the Bathurst 2036 Community Strategic Plan and were asked to nominate on a scale of 1 to 10, with 10 being the highest level of importance, how important each project was to them. The results are shown in Chart 2.1 across.

Overall, respondents indicated that the most important projects were:

- New or upgraded community buildings including childcare facilities, youth facilities, community halls and public toilets;
- Environmental restoration and sustainability programs (e.g., urban waterways, biodiversity programs, vegetation management); and
- New footpaths and cycle ways.
3.1.1 Rural Formed footpath and cycleway Surfaces

Formed footpath and cycleways were not specifically mentioned in the 2012 Survey in relation to condition or function; therefore the only ongoing measure of the network performance comes from Customer Complaints (see fig 3.1.1).

Fig 3.1.1 Customer Requests related to Formed footpath and cycleways

Figure 3.1.1 shows a declining trend in the number average number of complaints registered in Council’s Customer Request Management System (CRMS) per month from January 2010 to April 2014.
3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3.2. Legislative Requirements

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Act 1993</td>
<td>Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.</td>
</tr>
<tr>
<td></td>
<td>Details Council’s role as custodian and trustee of public assets, and its associated responsibility to effectively account for and manage these assets.</td>
</tr>
<tr>
<td>Roads Act 1993</td>
<td>To confer certain functions (in particular, the function of carrying out road work) on Council and other road authorities and to regulate the carrying out of various activities on Council.</td>
</tr>
<tr>
<td>Civil Liabilities Act 2002</td>
<td>Sets out the provisions that give protection from civil liability and the responsibilities of Council and public alike.</td>
</tr>
<tr>
<td>Environmental Planning and Assessment Act 1979</td>
<td>The proper management, development and conservation of natural resources, including agricultural land, natural areas, forests, minerals, water, the city, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment.</td>
</tr>
<tr>
<td>Protection of the Environment Operations Act 1997</td>
<td>To protect, restore and enhance the quality of the environment having regard to the need to maintain ecologically sustainable development.</td>
</tr>
<tr>
<td>RMS Standards</td>
<td>Provides industry standards for design</td>
</tr>
<tr>
<td>Australian Standards</td>
<td>Provides a minimum standard in many areas including formed footpath and cycleway design, signage, provision of hand rails, etc.</td>
</tr>
<tr>
<td>Work Health &amp; Safety Act 2011</td>
<td>To secure and promote the health, safety and welfare of people at work.</td>
</tr>
</tbody>
</table>
| Bathurst Regional Council Policies               | • Bathurst Community Access and Cycling Plan 2011  
• Community Strategic Plan 2013                |
3.3 Current Levels of Service

Council has defined service levels in two terms.

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

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

<table>
<thead>
<tr>
<th>Service Criteria</th>
<th>Technical measures may relate to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Smoothness of formed footpath and cycleway surface</td>
</tr>
<tr>
<td>Quantity</td>
<td>Total length of formed footpath and cycleway network</td>
</tr>
<tr>
<td>Availability</td>
<td>The areas accessible and the ease of access to and from the formed footpath and cycleway network</td>
</tr>
<tr>
<td>Safety</td>
<td>Number of injury accidents</td>
</tr>
</tbody>
</table>

Council’s current service levels are detailed in Table 3.3.

Table 3.3. Current Service Levels

<table>
<thead>
<tr>
<th>Key Performance Measure</th>
<th>Level of Service</th>
<th>Performance Measure Process</th>
<th>Performance Target</th>
<th>Current Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMUNITY LEVELS OF SERVICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>Areas of importance and high pedestrian activity are provided with a quality paved footpath</td>
<td>Public request for reactive maintenance through the CRMS</td>
<td>&lt;6/month average</td>
<td>1.25 (2013)</td>
</tr>
<tr>
<td>Function</td>
<td>Meets appropriate requirements for - width - accessibility</td>
<td></td>
<td></td>
<td>XXXXX</td>
</tr>
<tr>
<td>Safety</td>
<td>Provide formed footpath and cycleway network that is safe for the expected demographic</td>
<td>Slips, trips and falls due to defects in footpath</td>
<td>&lt;5 claims p.a.</td>
<td>X claims (2013)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TECHNICAL LEVELS OF SERVICE</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Performance Measure</td>
<td>Level of Service</td>
<td>Performance Measure Process</td>
<td>Performance Target</td>
<td>Current Performance</td>
</tr>
<tr>
<td>Defects</td>
<td>Trip hazards as assessed by Asset Inspector to be actioned</td>
<td>Annual&lt;sup&gt;3&lt;/sup&gt; Inspection regime to assess footpath defects. Defects prioritised.</td>
<td>&lt;48 hours response time to high level hazards</td>
<td>Unknown</td>
</tr>
<tr>
<td>Condition</td>
<td>Overall footpath condition rating 1-5</td>
<td>Annual&lt;sup&gt;4&lt;/sup&gt; Inspection regime to assess footpath condition.</td>
<td>Average &lt;=3.0</td>
<td>XXX</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Residential areas and areas considered of community importance outlined within SAP are linked with continuous footpath or footway (includes access roads)</td>
<td>Continuity of linkages can be shown</td>
<td>85% continuity of network in accordance with SAP</td>
<td>xxx</td>
</tr>
</tbody>
</table>

<sup>3</sup> Level 1 footpaths are inspected bi-annually
<sup>4</sup> Level 1 footpaths are inspected bi-annually
## TECHNICAL LEVELS OF SERVICE

<table>
<thead>
<tr>
<th>Safety</th>
<th>Provide a footpath network free from trip hazards</th>
<th>Annual inspection regime and high priority reporting of high-rated trip hazards</th>
<th>Inspection cycles are completed on time</th>
<th>ZZZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost effectiveness</td>
<td>Maintenance will be provided in a cost-effective manner</td>
<td>Compliance with budget and area of work completed</td>
<td>Maintenance is within ±10% of budget</td>
<td>ZYX</td>
</tr>
</tbody>
</table>
4. FUTURE DEMAND

4.1 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.

Table 4.1. Demand Factors, Projections and Impact on Services

<table>
<thead>
<tr>
<th>Demand factor</th>
<th>Present position (2011 census)</th>
<th>Projection</th>
<th>Impact on services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>38,519</td>
<td>51,482 (2031, CSP)</td>
<td>Increased population means increased infrastructure. In this case more formed footpath and cycleways will be built.</td>
</tr>
<tr>
<td>% population over 65</td>
<td>13.9%</td>
<td>17.5% (2031 forecast.id)</td>
<td>An aging population will lead to an increase in footpath use and condition/safety expectations of users</td>
</tr>
<tr>
<td>Travel to work by walking</td>
<td>4.7%</td>
<td>5.5%*</td>
<td>Minimal, within capacity of existing network*</td>
</tr>
<tr>
<td>Travel to work by bicycle</td>
<td>0.6%</td>
<td>0.9%*</td>
<td>Minimal, within capacity of existing network*</td>
</tr>
</tbody>
</table>

* Fundamental changes in societal attitudes towards non-carbon emission transport options may cause a substantial change to these projections. However an increase in, for example bicycle commuting can be catered for by the existing local road infrastructure (decrease in cars offset by increase in cyclists using on-road bike paths)

4.2 Changes in Technology

Increasing popularity of electric scooters for sections of the community with limited mobility has led to a new demand on the footpath network. The requirements of electric scooter users are generally met by those requirements that satisfy cyclists – that is a wider stronger pavement with no stairs, gradients in compliance with minimum standards and adequate signage.

Other technological changes are forecast to have little effect on the delivery of services provided by the footpath and cycle way networks.

4.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

The Bathurst Regional Council Strategic Access Plan seeks to address the future demand expected of the footpath and cycleway network. Further opportunities will be developed in future revisions of this asset management plan.
Table 4.3. Demand Management Plan Summary

<table>
<thead>
<tr>
<th>Service Activity</th>
<th>Demand Management Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing popularity of cycling</td>
<td>Strategic Access Plan and Bathurst Bike Plan have been developed to specifically cater for the increased demand for serviceable and appropriate bike tracks. The Strategic Access Plan details Council's policy for future demand management regarding cycle routes.</td>
</tr>
<tr>
<td>Ageing population</td>
<td>Ensuring suitable access to places of community importance and linkages to major residential areas. That cycleways are adequate for the use of motorised scooters (mobility aids).</td>
</tr>
<tr>
<td>Further construction of residential subdivisions in outer suburbs</td>
<td>Major linkages of cycleways as outlined in the Strategic Access Plan</td>
</tr>
<tr>
<td>Increasing population</td>
<td>By using the roadway of local access roads as footways the need for dedicated residential footpaths in new developments can be somewhat reduced.</td>
</tr>
</tbody>
</table>

4.4 *New Assets from Growth*

The new assets required to meet growth will be acquired through installation of new footpaths and cycleways as part of the development of new land by Council and other developers. Obviously the growth in the overall footpath network does not (and is not expected to) reflect population growth. The primary instrument to identify future growth is the Bathurst Community Access and Cycling Plan 2011.
5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown below.

<table>
<thead>
<tr>
<th>Asset category</th>
<th>Length (km)</th>
<th>Replacement Value ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paved formed footpaths</td>
<td>82.5</td>
<td>$7.260</td>
</tr>
<tr>
<td>Paved formed cycleways</td>
<td>19.2</td>
<td>$1.716</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101.7</strong></td>
<td><strong>$8.976</strong></td>
</tr>
</tbody>
</table>

Formed footpath and cycleway assets can be characterised by the following hierarchy structure:

**Level 1 (CBD and other high-risk/traffic areas)** –
The footpaths within the CBD have been upgraded in accordance with the CBD Beautification Scheme 1998. They are of a high standard and usually cover the area from top of kerb to the property boundary, in some cases as wide as four metres.

These footpaths can be characterised by:
- dark oxide cement and decorative dividers of paving bricks,
- some areas feature paving style footpaths,
- street trees may be present within the footpath (often resulting in higher maintenance costs),
- the footpath area is patrolled by the litter collection officer,
- perambulator ramps at kerb crossings
- bicycle riding is not permitted on CBD paths

Maintenance costs are low to medium and will consist of:
- daily patrol for litter, graffiti, chewing gum etc by litter collection officer (CBD area)
- bi-annual inspection for defects
- high priority reactive maintenance

Other high risk/traffic areas such as adjacent to schools, hospitals, aged care facilities are also included in the bi-annual defect inspection regime.

**Level 2 (footpaths and cycleways not level 1 or 3)** –
The footpaths outside the CBD are of various descriptions and ages. New footpaths are constructed in accordance with BRC Engineering Guidelines. Older footpaths do not comply with Council’s guidelines. Standards vary but can be generally characterised by:
- 1.2 metres wide for footpath, 2 – 2.5 metres wide for combined cycleway/footpath
- 100 – 125mm thick uncoloured concrete, broomed finish
- Perambulator ramps at kerb crossings
- Maximum grade of 14%

Maintenance costs are low and consist of:
- Annual inspection for defects
- Reactive maintenance as necessary

**Level 3 (footpaths and cycleways not level 1 or 2)** –
Level 3 footpaths are essentially those in Village areas (currently only Perthville and Rockley) and are characterised the same as level 2. Inspections for defects are carried out six-months after the level 2 footpaths/cycleways to the same service standards.
Council’s current policy does not include funding for renewal of footpaths or cycleways. Renewal is generally undertaken by replacing only the segments of footpath that requires replacement as a result of defect repair/remediation. This results in some sections of the network having been renewed over a period of years without a corresponding update of asset register details.

The expected useful life of formed footpath and cycleway assets is 70 years as per Council’s Asset Management Policy. As some of the assets are reaching this life, a reassessment is being carried out in line with an internal technical document and the useful life extended by 5 years. This reassessment will be repeated at the completion of this 5 year extension.

**Fig 5.1.1. Asset Age Profile**

![Asset Age Profile Graph](image)

Average age of the formed footpath/cycleway network is 30.0 years, with any construction prior to 1944 having reached the end of its ‘useful life’.

**NOTE**
- The age profile of Council’s footpath assets is, for the majority of the network, indeterminate. In some cases the footpath has been installed with the road construction or reconstruction in other cases the footpath has been installed some time after initial construction. The information above has been gathered from age based on adjacent road construction dates, aerial photographs, residential development, engineering work as executed drawings and some educated estimates.

**5.1.2 Asset capacity and performance**

Council’s services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.
Table 5.1.2. Known Service Performance Deficiencies

<table>
<thead>
<tr>
<th>Location</th>
<th>Service Deficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footpath network</td>
<td>No link in various areas as identified in Access Plan</td>
</tr>
<tr>
<td>Cycleway network</td>
<td>No link in various areas as identified in Access Plan</td>
</tr>
</tbody>
</table>

Fig 5.1.2 Asset Condition Profile

84.53% of the network is in Fair or better condition.

**NOTE**

The last condition inspection of the network was completed from December 2013 to April 2014. The next condition rating inspections will commence in 2016.

Condition is measured using a 1 – 5 rating system, using an internal technical document to specify the criteria for each condition type.

5.1.3 Asset valuations

The value of assets as at 30 June 2014 covered by this asset management plan is summarised below.

- **Current Replacement Cost**: $8.976 million
- **Depreciated Replacement Cost**: $5.253 million
- **Annual Depreciation Expense**: $0.128 million
5.2 Risk Management Plan

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

Critical risks, being those assessed as ‘Very High’ - requiring immediate corrective action and ‘High’ – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2.

Table 5.2. Critical Risks and Treatment Plans

<table>
<thead>
<tr>
<th>Asset at Risk</th>
<th>What can Happen</th>
<th>Risk Rating</th>
<th>Risk Treatment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footpath/cycleway</td>
<td>Displaced service lid</td>
<td>EXTREME</td>
<td>Immediate action to restrict access to the area affected. Replace lid and effect any necessary repairs within 24 hours.</td>
</tr>
<tr>
<td>Footpath</td>
<td>Slab displacement &gt;20mm</td>
<td>HIGH</td>
<td>In the first instance mark with yellow paint to make defect obvious. Grind raised slab to same level as adjacent slab. Maintenance will be programmed into the footpath gang schedule via CRMS.</td>
</tr>
<tr>
<td>Footpath</td>
<td>Cracked pavement &gt;20mm</td>
<td>HIGH</td>
<td>In the first instance mark effected areas with yellow paint to make defect obvious. Replace the effected slab or slabs and make level to adjacent slabs</td>
</tr>
<tr>
<td>Footpath (pavers)</td>
<td>Cracked, worn, slippery or displaced pavers</td>
<td>HIGH</td>
<td>In the first instance mark effected areas with yellow paint to make defect obvious. Replace paving bricks as necessary.</td>
</tr>
<tr>
<td>Footpath/cycleway</td>
<td>Any defect reported by the public which, after appropriate inspection, results in H or VH risk rating</td>
<td>EXTREME/HIGH</td>
<td>Maintenance is programmed through the CRMS system with the response time being met as per SAMP.</td>
</tr>
</tbody>
</table>
5.3 Routine Maintenance Plan

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

5.3.1 Maintenance plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests (mostly through CRMS system) and management/supervisory directions. Reactive formed footpath and cycleway maintenance consists primarily of:

- Repair of surface defects considered by the appropriate officer to require urgent action
- Removal of any trip hazards considered by the appropriate officer to be dangerous.
- Removal of any obstructions

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

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

No planned maintenance is performed on the formed footpath and cycleway network.

Cyclic maintenance is repetitive maintenance performed without specific programming. No cyclic maintenance is performed on the footpath network.

Table 5.3.1. Maintenance Expenditure Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Paved footpath / cycleway maint</th>
<th>Unpaved footpath maint</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>$120,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>2013/14</td>
<td>$140,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>2014/15</td>
<td>$160,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>2015/16</td>
<td>$180,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>2016/17</td>
<td>$200,000</td>
<td>$160,000</td>
</tr>
</tbody>
</table>
5.3.2 Standards and specifications

Maintenance work is carried out in accordance with the Bathurst Regional Council Guidelines for Engineering Works, December 2004 Section 2.3.6 Footpaths and Cycleways.

5.4 Capital Renewal/Replacement Plan

Council’s current policy does not include funding for renewal of footpaths or cycleways. Renewal is generally undertaken by replacing only the segments of footpath that require replacement as identified by defect inspections. This results in some sections of the network having been renewed over a period of years without a corresponding update of asset register details.

5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development.

5.5.1 Selection criteria

New formed footpath and cycleway assets are constructed as based on the Bathurst Community Access and Cycling Plan 2011. This is a function of the forward planning area of Council and as such the decisions involved in new formed footpath and cycleway construction are not part of this asset management plan. New formed footpath and cycleways are constructed to Council specifications as set out in the Guidelines for Engineering Works, 2004.

5.5.2 Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2. Summary of future upgrade/new assets expenditure.
Formed footpath and cycleways constructed by Council as part of land development programs are constructed at no net cost to Council and are not considered in the new asset expenditure.

5.6 **Disposal Plan**

Formed footpath and cycleways are not subject to disposal.
6. FINANCIAL SUMMARY

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

6.1 Financial Statements and Projections

The financial projections are shown in Fig 6.1 for planned operating (operations and maintenance) and capital renewal.

**Fig 6.1. Planned Operating and Capital Renewal Expenditure**

6.1.1 Sustainability of service delivery

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

**Long term - Life Cycle Cost**

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense). The annual average life cycle cost for the services covered in this asset management plan is $0.348 million p.a.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is $0.219 million. This gives a life cycle sustainability index of 0.63.

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

**Medium term – 10 year financial planning period**

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 10 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.
This may be compared to existing or planned expenditures in the 10 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

Fig 6.1.1 shows the projected asset renewals in the 10 year planning period from the asset register. The projected asset renewals are compared to planned renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period as shown in Fig 8.

**Fig 6.1.1. Projected and Planned Renewals and Current Renewal Expenditure**

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue. A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Council’s long term financial plan covers the first 10 years of the 20 year planning period. The total maintenance and capital renewal expenditure projected over the 10 years is $2,554 million. This is an average expenditure of $0.255 million p.a. Estimated maintenance and capital renewal expenditure in year 1 is $0.219 million. The 10 year sustainability index is 0.73.

### 6.2 Funding Strategy

Ideally Council would maintain all footpaths to the highest standard possible (condition 1 or 2); to achieve this, a higher degree of monitoring for defects would be needed with an associated cost factor. As with all Asset Management Planning a balance needs to be struck between what is desired and what can be afforded. Current funding levels seem to achieve this balance on a maintenance basis, however renewal funding will become an increasing impost on budgets in the future just beyond the scope of this plan (10+ years) as the network age requires renewal.

### 6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.

The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.
6.4 **Key Assumptions made in Financial Forecasts**

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

- The Strategic Access Plan will be implemented in its entirety. This is unrealistic due to the long term predictive nature of the plan. Revisions of the predictions in this plan will influence the Asset Management Plan.
- Kerb and gutter construction to engineering guidelines is approximately $90/m
- Maximum expected life is 70 years (subject to review)
- A continued annualised CPI of 3.3% over the 20 year long term planning period.
- Depreciation is calculated on a straight line method, with revaluation of entire network every 5 years.

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions.

- Appropriate allocation of maintenance costs between repairs and renewals
- Development of condition based depreciation method that satisfies accounting standards
7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems
Council currently uses Civica Authority as the primary Corporate System
Administrator: IT manager
Relevant accounting standard is AAS 27 “Financial Reporting by Local Governments”
Actions required by the finance system resulting from the asset management plan:
- Obtaining new formed footpath and cycleway assets for take-up at the conclusion of the financial year from the asset section rather than from the financial system.

7.2 Asset Management Systems
Council uses CONFIRM asset management software. The current version is 14.10b.AM.5048
CONFIRM team:
Team leader: Administration Engineer
Administrator: Asset Engineer
Data entry: 2 x Asset Technicians
Field inspections: Asset Inspector

Confirm consists of:
- A comprehensive formed footpath and cycleway inventory;
- Condition rating for the formed footpath and cycleway network;
- Defect inspection and recording via the ConfirmConnect mobile solution;
- Data Management, with reporting procedure to present inventory and assessment information;
- Asset Accounting, AAS27 reporting capability and life cycle costing
- MapInfo GIS system linked to CONFIRM.

As a result of this plan it is intended to improve the Asset management system by:
- Linking of Confirm to Financial Software to gain more accurate costs of works.

7.3 Information Flow Requirements and Processes
The key information flows into this asset management plan are:
- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models;
- Data on new assets acquired by council.

The key information flows from this asset management plan are:
- The assumed Works Program and trends;
- The resulting budget, valuation and depreciation projections;
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets. The current communication between financial and asset systems is limited to manually entering the relevant data.
8. CONCLUSION

Provision of the formed footpath and cycleway network is an integral part of Council’s vision for Bathurst.

The total length of the network is **101.7km** and includes the formed footpath and cycleways in the Rural area of Bathurst Regional LGA. The average age of the pavement component of the network is **30.0** years (70+ expected). Approximately **15.47%** of the network is rated at condition poor or bad.

The current replacement cost is **$8.976 million**. The annual depreciation expense is **$0.128 million** p.a. Assets will be revalued in line with DLG requirements as at 30 June 2015.

The current maintenance budget is approximately **$0.219 million p.a.**

Complaints regarding the condition of the formed footpath and cycleway network have decreased from an average of 2 per month (Q1 2010) to **1.3** per month (Q1 2014). In customer service terms the maintenance of the network appears to be adequate.

In technical terms the maintenance budget is proving adequate for the network in its current form. Individual defects identified as requiring repair are being actioned within a reasonable period of time. A more thorough maintenance management system will better allow the Council to ascertain the effectiveness of the budget allocation.

Future budgets have been estimated by adding a factor for CPI at the time of budget preparation. The ‘inputs’ to formed footpath and cycleway maintenance (e.g. materials/fuel) have consistently increased at above CPI. Additionally, maintenance costs of a formed footpath and cycleway increases as the formed footpath and cycleway ages. Therefore the maintenance load will increase as the network ages. If the current level of maintenance funding is not increased in above the traditional CPI figure and as the aging formed footpath and cycleway infrastructure requires, a real and measurable drop in the overall formed footpath and cycleway condition could be expected.

The formed footpath and cycleway network pavement component has a useful life of **70 years**. This is being reviewed on a case-by-case basis as footpaths reach this age and is being extended in 5-year increments.

There is no current formed footpath and cycleway renewal budget. Renewals occur as a result of defect repair rather than as a result of an active renewal programme.

The information contained within the asset management plan sets a benchmark for the footpath network at the close of the 2012/2013 financial year. By continuing to collect information on the condition of the network and closely monitoring the expenditure on maintenance and renewal of the network the performance of the Council’s footpath strategies can be measured, reported on and improved in the future.
9. PLAN IMPROVEMENT AND MONITORING

9.1 Performance Measures
The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into council’s long term financial plan and Strategic Management Plan;
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the ‘global’ works program trends provided by the asset management plan;

9.2 Monitoring and Review Procedures
This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.
REFERENCES
Bathurst Regional Council, ‘Strategic Asset Management Policy’ 20XX – 20XX,


Appendix 1. Maps of Proposed and existing formed footpath and cycleway network
ASSET MANAGEMENT PLAN – Formed footpaths and cycleways
Mmm 20yy, Ver.3.0