Strategic Asset Management Plan (SAMP)

September 2023

Narrandera Shire Council

1.1.1 Acknowledgement to Country

Narrandera Shire acknowledges Aboriginal and Torres Strait Islanders as the first Australians and recognises that they have a unique relationship with the land and water. Council recognises that we are situated on the traditional lands of the Narrungdera Clan, of the Wiradjuri Nation who have lived here for thousands of years. We offer our respect to their elders past and present and through them, to all Aboriginal and Torres Strait Islander people.

Document credit

This document was prepared by Morrison Low for Narrandera Shire Council. The document was prepared in consultation with Council's technical and financial teams.

Document status

Job #	Version	Approving Director	Date
7680	Draft	M.Wood	12/22
7880	Final	M.Wood	6/23

Contents

1 Executive summary

This Strategic Asset Management Plan (SAMP) states the approach to implementing the principles and the objectives set out in the Asset Management Policy. It includes specific requirements to outline the processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management system. The asset groups covered by this SAMP are Buildings, and Open Space assets, Transport infrastructure assets, Stormwater assets, as well as Water and Sewer assets.

The SAMP highlights major issues which need to be addressed for each of the asset classes over the next ten years. The SAMP also highlights the necessary actions for Narrandera Shire Council (Council) to help close the gap between current asset management practice and move towards a 'good practice' position in the future.

Both the SAMP and the Asset Management Plans (AMPs) have been prepared in accordance with the International Infrastructure Management Manual (IIMM) and the Institute of Public Works Engineering Australasia (IPWEA) National Asset Management Strategy (NAMS) guidelines. Development of an asset management strategy and plans for council infrastructure assets is a mandatory requirement for NSW local government. The key findings for each asset class are included in the asset management plans (Appendices) and are covered in a concise but detailed manner.

The SAMP has been prepared based on best information available to Council at the time of development. The financial analysis is based on Council's current and most recent (2021/22) Financial Statements. The SAMP improvement plan identifies asset improvement strategies to improve the organisations capability and to provide more confidence in the reliability of the asset data that informs our decisions, including the need to undertake inspections to collect reliable asset condition data. As council's asset data and asset management maturity improves, the financial impacts including depreciation, maintenance, operational costs will be updated in future annual updates of Councils SAMP, AMP's and LongTerm Financial Plan (LTFP).

This strategy includes Council's Asset Management Policy. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

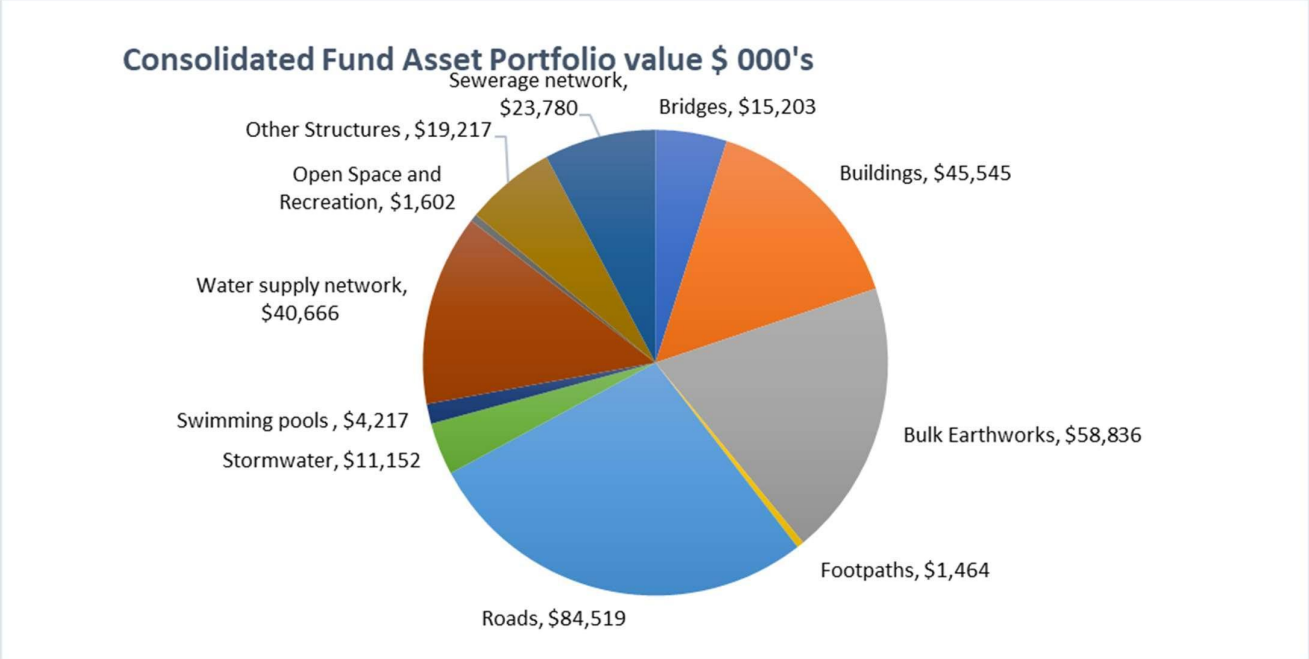
1.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $306.2 million. The asset values are estimates of the value of assets, as at 30 June 2022, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

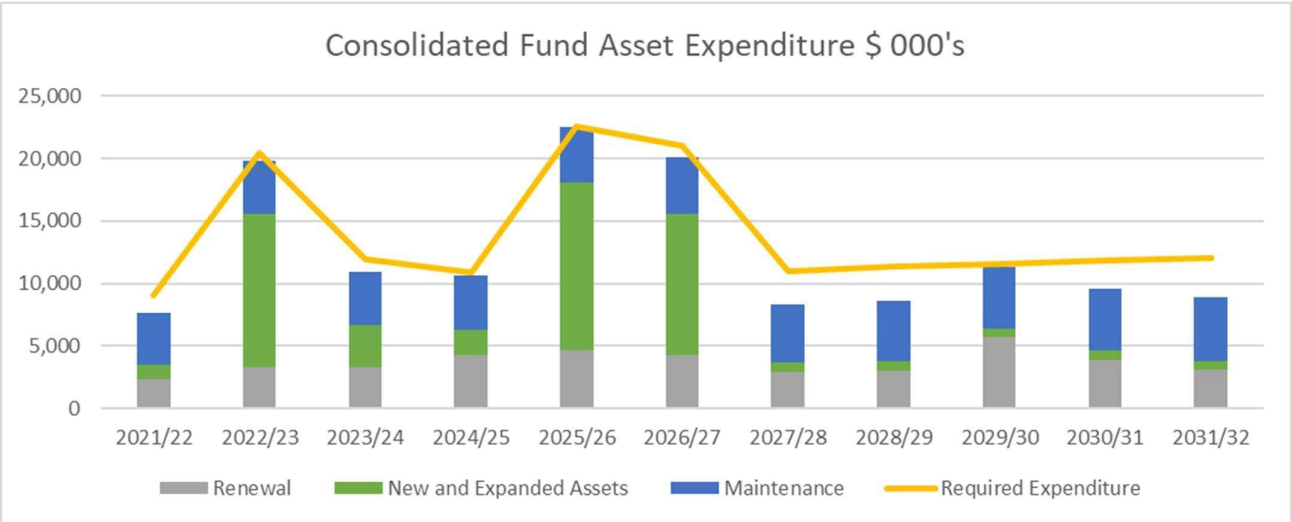
Table 1: Asset classes and values

Asset Class	Gross Replacement Cost (CRC) $ (000's)	Written Down Value (WDV) $ (000's)	Annual Depreciation Expense $ (000's)	Asset Management Plan
Buildings	$45,545	$19,133	-$1,148	Buildings and Open Space Assets
Other Structures	$19,217	$11,102	-$642	Buildings and Open Space Assets
Roads	$84,519	$53,090	-$1,831	Transport Assets
Bridges	$15,203	$9,190	-$149	Transport Assets
Footpaths	$1,464	$982	-$19	Transport Assets
Bulk Earthworks	$58,836	$58,836	$0	Transport Assets
Stormwater	$11,152	$7,283	-$79	Stormwater Assets
Water supply network	$40,666	$20,235	-$497	Water and Sewer Assets
Sewer network	$23,780	$15,565	-$305	Water and Sewer Assets
Swimming pools	$4,217	$3,036	-$103	Buildings and Open Space Assets
Open Space and Recreation (inc. Land Improvements)	$1,602	$839	-$105	Buildings and Open Space Assets
Total	**$306,201**	**$199,291**	**-$4,878**	

Figure 1: Council Asset Portfolio



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	65.97%	44.67%	Yr 1	(-$1,702)
Benchmark 100%			5 Yr Average	(-$1,500)
			10 Yr Average	(-$2,210)
Infrastructure Backlog Ratio	7.71%	7.23%	Yr 1	(-$12,120)
Benchmark 2%			5 Yr Average	(-$12,302)
			10 Yr Average	(-$12,931)
Infrastructure Maintenance Ratio	131.14%	116.66%	Yr 1	$998
Benchmark 100%			5 Yr Average	$907
			10 Yr Average	$822
Total Infrastructure Funding Gap			Yr 1	(-$12,824)
			5 Yr Average	(-$12,895)
			10 Yr Average	(-$14,319)



1.2 Asset Backlog

In 2021/22, Council had a combined asset backlog of $16 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2022 is shown in the following table.

Table 2: Asset backlog summary

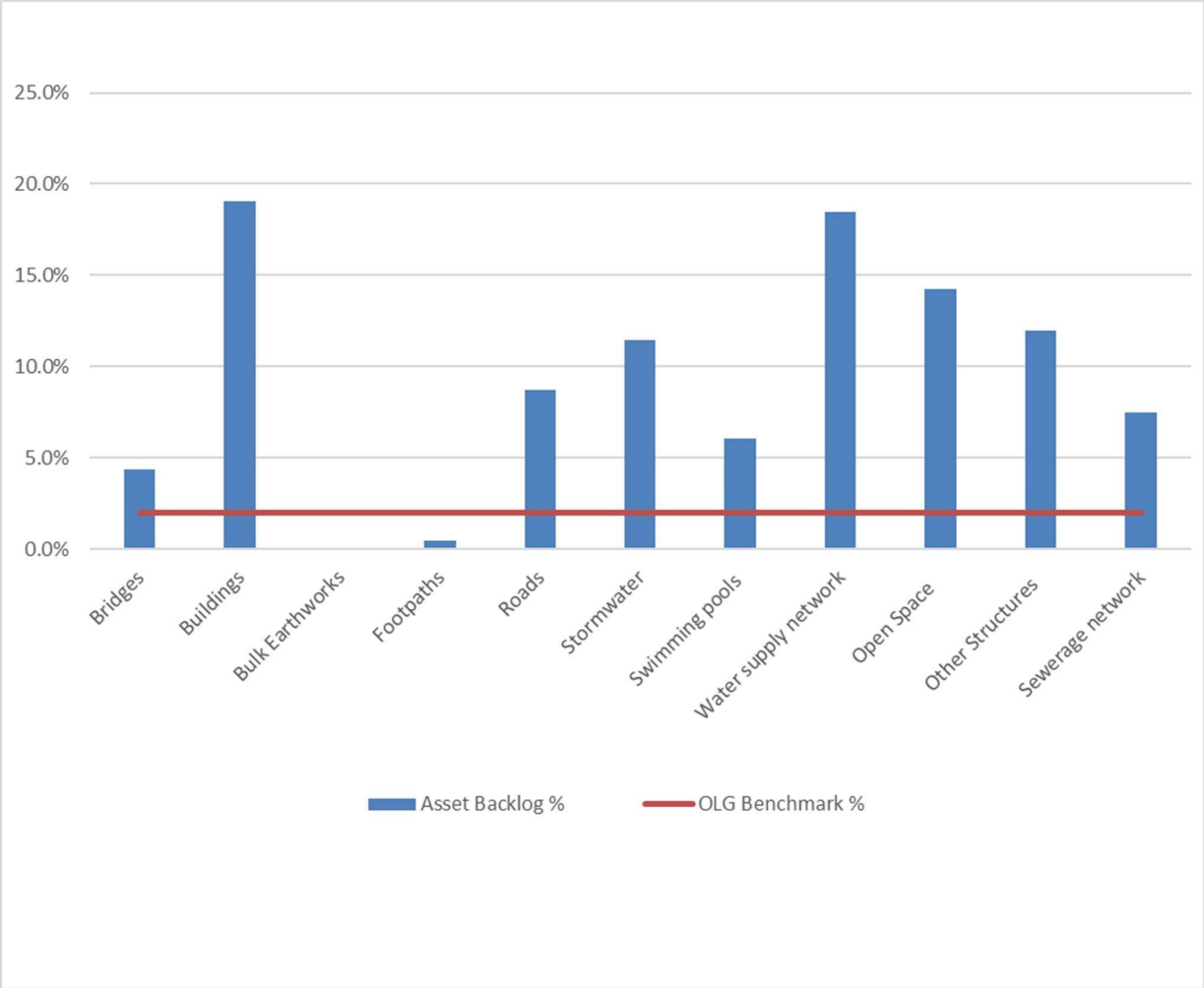
Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	3,652	19.1%
Other Structures	1,327	12.0%
Roads	4,638	8.7%
Bridges	403	4.4%
Footpaths	5	0.5%
Bulk Earthworks	-	0.0%
Stormwater	836	11.5%
Water Assets	3,738	18.5%
Sewerage Assets	1,164	7.5%
Swimming Pools	184	6.1%
Recreation Assets (Inc. Land Improvements)	119	14.2%
Total	**16,067**	**8.22%**

Council is currently facing significant challenges with a number of assets in poor condition including:

- Council Chambers
- Aerodrome
- Grong Grong Public Hall
- Barellan Pool
- Council's sealed road surfaces
- Councils Water Treatment Plant
- Councils Water Bores
- Councils DICL Water Trunk Mains

These assets have a significant Cost to Satisfactory and have resulted in a backlog level well beyond the OLG 2% benchmark. It is worth noting that the 22' Flood events have impacted councils sealed surfaces and water assets and should partially be restored through Disaster Recovery Funding. As council receives clarity with respect to this funding, it will incorporate the findings into future iterations of this SAMP and councils LTFP.

Figure 2: Council Backlog



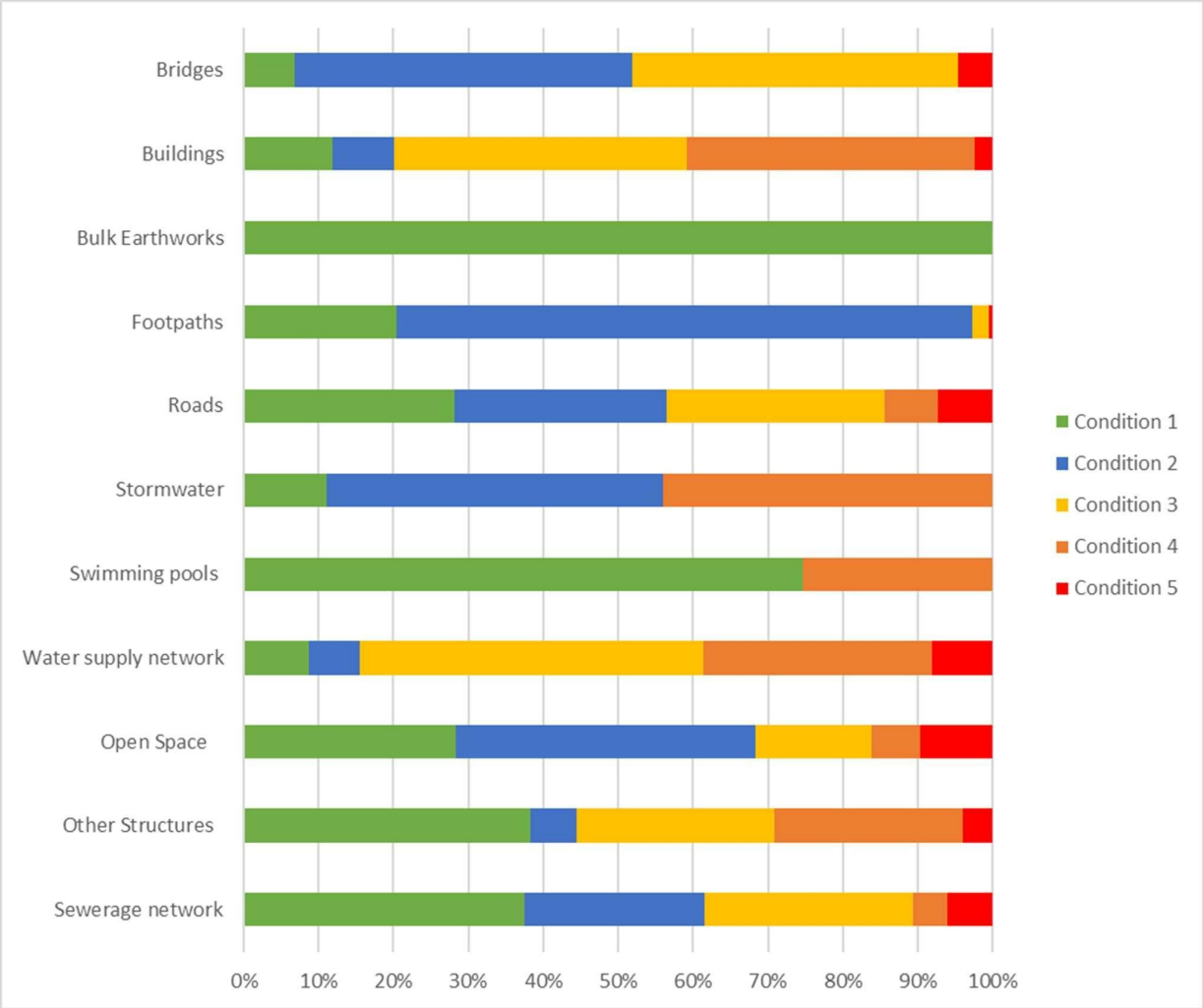
1.3 Asset condition

Reviewing the asset condition data shows that there is a significant portion of council assets in unsatisfactory condition (Table 3; Figure 3). The condition is represented as a percentage of the replacement cost of Council's assets. Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Overall, the quality of council's condition data is rated as acceptable.

Table 3: Asset condition

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	12%	8%	39%	39%	2%
Other Structures	38%	6%	26%	25%	4%
Roads	28%	28%	29%	7%	7%
Bridges	7%	45%	43%	0%	5%
Footpaths	20%	77%	2%	0%	1%
Bulk Earthworks	100%	0%	0%	0%	0%
Stormwater	11%	45%	0%	44%	0%
Water supply network	9%	7%	46%	31%	8%
Sewerage network	37%	24%	28%	5%	6%
Swimming pools	75%	0%	0%	25%	0%
Open Space	28%	40%	15%	7%	10%
Combined	**37.6%**	**16.8%**	**25.8%**	**15.4%**	**4.4%**

Figure 3: Asset condition summary

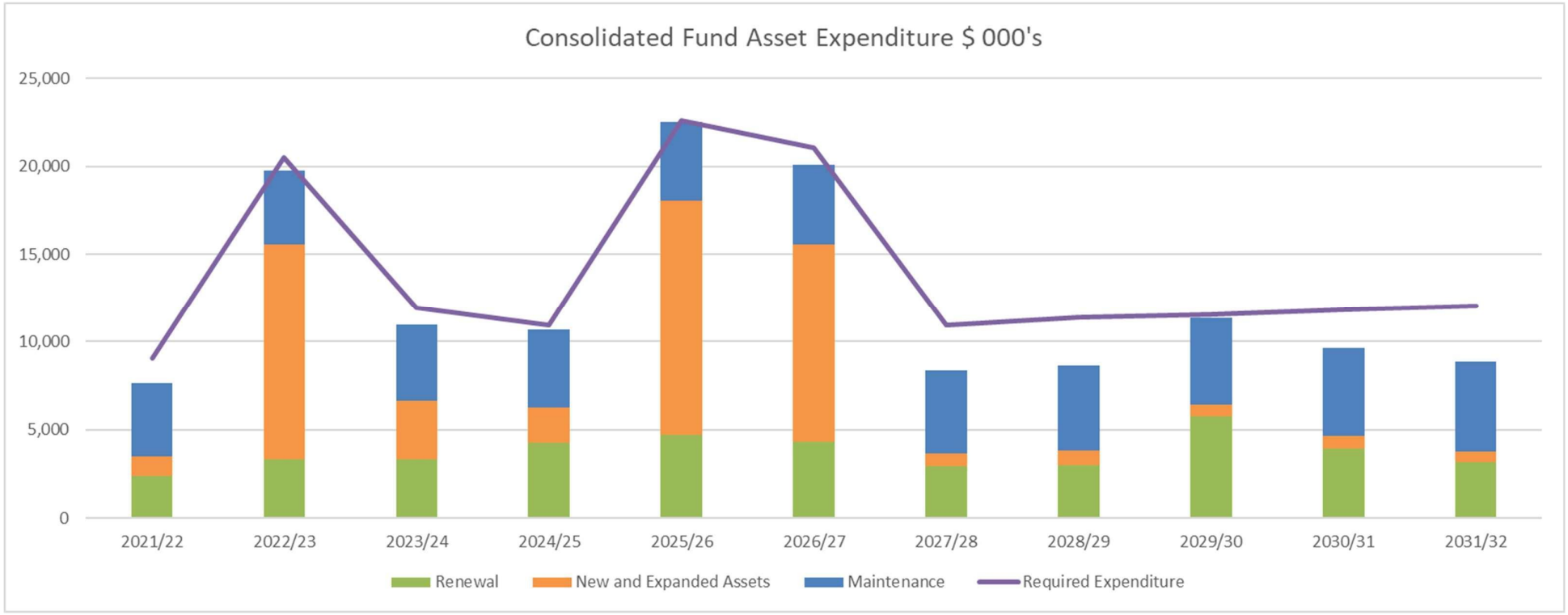


1.4 Expenditure and reporting

Table 4: Combined asset expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/32
Actual	Renewal	$3,298	$3,334	$4,235	$4,705	$4,322	$2,955	$2,976	$5,730	$3,916	$3,136
	New and expanded assets	$12,274	$3,316	$2,043	$13,330	$11,207	$700	$857	$714	$715	$623
	Maintenance and operational	$4,201	$4,294	$4,388	$4,484	$4,583	$4,684	$4,787	$4,892	$5,000	$5,110
	Total expenditure	**$19,773**	**$10,944**	**$10,665**	**$22,519**	**$20,112**	**$8,339**	**$8,620**	**$11,337**	**$9,630**	**$8,869**
Required	Required renewal (depreciation)	$4,986	$5,319	$5,522	$5,666	$5,931	$6,169	$6,313	$6,466	$6,618	$6,773
	New and expanded assets	$12,274	$3,316	$2,043	$13,330	$11,207	$700	$857	$714	$715	$623
	Required maintenance and operational	$3,500	$3,615	$3,712	$3,963	$4,204	$4,303	$4,405	$4,508	$4,614	$4,720
	Total	**$20,759**	**$12,251**	**$11,277**	**$22,960**	**$21,343**	**$11,171**	**$11,575**	**$11,688**	**$11,945**	**$12,115**
Maintenance gap		$701	$678	$676	$521	$379	$381	$382	$385	$387	$391
Renewals gap		-$1,687	-$1,985	-$1,287	-$962	-$1,610	-$3,214	-$3,338	-$736	-$2,703	-$3,637
Overall gap		**-$987**	**-$1,306**	**-$612**	**-$441**	**-$1,231**	**-$2,832**	**-$2,956**	**-$353**	**-$2,316**	**-$3,247**

Figure 4: Council Expenditure Overview



The projections indicate that Council has adequate funds to maintain and renew its portfolio of assets. Over the 10 – year period there is a surplus in the operational and maintenance expenditure (average of $0.5m annually) and a shortfall in the capital renewal expenditure relative to council's depreciation (average of $2.1m annually). However, it should be noted that Council currently has a significant backlog in part due to the 22' Flood events and while it would seem that there is adequate expenditure to maintain the status quo, significant funds are required to bring the portfolio to a satisfactory standard and within benchmarks set by the Office of Local Government (OLG).

1.5 Levels of service

The objective of asset management is to enable assets to be managed in the most cost-effective way, based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the level of service.

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Council has prepared specific community and technical levels of service which cover the accessibility, quality, responsiveness, affordability, customer satisfaction, sustainability, health and safety and financial performance regarding the delivery of their infrastructure assets.

These have been developed for all asset classes and are detailed in the respective AMPs and address the adopted lifecycle management of assets. The overarching SAMP establishes a basic framework to measure service level outcomes. It is important to note that while service levels have been developed and are informed by Council's Community Strategic Plan, Council is yet to undertake community and stakeholder consultation to 'accept' the service levels. The service review schedule is detailed in the Delivery Program 2022-26.

1.6 Strategic actions

Council has developed 10 Strategic actions to improve our asset management system. These will be reported on through the Annual Reporting process.

Table 5: High level strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes.	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long-Term Financial Plan covering ten years, incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.

No	Strategy	Desired outcome
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Report annually to Council on development and implementation of Asset Management Strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.

2 Introduction

2.1 Asset planning

Development of AMPs for Council's infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments. As such, Council has developed the following SAMP to cover the period 2022/23 – 2031/32. The key findings for each asset class are included in the asset management plans section of this strategy (Appendices) and are covered in a concise but detailed manner.

Providing infrastructure is one of the most important roles of Council, as assets support services that deliver on Council's long-term objectives. A formal approach to asset management is essential to ensure that services are provided in the most cost-effective and value-driven manner. Asset management needs to be fully aligned and integrated with Council's Community Strategic Plan, LTFP and Workforce Strategy. This ensures that community needs, and expectations are well understood, and that funding requirements and consequences are understood and available.

Council's current planning framework is based on the 'Local Government Financial Asset Sustainability Framework'.

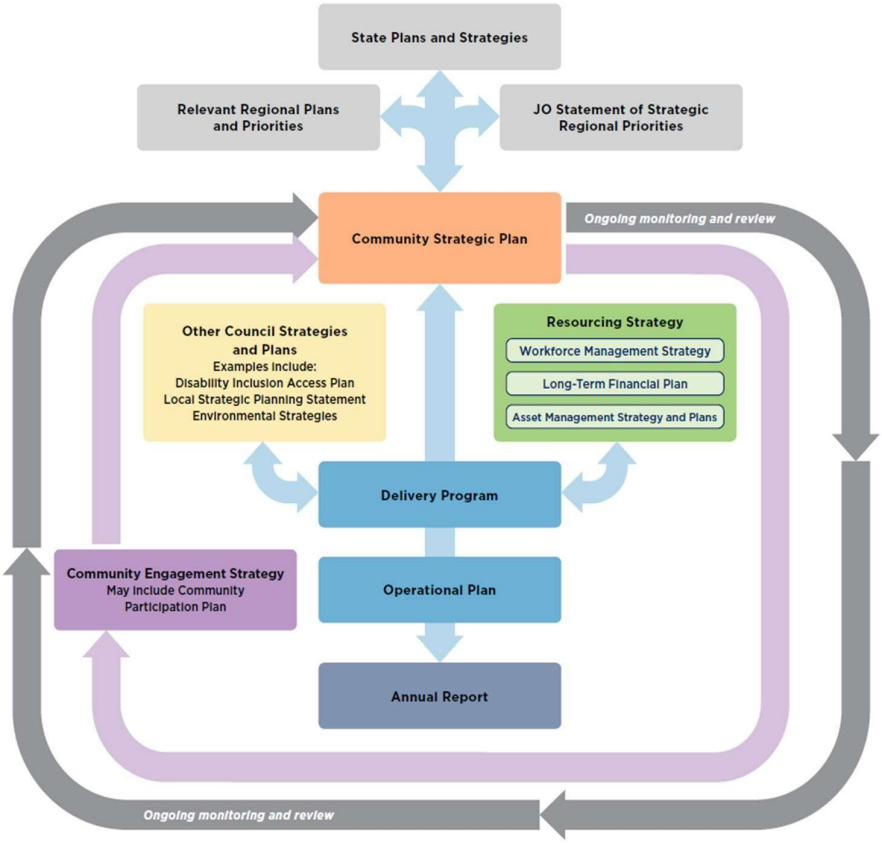


Figure 5 Council asset management planning framework

Council has adopted a 'whole of council' approach, beyond just a 'lifecycle' approach, and is committed to delivering value for money to the current and future generations of the community.

Figure 6: Relationship between Council's plans and resourcing strategies

Document	*Purpose*
Community Strategic Plan	**Sets** the community's vision for the next 10 years and strategies to achieve the vision
Community Engagement Strategy	**Guides** how Council engages with the community in all aspects of the IPR Framework and **sets** actions to be included in the Delivery Program
Delivery Program	**Outlines** the actions Council will undertake to meet the CSP goals over four years
Resourcing Strategy	**Companion documents to the Delivery Program, outlines how Council will resource the actions (addressing Council's finances, assets and workforce)**
Operational Plan and Budget	Maps what programs, projects and activities Council will undertake each financial year to fulfill the actions in the Delivery Program and to achieve the goals in the CSP
Strategic documents	**Informs** the actions in the Delivery Program and Operational Plan e.g. Economic Development Strategy
Quarterly reports, Annual Report and State of the Council Report	**Reports** Council's progress in achieving the community's vision

This SAMP establishes a framework to enable the prioritisation of asset groups through planning, construction, maintenance, and operation of infrastructure necessary to achieve the goals and objectives as set out in:

- Our Shire 2034 - Community Strategic Plan
- Narrandera Council Resourcing Strategy:
    - Long Term Financial Plan 2022 – 2032
    - Workforce Management Plan 2022 – 2026
- NSW State Plan and Premier Priorities
- Riverina and Murray Joint Organisation Strategic Regional Priorities
- Riverina Murray Regional Plan 2041
- Draft Integrated Water Cycle Management Plan

2.2 Scope of this Strategic Asset Management Plan

This SAMP has been developed to provide the framework to ensure that new and existing Council's infrastructure assets are operated, maintained, renewed and upgraded to ensure that the levels of service are achieved in the most cost effective and sustainable way. It meets Council's commitments under the IP&R Framework in that all Council's infrastructure assets are fully accounted for. Details on each asset class, including the inventory, condition, predicted and required expenditure are included in the Asset Management Plans.

The audience for this SAMP is Council staff, the Council executive management team, elected representatives (councillors), interest groups, stakeholders and other interested members of the general community.

The specific objectives of this strategy are:

- to ensure a sustainable service offering to the community by evolving and embedding a culture of asset management
- to ensure decision-making reflects community value for this generation and the next
- to develop clearly defined and agreed service levels, to inform asset investment, to support the community's quality of life
- to drive quality service outcomes by taking a risk-based approach to the way assets are managed
- to ensure availability of resources to maintain assets over the longer term.

The strategy identifies the future funding requirements and service delivery in the context of:

- current asset condition and performance
- levels of service
- forecasted demand for infrastructure and services
- funding constraints.

This strategy supports Council's aim to have 'best value' asset management strategies and practices. This is achieved by continually developing and improving the whole of Council's knowledge, systems, processes and strategies. This will ensure that Council is providing the level of asset management necessary to competently, responsibly and sustainably manage the community assets for current and future generations.

This SAMP has been prepared using a 'top down' approach whereby analysis is applied at the 'system' or 'network' level. The focus is on current levels of service and current practices. It includes expenditure forecasts for asset maintenance, renewal and replacement based on local knowledge of Council's assets and options for meeting current levels of service.

Future revisions of this SAMP will use a 'bottom up' approach for gathering information for individual assets to support the optimisation of activities and programs to meet the levels of service. The focus of future plans developed in this manner will include risk and performance optimisation, risk-based strategies, use of predictive methods and optimised decision-making techniques.

The format of this SAMP is outlined in the following table.

Table 6: Asset Management Strategy structure

Sections	Guidelines
1. Executive summary	Provides a high-level summary of the combined asset management plans and highlights the main issues for consideration.
2. Introduction	Outlines the purpose and scope of the plan and how the plan relates to other key policies and strategies.
3. Asset Management Policy	Excerpt from Council's adopted Asset Management Policy outlining the principles guiding Council's asset management practices.
4. Asset management practices	Provision of a comprehensive strategic asset management gap analysis process for asset management.
5. Levels of service	Outline of levels of service and asset performance standards and customer/community expectations and feedback regarding levels of service.
6. Future demand	Identification of demand trends, factors which may influence demand, forecast changes in demand, impacts and implications of future demand and effects on future planning.
7. Risk management plan	Provision of an asset-based risk management plan.
8. Overarching Strategic Asset Management Plan	Provision of a summary of Council's overall Asset Strategy including Asset Management Policy and identification of critical assets.

2.3 Council's assets

Council uses infrastructure assets to provide services to the community. An outline of the range of infrastructure assets and the services provided from the assets is shown below:

Table 7: Range of infrastructure assets and services

Asset Plan	Description
Buildings, Other Structures and Open Spaces	This Asset Management Plan includes all of Councils Buildings and Facilities, Other Structures, Recreational Area's and Open Space assets. Councils Buildings include the Council Chambers and Works Depots, Aerodrome, Community Halls, Lake Talbot Swimming Complex and Tourist Park, Museum, Library, Saleyards as well as the structures housing councils Water and Sewer assets. The Open Space areas include all of councils parks, playgrounds, sporting fields and equipment miscellaneous items such as benches, seats etc. As well as the roads, bridges, footpaths and drainage assets within these reserves.
Transport Assets	This Asset Management Plan includes all of Councils 'Transport' assets within its roads corridors, including its; sealed and unsealed roads, kerb and guttering, bridges, pathways, traffic calming devices as well as other ancillary transport assets.
Stormwater Assets	This Asset Management Plan includes all of council's stormwater and drainage assets such as its pipes, channels, pits and water quality devices
Water Network	This Asset Management Plan includes Council's water pipelines, pumping stations, treatment plants and storage.
Sewer Network	This Asset Management Plan includes Council's sewer pipelines, pumping stations and treatment plants.

Full details of Council's assets are covered in the individual asset management plans found in the appendices.

2.4 About Narrandera Shire Council

Narrandera Shire is centrally located in the Riverina Region of NSW. The Shire lies within the catchment area of the Murrumbidgee River and is located at the junction of both the Newell and Sturt Highways. Having an area of 4,116 square kilometres, the Shire sits midway between the main regional centres of Wagga Wagga and Griffith and marks the transition between the extensive broad acre agricultural areas of the western slopes and plains to the east and the highly productive Murrumbidgee Irrigation Area (MIA) to the west. The area also has substantive natural attractions including the Narrandera Nature Reserve, locally known as the Koala Reserve, a conservation area for koala's and native birds, as well as the sandy banks of the Murrumbidgee River.

Figure 7: Narrandera Shire Council LGA

Figure 8: Inundation due to March 22 Flood Event

2.5 Links to Council plans and strategies

The Strategic Asset Management Plan and Asset Management Plans have been prepared in line with the vision and strategy outlined in the Our Shire 2034 - Community Strategic Plan (CSP).

Infrastructure assets will play both a direct and indirect role in achieving the strategic objectives of the CSP. The following table indicates how Council's assets play a role in the delivery of the key strategies outlined in the CSP.

Table 8: Linkages to the Corporate Strategic Plan

Theme	Buildings	Other Structures, Open Space and Other Infrastructure	Transport	Stormwater	Water	Sewer
Our community						
To live in an inclusive, healthy and tolerant community with a positive attitude toward others.						
1.1.1 Acknowledge and celebrate our local Wiradjuri culture.		x				
1.1.2 Support opportunities for community participation in diverse arts and cultural activities.		x				
1.1.3 Work with event organisers to promote and improve participation in local events and festivals.						
Work together to advocate for quality health, education, youth and social services.						
1.2.1 Continue to work with the Aboriginal community fostering mutual respect and understanding through consultation seeking valuable feedback on important projects and initiatives.	x	x	x	x	x	x
1.2.2 Work with the Youth Council to implement the Youth Strategy.						
1.2.3 Integrate the Youth Council into official Council and community events.						
1.2.4 Continued advocacy for the delivery of integrated health services and well-being programs.						
To feel connected also safe.						
1.3.1 Maintain and enhance the connection between Council and the community using available communication channels.						
1.3.2 Continued advocacy for the strengthening of critical emergency services personnel and 'fit for purpose 'infrastructure through the Narrandera Community Safety Precinct Committee.	x	x	x	x	x	x
1.3.3 Ensure that the CCTV network is functional and there is a program for enhancement.	x	x				
1.3.4 Provide transport opportunities to support independent living at home.						
Our Environment						
To value, care for and protect our natural environment						
2.1.1 Establish strong partnerships to protect, expand and promote Narrandera's unique koala population with a vision to establish a research centre in Narrandera.		x				
2.1.2 Key environmentally sensitive areas under the control of Council are managed with awareness and sensitivity.		x				
Enhance our public spaces to enrich our community.						

2.2.1 Continually assess playgrounds to determine if fit for purpose, ensure compliance with the relevant standards and they meet community needs relevant to the level of use of the area.		x				
2.2.2 Implement a renewal and maintenance schedule to support a diverse range of building facilities for the community.	x					
Maximise greater re-use of resources to increase sustainability within our community.						
2.3.1 Implementation of the Narrandera Shire Waste Management Plan and identify realistic opportunities for re-use of waste streams.						x
2.3.2 Source funding and implement short to medium term actions from the Narrandera Shire Council Climate Action Strategy.	x	x	x	x	x	x
Our Economy						
Create strong conditions for investment and job creation through quality infrastructure and proactive business support.						
3.1.1 Identify and develop targeted campaigns to attract industry/business also building on our distinctive strengths in agriculture and its related supply chains.						
3.1.2 Promote collaborative marketing initiatives through regular meetings between businesses and Council on both a formal and informal basis.						
3.1.3 Promotion of Narrandera Shire using our heritage buildings, culture, location, waterways, ecotourism also business and sporting facilities.	x	x				
3.1.4 Advocate and support the expansion of the Narrandera-Leeton Airport and increased business opportunities.	x	x	x			
Encourage new housing supply to meet the needs of the community.						
3.2.2 Strategic land use planning for future housing, recreational, commercial and industrial needs. development.						
3.2.3 Continue to lobby NSW Government to resolve Aboriginal Land Claims on lands suitable for potential						
Our Infrastructure						
To have an improved and appropriately maintained road network.						
4.1.1 Submit funding applications to maximise opportunities to upgrade the local and regional road network.			x			
4.1.2 Plan and undertake road maintenance and upgrades based on available funding.			x			
4.1.3 Strategic lobbying for the replacement or upgrade of the bridge across the main irrigation canal on Irrigation Way.			x			
Actively investigate opportunities to enhance our potable water quality.						
4.2.1 Implement the adopted Integrated Water Cycle Management Plan (IWCM).				x	x	x
4.2.2 Continue to address water quality issues within the potable water supply network.					x	
4.2.3 Ensure that wastewater returned to the environment is in line with guidelines from relevant authorities.						x
To improve, maintain and value-add to our essential public and recreational infrastructure.						
4.3.1 Keep the community informed of water supply matters and proposed infrastructure upgrades, encourage water customers to register and use the new water billing portal.					x	
4.3.2 Undertake stages 1 & 1A of the Narrandera Business Centre Upgrade, including the implementation of improved stormwater drainage and seek funding for the additional stages of the project.			x	x		
4.3.3 Through stakeholder consultation, in any project consider the diverse mobility needs of our community, consistent with the Disability Inclusion Action Plan.	x	x				
4.3.4 Through community consultation develop a new masterplan for Marie Bashir Park.	x	x				
4.3.5 Through consultation with all user groups of Narrandera Shire sporting facilities, prioritise improvements for venues and seek funding to implement the improvements.	x	x				
4.3.6 Establish an off-leash companion animal area adjacent to Henry Mathieson Oval.		x				
4.3.7 Source funding to improve vehicle parking at the Lake Talbot Water Park		x	x			

Our Civic Leadership						
Have a Council that provides leadership through actions and effective communication.						
5.1.1 Manage the functions of ARIC also the schedule of Internal Audits and Service Reviews.	x	x	x	x	x	x
5.1.2 Support ethical, transparent and accountable corporate governance.						
5.1.3 Gauge customer and resident satisfaction with services and operations.	x	x	x	x	x	x
5.1.4 Report on compliance with the financial performance measures within the annual financial statements.	x	x	x	x	x	x
5.1.5 Continue strategic advocacy for the strengthening of the Shire centres of learning.						
5.1.6 Continue strategic advocacy for the improvement of telecommunication networks across the Shire.						
5.1.7 Make representations to both Federal and State Government agencies to determine the feasibility of the Lake Mejum and Lake Coolah concept.		x				
5.1.8 Ensure that workforce policies remain current in a changing environment.						
5.1.9 Maintain the connection with Price Waterhouse Cooper to complete the LG Performance Excellence Program on an annual basis.						
5.1.10 Ensure our workforce is well trained and meets the needs of the organisation now and into the future with succession planning for key roles within the organisation.						
5.1.11 Recognise the achievements of the Council workforce.						
5.1.12 Maintain an Information Technology Strategy that meets the needs of the organisation, is fit for purpose and provides best value for money.						
5.1.13 Actively protect the organisation from cyber threats such as spear phishing emails and unauthorised access to the network.						
5.1.14 Monitor the availability of Federal and State funding grants payable to Council.						
5.1.15 Maximise the revenue streams of Council.						
5.1.16 Provide a summary of ranger activities, including the number of dogs and cats registered in accordance with the Companion Animals Act 1998.						
5.1.17 Provide a summary of Development Applications received and 27 assessed.						
Promote a community spirit that encourages volunteerism and values effective partnerships.						
5.2.1 Through energised Advisory Committees seek input for the improvement of facilities and services under their management.						
5.2.2 Encourage volunteerism within Council operations and across the Shire where possible with recognition of volunteers at key times such as 'National Volunteer Week'.						

3 Asset Management Policy

3.1 Purpose

To set guidelines for implementing consistent asset management processes throughout Narrandera Shire Council.

3.2 Objectives

To ensure adequate provision is made for the long-term replacement of major assets by:

1. Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
2. Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
3. Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout the organisation by training and development.
4. Meeting legislative requirements for asset management.
5. Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
6. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.3 Scope

This policy applies to all Council activities.

3.4 Policy Background

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in

accordance with Council's priorities for service delivery.

Council owns and uses approximately $391 M of non-current assets to support its core business of delivery of service to the community.

Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.

Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives.

A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on;

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates;
- and The legal liabilities of Council.

3.5 Principles

A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all Departments of Council.

All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

Asset management principles will be integrated within existing planning and operational processes.

Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long-term financial plans will be fully funded in the annual budget estimates.

Service levels agreed through the budget process and defined in adopted Asset Management Plans will be fully funded in the annual budget estimates.

Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.

Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards.

Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

Future service levels will be determined in consultation with the community.

Training in asset and financial management will be provided for councillors and relevant staff.

3.6 Legislation

Local Government Act 1993.

Local Government Amendment (Planning and Reporting) Act 2009.

The Act 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. The amendments to the Act give effect to the Integrated Planning and Reporting framework.

3.7 Related Documents

- Asset Management Strategy
- Asset Management Plans

3.8 Responsibility

Councillors are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

The GENERAL MANAGER has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

3.9 Review Date

This policy has a life of 4 years. It will be reviewed in April 2024.

4 Asset management practices

4.1 Asset management information systems

Council's asset knowledge, information and data are corporate assets and are managed as part of the asset management framework. The current applications used by Council include:

- Asset – Valuation and Technical Spreadsheets
- Financial Register – Practical
- Maintenance Management (Roads) – Reflect.
- Spatial – Intramaps

4.2 Data collection and validation

In the preparation of this Strategic Asset Management Plan, Council has used the most current and up to date information available to Council.

As part of Council's asset management improvement plan, Council aims to foster a culture of continuous improvement in service delivery to ensure best value in service provision for the community. This will be supported by the Asset Management Plans, including ongoing monitoring, audit and improvement practices, which are to be used to optimise Council's operational and renewal expenditure.

4.3 Monitoring and review procedures

Council reports quarterly and annually on activities and outcomes to track the achievement of the CSP and Delivery Program. The asset management service levels and improvement plan actions will be reported on to the community through this process.

4.4 Confidence in data

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 9: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 10: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings	Acceptable	Acceptable	Reliable	Acceptable
Other Structures, Recreation and Land Improvements	Acceptable	Acceptable	Acceptable	Acceptable
Transport (Roads, Bridges, Footpaths)	Reliable	Acceptable	Reliable	Reliable
Stormwater	Acceptable	Uncertain	Uncertain	Uncertain
Water	Reliable	Acceptable	Reliable	Reliable
Sewer	Reliable	Acceptable	Reliable	Reliable

4.5 Funding strategy

Council's funding strategy aims to align Council's Long Term-Financial Plan, Asset Management Plans and annual budget to accommodate the lifecycle requirements of its assets. By having a unified process, all decision-making numbers can be traced back to the AMPs, thereby informing the annual budgets, Delivery Program and forward programs providing a degree of certainty for delivery timeframes and resourcing requirements.

In order to ensure value, Council will plan capital upgrade and new projects to meet level of service objectives by:

- planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- undertaking project scoping for all capital upgrade/new projects to identify:

    - the service delivery ‘deficiency’, present risk and required timeline for delivery of the upgrade/new asset
    - the project objectives to rectify the deficiency including value management for major projects
    - the range of options, estimated capital and lifecycle costs for each option that could address the service deficiency
    - the management of risks associated with alternative options
    - and evaluate the options against evaluation criteria adopted by Council
    - the best option to be included in capital upgrade/new programs
- reviewing current and required skills base and implement training and development to meet required construction and project management needs
- reviewing the current resources and capacity of the organisation to deliver the Capital Works Program on an annual basis
- reviewing management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal, as shown in the appendices.

4.6 Asset management roles and functions

Council is currently in the process of mapping out its asset management roles and responsibilities to ensure that there is clarity throughout the organisation and that all asset management functions are identified, allocated and being completed.

In the context of asset management, it is essential that the executive show leadership in this regard and support and show their commitment to asset management. This includes cultivating an organisational culture around asset management; ensuring that all personnel involved are aware of the need of asset management to balance value, risk, opportunities, and cost throughout the asset lifecycle. There needs to be a unified vision and intention from the executive which aligns with the organisation’s values.

Asset management governance will be managed by Council’s Executive and the Asset Management Steering Committee, who will be reported to bi-annually and monitor and report on the progress of asset improvement plan actions.

The efficient and effective management of Council’s assets is essential to the wellbeing of the community through service delivery functions of Council. There must be a clear definition of the roles and responsibilities for all aspects of the management of assets.

Clearly, for asset management to be effective, there should be a whole of organisational approach and, as such, the traditional engineering fit for asset management is not always the best fit for all organisations and as such should be reviewed at Narrandera. As with most council functions at a high level, there is an activity continuum, as shown in the following figure.

Figure 9: Asset management roles

Within these areas asset management generally has a number of key functions, each with core activity responsibilities, as set out below. For some councils it is usual that some of these roles and functions are combined but we have found that the more these roles have distinct boundaries within their functional areas the better the results.

Roles are defined as:

Asset owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy.
Asset custodian	This role is normally the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.
Asset delivery	This role is responsible for the day-to-day maintenance of assets.

A summary of current Asset Management Roles and Responsibilities will be provided as part of each asset plan.

5 Levels of service

5.1 Defining levels of service

There are a variety of ways to describe levels of service (also known as service level). The concept adopted in this plan is that 'levels of service are output descriptions supported by quantifiable performance measures.'

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Service levels may relate to:

- the reliability of an asset
- the quality of an asset
- having the right quantity of assets
- the safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

5.2 Performance measures

The level of service statement is supported by performance measure(s), also referred to as performance indicator(s), that indicate how the organisation is performing in relation to that level of service. The performance measure includes targets that are made up of community and technical measures. The customer measure relates to how the community receives the service, whereas technical measures support customer measures to ensure all aspects of organisational performance are being monitored, even those that may not be understood by customers.

In this plan, the level of service is prepared so that they are clearly and directly linked with the performance measures. For some performance measures in this plan, Council will have full control over the outcome, for example 'respond to service requests within seven days. However, it is important to recognise that some performance measures may be influenced by external factors. For example, the number of fatalities can be influenced by road management, but driver behaviours, police enforcement and a number of other factors also strongly contribute to the overall outcome.

5.3 Service level outcomes

The levels of service in this plan have been developed with a customer focus and are grouped into core customer value areas that are referred to as 'service level outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- condition
    - accessibility and/or availability
    - quality/condition
- functionality
    - reliability/responsiveness
    - sustainability
    - customer satisfaction
- capacity
    - affordability
    - health and safety.

5.3.1 Condition

Accessibility

To ensure the asset base performs as required, it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome, the Council's customers will require assets that are accessible and can be relied upon to deliver the services that are not only expected, but the services that are required.

Quality/condition

Asset quality is also very important. Council should determine the quality of the assets required. Quality will have more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed below.

Table 11: Asset condition rating matrix

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition, however, is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

5.3.2 Function

Responsiveness

Council will maintain assets in a diligent manner and be responsive to the needs of the community now and into the future. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

Customer satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long-term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

5.3.3 Capacity

Affordability

Council will maintain its infrastructure assets in a cost-effective, affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

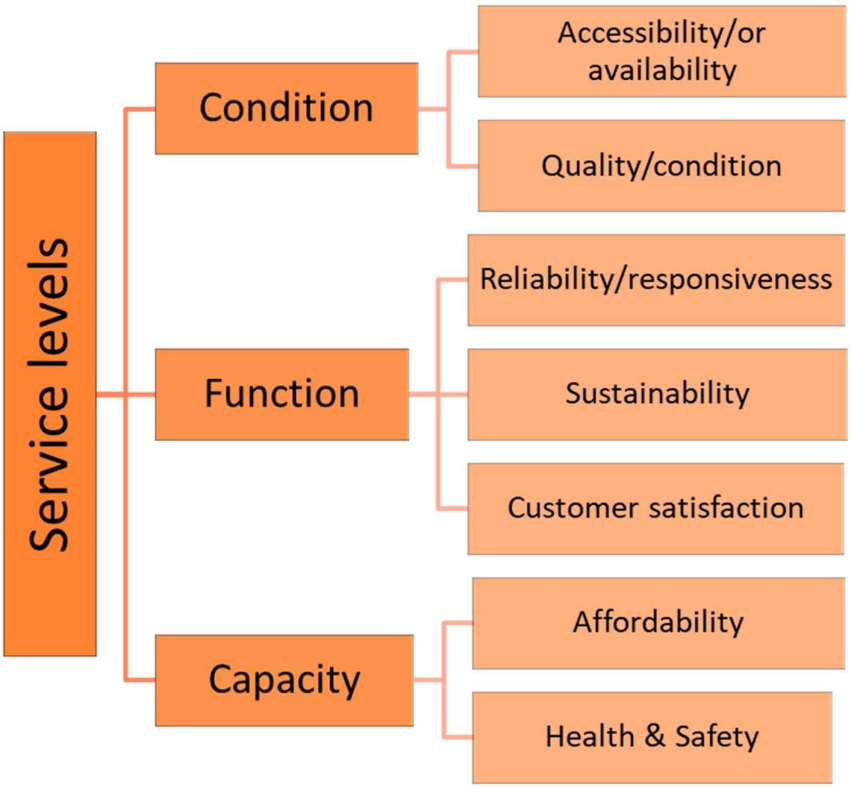
Health and safety

Council will endeavour to identify and mitigate all key health and safety risks created by the provision of services. Examples of level of service based on safety might include the following:

- services do not cause a hazard to people
- water is safe for swimming.

Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and the Council.

Figure 10: Service level framework



5.4 Financial based service levels

The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the levels of service for Council's assets that have been used to provide the basis for the lifecycle management strategies and works programme identified within this Strategic Asset Management Plan.

5.4.1 Asset backlog ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a Council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets (averaged over three years).

5.4.2 Asset consumption ratio

The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential. It is also a measure of Council's past commitment to renewal of the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

5.4.3 Asset sustainability ratio

Are assets being replaced at the rate they are wearing out? This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. Council would need to understand and be measuring renewal expenditure to be able to determine this ratio.

5.4.4 Asset renewal and renewals funding ratio

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its Long-Term Financial Plan to adequately fund asset renewals. The benchmark is 100% (averaged over three years).

5.4.5 Asset maintenance ratio

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that Council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100% (averaged over three years).

Table 12: Service levels

Key performance indicator	Level of service	Performance measurement process	Performance target
Accessibility	Provision of quality of assets to meet community needs	Condition of assets are measured and reported annually	No net decrease in condition across all asset classes
	Community has confidence in Council to manage assets	Community satisfaction survey and Community engagement strategy	Increased level of confidence from previous survey
Quality/condition	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to brig asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%
Reliability/ responsiveness	Provision of sufficient assets to meet community needs	Number of requests for additional/increased level of service	Number of requests for additional/ increased level of service less than rolling previous three-year average
Customer satisfaction	Be responsive to the needs of customers using asset	No customer requests received	85% of requests are completed within Council's service charter
	Opportunity for community involvement in decision making are provided	Asset management plan	All asset management plans are available on the website and for circulation to the public
Sustainability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset condition and age-based renewals plan - ensure the plan is approved by Council and updated annually
	Continuous improvement in asset knowledge, systems and processes.	Asset Management Working Group meets regularly to report on performance of strategic asset improvement program	100% of the strategic asset improvement actions completed annually
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%
Affordability	Council maintains its assets	Asset maintenance ratio, measured by (actual maintenance expenditure and required maintenance expenditure)	OLG benchmark 100%
Health and safety	Ensure all assets are safe and do not cause a hazard to people	Safety audits	The three-year rolling average of total claims decreases

6 Future demand

6.1 Demand forecast

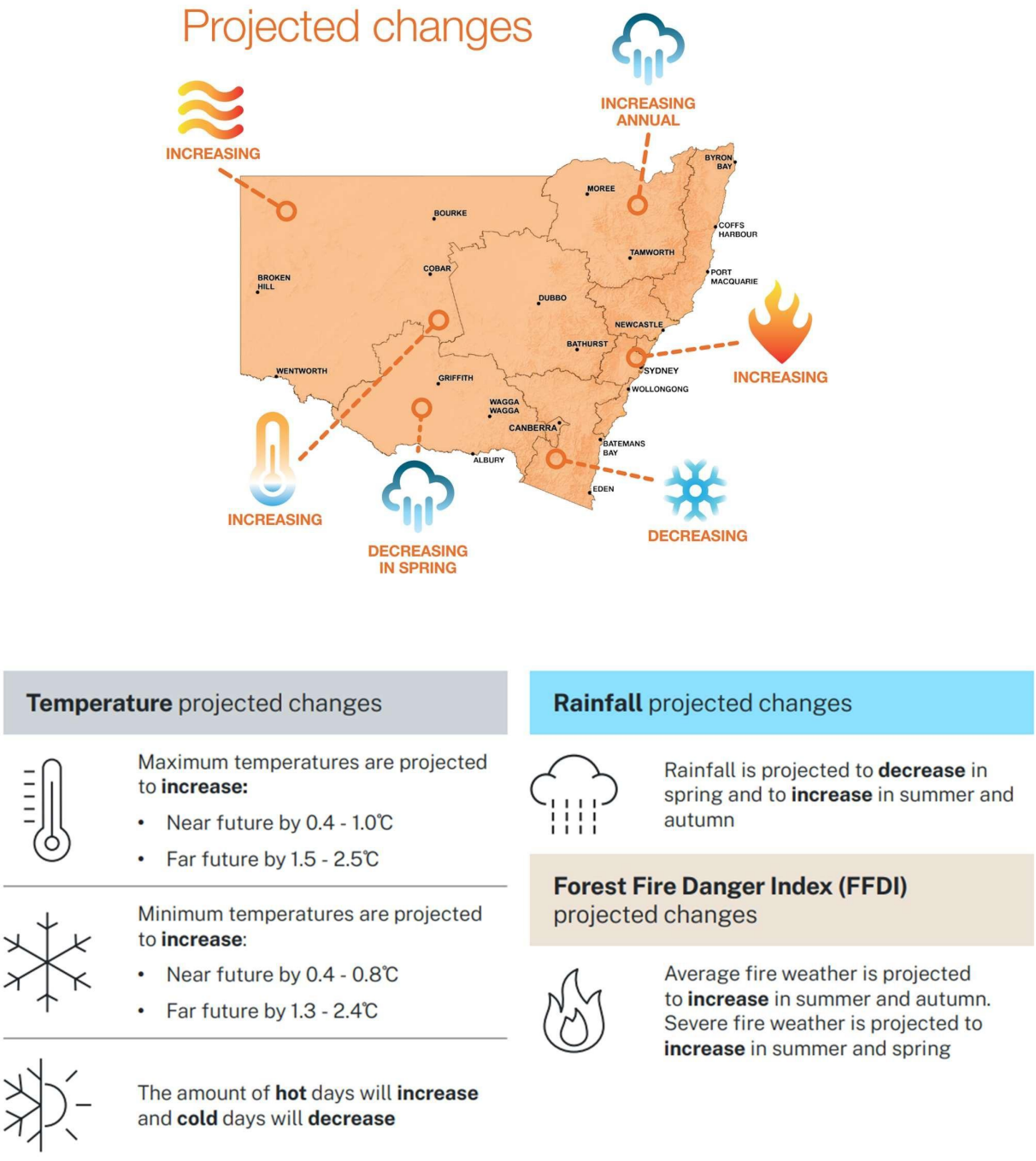
The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

- population growth (decline)
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

Table 13: Future demand impacts

Demand drivers	Present position	Projection	Impact on services
Population	Current estimated population is 5,731 (Id.) – current proportion of population over the age of 60 (31.1%)	Estimated decline to 4,800 by 2036 (DPIE) as well as an aging population profile primarily due to net migration to nearby Urban centres (Albury, Griffith, Wagga)	While the decline in council's population is not expected to result in significant changes to levels of service provided, Council will need to consider whether the assets currently provided adequately for the aging population.
Economy	Agriculture remains the dominant industry within the LGA employing 17.2% of residents.	Projects nominated for upgrade in the Riverina Murray Regional Plan 2041 include: • WR Connect • Inland Rail and Newell Highway Program Alliance	These projects are expected to reduce heavy vehicle movements through the LGA and may have positive impacts on the condition of the transport network as well as encourage growth in the LGA.
Environment	The NSW and ACT Regional Climate Modelling (NARCliM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079	Expected climatic changes can be found in figure seven. This includes: • overall increased temperatures • increased risk and intensity of natural disaster (fire) events	Anticipation of greater rainfall in the region as well as greater likelihood of severe weather events will strain existing infrastructure and may cause damage as recently experienced by council.

Figure 11: NARClim Modelling and Expectations



6.2 Demand management strategies

Demand management strategies have been developed to effectively manage the change in Narrandera Shire. These strategies will need to be monitored to ensure that they capture and are responsive to changing community expectations and demographic profile as the region changes.

Table 14: Demand management strategies

Demand factor	Impact on services
Population	While it is unclear as to whether the region expects growth or decline in the short term, it is likely that there will be a transition and movement of the population to less flood prone areas and Council will need to sure that ancillary infrastructure is appropriate to accommodate change.
Demographics	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Increasing costs	Requirement to continue to maximise service delivery within the funding limitations.
Environment and climate	Assets may be impacted by changes such as increased severity of natural disasters and weather events.
Technology	May require improved environmental/economical management of assets.

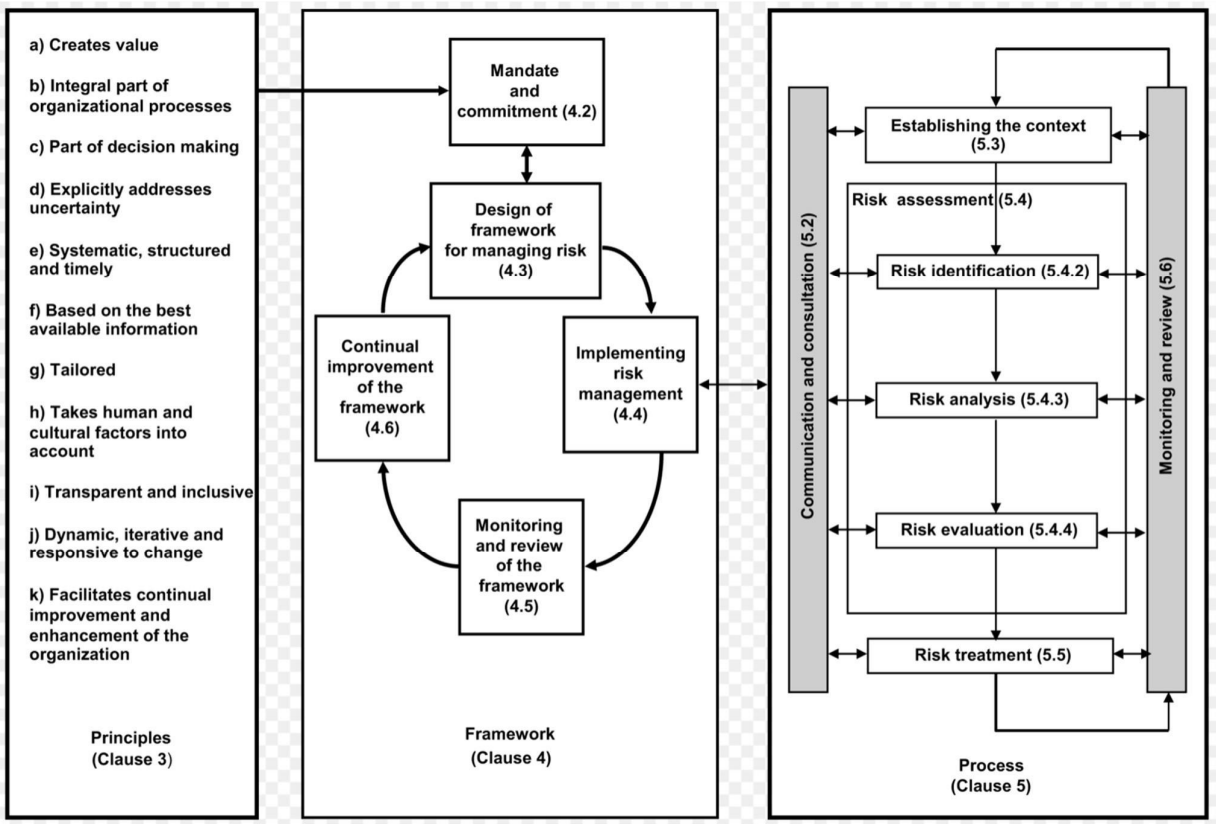
7 Risk management

Risk management is defined in 'AS/NZS 4360:2004' as: "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects".

Council is committed to a structured and systematic approach to the management of risk with Councils enterprise risk management framework aligned with ISO 31000:2018 (To be read in conjunction with Council's Risk Management Policy and the Risk Management procedure TRIM ED45-159). This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

- increases the likelihood of Council achieving its objectives
- creates an environment where all employees have a key role in managing risk
- encourages proactive management
- improves the identification of opportunities and threats
- improves stakeholder confidence and trust
- improves financial stability and minimise losses
- improves organisational performance.

Figure 12: ISO 31000 Framework



This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory, and other risk. Under this approach, there are five key stages to the risk management process:

- **communicate and consult** - with internal and external stakeholders
- **establish context** - the boundaries
- **risk assessment** - identify, analyse and evaluate risks
- **treat risks** - implement and assess controls to address risk
- **monitoring and review** - risks reviews and audit.

Council

7.1 Infrastructure risk management framework

Council has undertaken an analysis of the key infrastructure risks for each of its asset classes in its operational risk register. The risk analysis (likelihood and consequence) and treatment criteria specific to each asset class have been identified and in general, risks are evaluated in the following way:

- risk identification
- risk evaluation
- risk treatment
- risk treatment plan.

7.2 Strategic infrastructure risks

Council is currently in the process of identifying its high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework. A summary of the identified high-level risks can be found in the Appendix **F**

7.3 Critical assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas.

ISO 55001 Cl 6.2.1.2b requires organisations to 'review the importance of assets related to their intended outcomes, objectives and product or service requirements.' ISO 55002 Cl 6.2.2.1 suggests that 'a key aspect of planning is the identification of events in which the functionality of assets is compromised, including potentially catastrophic events in which function is completely lost'. Council determines the criticality of assets based upon the following criteria:

- complexity
- impact of loss of service
- environmental impact
- health and safety impact
- cost of failure.

Council is currently in the process of identifying its critical assets which will be listed in their respective asset management plans.

8 Expenditure projections

8.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $306.2 million. The asset values are estimates of the value of assets, as at 30 June 2022, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 15: Asset classes and values

Asset Class	Gross Replacement Cost (CRC) $ (000's)	Written Down Value (WDV) $ (000's)	Annual Depreciation Expense $ (000's)	Asset Management Plan
Buildings	$45,545	$19,133	-$1,148	Buildings and Open Space Assets
Other Structures	$19,217	$11,102	-$642	Buildings and Open Space Assets
Roads	$84,519	$53,090	-$1,831	Transport Assets
Bridges	$15,203	$9,190	-$149	Transport Assets
Footpaths	$1,464	$982	-$19	Transport Assets
Bulk Earthworks	$58,836	$58,836	$0	Transport Assets
Stormwater	$11,152	$7,283	-$79	Stormwater Assets
Water supply network	$40,666	$20,235	-$497	Water and Sewer Assets
Sewer network	$23,780	$15,565	-$305	Water and Sewer Assets
Swimming pools	$4,217	$3,036	-$103	Buildings and Open Space Assets
Open Space and Recreation (inc. Land Improvements)	$1,602	$839	-$105	Buildings and Open Space Assets
Total	**$306,201**	**$199,291**	**-$4,878**	

8.2 Asset backlog

In 2021/22, Council had a combined asset backlog of $16 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2022 is shown in the following table.

Table 16: Asset backlog summary

Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	3,652	19.1%
Other Structures	1,327	12.0%
Roads	4,638	8.7%
Bridges	403	4.4%
Footpaths	5	0.5%
Bulk Earthworks	-	0.0%
Stormwater	836	11.5%
Water Assets	3,738	18.5%
Sewerage Assets	1,164	7.5%
Swimming Pools	184	6.1%
Recreation Assets (Inc. Land Improvements)	119	14.2%
Total	**16,067**	**8.22%**

These assets have a significant Cost to Satisfactory and have resulted in a backlog level well beyond the OLG 2% benchmark. It is worth noting that the 22' Flood events have impacted councils sealed surfaces and water assets and should partially be restored through Disaster Recovery Funding. As council receives clarity with respect to this funding, it will incorporate the findings into future iterations of this SAMP and councils LTFP.

8.3 Asset condition

Reviewing the asset condition data shows that there is a notable portion of councils I assets in unsatisfactory condition (Table 18,19, Figure 3). The condition is represented as a percentage of the replacement cost of Council's assets. Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Overall the quality of councils condition data is rated as acceptable, however it should be noted that the effects of the floods may not be fully represented in the data currently captured.

Table 17: Confidence in condition data

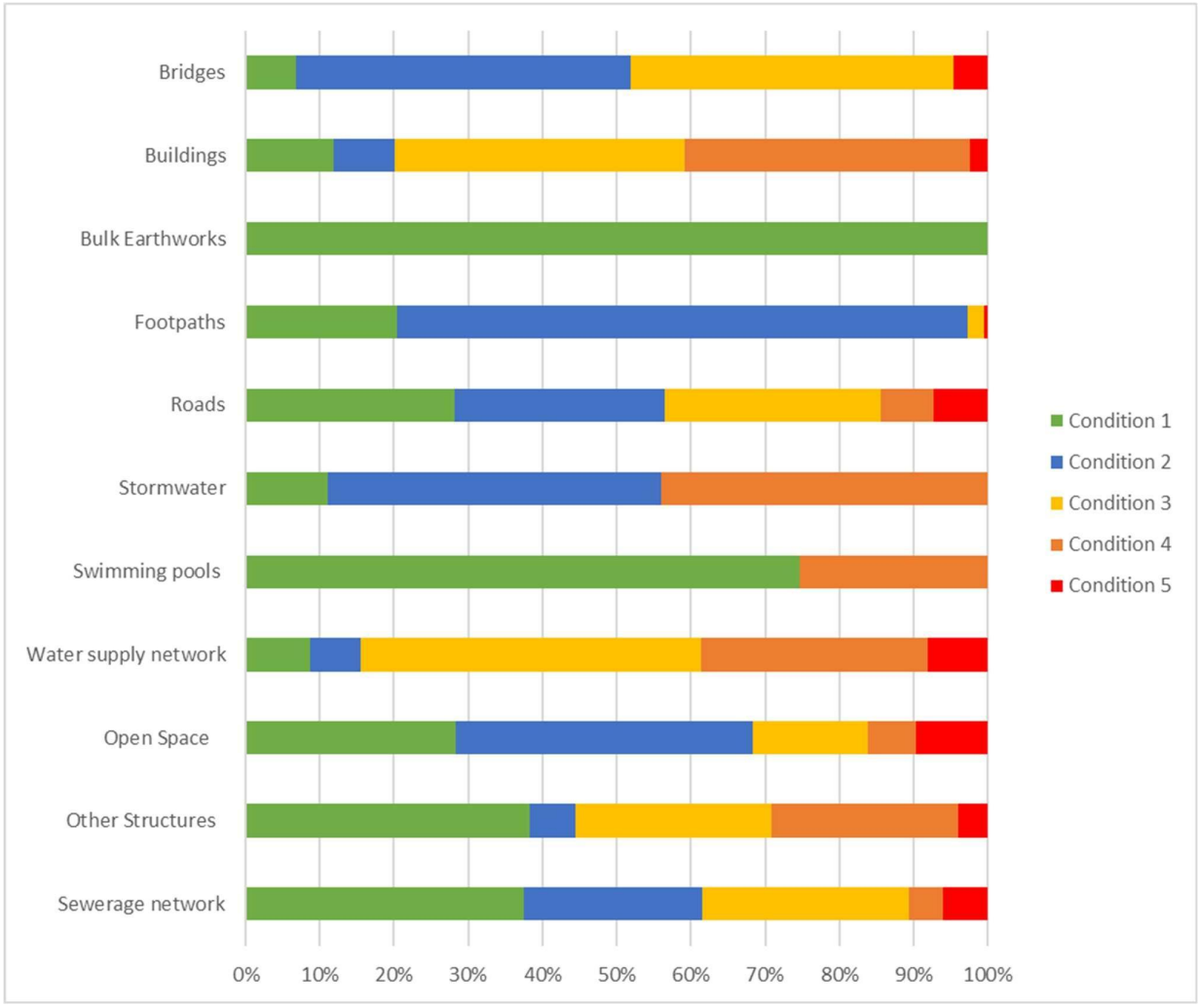
Asset class	Condition
Buildings	Acceptable
Other Structures, Open Space and Swimming Pools	Acceptable
Transport (Roads, Bridges, Footpaths)	Acceptable
Stormwater	Uncertain
Water	Acceptable
Sewer	Acceptable

Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets. Of particular concern is the significant portion of assets in Poor and Very Poor condition for councils' Buildings (41%), Other Structures (29%), Roads (20%), Water (39%) and Swimming Pools (25%).

Table 18: Asset Condition Data

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	12%	8%	39%	39%	2%
Other Structures	38%	6%	26%	25%	4%
Roads	28%	28%	29%	7%	7%
Bridges	7%	45%	43%	0%	5%
Footpaths	20%	77%	2%	0%	1%
Bulk Earthworks	100%	0%	0%	0%	0%
Stormwater	11%	45%	0%	44%	0%
Water supply network	9%	7%	46%	31%	8%
Sewerage network	37%	24%	28%	5%	6%
Swimming pools	75%	0%	0%	25%	0%
Open Space	28%	40%	15%	7%	10%
Combined	**37.6%**	**16.8%**	**25.8%**	**15.4%**	**4.4%**

Figure 13: Condition summary



8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $13 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $14.7 million per year.

The projections indicate that Council currently has adequate funds to maintain the status quo and fund its assets over the 10 – year forecasting horizon. However, there is currently a significant backlog which is unfunded and Councils assets are expected to remain in poor condition. There is a surplus for councils' operations and maintenance activities (Average annual surplus of $0.5m for Councils O&M) expenditure, there is a shortfall in asset renewal funding (Average annual deficit of $2.1m for Councils Renewals).

A summary of the projected expenditure requirements can be found in the following tables.

Table 19: Combined asset expenditure projections

Budget Gap by Asset Group ($,000s)			2022/23 Budget	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Consolidated	**Actual**											
		Renewal	$3,298	$3,334	$4,235	$4,705	$4,322	$2,955	$2,976	$5,730	$3,916	$3,136
		New and Expanded Assets	$12,274	$3,316	$2,043	$13,330	$11,207	$700	$857	$714	$715	$623
		Maintenance and Operations	$4,201	$4,294	$4,388	$4,484	$4,583	$4,684	$4,787	$4,892	$5,000	$5,110
		Total Expenditure	**$19,773**	**$10,944**	**$10,665**	**$22,519**	**$20,112**	**$8,339**	**$8,620**	**$11,337**	**$9,630**	**$8,869**
	Required											
		Required Renewal (Depreciation)	$4,986	$5,319	$5,522	$5,666	$5,931	$6,169	$6,313	$6,466	$6,618	$6,773
		New and Expanded Assets	$12,274	$3,316	$2,043	$13,330	$11,207	$700	$857	$714	$715	$623
		Required O&M	$3,500	$3,615	$3,712	$3,963	$4,204	$4,303	$4,405	$4,508	$4,614	$4,720
		Total	**$20,759**	**$12,251**	**$11,277**	**$22,960**	**$21,343**	**$11,171**	**$11,575**	**$11,688**	**$11,945**	**$12,115**
		Maintenance Overall (GAP)	$701	$678	$676	$521	$379	$381	$382	$385	$387	$391
		Renewals Overall (GAP)	-$1,687	-$1,985	-$1,287	-$962	-$1,610	-$3,214	-$3,338	-$736	-$2,703	-$3,637
		Overall (GAP)	**-$987**	**-$1,306**	**-$612**	**-$441**	**-$1,231**	**-$2,832**	**-$2,956**	**-$353**	**-$2,316**	**-$3,247**
		Comparison Group – Depreciation	$4,006	$4,269	$4,427	$4,545	$4,810	$5,039	$5,155	$5,280	$5,403	$5,529
		Comparison Total (Inc. New and Expanded)	**$19,780**	**$11,201**	**$10,182**	**$21,840**	**$20,221**	**$10,041**	**$10,418**	**$10,501**	**$10,730**	**$10,870**
		Comparison Overall (GAP)	-$7	-$257	$484	$680	-$109	-$1,702	-$1,798	$834	-$1,101	-$2,003

Figure 14: Consolidated Fund asset expenditure projections

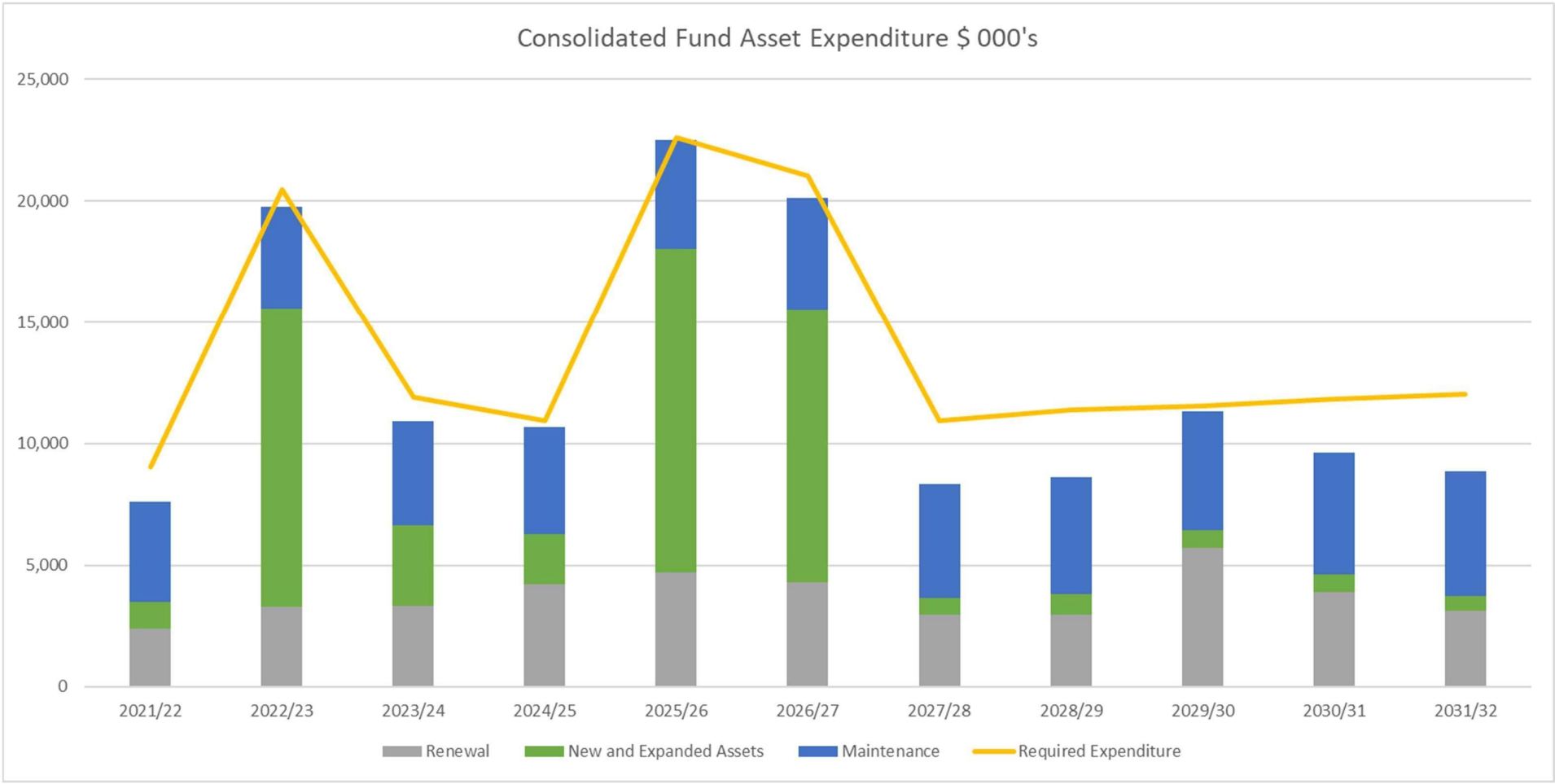


Table 20: General Fund expenditure projections

Budget Gap by Asset Group ($,000s)			2022/23 Budget	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
General Fund	**Actual**											
		Renewal	$2,563	$2,599	$2,500	$2,545	$2,387	$2,420	$2,441	$2,495	$2,831	$2,501
		New and Expanded Assets	$9,224	$3,316	$2,043	$4,830	$2,707	$700	$857	$714	$715	$623
		Maintenance and Operations	$2,245	$2,294	$2,345	$2,396	$2,449	$2,503	$2,558	$2,614	$2,672	$2,730
		Total Expenditure	**$14,032**	**$8,209**	**$6,887**	**$9,771**	**$7,543**	**$5,623**	**$5,856**	**$5,824**	**$6,217**	**$5,854**
	Required											
		Required Renewal (Depreciation)	$4,166	$4,442	$4,625	$4,750	$4,891	$5,019	$5,138	$5,265	$5,390	$5,518
		New and Expanded Assets	$9,224	$3,316	$2,043	$4,830	$2,707	$700	$857	$714	$715	$623
		Required O&M	$2,422	$2,513	$2,586	$2,681	$2,762	$2,829	$2,899	$2,969	$3,040	$3,112
		Total	**$15,812**	**$10,272**	**$9,254**	**$12,262**	**$10,361**	**$8,547**	**$8,894**	**$8,948**	**$9,145**	**$9,253**
		Maintenance Overall (GAP)	-$177	-$219	-$241	-$285	-$313	-$326	-$341	-$354	-$368	-$381
		Renewals Overall (GAP)	-$1,602	-$1,843	-$2,125	-$2,206	-$2,505	-$2,599	-$2,698	-$2,770	-$2,560	-$3,017
		Overall (GAP)	**-$1,780**	**-$2,062**	**-$2,367**	**-$2,491**	**-$2,818**	**-$2,925**	**-$3,039**	**-$3,125**	**-$2,928**	**-$3,399**
		Comparison Group – Depreciation	$3,073	$3,273	$3,409	$3,505	$3,625	$3,726	$3,814	$3,909	$4,001	$4,096
		Comparison Total (Inc. New and Expanded)	**$14,719**	**$9,103**	**$8,038**	**$11,017**	**$9,094**	**$7,254**	**$7,570**	**$7,591**	**$7,756**	**$7,830**
		Comparison Overall (GAP)	-$687	-$893	-$1,150	-$1,246	-$1,551	-$1,631	-$1,714	-$1,768	-$1,539	-$1,977

Figure 15: General Fund asset expenditure projections

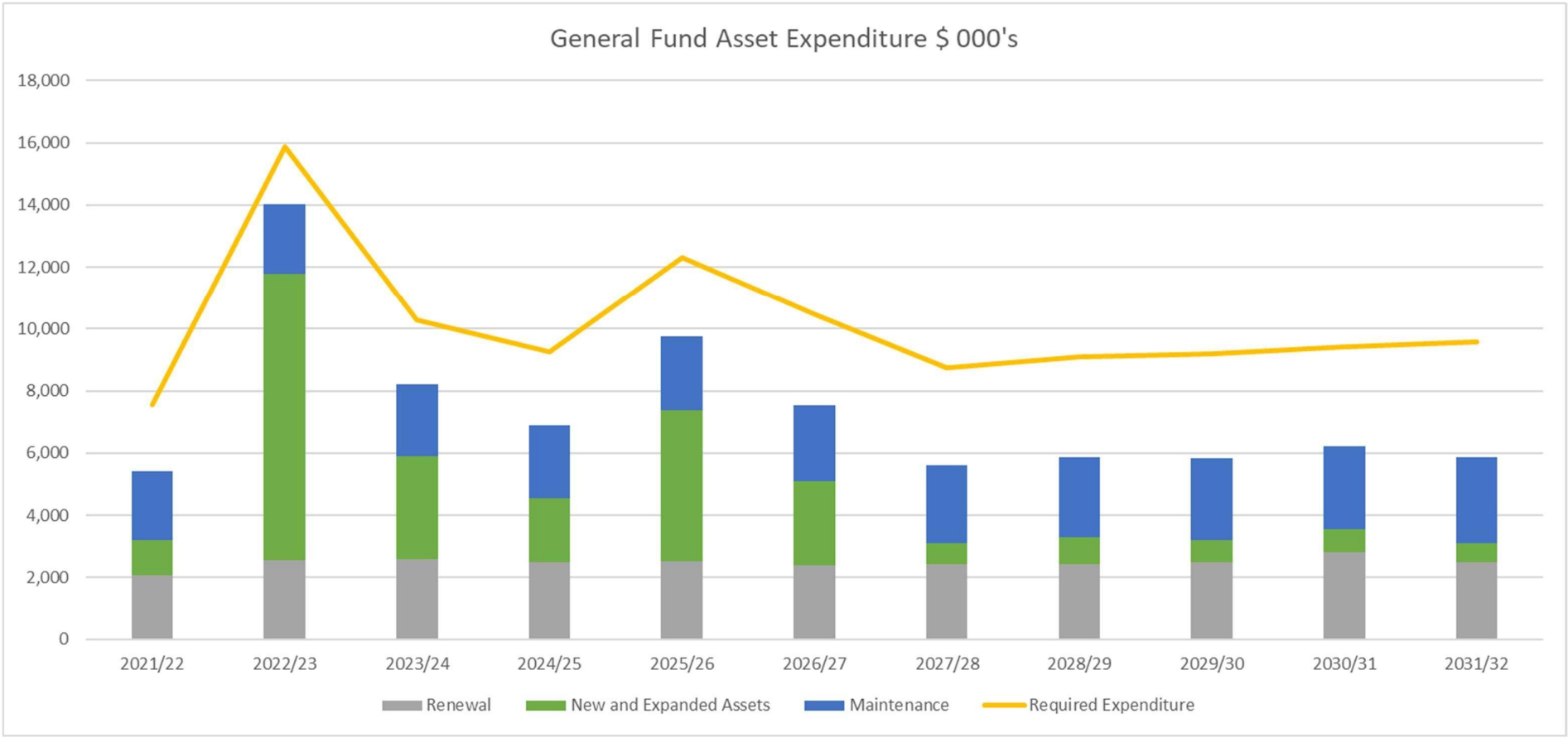
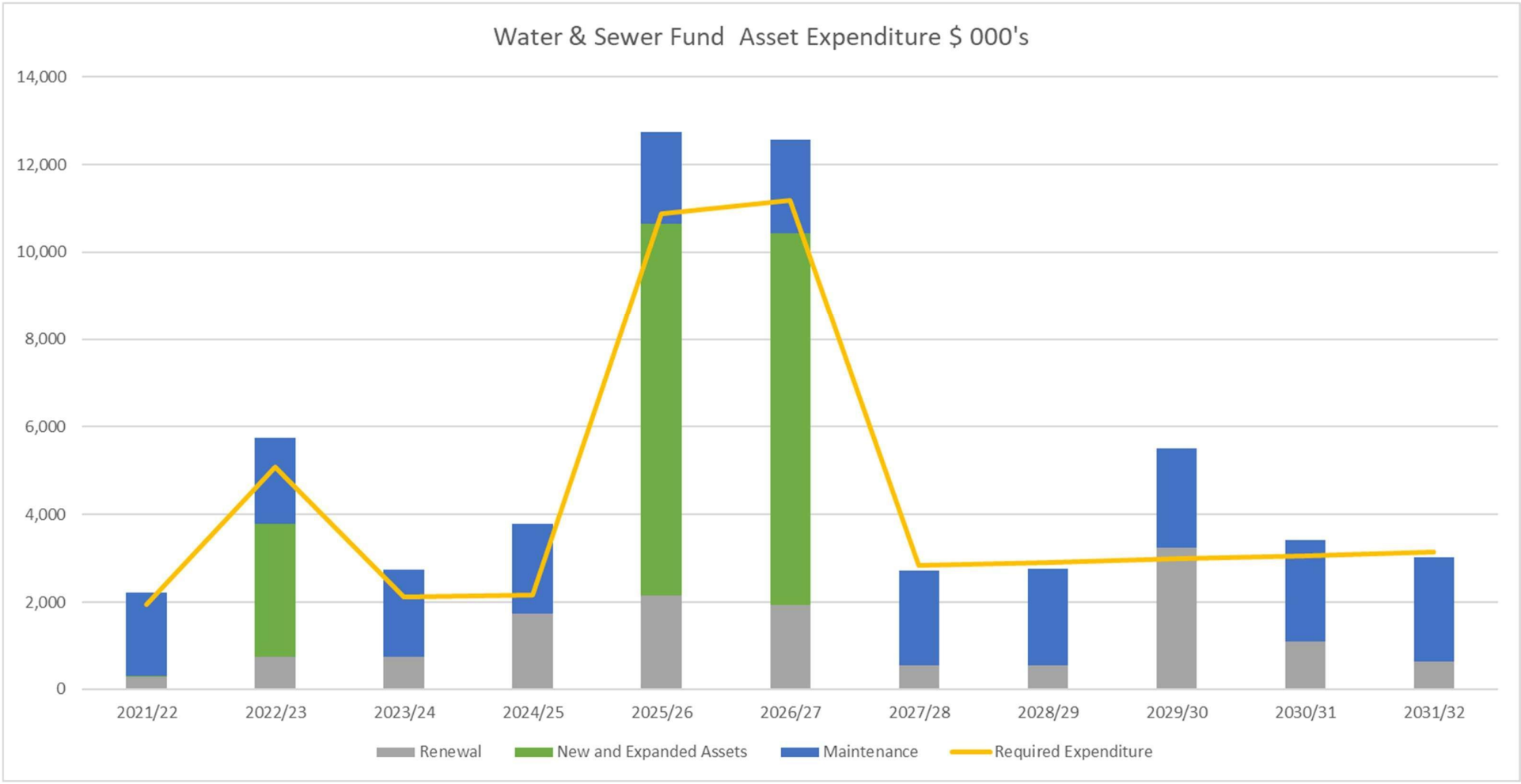


Table 21: Water and Sewer Fund expenditure projection

Budget Gap by Asset Group ($,000s)			2022/23 Budget	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Water and Sewer	**Actual**											
		Renewal	$735	$735	$1,735	$2,160	$1,935	$535	$535	$3,235	$1,085	$635
		New and Expanded Assets	$3,050	$0	$0	$8,500	$8,500	$0	$0	$0	$0	$0
		Maintenance and Operations	$1,956	$2,000	$2,043	$2,088	$2,134	$2,181	$2,229	$2,278	$2,328	$2,380
		Total Expenditure	**$5,741**	**$2,735**	**$3,778**	**$12,748**	**$12,569**	**$2,716**	**$2,764**	**$5,513**	**$3,413**	**$3,015**
	Required											
		Required Renewal (Depreciation)	$820	$877	$897	$916	$1,040	$1,150	$1,175	$1,201	$1,228	$1,255
		New and Expanded Assets	$3,050	$0	$0	$8,500	$8,500	$0	$0	$0	$0	$0
		Required O&M	$1,078	$1,102	$1,126	$1,282	$1,442	$1,474	$1,506	$1,539	$1,574	$1,608
		Total	**$4,947**	**$1,979**	**$2,023**	**$10,698**	**$10,982**	**$2,624**	**$2,681**	**$2,740**	**$2,800**	**$2,862**
		Maintenance Overall (GAP)	$878	$897	$917	$806	$692	$707	$723	$739	$755	$772
		Renewals Overall (GAP)	-$85	-$142	$838	$1,244	$895	-$615	-$640	$2,034	-$143	-$620
		Overall (GAP)	**$793**	**$756**	**$1,755**	**$2,050**	**$1,587**	**$93**	**$83**	**$2,772**	**$612**	**$152**
		Comparison Group – Depreciation	$933	$996	$1,018	$1,040	$1,185	$1,313	$1,341	$1,371	$1,402	$1,433
		Comparison Total (Inc. New and Expanded)	**$5,061**	**$2,098**	**$2,144**	**$10,823**	**$11,127**	**$2,787**	**$2,848**	**$2,910**	**$2,974**	**$3,040**
		Comparison Overall (GAP)	$680	$636	$1,634	$1,926	$1,442	-$71	-$84	$2,602	$438	-$26

Figure 16: Water and Sewer Fund asset expenditure projections



8.5 Financial performance

The Office of Local Government has established financial benchmarks for councils to strive towards and adhere to. The charts below showcase Council's current financial service levels and the impacts of Council's projected expenditure upon these service levels.

Figure 17: Consolidated Portfolio

Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	65.97%	44.67%	Yr 1	(-$1,702)
Benchmark 100%			5 Yr Average	(-$1,500)
			10 Yr Average	(-$2,210)
Infrastructure Backlog Ratio	7.71%	7.23%	Yr 1	(-$12,120)
Benchmark 2%			5 Yr Average	(-$12,302)
			10 Yr Average	(-$12,931)
Infrastructure Maintenance Ratio	131.14%	116.66%	Yr 1	$998
Benchmark 100%			5 Yr Average	$907
			10 Yr Average	$822
Total Infrastructure Funding Gap			Yr 1	(-$12,824)
			5 Yr Average	(-$12,895)
			10 Yr Average	(-$14,319)

Figure 18: Consolidated OLG asset expenditure ratios

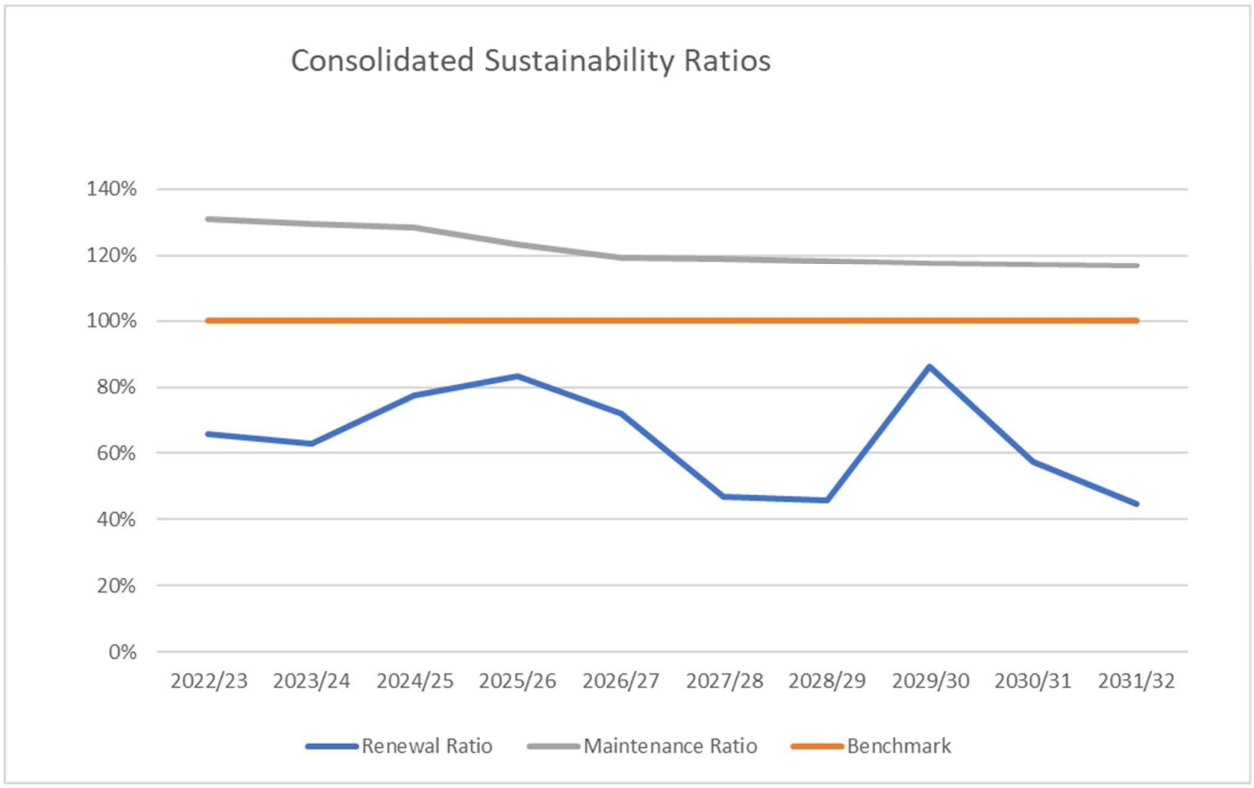
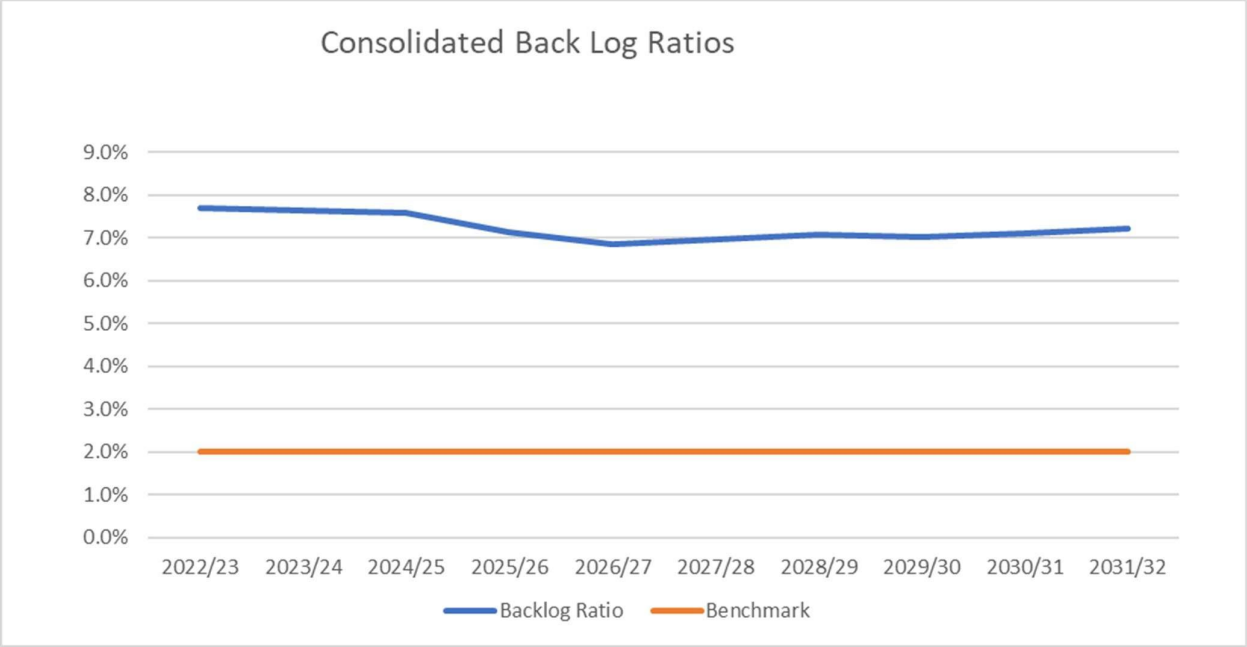


Figure 19: Consolidated OLG backlog ratio



Overall, over the forecasting period, we observe that Council falls short of the OLG Benchmark for renewals and backlog. Councils' maintenance ratio exceeds the OLG benchmark for the forecasting period and councils' renewal ratio falling to just under 60% over the forecast. The level of backlog in Councils assets remains well above the 2% threshold hovering around 8%.

Figure 20: General Fund Portfolio

Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	61.35%	44.16%	Yr 1	(-$1,615)
Benchmark 100%			5 Yr Average	(-$2,038)
			10 Yr Average	(-$2,435)
Infrastructure Backlog Ratio	6.63%	7.36%	Yr 1	(-$7,996)
Benchmark 2%			5 Yr Average	(-$8,497)
			10 Yr Average	(-$9,418)
Infrastructure Maintenance Ratio	90.54%	83.23%	Yr 1	(-$235)
Benchmark 100%			5 Yr Average	(-$324)
			10 Yr Average	(-$410)
Total Infrastructure Funding Gap			Yr 1	(-$9,845)
			5 Yr Average	(-$10,859)
			10 Yr Average	(-$12,263)

Figure 21: General Fund OLG asset expenditure ratios

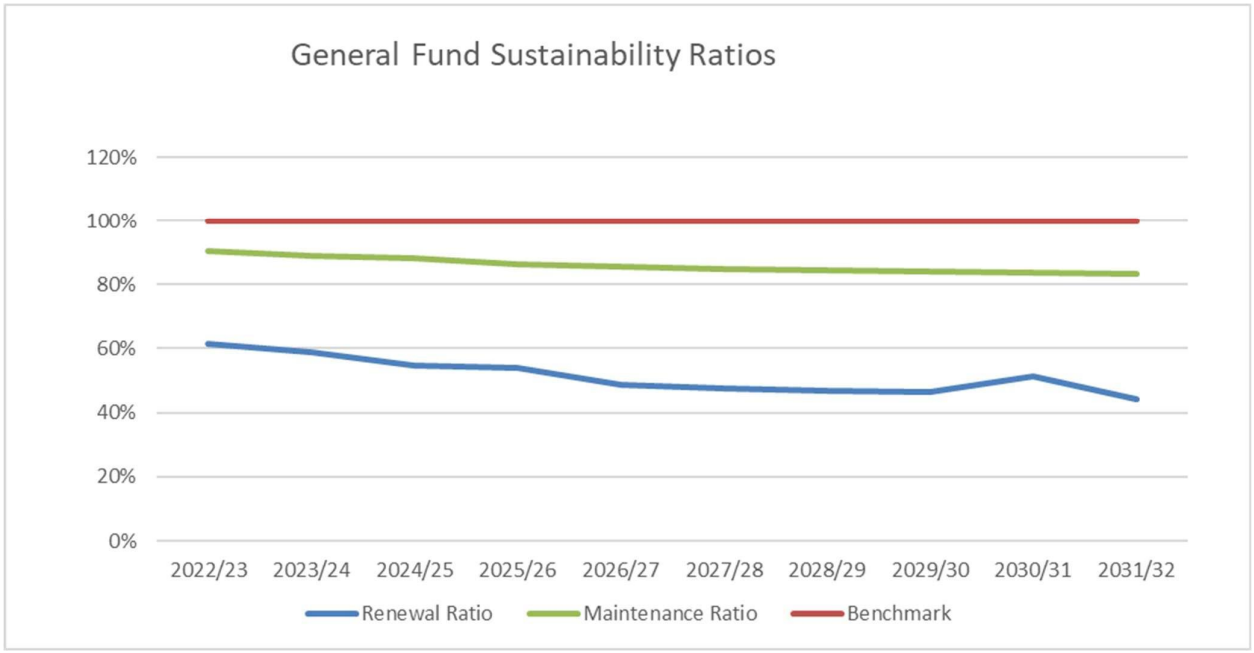
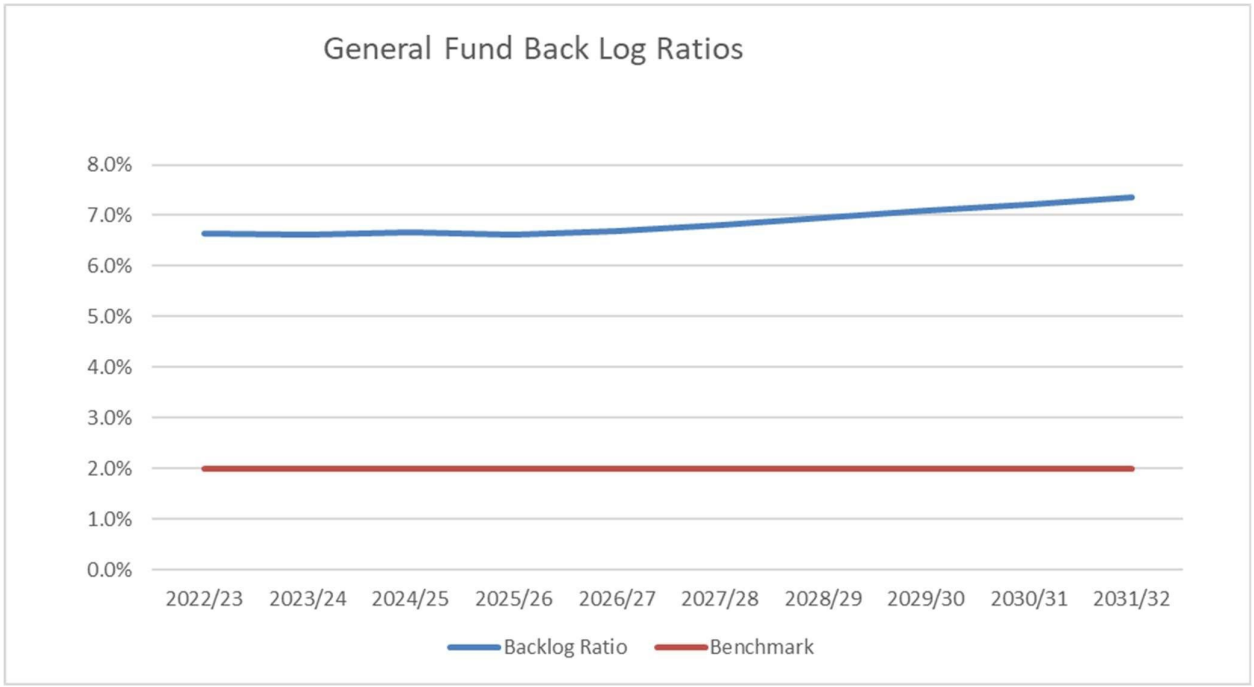


Figure 22: General Fund OLG backlog ratio



Overall, over the forecasting period, we observe that council falls short of the OLG Benchmark for renewals and backlog. Councils' maintenance ratio also currently sits below the OLG benchmark of 100% at around 80% and councils' renewal ratio falls close to 40% over the forecast. The level of backlog in Councils assets remains well above the 2% threshold hovering around 7%.

Figure 23: Water and Sewer Fund Portfolio

Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	89.41%	48.96%	Yr 1	(-$87)
Benchmark 100%			5 Yr Average	$543
			10 Yr Average	$256
Infrastructure Backlog Ratio	12.41%	6.71%	Yr 1	(-$4,124)
Benchmark 2%			5 Yr Average	(-$3,803)
			10 Yr Average	(-$3,492)
Infrastructure Maintenance Ratio	162.61%	129.22%	Yr 1	$753
Benchmark 100%			5 Yr Average	$690
			10 Yr Average	$608
Total Infrastructure Funding Gap			Yr 1	(-$3,458)
			5 Yr Average	(-$2,570)
			10 Yr Average	(-$2,628)

Figure 24: Water and Sewer Fund OLG asset expenditure ratios

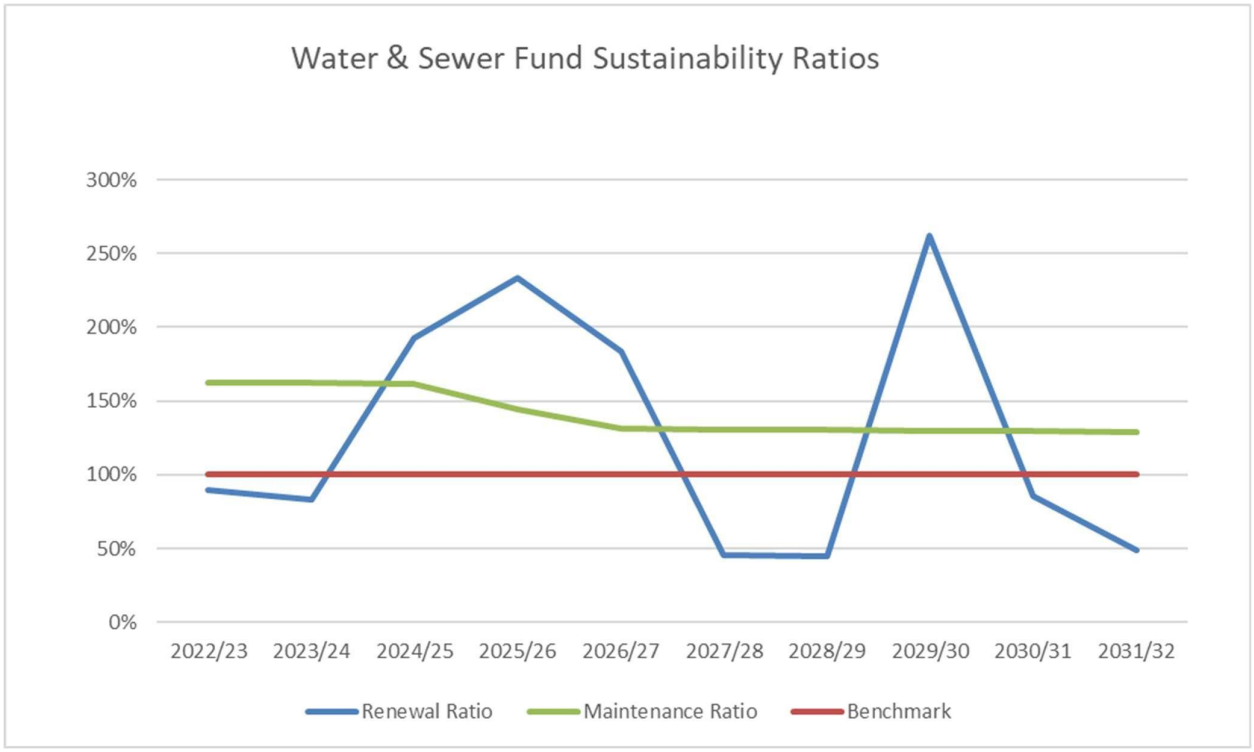
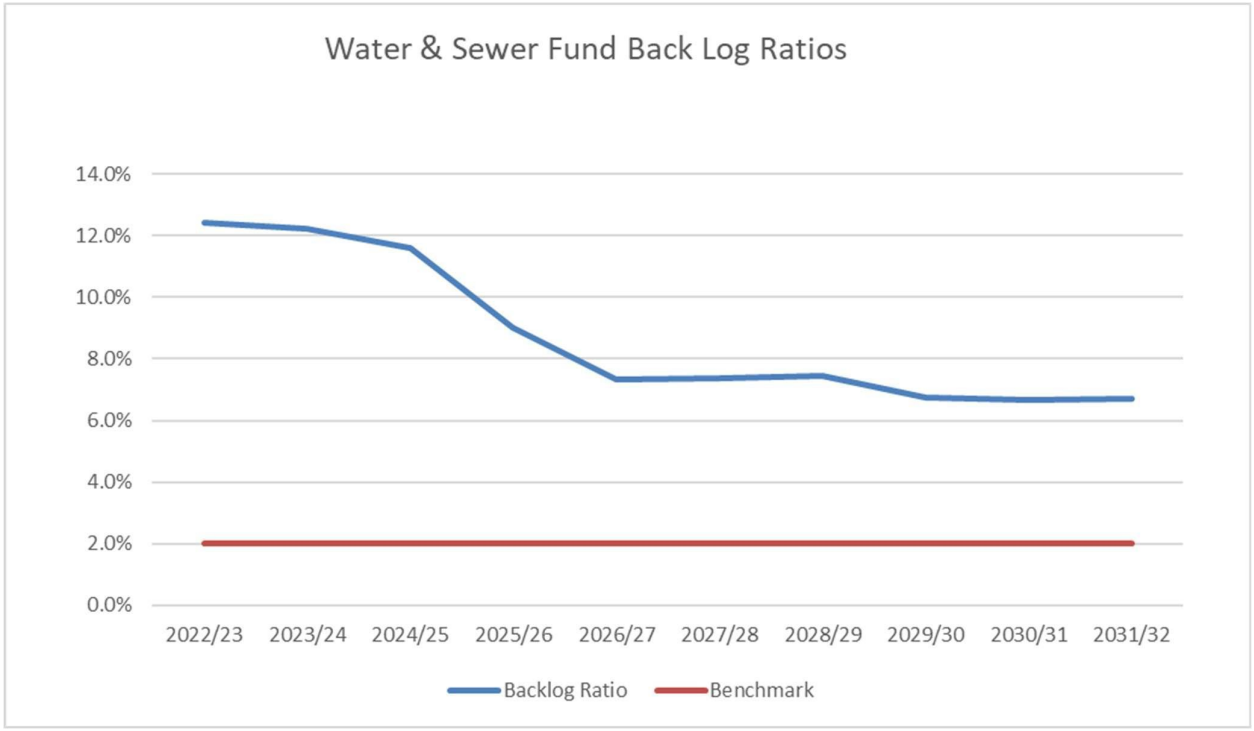


Figure 25: Water and Sewer Fund OLG backlog ratio



9 Overarching improvement Plan

The Strategic Asset Management Plan is to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future
- ensure the integration of Council's asset management with its Community Strategic Plan.

The Strategic Asset Management Plan proposes the following strategies to enable the objectives of the Community Strategic Plan to be achieved.

Table 22: Asset management strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes.	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long-Term Financial Plan covering ten years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.

8	Implement an improvement plan to initially realise ‘core/good’ maturity for the financial and asset management competencies, then progress to ‘advanced/better’ maturity.	Improved financial and asset management capacity within Council.
9	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.

Table 23: Improvement plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop guidelines and adopt a consistent approach for condition assessment for all asset classes to ensure consistency with historical data.	M	Assets	30/9/23
Council to develop processes for extracting and reporting on lifecycle data which is to be fed back into asset management planning.	H	Operations Assets Systems	30/11/22
Council to review asset hierarchy on all systems and undertake asset data reconciliation to ensure alignment between systems and identify gaps in asset data.	M	Operations Assets Systems	30/9/23
Council to document spatial mapping templates, guidelines and procedures.	M	Assets	30/6/24
Asset knowledge processes			
Council to document process and develop guidelines for asset valuation, including clear documentation of responsibilities and data validation and auditing processes and procedures.	M	Assets Finance	30/6/23

Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX for each asset class.	H	Assets Finance	30/11/22
Council to establish processes for annual review of asset management policy, strategy and plans.	H	Executive	31/3/23
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/11/24
Council to engage community on developed service levels.	H	Assets	30/06/24
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/06/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/06/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets	30/06/24

		Operations	
Information systems			
Council to review IT system framework including the use of and linkage to ancillary systems.	H	IT	30/06/24
Organisational context			
Council is to establish an asset management steering committee for reporting on asset management progress and improvement plan status and create a process for bi-annual reporting to senior management.	VH	Executive	31/10/24
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are attached to position descriptions and such that Council has an understanding of current gaps in capacity and capability.	H	Executive	30/06/24

[Back Cover]

Appendix A – Buildings, Other Structures and Open Space Areas Asset Management Plan

This asset management plan covers the portfolio of facilities and structures that deliver a wide range of services to the Narrandera Shire Council community.

Council's Buildings include its administration centre, depots, public halls, library, museum, emergency services and rural fire stations, stadium, childcare centre, as well as the swimming pool building.

Council's other structures and open spaces areas include its parks, playgrounds, pools and other recreational assets. Council also maintains significant natural areas and environmental assets which are not owned by Council. The cost to maintain these areas has been excluded from this iteration of the plan.

As the owner and operator of assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

A1.1 Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of buildings, other structures and open space assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

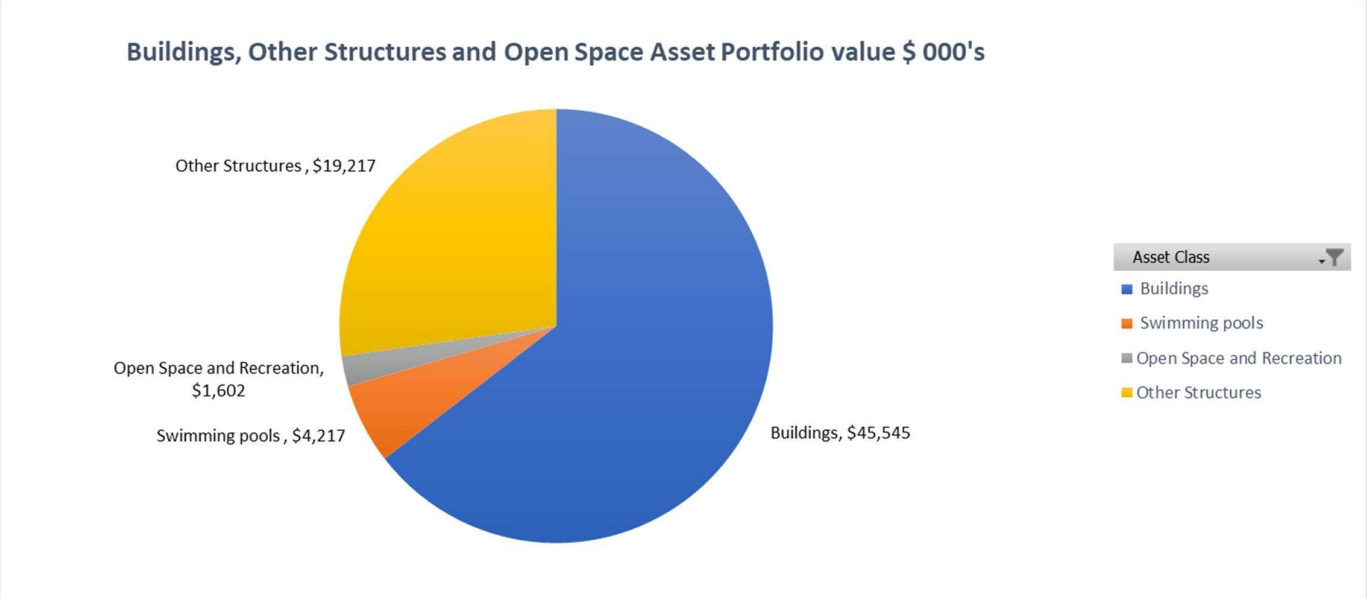
- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of buildings assets.

A1.2 Asset Class Summary

Currently there is a significant portion of Council's portfolio in unsatisfactory condition, which is expected to further deteriorate due to a lack of capital funding for Council's buildings, other structure, and open space assets. There is currently an average annual deficit of around $2.16m for Council's renewal expenditure and a average annual operational shortfall of $0.58m. In light of this, Council should review the depreciation requirements of these asset classes as they far exceed that, of comparable councils designated by the Office of Local Government. Further while Councils' data has been assessed as being acceptable, there is further work required to cleanse and improve the captured information to drive strategic decisions moving forward. Both operational and capital planning have been relatively reactive and opportunistic in nature, which will improve as Council's quality of data improves. As such, in order for councils to sustainably manage its portfolios, a shift to a strategic approach is required as well as a need for better quality asset data. Future iterations of this asset management plan will focus on a more strategic approach to managing the portfolios.

A1.3 Portfolio Overview

Figure 1 Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	23.14%	6.62%	Yr 1	(-$1,574)
Benchmark 100%			5 Yr Average	(-$1,953)
			10 Yr Average	(-$2,196)
Infrastructure Backlog Ratio	13.92%	23.06%	Yr 1	(-$4,759)
Benchmark 2%			5 Yr Average	(-$5,420)
			10 Yr Average	(-$6,436)
Infrastructure Maintenance Ratio	42.43%	39.96%	Yr 1	(-$632)
Benchmark 100%			5 Yr Average	(-$696)
			10 Yr Average	(-$751)
Total Infrastructure Funding Gap			Yr 1	(-$6,965)
			5 Yr Average	(-$8,070)
			10 Yr Average	(-$9,383)

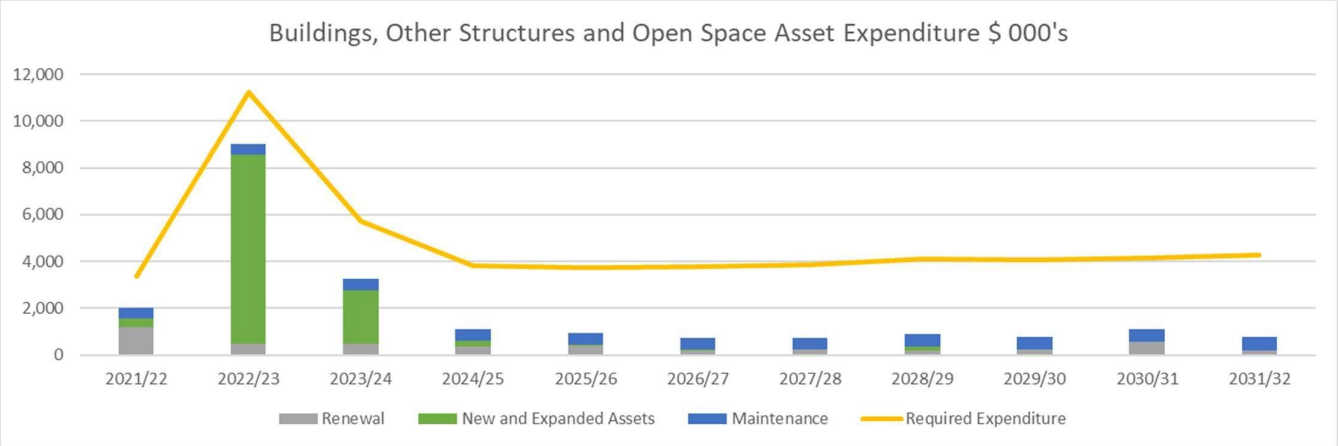
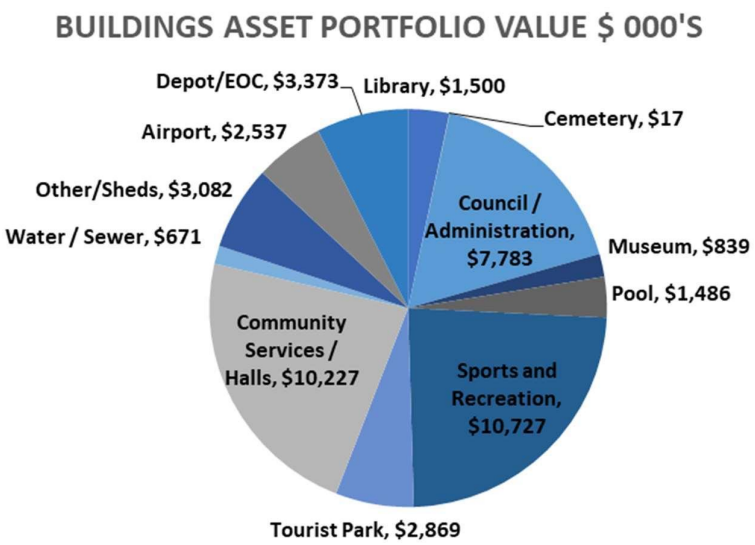


Figure 2 Buildings Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	16.74%	11.27%	Yr 1	(-$977)
Benchmark 100%			5 Yr Average	(-$1,148)
			10 Yr Average	(-$1,233)
Infrastructure Backlog Ratio	16.54%	28.88%	Yr 1	(-$3,360)
Benchmark 2%			5 Yr Average	(-$3,779)
			10 Yr Average	(-$4,341)
Infrastructure Maintenance Ratio	20.07%	20.05%	Yr 1	(-$484)
Benchmark 100%			5 Yr Average	(-$506)
			10 Yr Average	(-$536)
Total Funding Gap			Yr 1	(-$4,821)
			5 Yr Average	(-$5,433)
			10 Yr Average	(-$6,110)

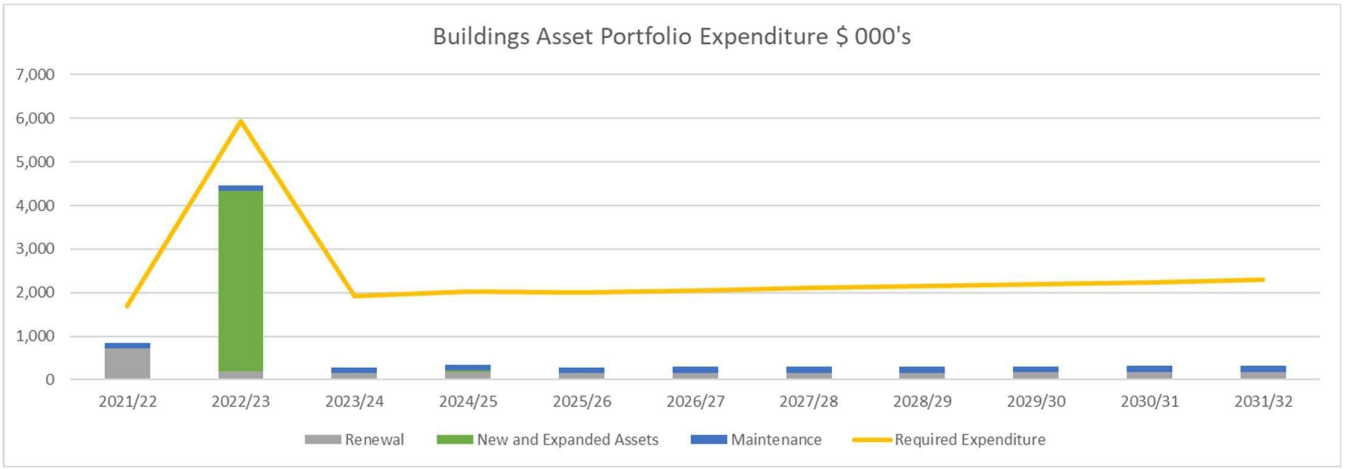
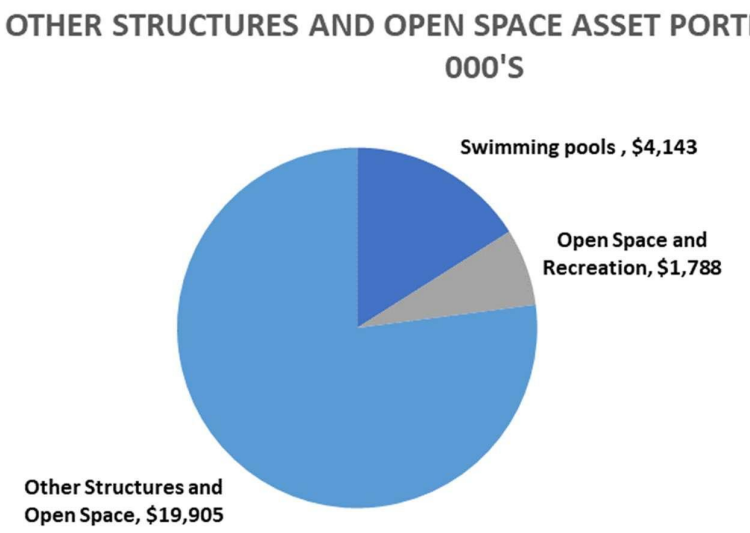
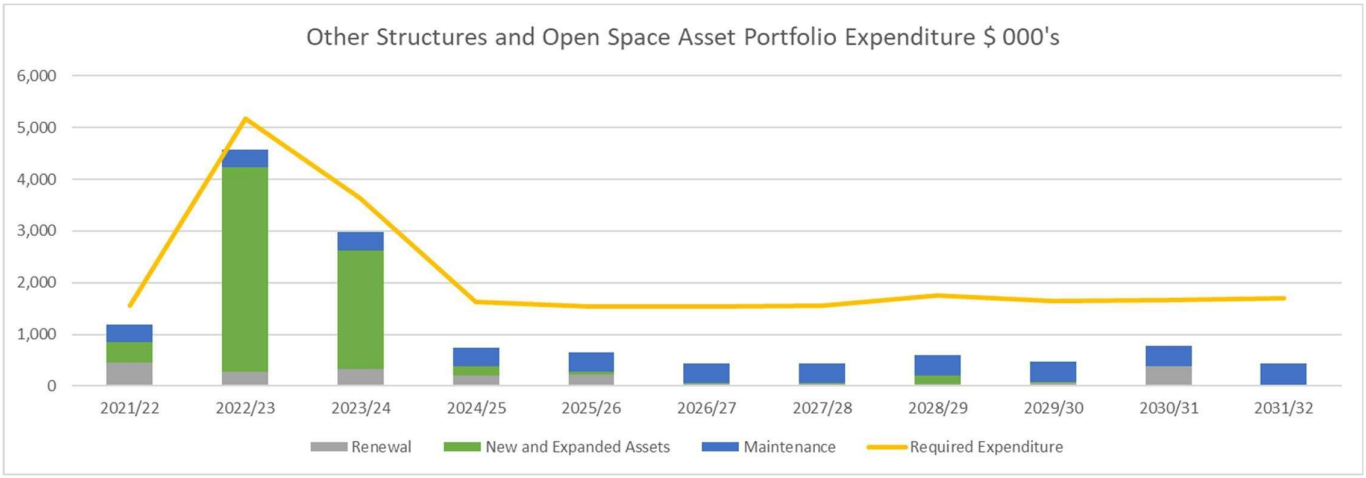


Figure 3 Other Structures and Open Space Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	31.94%	1.13%	Yr 1	(-$591)
Benchmark 100%			5 Yr Average	(-$792)
			10 Yr Average	(-$931)
Infrastructure Backlog Ratio	10.44%	22.85%	Yr 1	(-$1,402)
Benchmark 2%			5 Yr Average	(-$1,649)
			10 Yr Average	(-$2,102)
Infrastructure Maintenance Ratio	97.75%	89.20%	Yr 1	(-$8)
Benchmark 100%			5 Yr Average	(-$34)
			10 Yr Average	(-$41)
Total Funding Gap			Yr 1	(-$2,001)
			5 Yr Average	(-$2,476)
			10 Yr Average	(-$3,075)



A1.4 Asset Inventory, Values and Condition

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

Table 1 Buildings Asset Inventory

Asset Class	Asset Type	Unit	Units
Buildings	Airport (Buildings and Hangers)	No.	6
Buildings	Other Buildings, Houses and Shops	No.	6
Buildings	Museums and Culture	No.	3
Buildings	Community Halls (Incl. Senior Citizens Hall)	No.	3
Buildings	Emergency Operations Centre / Playgroup	No.	2
Buildings	Swimming Pools (Buildings)	No.	5
Buildings	Sportsground / Recreational Buildings	No.	10
Buildings	Community Services	No.	1
Buildings	Administration Chambers	No.	1
Buildings	Tourist Park (Buildings)	No.	9
Buildings	Library	No.	1
Buildings	Public Toilet (Buildings)	No.	9
Buildings	Works Depot (Buildings)	No.	9
Buildings	Water Supply	No.	2
Buildings	Rural Fire Stations	No.	9

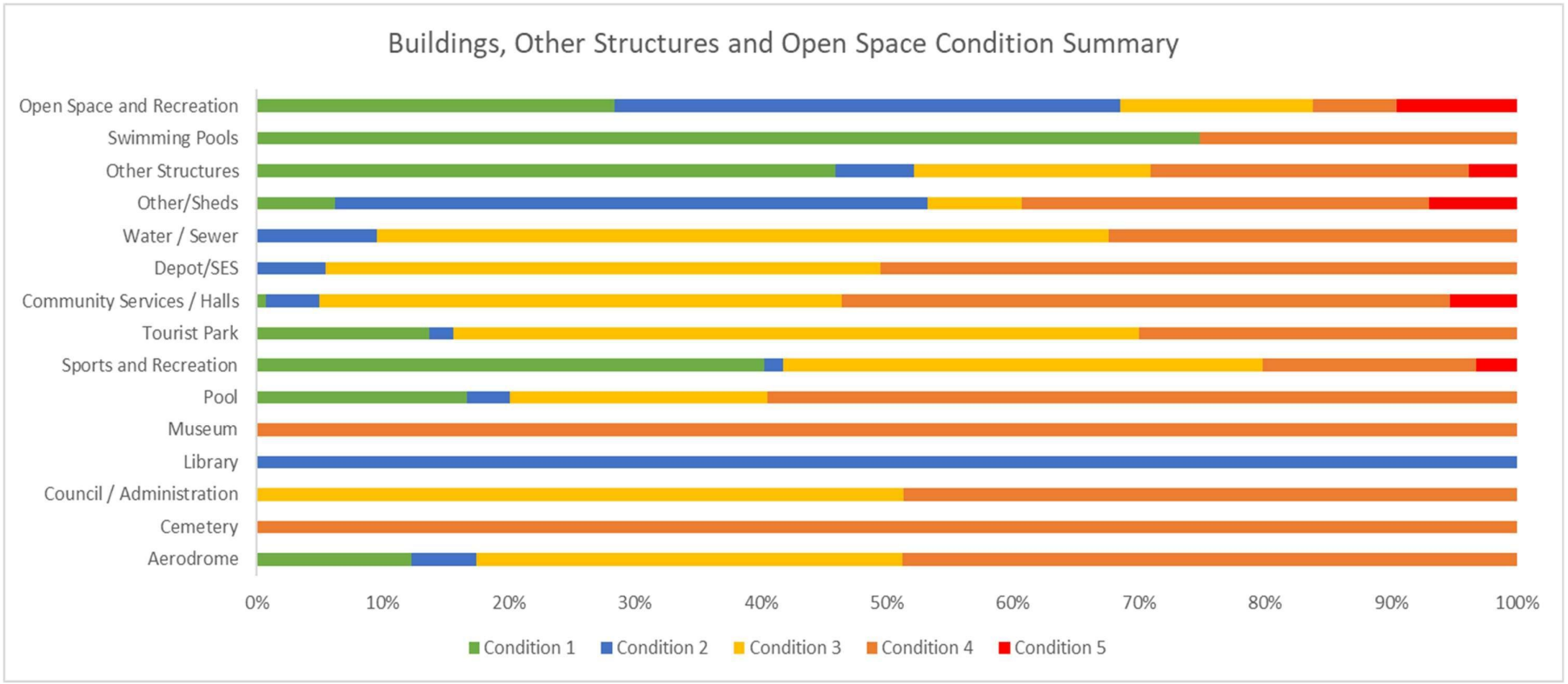
Table 2 Recreational Areas Summary

Open Space and Recreational Areas	Unit	Units
Margaret Street Park	Ha.	0.05
Pirani Place Park	Ha.	0.12
Joe Babbs Park	Ha.	0.16
Shady Street Park	Ha.	0.13
Marie Bashir Park	Ha.	5.23
Melbourne Street Park	Ha.	0.24
Japonica Place Park	Ha.	0.06
Jonsen Street Park	Ha.	0.28
Hankinson Park	Ha.	0.06
Memorial Gardens	Ha.	0.26
Evonne Goolagong Park	Ha.	0.26
Barellan Hall Park	Ha.	0.16
Memorial Park at Barellan Pool	Ha.	0.03
Grong Grong Park	Ha.	0.16
Noel Reid Park	Ha.	0.21
Water Tower	Ha.	0.25
Narrandera Sportsground	Ha.	7.61
Henry Mathieson Oval	Ha.	3.21
Barellan Sportsground	Ha.	7.52
Grong Grong Sportsground	Ha.	4.82
Beaches	No.	3
Cemeteries	No.	3
Major Reserves	No.	6

Table 3 Portfolio Valuation

Asset	Gross Replacement Cost $ 000's	Written Down Value $ 000's	Annual Depreciation $ 000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Buildings	$45,545	$19,133	-$1,148	12%	9%	39%	38%	2%
Other Structures	$19,217	$11,102	-$642	46%	6%	19%	25%	4%
Aquatic Centers	$4,217	$3,036	-$103	75%	0%	0%	25%	0%
Open Space and Recreation	$1,602	$839	-$105	28%	40%	15%	7%	10%

*Figure 4 Condition Summary**



** Representation of inspected visual condition of council's asset portfolio. Council has reviewed the performance of its network and reassessed scores based on asset function and capacity in section A1.8.*

A1.5 Roles and Responsibilities

Council has adopted the following roles and responsibilities matrix for its building's assets.

Table 4 Roles and Responsibilities Summary

Role	Responsibilities	Functions
Asset Owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	• Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans and resourcing Strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters.
Asset Custodian	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	• Develop and oversee capital works and maintenance program • Handover and documentation • Control budgets • Develop asset plans • Asset condition rating • Risk management • Data custodian – Hierarchy, level of detail • Recommendation of asset disposal and renewal 4yr program.
Asset Delivery – Maintenance and Operations Asset Delivery - CAPEX	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	• Controls asset use, in line with policy • Deliver programmed and reactive maintenance, internal/external • Deliver and / or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service.

Table 5 Roles and Responsibilities Matrix

Asset Class	Asset Category	Asset Owner (Ownership and Strategy)	Asset Custodian (Plan and Manage)	Asset Delivery (Delivery and Ops) - CAPEX	Asset Delivery (Delivery and Ops) - Maintenance
Buildings	Airport	DGMI	DGMI	Works Manager	Traffic and Airport Engineer
Buildings	Cemetery	DGMI	OSRM	OSRM	OSRM
Buildings	Council / Administration	DGMI	PAM	PAM	PAM
Buildings	Library	DGMI	PAM	PAM	PAM
Buildings	Museum	DGMI	PAM	PAM	PAM
Buildings	Pool	DGMI	PAM	PAM	PAM
Buildings	Sports and Recreation	DGMI	OSRM	OSRM	OSRM
Buildings	Tourist Park	DGMI	PAM	PAM	PAM
Buildings	Community Services / Halls	DGMI	PAM	PAM	PAM
Buildings	Depot/EOC	DGMI	PAM	PAM	PAM
Buildings	Water / Sewer	DGMI	WSM	WSM	WSM
Buildings	Other/Sheds	DGMI	PAM	PAM	PAM
Other Structures	Other Structures	DGMI	PAM / OSRM	PAM / OSRM	PAM / OSRM
Swimming pools	Swimming pools	DGMI	PAM	PAM	PAM
Open Space and Recreation	Open Space and Recreation	DGMI	OSRM	OSRM	OSRM

A1.5 Asset Based Levels of Service

Council undertook a Community Satisfaction Survey to inform the development of the Community Strategic Plan, with the latest survey having been completed in December 2021. A sample of residents was polled on how important they view each of Council's services as well as how satisfied they are with the service delivery. The table below presents most recent community satisfaction survey reported for importance and satisfaction levels for the following services:

Table 6 Community Satisfaction Survey

Service/Facility	2021			2016		
	Importance	Satisfaction	Gap	Importance	Satisfaction	Gap
Library services	3.90	4.38	0.48	4.18	4.24	0.06
Narrandera Sports Stadium	3.94	4.21	0.27	3.92	4.26	0.34
Community buildings/halls	3.89	0.85	-3.04	3.99	3.62	-0.37
Heritage sites protected and maintained	3.94	3.77	-0.17	3.77	3.56	-0.21
Parks and open spaces	4.50	4.11	-0.39	4.43	3.97	-0.46
Our urban treescape	4.16	3.79	-0.37	4.04	3.47	-0.57
Playing fields	4.36	4.14	-0.22	4.26	4.16	-0.10
Protecting our natural flora and fauna	4.38	3.79	-0.59	N/A	N/A	
Cemeteries	4.51	3.91	-0.60	4.54	3.68	-0.86
Swimming pools	4.51	4.38	-0.13	4.58	4.29	-0.29
Narrandera / Leeton Airport	4.61	4.18	-0.43	4.69	4.17	-0.52

Community satisfaction is used in informing the strategic plan and developing the Levels of Service.

Table 7 Buildings Levels of Service

Service level Outcome	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Provide adequate physical access to facilities	Disability (Access to Premises - Building) Standards 2010	New and old buildings comply with Disability (Access to Premises - Building) Standards 2010.	Ongoing
		NSC "Our Disability Inclusion Action Plan	Commitment to disability awareness when considering, designing and executing projects.	Ongoing
Quality / Condition	Percent of physical assets in condition 4 or better	Condition assessment	95% of assets in satisfactory condition or better.	97.4% of assets currently in condition 4 or better
Customer satisfaction	Ensure services are reliable	Community satisfaction survey	90% of customer requests are completed within Council's Customer Charter.	Achieving
	Art centres and library facilities are provided that meet community demand	Community satisfaction survey – Community Buildings/Halls and libraries	To continually maintain a customer's satisfaction.	Community satisfaction score has increased
		Review of service agreements and benchmark with other councils	Total operating and maintenance are not greater than benchmarking against comparable councils.	Narrandera Shire's required maintenance is approximately 20% higher than comparable group 10 councils
Affordability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset functionality/condition-based renewals plan. Ensure the plan is approved by authorities and updated every four years.	LTFP
Sustainability	Assets meet financial sustainability ratios	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%.	16.54%

Service level Outcome	Level of service	Performance measurement process	Target performance	Current performance
		Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	Between 90% and 110%.	16.74%
		Asset maintenance ratio, measured by (actual maintenance expenditure. Required maintenance expenditure	Between 90% and 110%.	20.07%
Health and safety	Ensure buildings/facilities are safe and do not cause a hazard to people	Regular inspections, operational reports and safety audits	Audits are conducted for each building, with legislated Fire Safety measures inspected.	Ongoing
			Safety inspections are carried out for each facility.	Annual inspections conducted by building coordinator

Table 8 Open Space Levels of Service

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Affordability	The services are affordable and managed using the most cost-effective methods for the required level of service	Review of service agreements and benchmark with other group 10 councils	Maintenance/Opex budget expenditure +/- 5% of Annual Budget	Currently +2% of the adopted Operating Expenditure compared to the YTD expenditure
	Council maintains its open space assets	Asset maintenance ratio, measured by (actual maintenance expenditure. Required maintenance expenditure	OLG benchmark 100%	21.5%
Health and Safety	Ensure all Playgrounds are safe and do not cause a hazard to people	Scheduled Playground audits and Compliance certification	Fewer than five reported incidents which can be attributed to poorly maintained facilities	Less than 1 incident reported annually. Routine inspections carried out with corrective actions addressing faults and safety concerns

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
	Sport fields are safe and free of hazards to users	Sport fields (excluding buildings) maintained in accordance with inspection and maintenance schedules	90% completion within service standard.	Sporting fields continually maintained to maintenance schedules
Quality/Condition	Provide parks, recreation, and bushland areas in appropriate condition for recreational activity and amenity.	Condition inspections of Open space assets undertaken.	90% of Open Space assets in condition 3 or better	74.6%
	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to brig asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	10.44%
Customer satisfaction	Fast and efficient response to reactive maintenance requests.	Planned versus reactive maintenance distribution AM work order reports.	> 60 Planned: 40 reactive ratio	Maintenance requests are usually prioritised and dealt with accordingly, completion time for approved maintenance requests are generally completed within 1-10 weeks depending on urgency of works, mainly due to the backlog of scheduled maintenance in core service areas and the additional areas of service
Customer Satisfaction	Be responsive to the needs of Customers using asset	No customer requests received	85% of requests are completed within Council's service charter	85% of requests are addressed. Completion is dependent on specific situations and the budget allocation for the specific area. (Cedar Grubs, cat heads, lane way spraying not previous an area of OSR)
Reliability/ responsiveness	Provide well maintained park facilities that are affordable to the community.	Annual Condition Assessment. Planned v's reactive	Greater than 60% of maintenance expenditure is undertaken through planned maintenance schedules	Over 100% expended each financial Year, maintenance schedules adhered to as much as possible, increase in areas of service lead to decrease in levels of quality service (GG sportsground/ GG town and surrounds, , Broad street, Reserves, lane ways, all vegetation within towns, Barellan table drains and surrounds

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
	Planned works completed in accordance with schedules	Completion of scheduled work	90% completion within service standard	80% completion rate 20% unscheduled and responsive to events, councillor requests, customer requests, storms, climate influences, funerals, Vandalism, graffiti etc
	Provide well maintained wharves, jetties and boat ramps facilities that are affordable to the community.	Annual Condition Assessment. Planned v's reactive	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules	Future improvements at Lake Talbot budgeted
Sustainability	Open space Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	31.94%%

A1.6 Future Demand

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Opportunities identified to date for demand management are shown in the table below. Further opportunities will be developed in future revisions of this asset management plan.

Table 8 Demand Management

Demand factor	Impact on assets
Population	While there is a small decrease in population over the life of the plan, Council will need to monitor usage to ensure that demand is not exceeding the service capacity of its existing portfolio. Further, Council will need to regularly assess whether the current portfolio is fit for purpose and has the functionality and capacity to provide the current range of services and any additional services required in the future.
Demographics	Changing demographics may not have a direct impact on the type of facilities Council provides, however if the current and/or new services required as a result of changing demographics are not appropriate for the current facilities, then new, enhanced or different facilities may be required to accommodate the aging population.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations.
Environment and climate	May impact on the environmental sustainability of facilities and recreational areas and their increasing move to renewable energy sources.
Technology	May require improved environmental management of construction and the management of the portfolio into the future.

A1.7 Lifecycle - Maintenance Strategy

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity
- Reactive Maintenance - work on breakdowns, failures and or damaged assets that are not operating or are about to fail on an ad hoc basis
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently has no documented maintenance strategy for its buildings and open space assets. However, there is a significant focus on proactive maintenance through regular defect inspections, particularly on assets in poor condition.

Figure 5 OPEX Buildings Expenditure

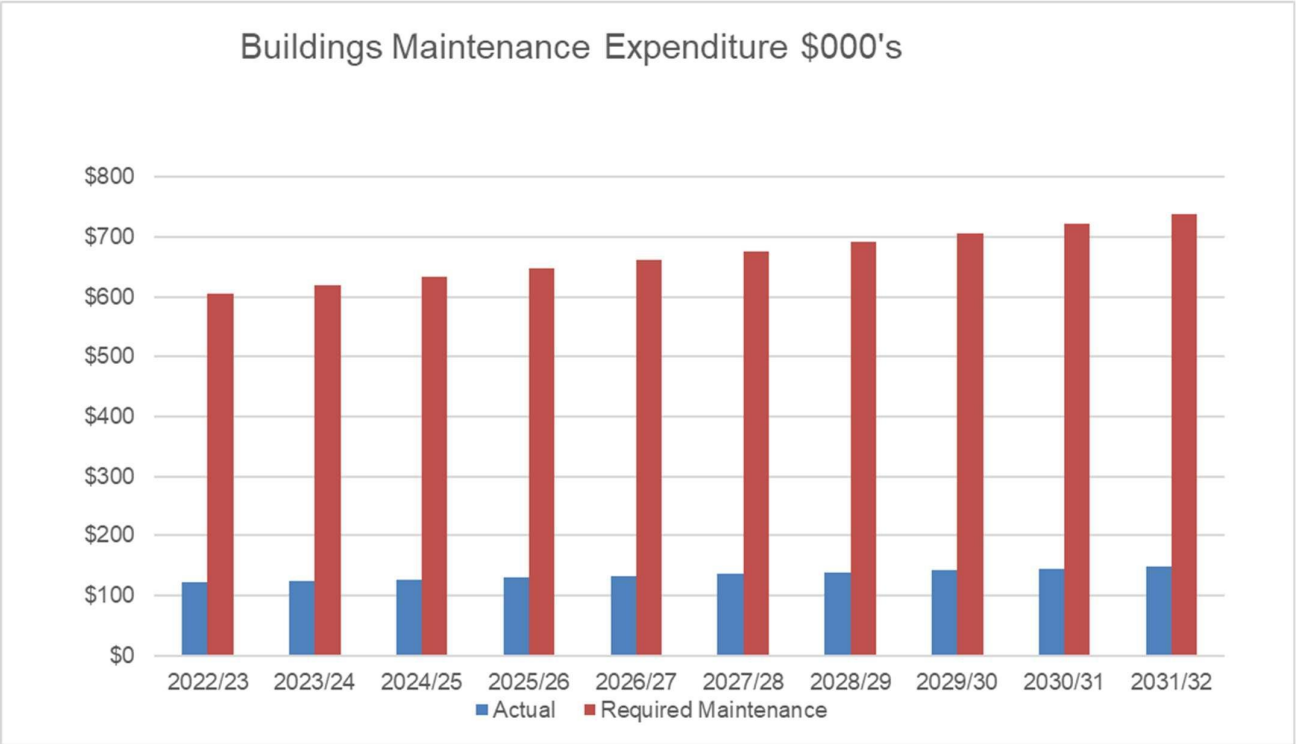
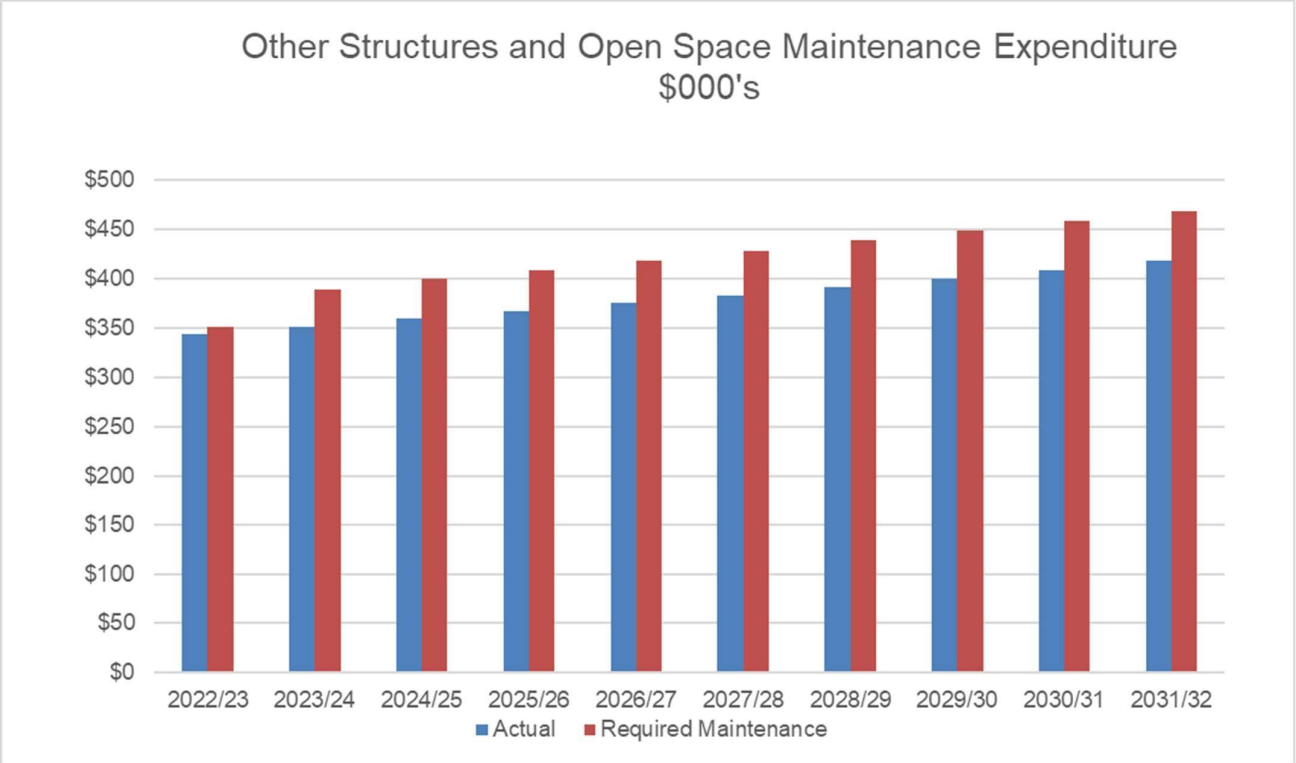


Table 9 OPEX Other Structures and Open Space Expenditure



Reviewing OPEX expenditure against required spend, there is a notable shortfall in buildings maintenance expenditure and a small shortfall in the Open Space area. Council should review whether any of this work is capital in nature and can be captured accordingly. Council currently also maintains significant natural assets as well as assets which are not owned by council. The costs associated with these assets has not been included in this iteration of the asset management plan.

A1.8 Lifecycle - Renewal/Replacement Strategy

Council currently has no documented strategy for the renewal of its building's, other structures and open space assets. In developing renewal plans for these assets, inspections are scheduled based on the age and condition of assets to determine remaining life and required replacement. Council is opportunistic with grant funding with respect to the replacement of its assets and undertakes business case analysis to explore options and feasibility of the potential project. Council's documented renewal criteria is as follows:

Table 10 Renewal Criteria

Criteria	Weighting
Fit for Purpose	25%
Condition / Safety	25%
OPEX Costs	25%
Community Expectations	25%
Total	**100%**

Council has reviewed the functionality and capacity of its assets in low condition to determine whether their performance is 'Fit for Purpose' and meets the needs of the community. This is reflected in the following performance profile of the portfolio.

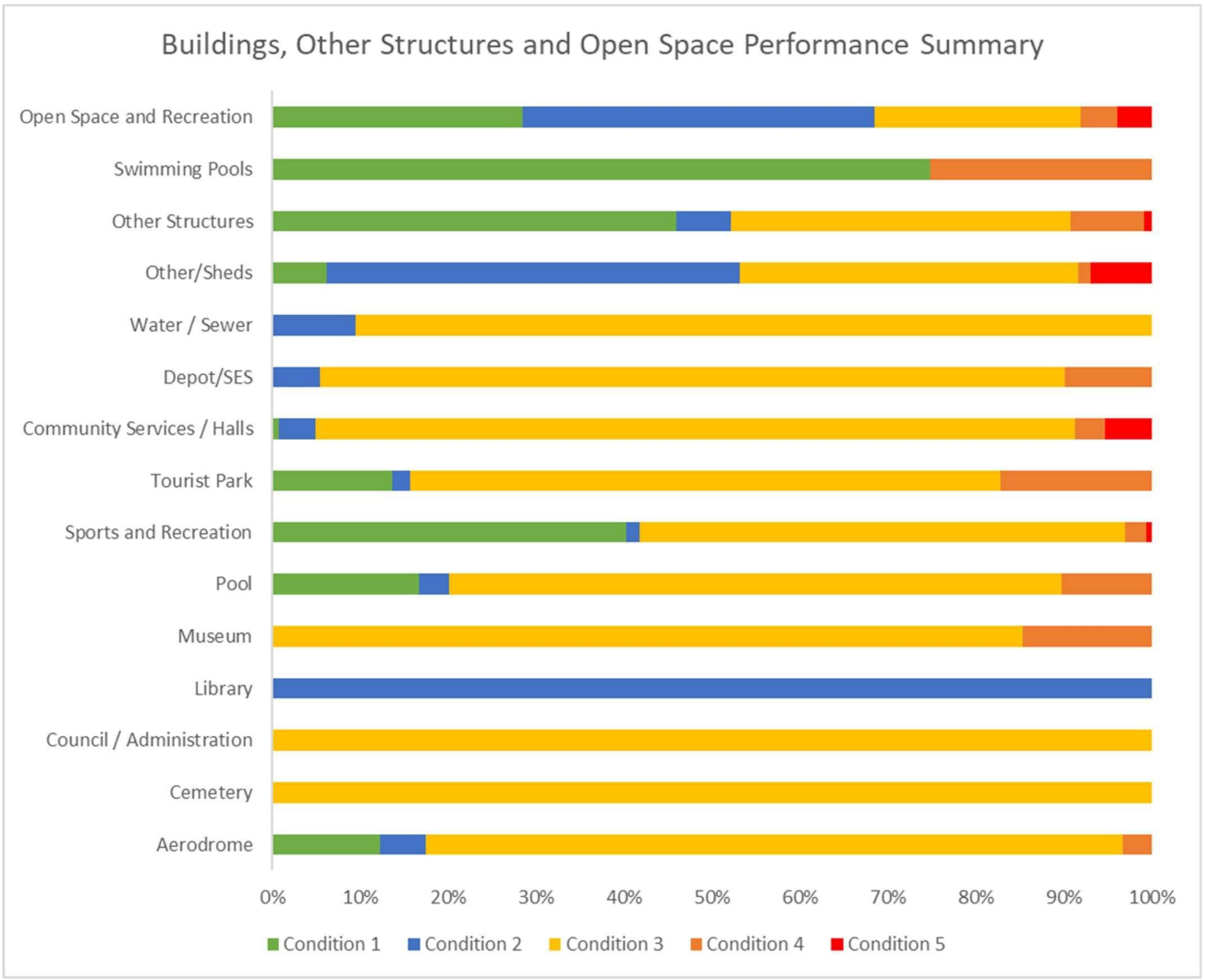
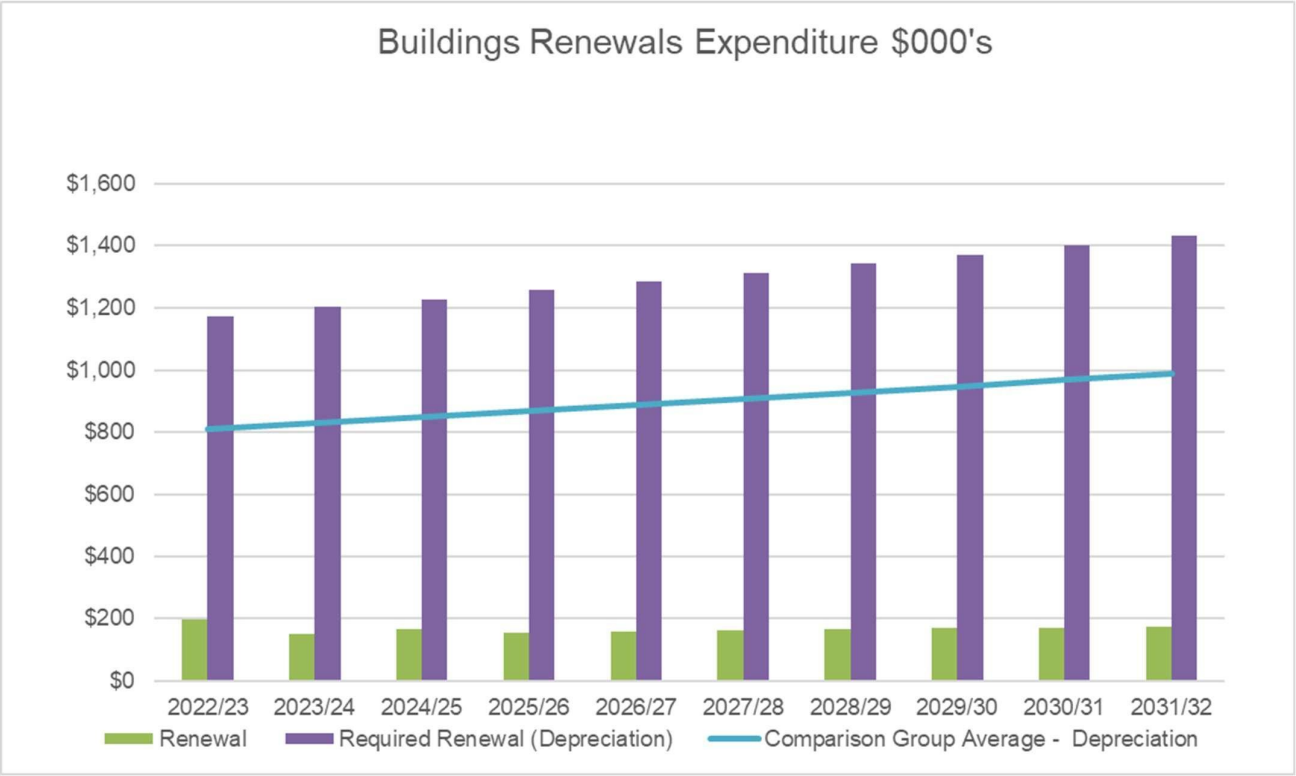


Figure 6 Buildings, Other Structures and Open Space Performance Summary

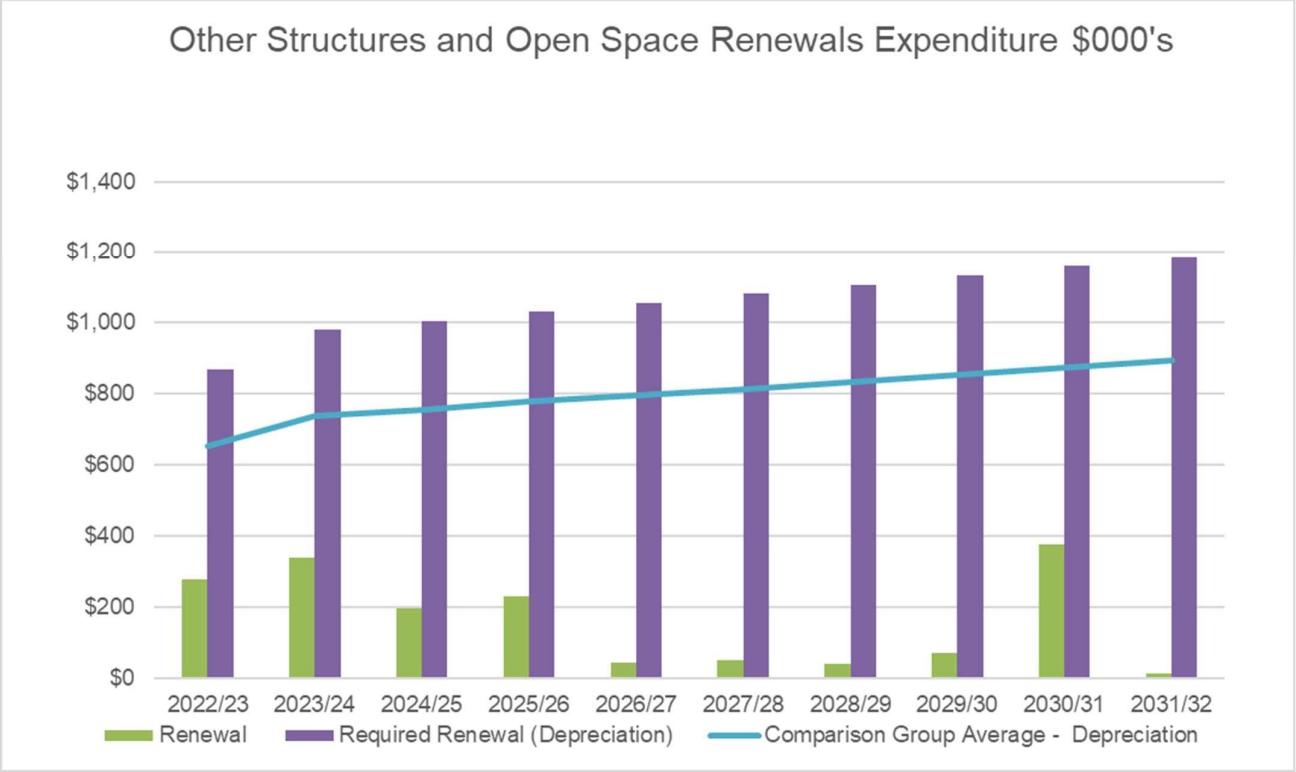
Councils' capital planning aligns with this assessment of the portfolio prioritising asset performance and the needs of the community over the physical condition of its assets.

Figure 7 Buildings CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Buildings portfolio against its annual depreciation requirements. This showed that Council currently had a significant deficit of funds to meet the required level of funding and it is anticipated that the condition of these assets will continue to degrade. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate significantly higher than that of the comparison group.

Figure 8 Other Structures and Open Spaces CAPEX Expenditure



Similarly, Council compared its budgeted/actual CAPEX expenditure for its Other Structures/ Open Space portfolio against its annual depreciation requirements. This showed that again, Council currently had a significant deficit of funds to meet the required level of funding and it is anticipated that the condition of these assets will continue to degrade. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate higher than that of the comparison group.

A1.9 Expenditure Projections

Table 11 Buildings Expenditure Projections

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Buildings	**Actual**											
		Renewal	$196	$149	$167	$155	$158	$162	$165	$168	$172	$175
		New and Expanded Assets	$4,146	$0	$50	$0	$0	$0	$0	$0	$0	$0
		Maintenance and Operations	$122	$124	$127	$130	$133	$136	$139	$142	$145	$148
		Total Expenditure	**$4,464**	**$274**	**$344**	**$285**	**$291**	**$297**	**$303**	**$310**	**$316**	**$323**
	Required											
		Required Renewal (Depreciation)	$1,173	$1,304	$1,332	$1,363	$1,393	$1,423	$1,455	$1,487	$1,519	$1,553
		New and Expanded Assets	$4,146	$0	$50	$0	$0	$0	$0	$0	$0	$0
		Required O&M	$606	$619	$634	$647	$662	$676	$691	$706	$722	$738
		Total	**$5,926**	**$1,923**	**$2,016**	**$2,010**	**$2,054**	**$2,100**	**$2,146**	**$2,193**	**$2,241**	**$2,291**
		Maintenance Overall (GAP)	-$484	-$495	-$506	-$518	-$529	-$541	-$553	-$565	-$577	-$590
		Renewals Overall (GAP)	-$977	-$1,154	-$1,165	-$1,207	-$1,234	-$1,262	-$1,290	-$1,319	-$1,348	-$1,378
		Overall (GAP)	**-1,461**	**-1,649**	**-1,671**	**-1,725**	**-1,763**	**-1,802**	**-1,842**	**-1,883**	**-1,925**	**-1,968**
		Comparison Group – Depreciation	$811	$901	$921	$942	$963	$984	$1,006	$1,028	$1,051	$1,074
		Comparison Total (Inc. New and Expanded)	**$5,563**	**$1,521**	**$1,605**	**$1,590**	**$1,625**	**$1,660**	**$1,697**	**$1,734**	**$1,772**	**$1,811**
		Comparison Overall (GAP)	**-$1,099**	**-$1,247**	**-$1,260**	**-$1,305**	**-$1,334**	**-$1,363**	**-$1,394**	**-$1,425**	**-$1,456**	**-$1,489**

Table 12 Other Structures, Open Space Expenditure Projection

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Other Structures	**Actual**											
Open Spaces		Renewal	$278	$338	$197	$230	$45	$50	$42	$70	$375	$14
Swimming Pools		New and Expanded Assets	$3,949	$2,293	$183	$53	$23	$8	$158	$8	$0	$0
		Maintenance and Operations	$344	$351	$359	$367	$375	$383	$392	$400	$409	$418
		Total Expenditure	**$4,570**	**$2,982**	**$739**	**$650**	**$442**	**$441**	**$591**	**$478**	**$784**	**$432**
	Required Expenditure											
		Required Renewal (Depreciation)	$869	$954	$1,047	$1,076	$1,101	$1,126	$1,152	$1,182	$1,208	$1,235
		New and Expanded Assets	$3,949	$2,293	$183	$53	$23	$8	$158	$8	$0	$0
		Required O&M	$352	$389	$400	$409	$418	$428	$439	$449	$459	$469
		Total	**$5,169**	**$3,636**	**$1,630**	**$1,538**	**$1,542**	**$1,562**	**$1,748**	**$1,639**	**$1,667**	**$1,704**
		Maintenance Overall (GAP)	-$8	-$37	-$41	-$42	-$43	-$44	-$47	-$48	-$50	-$51
		Renewals Overall (GAP)	-$591	-$616	-$850	-$846	-$1,057	-$1,076	-$1,110	-$1,112	-$833	-$1,221
		Overall (GAP)	**-599**	**-654**	**-891**	**-888**	**-1,100**	**-1,121**	**-1,157**	**-1,161**	**-883**	**-1,272**
		Comparison Group – Depreciation	$654	$719	$789	$810	$830	$848	$867	$890	$910	$930
		Comparison Total (Inc. New and Expanded)	**$4,955**	**$3,400**	**$1,371**	**$1,272**	**$1,271**	**$1,284**	**$1,464**	**$1,347**	**$1,369**	**$1,399**
		Comparison Overall (GAP)	**-$385**	**-$418**	**-$632**	**-$623**	**-$828**	**-$843**	**-$873**	**-$869**	**-$585**	**-$967**

Table 13 Consolidated Expenditure Projections

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Combined	**Actual**											
AMP		Renewal	$474	$487	$364	$385	$203	$212	$206	$238	$547	$189
		New and Expanded Assets	$8,095	$2,293	$233	$53	$23	$8	$158	$8	$0	$0
		Maintenance and Operations	$466	$476	$486	$497	$508	$519	$530	$542	$554	$566
		Total Expenditure	**$9,034**	**$3,255**	**$1,083**	**$935**	**$733**	**$738**	**$894**	**$788**	**$1,101**	**$755**
	Required											
		Required Renewal (Depreciation)	$2,042	$2,258	$2,380	$2,439	$2,494	$2,550	$2,606	$2,669	$2,728	$2,788
		New and Expanded Assets	$8,095	$2,293	$233	$53	$23	$8	$158	$8	$0	$0
		Required O&M	$958	$1,008	$1,033	$1,057	$1,080	$1,104	$1,130	$1,155	$1,181	$1,207
		Total	**$11,095**	**$5,558**	**$3,645**	**$3,548**	**$3,597**	**$3,661**	**$3,894**	**$3,832**	**$3,909**	**$3,995**
		Maintenance Overall (GAP)	-$492	-$532	-$547	-$560	-$572	-$585	-$600	-$613	-$627	-$640
		Renewals Overall (GAP)	-$1,568	-$1,771	-$2,015	-$2,054	-$2,291	-$2,338	-$2,400	-$2,431	-$2,181	-$2,599
		Overall (GAP)	-$2,060	-$2,303	-$2,562	-$2,613	-$2,864	-$2,923	-$3,000	-$3,044	-$2,808	-$3,239
		Comparison Group – Depreciation	$1,466	$1,620	$1,710	$1,753	$1,793	$1,833	$1,873	$1,918	$1,961	$2,004
		Comparison Total (Inc. New and Expanded)	$10,518	$4,921	$2,976	$2,862	$2,895	$2,944	$3,161	$3,081	$3,141	$3,210
		Comparison Overall (GAP)	-$1,484	-$1,665	-$1,893	-$1,927	-$2,162	-$2,206	-$2,267	-$2,293	-$2,041	-$2,455

Figure 9 Buildings Sustainability Ratios

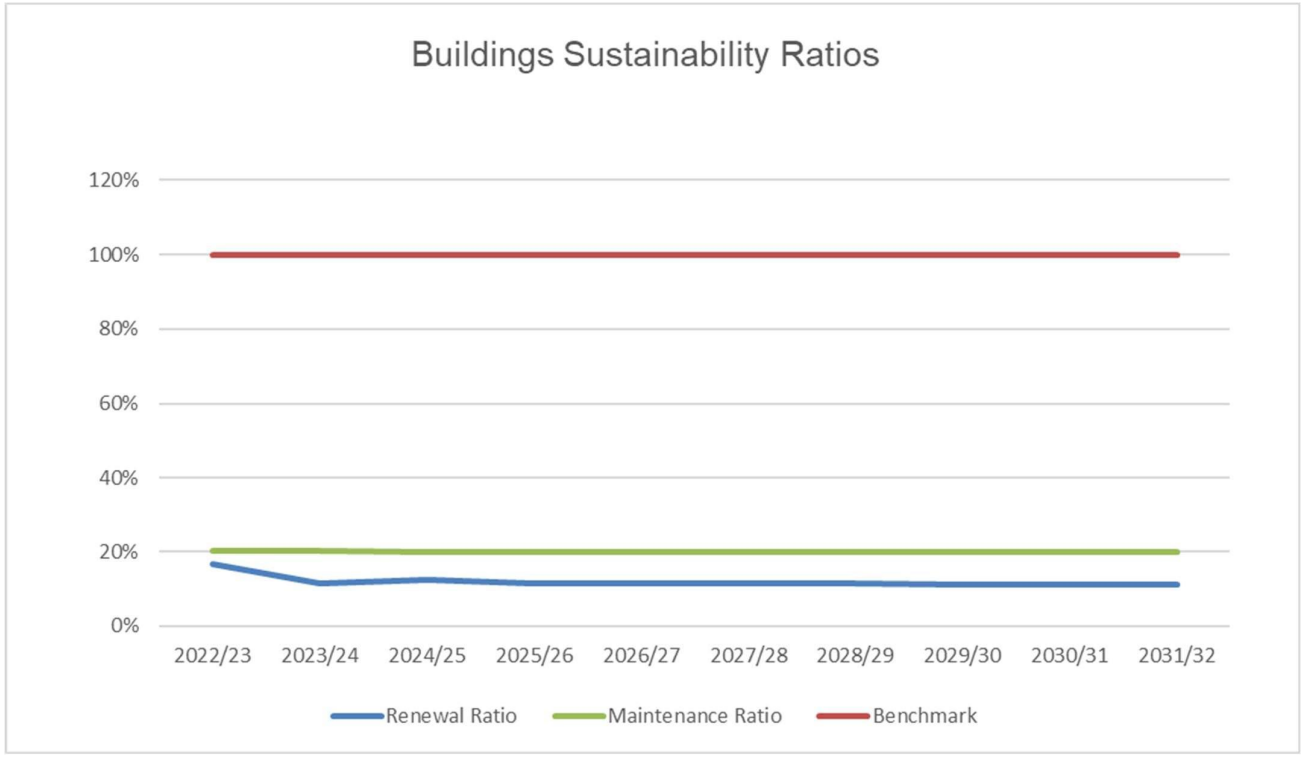


Figure 10 Buildings Backlog Ratio

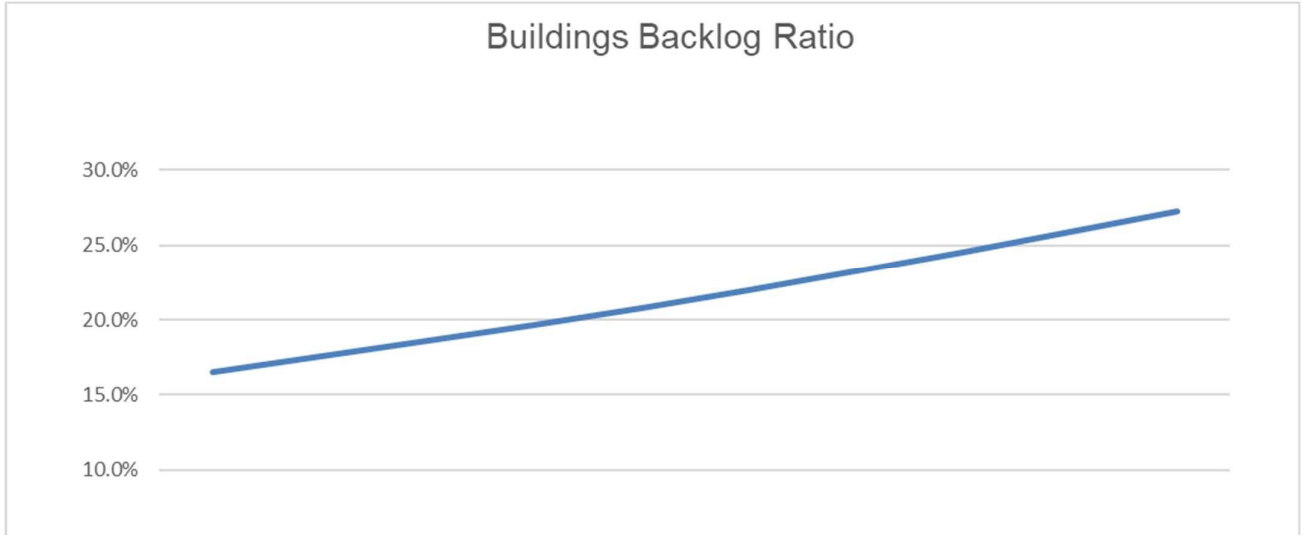


Figure 11 Other Structures and Open Space Sustainability Ratios

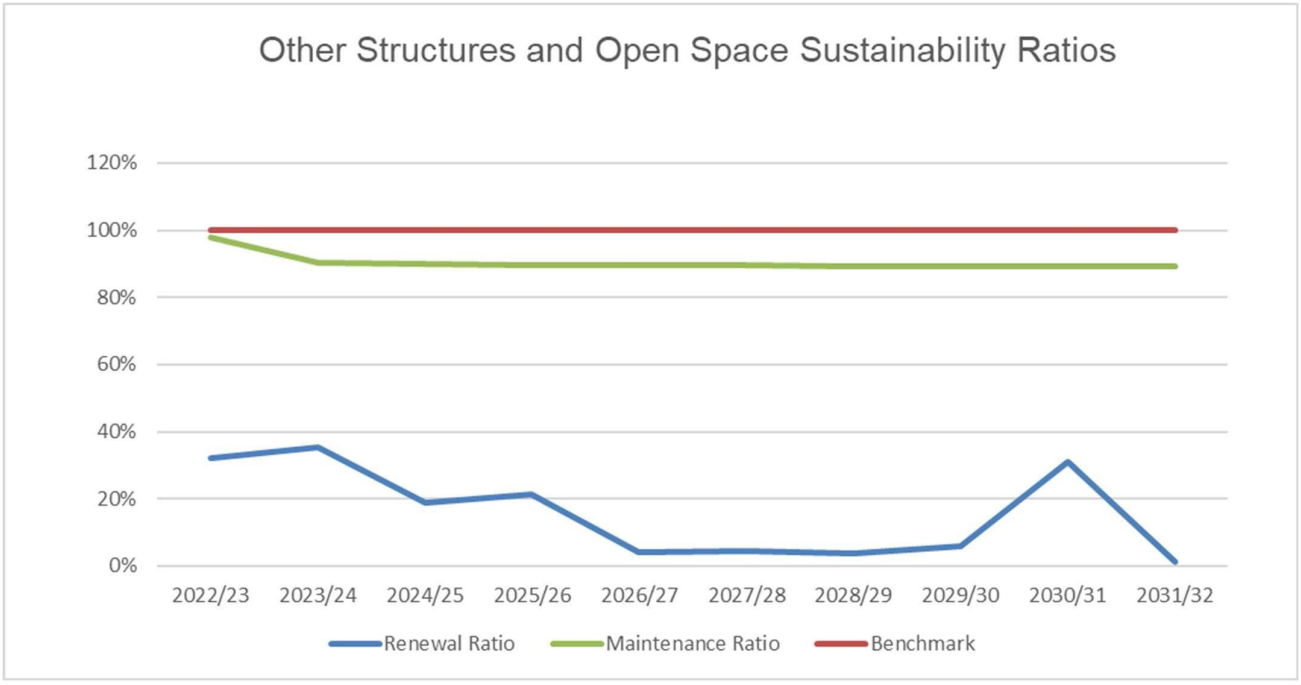
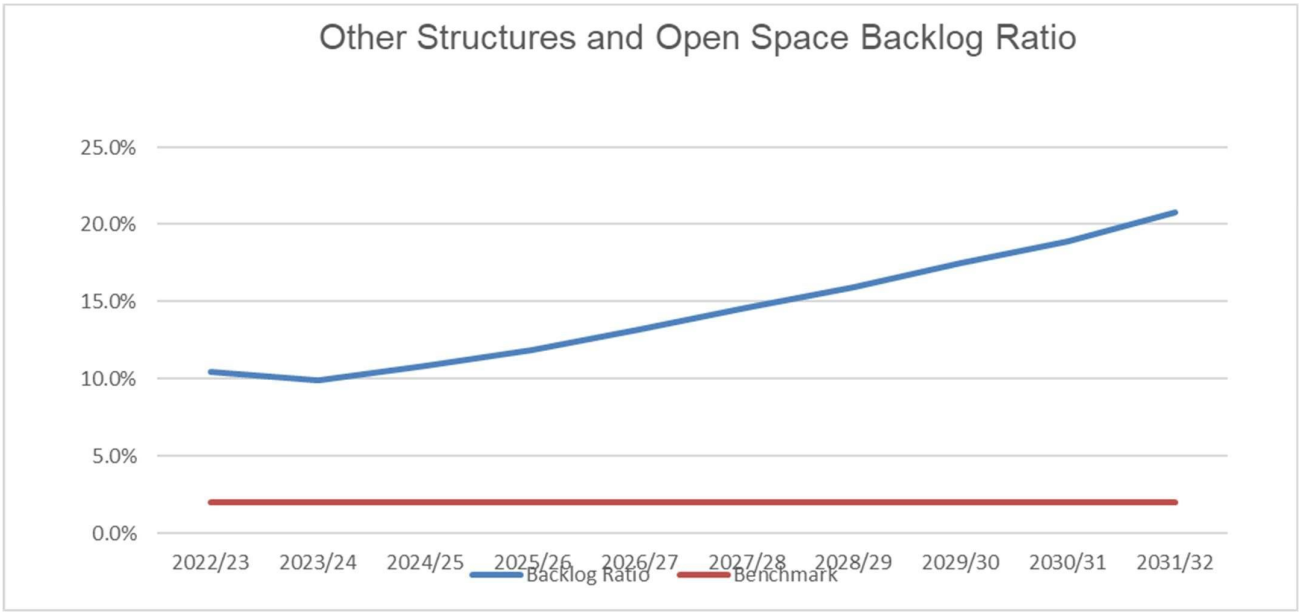


Figure 12 Other Structures and Open Space Backlog Ratio



A1.10 Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans in critical areas. Council is currently in the process of assessing and documenting the criticality of its building portfolio.

The following attributes are currently being considered as part of this analysis:

Table 14 Critical Assets

Attribute	High	Medium	Low
Essential Services	Yes		
Size	Large	Medium	Small
Multipurpose	>3 users	2-3 users	1 primary user
Frequency of use	Daily	3 - 4 times per week	1 - 2 times per week
Hazardous Material Store	Yes		
Historical significance	Yes		
Emergency service/management use	Yes		

Identified critical assets include Council's administration office, depot, emergency services, library, community centre and critical water and sewer buildings infrastructure.

A1.11 Risk Management

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's buildings, other structures and open space assets and highlights the strategic risks which impact Council's asset portfolio.

Table 15 Strategic Risk Management

Service or Asset at Risk	What Can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
Building Maintenance	Maintenance costs increasing due to inadequate renewal program	Medium	Continue to improve data Maintenance is managed appropriately at an operational; level. Future planning improvements can be made by documented service level risks and utilisation of these in establishing future maintenance priorities.	Ongoing staff time
Building Renewal	Buildings deteriorate to a lesser service standard and higher risk situation	Medium	Continue to improve data Required renewal of building components is being achieved in the short to medium term. Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities.	Ongoing staff time
Utilisation	Buildings not suiting the needs of service providers	Medium	Continue to monitor not only the condition of buildings, but how well they suit the needs of users.	Ongoing staff time
Increasing financial pressure to adequately maintain the building portfolio	Growth in building portfolio due to provision of grants	Medium	Although grants may be available for the capital cost of new or expanded facilities, due consideration should be made to ensure sufficient ongoing operation and maintenance funds can be provided to support these additional assets.	Ongoing staff time

Service or Asset at Risk	What Can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
All buildings and facilities	Building Defects or non-compliance with regulations resulting in injury or discrimination against the disabled	High	Regular inspection programme targeted and prioritised based on risk, levels or use and types of use.	Ongoing staff time
Parks and Gardens Maintenance	Increasing maintenance requirements	High	Continue to improve data Documented service level risks and utilisation for establishing future maintenance priorities.	Staff Time
Parks and Gardens Renewal	Assets deteriorate to a lesser service standard and higher risk situation	High	Continue to improve data Required renewal of parks and gardens assets is being achieved in the short to medium term Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities.	Staff Time
Damage to Assets	Damage to Assets due to excessive wear, environmental damage or vandalism	Very High	At present cannot be managed within Council's resourcing. Continue to improve data.	Staff Time
Playgrounds	Incident or injury for the Community using facilities	High	Regular renewal of softfall, prevention of usages if broken, repairs faulty or broken equipment through regular inspection and maintenance.	Ongoing staff time Existing maintenance and renewal budget.
Parks and Reserves	Inadvertent destruction of natural or protected assets missed by review of environmental factors Loss of reputation, fines, loss of natural or cultural asset	High	Update plans of management to include protection and preservation obligations.	Ongoing staff time

A1.12 Confidence Levels

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 16: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedures, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 17: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings	Acceptable	Acceptable	Reliable	Acceptable
Other Structures and Open Space	Acceptable	Acceptable	Acceptable	Acceptable

The overall confidence level of the plan is considered to be '**Acceptable**'.

A1.13 Improvement Plan

There is a significant portion of Council's assets currently in poor condition as well as a significant shortfall in renewal capital expenditure for both buildings and open space assets. As Council recovers from the impact of natural disasters in 2022, it is critical it integrates adequate funding to maintain these assets into its long-term financial plan. Future iterations of this asset management plan will focus on a more strategic approach to managing the portfolios. The improvement plan below sets out the pathway for Council to achieve this.

Table 18 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/06/24
Council to undertake inventory stock take of asset portfolios to ensure all assets are accounted for on Council's asset register.	M	Assets	30/6/25
Council to review buildings and open space assets hierarchy as well as composition of assets to be included as part of revaluation	M	Assets	30/6/25
Asset knowledge processes			
Council to review required maintenance and depreciation requirements for its buildings and open space portfolio	M	Assets Finance	30/06/24
Council to review condition impairment identified in end of financial year reporting and update assets registers accordingly	H	Assets	30/6/23
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	H	Assets Finance	30/06/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/06/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/06/24
Council to engage community on developed service levels.	H	Assets	30/06/25
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/06/24
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets including infrastructure, non-depreciable/natural assets as well as assets that are maintained but not owned by council.	H	Assets Operations Systems	30/06/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/06/25
Information systems			
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/06/23

A1.14 Capital Works Program

To be provided by Council

Appendix B – Transport Asset Management Plan

This asset management plan covers the portfolio of Transport assets that deliver a wide range of services to the Narrandera Shire Council community.

Council's Transport infrastructure includes its roads, bridges, footpaths and cycleways, kerb and gutter, bulk earthworks, as well as other ancillary traffic management assets.

As the owner and operator of transport assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

B1.1 Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of Transport assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

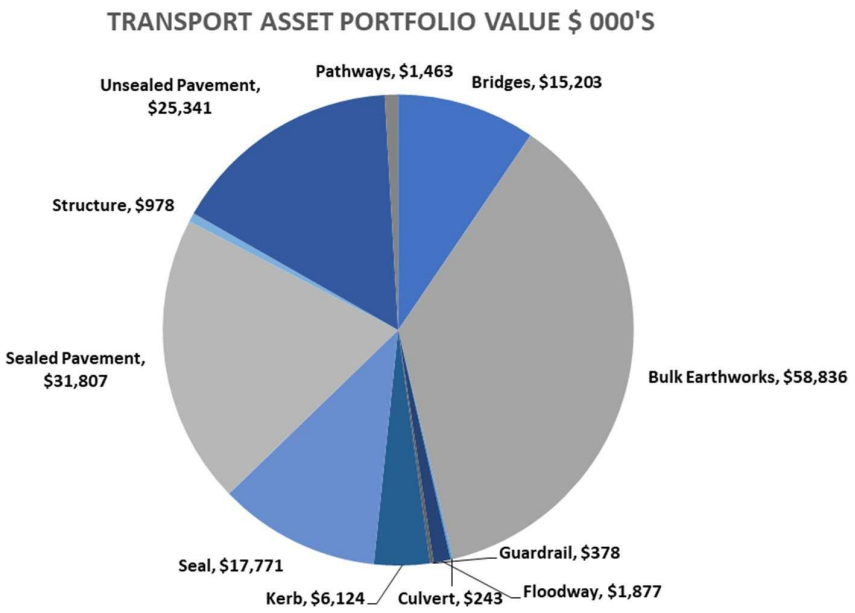
- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of Transport assets.

B1.2 Asset Class Summary

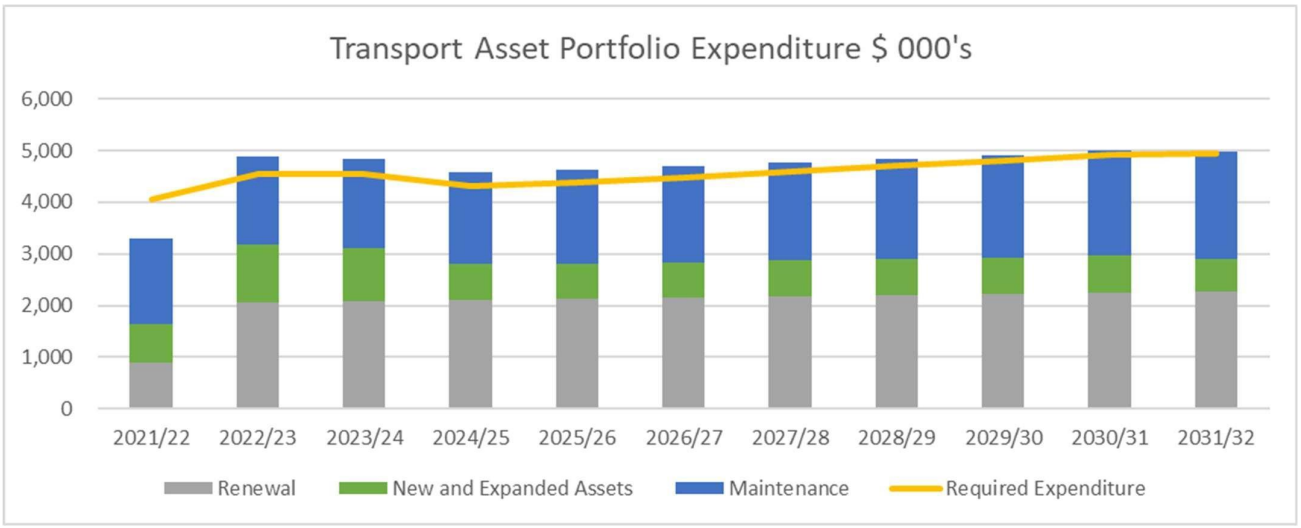
Council is currently in the process of repairing the damage sustained during the 2022 flood events with a recent survey of the network highlighting that the condition of the roads portfolio is better than was initially anticipated following the event. In light of this, Council has budgeted adequate funds through the life of this plan to maintain the current portfolio in its current state and to marginally improve the backlog towards the OLG 2% benchmark. There is an average annual surplus of $0.19m of which $0.0.33m can be attributed to OPEX expenditure and a $0.14m CAPEX shortfall.This iteration of the asset management plan sets a pathway for a strategic approach for the management of Council's assets to improve confidence in asset data which will promote sound decision making for the community.

B1.3 Portfolio Overview

Figure 1 Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	100.80%	88.38%	Yr 1	$16
Benchmark 100%			5 Yr Average	(-$54)
			10 Yr Average	(-$140)
Infrastructure Backlog Ratio	4.04%	3.88%	Yr 1	(-$2,549)
Benchmark 2%			5 Yr Average	(-$2,473)
			10 Yr Average	(-$2,421)
Infrastructure Maintenance Ratio	123.69%	119.41%	Yr 1	$326
Benchmark 100%			5 Yr Average	$326
			10 Yr Average	$330
Total Funding Gap			Yr 1	(-$2,207)
			5 Yr Average	(-$2,200)
			10 Yr Average	(-$2,232)



B1.4 Asset Inventory, Values and Condition

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

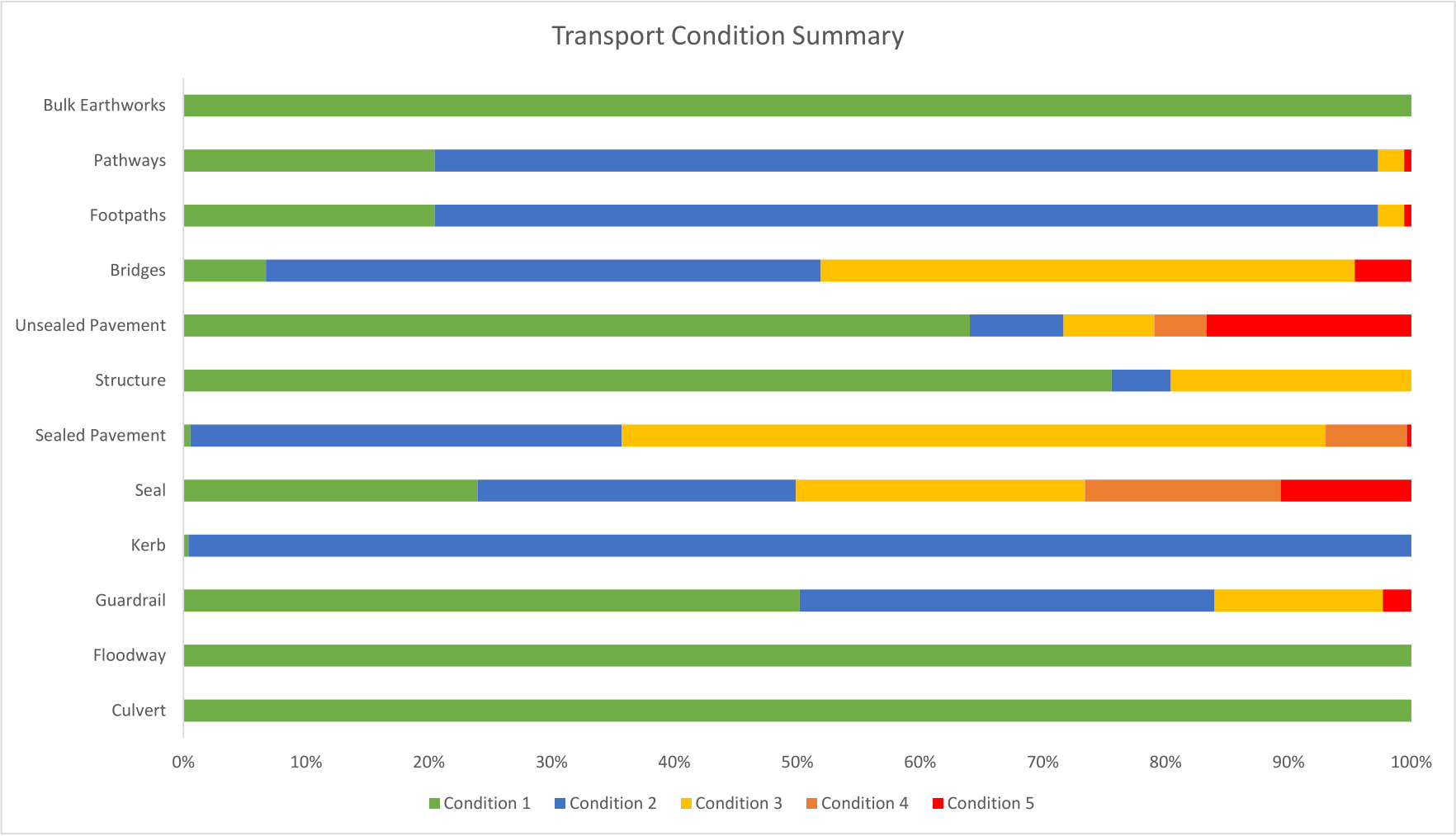
Table 1 Transport Asset Inventory

Asset Type	Unit	Units
Sealed Road	KM	595
Unsealed Road	KM	884
Footpaths	KM	19
Kerb and Gutter	KM	80
Bridges	No.	23

Table 2 Portfolio Valuation

Asset	Gross Replacement Cost $ 000's	Written Down Value $ 000's	Annual Depreciation $ 000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Roads	$84,519	$53,090	-$1,831	28%	28%	29%	7%	7%
Bridges	$15,203	$9,190	-$149	7%	45%	43%	0%	5%
Footpaths	$1,464	$982	-$19	20%	77%	2%	0%	1%
Bulk Earthworks	$58,836	$58,836	$0	100%	0%	0%	0%	0%

Figure 2 Condition Summary



B1.5 Roles and Responsibilities

Council has adopted the following roles and responsibilities matrix for its Transport assets.

Table 3 Roles and Responsibilities Summary

Role	Responsibilities	Functions
Asset Owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	• Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters.
Asset Custodian	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	• Develop and oversee capital works and maintenance program • Handover and documentation • Control budgets • Develop asset plans • Asset condition rating

		• Risk management • Data custodian – Hierarchy, level of detail • Recommendation of asset disposal and renewal 4yr program.
Asset Delivery – Maintenance and Operations Asset Delivery - CAPEX	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	• Controls asset use, in line with policy • Deliver programmed and reactive maintenance, internal/external • Deliver and / or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service.

Table 4 Roles and Responsibilities Matrix

Asset Category	Asset Owner (Ownership and Strategy)	Asset Custodian (Plan and Manage)	Asset Delivery (Delivery and Ops) - CAPEX	Asset Delivery (Delivery and Ops) - Maintenance
Culvert	DGMI	WM	WM	WM
Floodway	DGMI	WM	WM	WM
Guardrail	DGMI	WM	WM	WM
Kerb and Gutter	DGMI	WM	WM	WM
Seal	DGMI	WM	WM	WM
Sealed Pavement	DGMI	WM	WM	WM
Structure	DGMI	WM	WM	WM
Unsealed Pavement	DGMI	WM	WM	WM
Bridges	DGMI	WM	WM	WM
Pathways	DGMI	WM	WM	WM
Bulk Earthworks	DGMI	WM	WM	WM

B1.5 Asset Based Levels of Service

Council undertakes a Community Satisfaction Survey to inform the development of the Community Strategic Plan, with the latest survey having been completed in December 2021. A sample of residents was polled on how important they view each of Council's services as well as how satisfied they are with the service delivery. The table below presents most recent community satisfaction survey reported for importance and satisfaction levels for the following services:

Table 5 Community Satisfaction Survey

Service/Facility	2021			2016		
	Importance	Satisfaction	Gap	Importance	Satisfaction	Gap
Provision of bike paths	3.76	3.39	-0.37	3.44	3.28	-0.16
Road safety	4.52	3.58	-0.94	4.6	3.63	-0.97
Maintaining local streets/lanes & roads	4.66	3.01	-1.65	4.79	2.82	-1.97
Maintaining footpaths	4.54	2.98	-1.56	4.35	3.08	-1.27
Availability of car parking	4.19	3.66	-0.53	4.27	3.43	-0.84

Community satisfaction is used in informing the strategic plan and developing the Levels of Service.

Table 6 Transport Levels of Service

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Quality/Condition	Provide sealed road with smooth ride appropriate to road type and speed limits	Survey of road pavement condition	100% of Road pavements in condition 3 or better	93% of Sealed road Pavement in condition 3 or higher, 74% of Sealed road Surface condition 3 or higher
	The condition of local sealed Roads in your area	Community satisfaction survey	Gap between importance and satisfaction decreases	Gap between importance and satisfaction has decreased
Affordability	The services are affordable and managed using the most cost effective methods for the required level of service	Review of service agreements and benchmark with other councils	Maintenance/Opex budget expenditure +/- 5% of Annual Budget	Currently +32% of the adopted Operating Expenditure compared to the YTD expenditure
Health and Safety	Provide roadways free from hazards	Number of road accidents annual RMS accident reports	The three year rolling average of total accidents decreases	Crash 3-year rolling average is decreasing. 2021 Rolling 3-year average: 15.7 2020 Rolling 3-year average: 17 2019 Rolling 3-year average: 20.4
Reliability/ responsiveness	Planned works completed in accordance with schedules	Completion of scheduled work	90% completion within scheduled service standard.	>90% of planned maintenance work completed each year
	Be responsive to the needs of the road and transport asset users	Number of customer requests received	85% of requests are completed within Council's service charter	829 customer servcie requests in the past 5 years.
	Provide well maintained transport assets that are affordable to the community.	Annual works program Planned v's reactive, based on the 3 year plan.	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules.	Data not currently clearly captured
Sustainability	Continues to provide road and transport assets to meet the need of the community	Complete capital work program On-time and on-Budget	Annual Capital works for time and budget +/- 5%	For 2021-2022 year, budget was underspent by -20%, due to extreme weather events. Some projects were postponed or span multiple years such that the funds appear unspent but were to be used in future year
Health and Safety	Provide footpaths free from hazards	Number of insurance claims received	The three year rolling average of total claims	Claims 3-year rolling average is zero

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
			decreases	2021 Rolling 3-year average: 0 claims $0 2020 Rolling 3-year average: 1 claim $0 2019 Rolling 3-year average: 2 claims $0
Quality/Condition	Provide sealed footpaths which are smooth and free of defects	Survey of footpath Condition	90% of footpaths in condition 3 or better	Currently our condition for footpaths is recorded as 99% in condition 3 or better, but our confidence with that is low and more inspections and investigation will be required
	The condition of local footpaths in your area	Community satisfaction survey	Gap between importance and satisfaction decreases	Gap has increased from 1.27 to 1.56
Quality/Condition	Provide kerb and gutter in a good condition and fit for purpose	Survey of kerb and gutter asset condition	90% of kerb and gutter in condition 3 or better	Similar to the footpaths, 100% is recorded as condition 3 or better, but we have low confidence in the data and would need more investigation and inspection
Sustainability	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	100.8%
Affordability	Council maintains its Transport assets	Asset maintenance ratio, measured by (actual maintenance expenditure. Required maintenance expenditure	OLG benchmark 100%	123.69%
Quality/Condition	Transport Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	4.04%

B1.6 Future Demand

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Opportunities identified to date for demand management are shown in the table below. Further opportunities will be developed in future revisions of this asset management plan.

Table 7 Demand Management

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Customer demands	Customers currently prefer driving on our sealed roads as opposed to our unsealed roads	That Council will continue sealing more of its unsealed network	Council is currently completing an Otta seal trial which will result in a larger upfront cost which will occur when roads are sealed or resheeted and sealed but in theory should result in a lower cost long term due to the elimination of maintenance grading on specific roads and more frequent resheeting	Continue to seal roads where possible and get a defined agreed level of service with the community to determine what they are happy with.
	Customers prefer walking on Concrete footpaths as opposed to the nature strip	That Council will continue constructing new footpaths in the shire	This will result in higher annual depreciation and higher maintenance costs, but may reduce the number of complaints received	Continue to budget for construction of new footpaths and/or cycleways around Narrandera Shire
Harvest	Currently Council has few roads built for road trains and b-doubles which creates a potential bottleneck harvest season	As more freight is transported through the road network more of our roads will be required to be upgraded	There will be a higher ongoing cost through maintenance and depreciation in order to maintain any upgraded road to a standard that is suitable for road trains and B-Doubles	Coordinate with stakeholders to determine the main routes that will be beneficial for heavy vehicles
Customer expectations	In general, many of our customers expect that Council will continue sealing more roads while also grading our gravel roads to be less rough	This expectation is likely not going to change	This impact is mostly in line with what Council is already doing regarding sealing gravel roads	Council will continue to seal more gravel roads in order to reduce the overall renewal cost of resheeting gravel roads

B1.7 Lifecycle - Maintenance Strategy

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate

service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

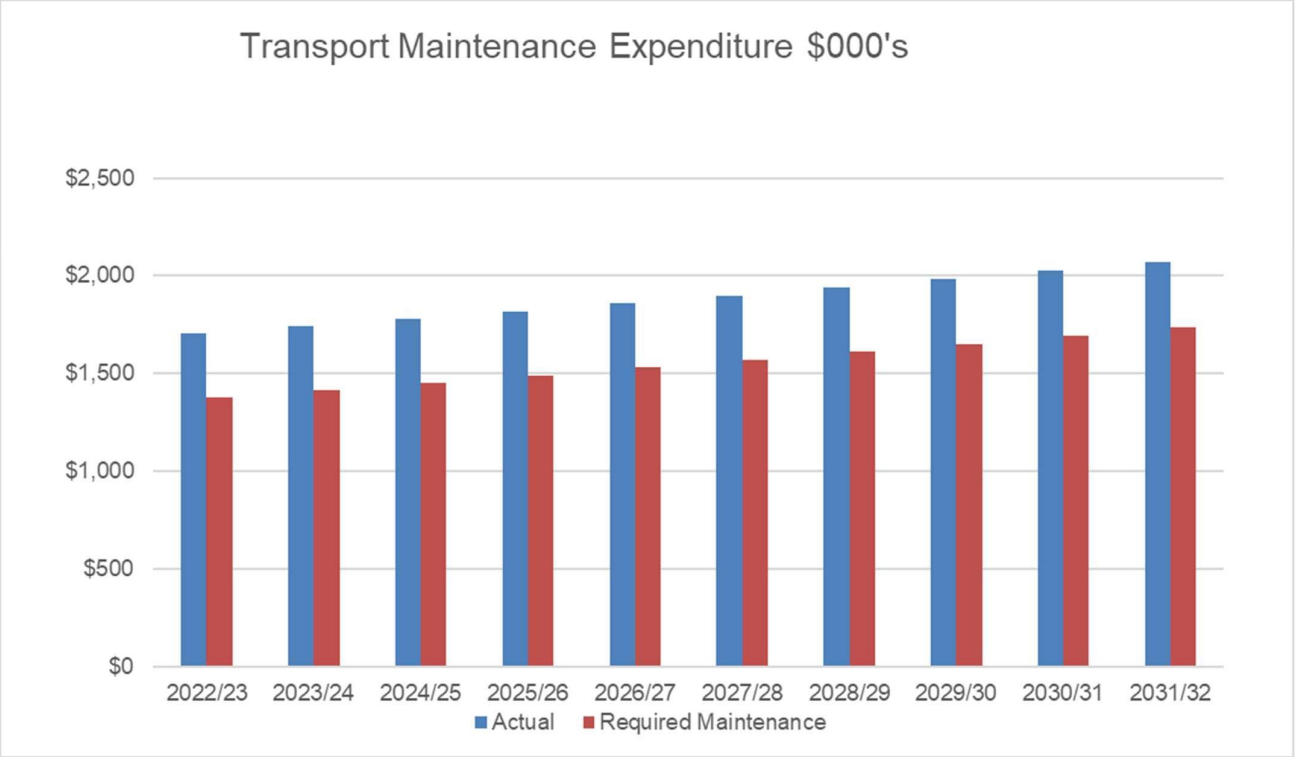
- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently maintains its roads network with respect to the following asset hierarchy:

Table 8 Roads Hiearchy

Service Hierarchy	Service Level Objective
Class 1	National Highways – Transport for NSW owned and managed
Class 2	State Roads – Transport for NSW owned and maintained under Roads Maintenance Council Contract (RMCC)
Class 3	Regional Roads (Classified and unclassified) – 7-8m seal on 9-10m gravel
Class 4	Sealed Roads – Urban roads width to match purpose, rural roads 6m seal on 7m gravel
Class 5	Rural Gravel Roads – 7-8m gravel
Class 6	Rural Gravel Roads – 6m gravel
Class 7	Rural Gravel/Earth Roads – 4-6m formation
Class 8	Rural Unformed Roads – unmaintained tracks
Class 9	Paper Roads Only

Figure 3 OPEX Transport Expenditure



Reviewing OPEX expenditure against required spend, Council is currently meeting the required levels to operate and maintain its network. However further investigation is required into whether all costs are operational in nature and whether any costs are associated with other asset classes.

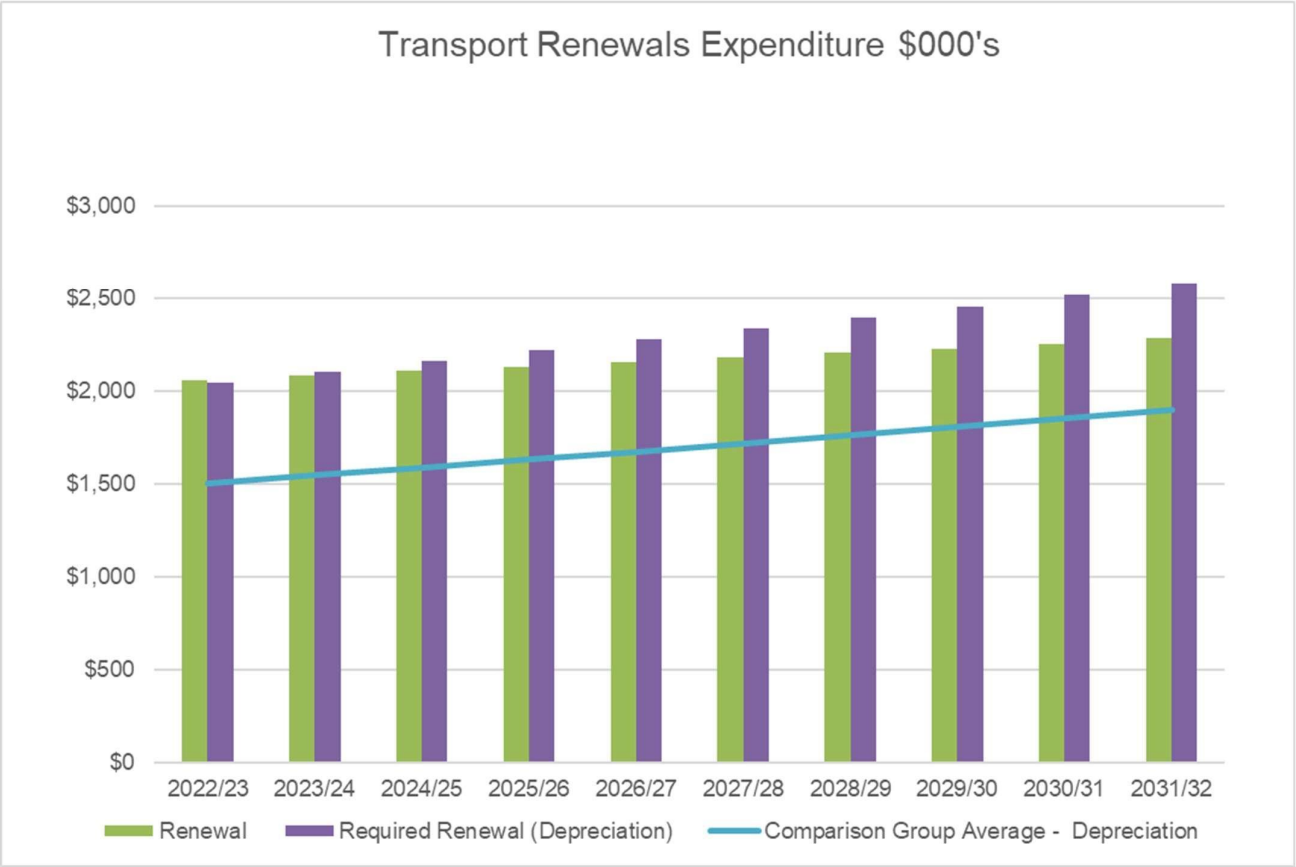
B1.8 Lifecycle - Renewal/Replacement Strategy

Council currently has no documented strategy for the renewal of its transport assets. In developing renewal plans for these assets, inspections are scheduled based on the age and condition of assets to determine remaining life and required replacement. Council's documented renewal criteria are as follows:

Table 9 Renewal Criteria

Criteria	Weighting
Road Hierarchy	10%
Remaining Life / Condition	80%
Customer Complaints	10%
Total	**100%**

Figure 4 Transport CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Transport portfolio against its annual depreciation requirements. This showed that Council currently has adequate funds to meet the required level of funding in the short term however marginally falls short over the forecasting period. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate significantly higher than that of the comparison group.

B1.9 Expenditure Projections

Table 10 Transport Expenditure Projections

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Transport	**Actual**											
		Renewal	$2,059	$2,082	$2,105	$2,129	$2,154	$2,179	$2,204	$2,227	$2,254	$2,282
		New and Expanded Assets	$1,129	$1,024	$710	$677	$685	$692	$700	$707	$715	$623
		Maintenance and Operations	$1,701	$1,739	$1,777	$1,816	$1,856	$1,897	$1,939	$1,981	$2,025	$2,069
		Total Expenditure	**$4,890**	**$4,844**	**$4,593**	**$4,623**	**$4,694**	**$4,768**	**$4,843**	**$4,915**	**$4,993**	**$4,974**
	Required											
		Required Renewal (Depreciation)	$2,043	$2,102	$2,161	$2,217	$2,275	$2,333	$2,393	$2,454	$2,517	$2,581
		New and Expanded Assets	$1,129	$1,024	$710	$677	$685	$692	$700	$707	$715	$623
		Required O&M	$1,376	$1,414	$1,451	$1,489	$1,527	$1,567	$1,607	$1,648	$1,691	$1,733
		Total	**$4,547**	**$4,540**	**$4,323**	**$4,384**	**$4,487**	**$4,592**	**$4,700**	**$4,809**	**$4,922**	**$4,937**
		Maintenance Overall (GAP)	$326	$324	$326	$327	$329	$330	$332	$333	$334	$336
		Renewals Overall (GAP)	$16	-$20	-$56	-$88	-$121	-$154	-$189	-$227	-$263	-$300
		Overall (GAP)	**$342**	**$305**	**$270**	**$239**	**$208**	**$176**	**$143**	**$106**	**$71**	**$37**
		Comparison Group – Depreciation	$1,501	$1,545	$1,588	$1,629	$1,671	$1,714	$1,758	$1,803	$1,850	$1,897
		Comparison Total (Inc. New and Expanded)	**$4,006**	**$3,982**	**$3,750**	**$3,796**	**$3,883**	**$3,973**	**$4,065**	**$4,159**	**$4,255**	**$4,253**
		Comparison Overall (GAP)	$884	$862	$843	$827	$811	$794	$778	$757	$739	$721

Figure 5 Transport Sustainability Ratios

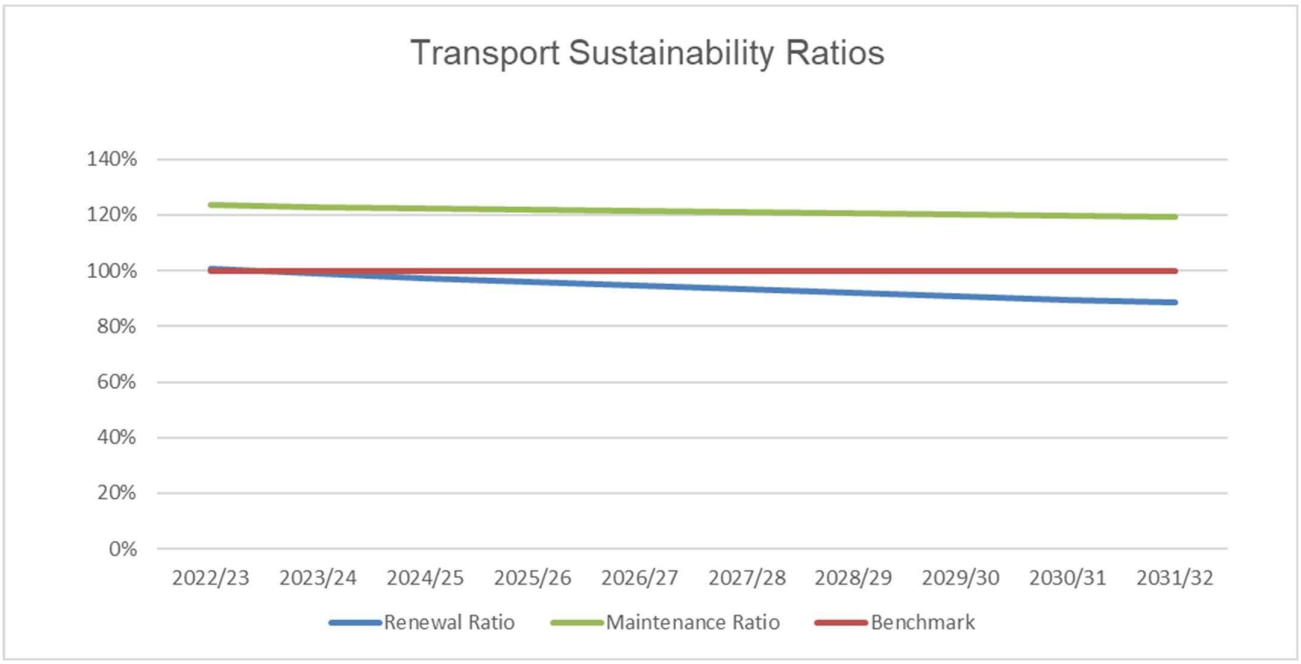
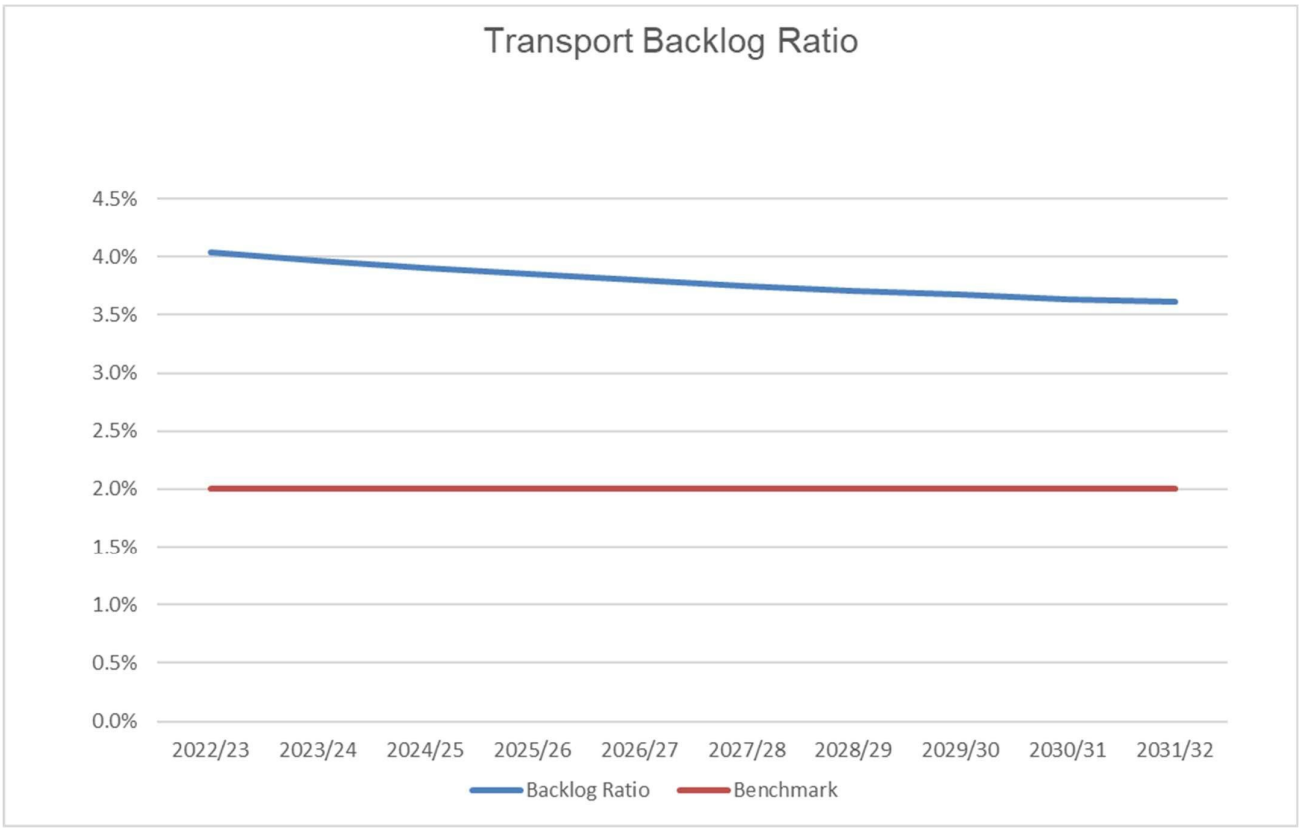


Figure 6 Transport Backlog Ratio



B1.10 Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its transport portfolio.

The following attributes are currently being considered as part of this analysis:

Table 11 Critical Assets

Criteria	High	Medium	Low
Road classification	Arterial	Primary Collector/Local Collector	Local Access
Waterway area	Roads near or parallel to waterways	Road runs perpendicular to waterways	Road near retention/treatment system
Emergency services	Police Ambulance	RFS, NSWFB, SES	Airfield, Council Depot
Schools	40km zones		
Bus routes	School Bus Routes		
Accident history	Fatality	Accidents (hospitalisation)>5	
Commercial/Industrial	Roads to Energy Supply/Distribution Facilities	Roads to Quary/Waste/Water Supply/Treatment Facilities	Roads to Administration (Essential Services)
Isolated communities	Only one road providing access to or from a community		

Council is currently identifying its critical assets.

The following failure modes have been identified:

Table 12 Modes of Failure

Asset(s)	Failure Mode	Impact
Sealed Roads	Due to the low traffic of Narrandera shire, most of our sealed roads tend to fail due to oxidation from their age as opposed to wear from use.	If Council allows a seal to degrade to the point that the pavement underneath is compromised, then the renewal cost for the road is much higher in a rehabilitation than from a simple reseal
Gravel Roads	Gravel roads tend to get rough with age and as they get older and the more traffic that uses them, more gravel "erodes" from the surface due to wear giving a less stable surface to drive on	As the roughness increases the risk to road users does as well. Users will likely drive slower or take more risks both of which will likely lead to more customer complaints
Sealed road shoulders	Due to the seal keeping the gravel underneath in place, the gravel at the edge of a bitumen road when old enough can produce a drop off	The drop off produced increases the risk to rough users where if they happen to drop off at speed while not paying attention or dozing off may produce a large enough shock to cause a crash
Kerbs	As there are a large number of trees in Narrandera kerbs tend to get lifted	It not only creates a potential trip hazard but can impede the water flow and, in some cases, increases the risk of water penetrating into the gravel under the seal
Footpaths	Suffers from trees similar to kerbs	Creates a trip hazard for pedestrians on the path

B1.11 Risk Management

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's Transport assets and highlights the strategic risks which impact Council's asset portfolio.

Table 13 Strategic Risk Management

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Sealed roads with Shoulder drop offs	Vehicle Crash/Near miss	High	Flag customer complaints and conduct safety inspections regarding drop off to works staff for future planning to be fixed by Councils Jetpatcher	Medium-High	TBC
Road Roughness	Vehicle crash/vehicle damage	High	Inspect the roughness of roads with Council's Roughness meter to determine the highest risk road segments to users for future works	Medium	TBC
Footpath and Kerb Trip Hazards	Pedestrian Tripping	High	Grind the lifted section, or reconstruct a short section of the kerb/footpath	Low	TBC
Collapsed Stormwater Pipe	Damage to vehicle and potential injuries	Medium	Upon inspection of potholes whether or not they are above a culvert to determine whether a replacement needs to occur	Low	TBC

B1.12 Confidence Levels

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 14: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 15: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Transport	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**Reliable**'.

B1.13 Improvement Plan

There is a significant portion of Council's assets currently in poor condition as well as a significant shortfall in renewal capital expenditure for both Transport and open space assets. As Council recovers from the impact of natural disasters in 2022, it is critical it integrates adequate funding to maintain these assets into its long-term financial plan. Future iterations of this asset management plan will focus on a more strategic approach to managing the portfolios. The improvement plan below sets out the pathway for Council to achieve this.

Table 16 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/06/24
Asset knowledge processes			
Council to review required maintenance and depreciation requirements for its Transport portfolio	M	Assets Finance	30/06/24
Council to review condition impairment identified in end of financial year reporting and update assets registers accordingly	H	Assets	30/6/23
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	H	Assets Finance	30/06/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/06/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/06/24
Council to engage community on developed service levels.	H	Assets	30/06/25
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/06/24
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Assets Operations Systems	30/06/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/06/25
Information systems			
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/06/23

B1.14 Capital Works Program

To be provided by Council

Appendix C - Stormwater Asset Management Plan

This asset management plan covers the portfolio of Stormwater assets that deliver a wide range of services to the Narrandera Shire Council community.

Council's Stormwater infrastructure includes its pipes, culverts, pits as well as its stormwater quality improvement devices.

As the owner and operator of Stormwater assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

C1.1 Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of Stormwater assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

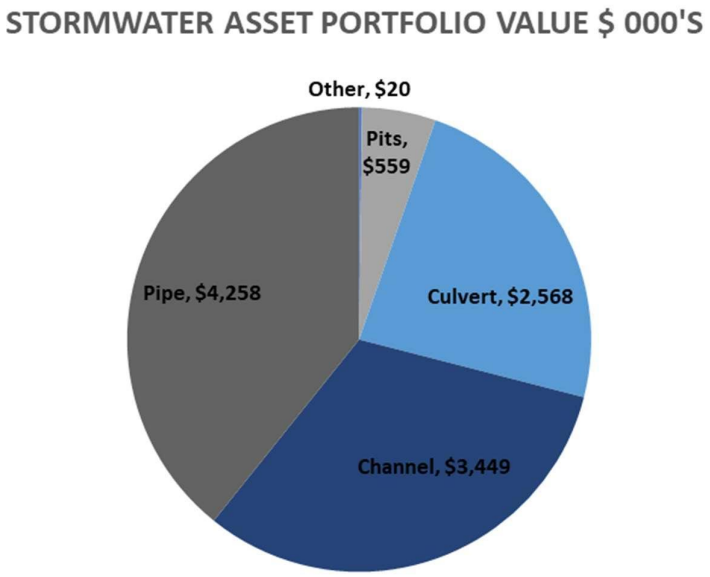
- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of Stormwater assets.

C1.2 Asset Class Summary

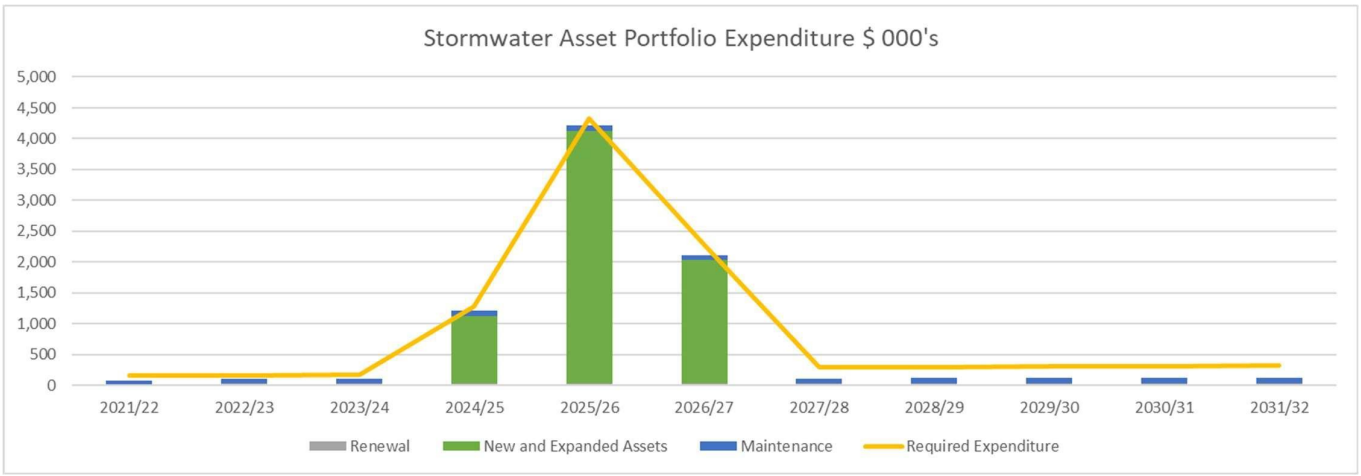
Council currently has a low level of confidence in the available data for its stormwater portfolio, however there are significant capital works planned in the medium term and as such Council has established the foundations to drive strategic asset planning for its stormwater portfolio. Currently there is a small shortfall in the budgeted expenditure for the portfolio $0.14m of which $0.05m can be attributed to OPEX and $0.09m in renewal CAPEX spend. However, there is low level of confidence in the condition data and as such the need may be understated. Further, a detailed review of Council's expenditure should be undertaken to see whether any of Council's OPEX is capital and as to whether expenditure on Council's stormwater assets has been misallocated to other asset classes.

C1.3 Portfolio Overview

Figure 1 Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	37.16%	20.20%	Yr 1	(-$51)
Benchmark 100%			5 Yr Average	(-$63)
			10 Yr Average	(-$88)
Infrastructure Backlog Ratio	11.35%	5.86%	Yr 1	(-$696)
Benchmark 2%			5 Yr Average	(-$656)
			10 Yr Average	(-$639)
Infrastructure Maintenance Ratio	87.54%	55.05%	Yr 1	(-$11)
Benchmark 100%			5 Yr Average	(-$33)
			10 Yr Average	(-$54)
Total Funding Gap			Yr 1	(-$758)
			5 Yr Average	(-$751)
			10 Yr Average	(-$780)



C1.4 Asset Inventory, Values and Condition

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

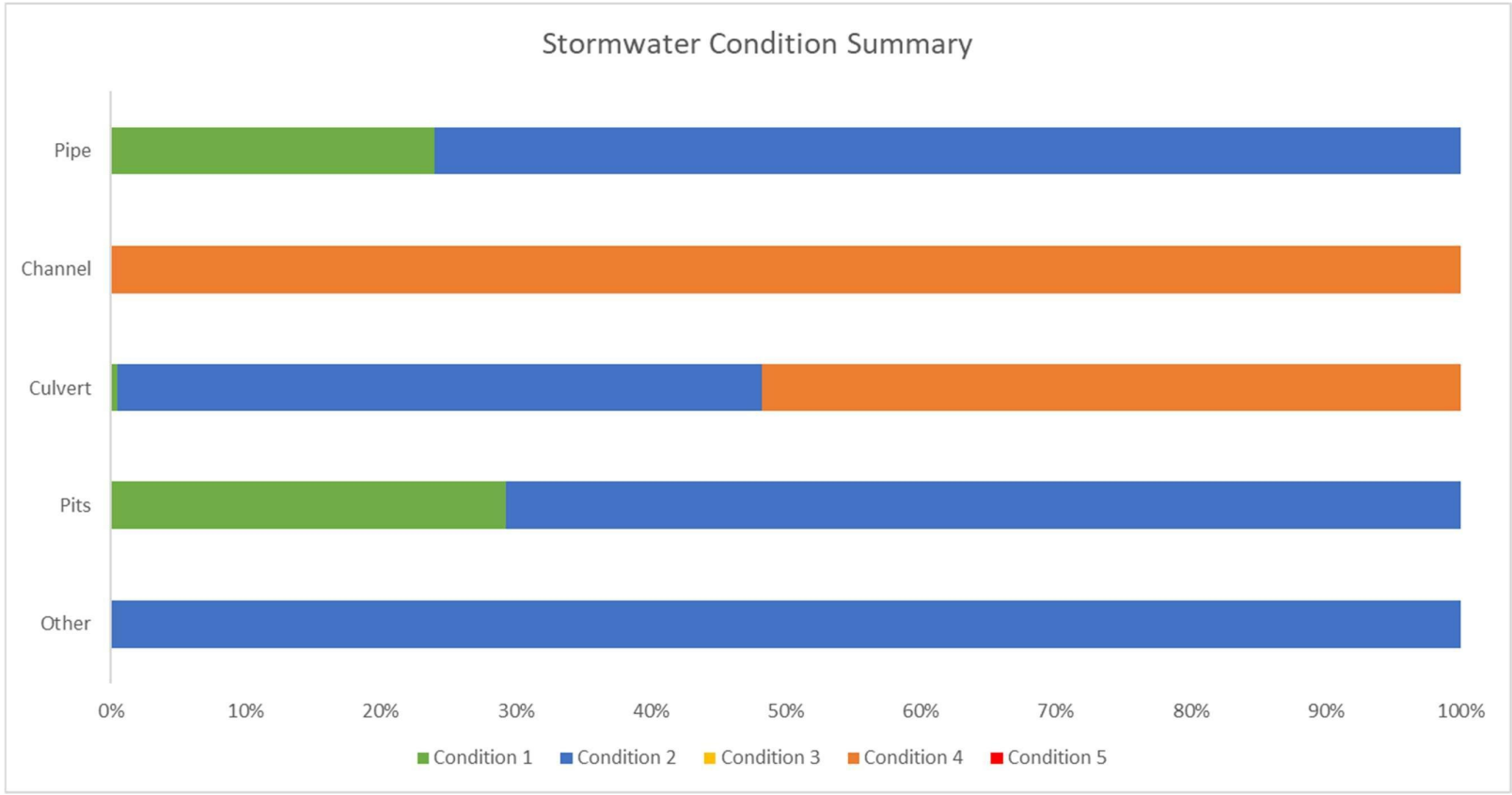
Table 1 Stormwater Asset Inventory

Asset Type	Unit	Units
Pipes	KM	9
Pits	No.	274
Channels	KM	0.7
Culverts	KM	1
Other Stormwater Assets	No.	5

Table 2 Portfolio Valuation

Asset	Gross Replacement Cost $ 000's	Written Down Value $ 000's	Annual Depreciation $ 000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Channel	$3,449	$2,074	$26	0.0%	0.0%	0.0%	100.0%	0.0%
Culvert	$2,568	$1,549	$19	0.5%	47.8%	0.0%	51.8%	0.0%
Other	$20	$19	$0	0.0%	100.0%	0.0%	0.0%	0.0%
Pipe	$4,258	$2,950	$32	24.0%	76.0%	0.0%	0.0%	0.0%
Pits	$559	$398	$4	29.2%	70.8%	0.0%	0.0%	0.0%
Total	**$11,152**	**$7,283**	**-$79**	**11%**	**45%**	**0%**	**44%**	**0%**

Figure 2 Condition Summary


Stormwater Condition Summary
Pipe
Channel
Culvert
Pits
Other
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Condition 1
Condition 2
Condition 3
Condition 4
Condition 5

C1.5 Roles and Responsibilities

Council has adopted the following roles and responsibilities matrix for its Stormwater assets.

Table 3 Roles and Responsibilities Summary

Role	Responsibilities	Functions
Asset Owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	• Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters.
Asset Custodian	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	• Develop and oversee capital works and maintenance program • Handover and documentation • Control budgets • Develop asset plans • Asset condition rating • Risk management • Data custodian – Hierarchy, level of detail • Recommendation of asset disposal and renewal 4yr program.
Asset Delivery – Maintenance and Operations Asset Delivery - CAPEX	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	• Controls asset use, in line with policy • Deliver programmed and reactive maintenance, internal/external • Deliver and / or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service.

Table 4 Roles and Responsibilities Matrix

Asset Category	Asset Owner (Ownership and Strategy)	Asset Custodian (Plan and Manage)	Asset Delivery (Delivery and Ops) - CAPEX	Asset Delivery (Delivery and Ops) - Maintenance
Channel	DGMI	WM	WM	WM
Culvert	DGMI	WM	WM	WM
Other	DGMI	WM	WM	WM
Pipe	DGMI	WM	WM	WM
Pits	DGMI	WM	WM	WM

C1.5 Asset Based Levels of Service

Council undertakes a Community Satisfaction Survey to inform the development of the Community Strategic Plan, with the latest survey having been completed in December 2021. A sample of residents was polled on how important they view each of Council's services as well as how satisfied they are with the service delivery. The table below presents most recent community satisfaction survey reported for importance and satisfaction levels for the following services:

Table 5 Community Satisfaction Survey

Service/Facility	2021			2016		
	Importance	Satisfaction	Gap	Importance	Satisfaction	Gap
Protecting our natural flora and fauna	4.38	3.79	-0.59	N/A	N/A	
Stormwater services	4.34	3.1	-1.24	4.16	3.37	-0.79

Community satisfaction is used in informing the strategic plan and developing the Levels of Service.

Table 6 Stormwater Levels of Service

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Affordability	The services are affordable and use the most cost-effective methods for the required level of service	Review of service agreements and benchmark with other councils	Maintenance/Opex budget expenditure +/- 5% of Annual Budget	Currently more than the renewal and additions budgets combined but it is planned to change in the coming financial years. Maximum stormwater charge being applied to all rateable properties.
Health and Safety	Sufficient capacity to protect life and Property	Number of customer impacted internally as a result of storm event and requests of flooding reported annually	Nil internal stormwater inundation due to non-riverine flooding events. 1% AEP protection to the entire urban area.	Undersized drainage system has resulted in several properties being impacted during 2022 storm events. Records is getting us this information Monday.
Quality/Condition	Pipes and culverts in adequate condition to convey design stormwater flows	Survey of Drainage network condition	90% of Drainage Assets condition 3 or better	Per a sample inspection completed in 2010 of 10% of the network, the averaged condition ratings are all better than condition 2. We know this is not the case and that we have many stormwater assets of low condition that require maintenance or repair, including the main stormwater drain.

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
	Rubbish and material from GPT's regularly removed to maintain effectiveness	Annual Tonnage of litter organics and sediment collected	<2 tonnes	Data not currently connected. Stormwater pits and collection basins are curently cleaned as required.
Customer satisfaction	Fast and efficient response to reactive maintenance requests.	Planned versus reactive maintenance distribution work order reports.	> 60 Planned : 40 reactive ratio	Data not currently captured.
	Be responsive to the needs of Customers requesting service of stormwater assets	No customer requests received	85% of requests are completed within Council's service charter	188 Records are contained within the Council's CSMS.
Reliability/ responsiveness	Proactive cyclic inspections of known hotspots of flooding	Completion of scheduled inspections	100% completion within service standard	No scheduled inspections programmed, only reactive inspections. Inspection of main network in Narrandera currently being undertaken.
	Planned inspection and associated works completed in accordance with schedules	Completion of scheduled inspections work	90% completion within service standard.	Complaints for routine maintenance works completed during allocated timeframe.
Sustainability	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	37.16%
Sustainability	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	11.35%
Sustainability	Council maintains its stormwater assets	Asset maintenance ratio, measured by (actual maintenance expenditure. Required maintenance expenditure	OLG benchmark 100%	87.54%

C1.6 Future Demand

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Opportunities identified to date for demand management are shown in the table below. Further opportunities will be developed in future revisions of this asset management plan.

Table 7 Demand Management

Demand Factor	Impact on Services
Climate Change	Climate change and long and short-term weather patterns, are expected to change such that storm events are more intense and the burden on stormwater assets is greater, making levels of service difficult to achieve.
Regulatory Control	NSW planning reforms are likely to be a regulatory driver for protecting water quality and stability within urban waterways. This will require a refinement of Councils current regulatory controls and may require the upgrade of both public and private infrastructure.

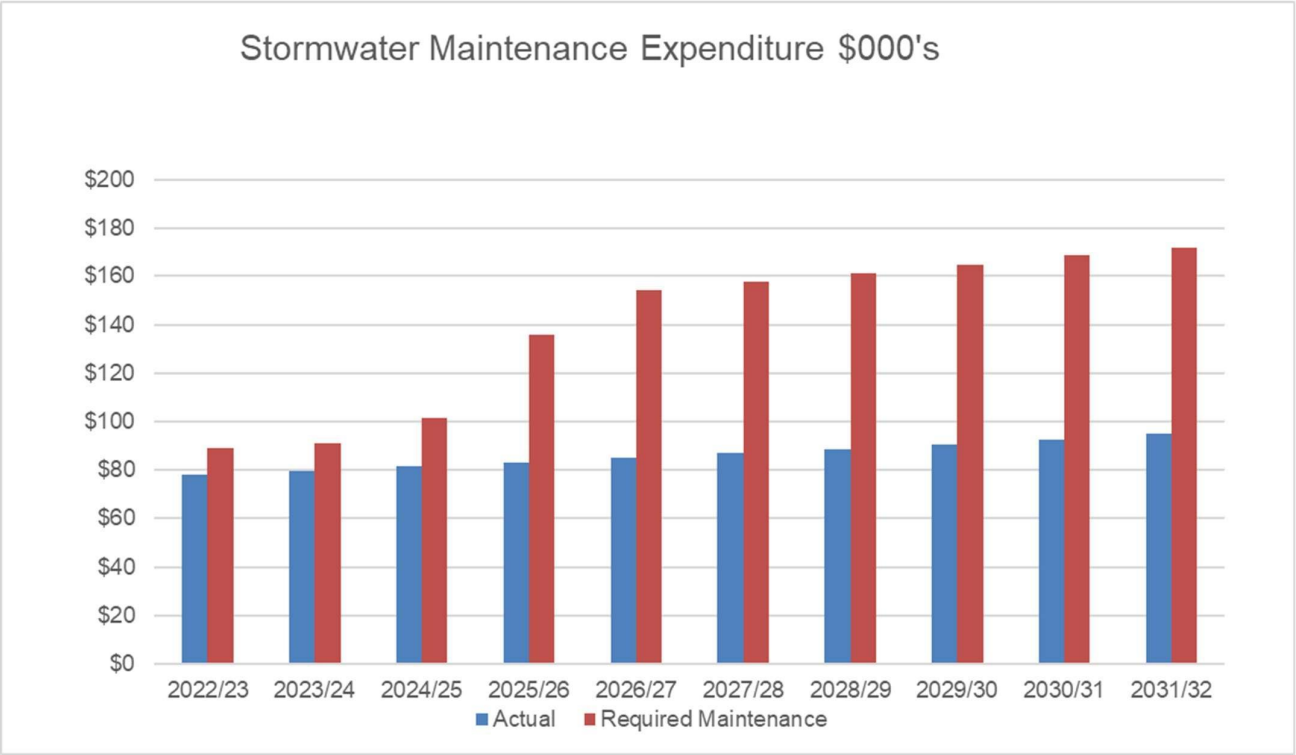
C1.7 Lifecycle - Maintenance Strategy

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently has no documented maintenance strategy for stormwater assets, with maintenance work currently being reactive on a need's basis. There is however a regular regime of clearing GPT's and clearing earth drainage canals of debris.

Figure 3 OPEX Stormwater Expenditure

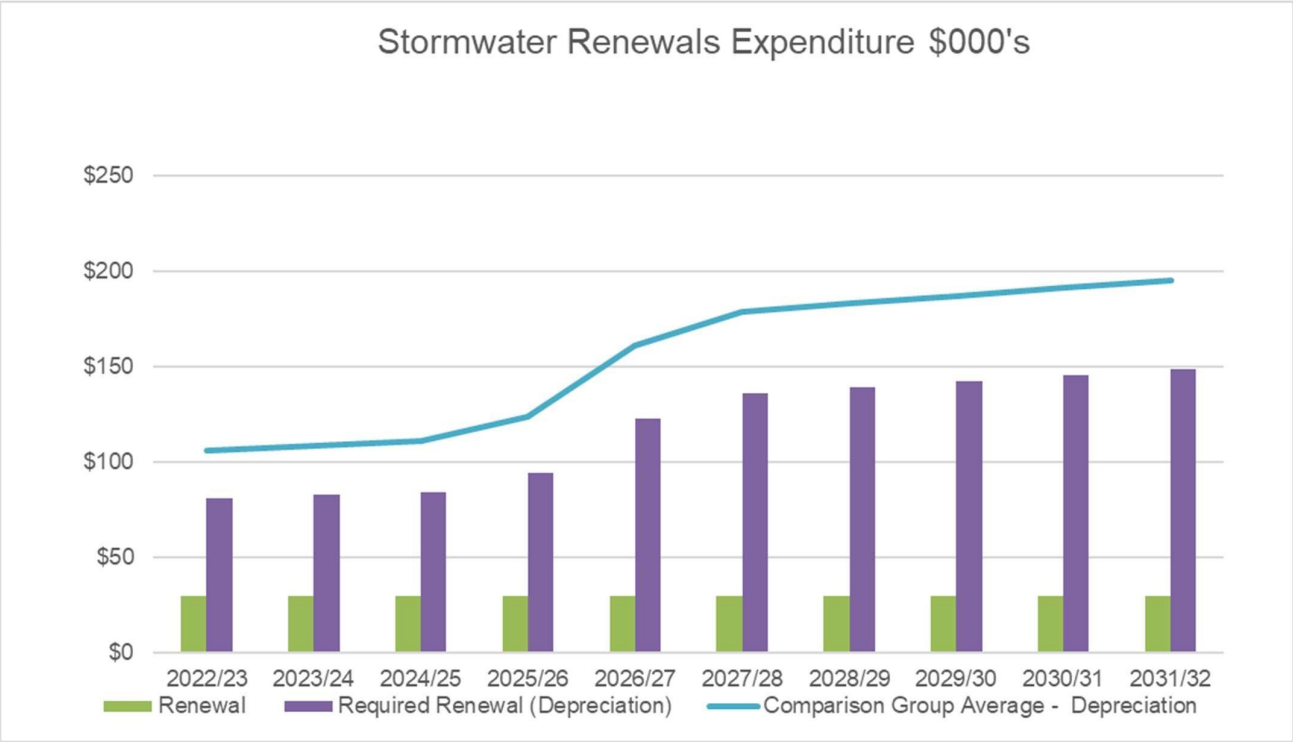


Reviewing OPEX expenditure against required spend, while Council is close to meeting its maintenance obligations in the short term, no additional funding has been allowed for in the medium term after significant new infrastructure is constructed with the parallel stormwater system in Narrandera town.

C1.8 Lifecycle - Renewal/Replacement Strategy

Council's stormwater renewal program is currently driven by an age-based condition assessment approach. However, there is currently low confidence in the quality of Council's condition and further work is required for decision grade data.

Figure 4 Stormwater CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Stormwater portfolio against its annual depreciation requirements. This showed that Council currently has a deficit of funds to meet the required level of funding and it is anticipated that the condition of assets will degrade. Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate lower than that of the comparison group.

C1.9 Expenditure Projections

Table 8 Stormwater Expenditure Projections

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Stormwater	**Actual**											
		Renewal	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30
		New and Expanded Assets	$0	$0	$1,100	$4,100	$2,000	$0	$0	$0	$0	$0
		Maintenance and Operations	$78	$80	$81	$83	$85	$87	$89	$91	$93	$95
		Total Expenditure	**$108**	**$110**	**$1,211**	**$4,213**	**$2,115**	**$117**	**$119**	**$121**	**$123**	**$125**
	Required											
		Required Renewal (Depreciation)	$81	$83	$84	$94	$123	$136	$139	$142	$145	$149
		New and Expanded Assets	$0	$0	$1,100	$4,100	$2,000	$0	$0	$0	$0	$0
		Required O&M	$89	$91	$102	$136	$154	$158	$161	$165	$168	$172
		Total	**$170**	**$173**	**$1,286**	**$4,330**	**$2,277**	**$294**	**$300**	**$307**	**$314**	**$321**
		Maintenance Overall (GAP)	-$11	-$11	-$20	-$53	-$69	-$71	-$73	-$74	-$76	-$77
		Renewals Overall (GAP)	-$51	-$53	-$54	-$64	-$93	-$106	-$109	-$112	-$115	-$119
		Overall (GAP)	**-$62**	**-$64**	**-$75**	**-$117**	**-$162**	**-$177**	**-$182**	**-$186**	**-$191**	**-$196**
		Comparison Group – Depreciation	$106	$108	$111	$123	$161	$179	$183	$187	$191	$195
		Comparison Total (Inc. New and Expanded)	**$195**	**$199**	**$1,312**	**$4,359**	**$2,315**	**$337**	**$344**	**$352**	**$359**	**$367**
		Comparison Overall (GAP)	-$87	-$90	-$101	-$146	-$200	-$220	-$225	-$231	-$237	-$242

Figure 5 Stormwater Sustainability Ratios

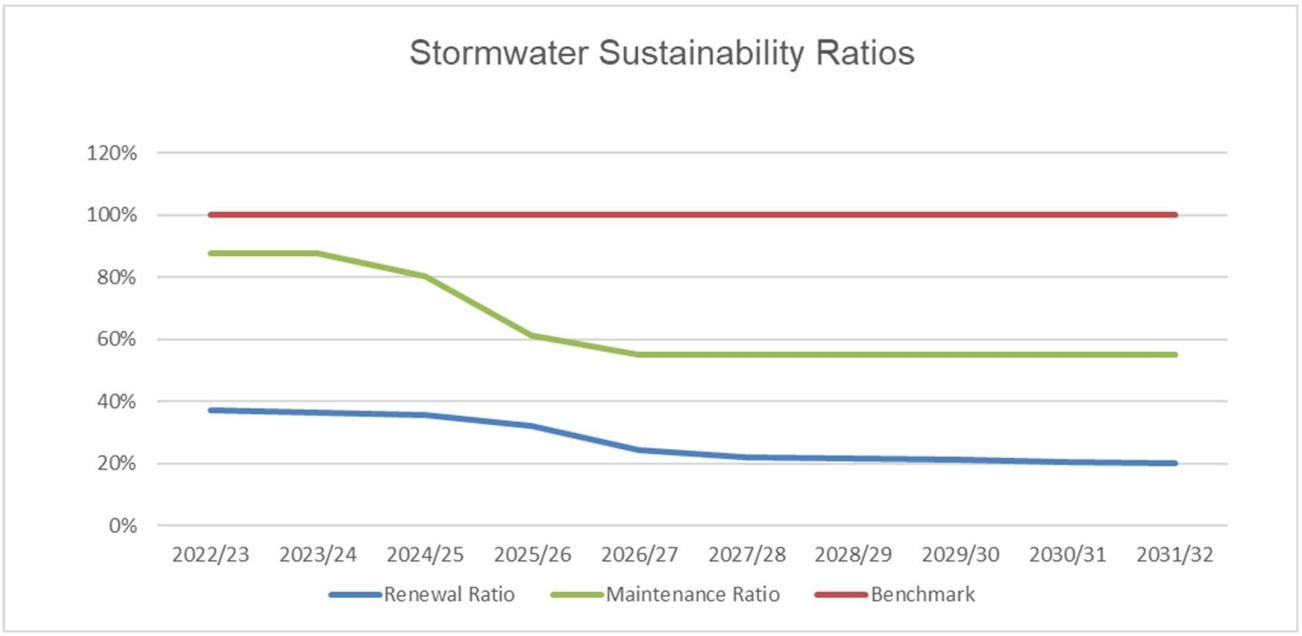
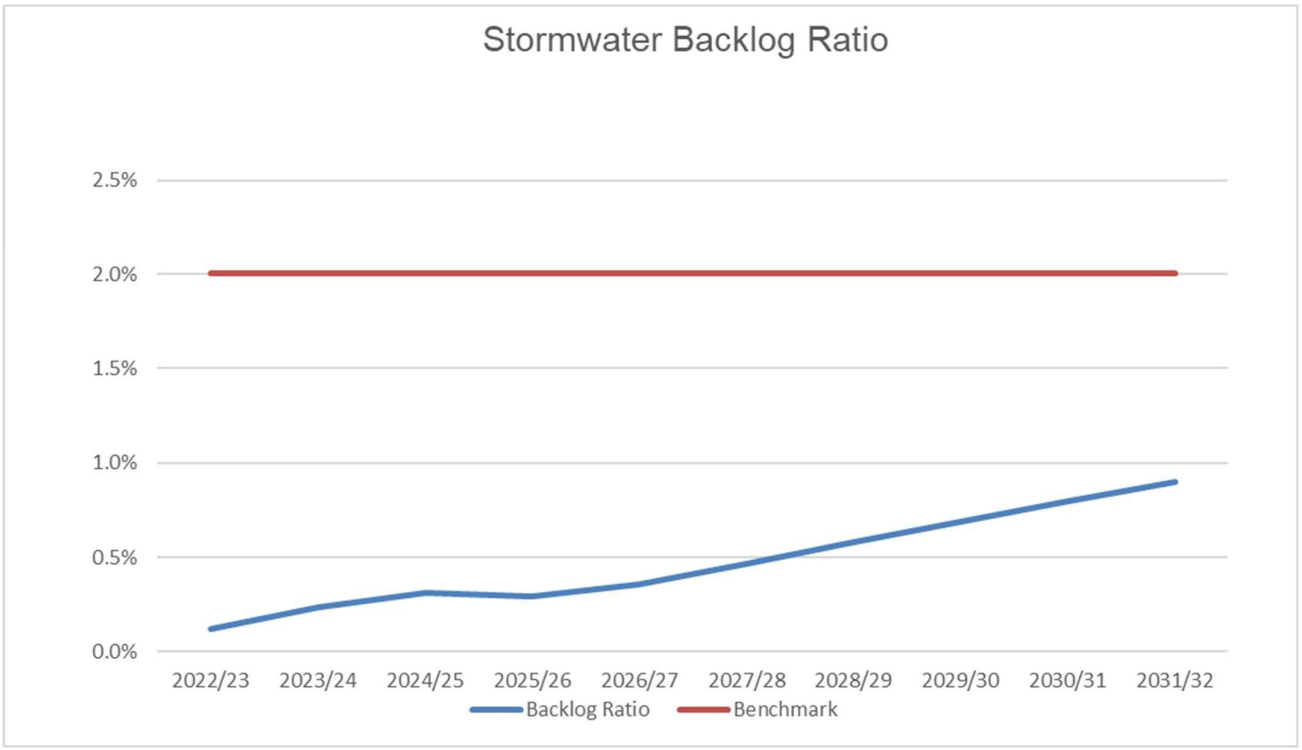


Figure 6 Stormwater Backlog Ratio



C1.10 Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans in critical areas. Council is currently in the process of assessing and documenting the criticality of its Stormwater portfolio.

The following attributes are currently being considered as part of this analysis:

Table 9 Critical Assets

Criteria	High	Medium	Low
Asset Size/Diameter	>1200mm	1200 - 600mm	<600mm
Proximity to Stormwater Corridor	State	Regional	Local
Proximity to Facilities and Critical Utilities	Critical Assets, Emergency and Medical		
Environmental Sensitive	Assets known to provide Native Species Habitat		
Flood Zone	Yes		

Council is currently identifying its critical assets.

C1.11 Risk Management

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's Stormwater assets and highlights the strategic risks which impact Council's asset portfolio.

Table 10 Strategic Risk Management

Issue	Impact	Risk ranking	Treatment	Residual risk ranking
Severe climatic conditions from global warming causing increased long periods of rain.	Increased deterioration of open drain and levee surface leading to more frequent renewal costs. Increased open drain and pipeline blockages leading to increased routine maintenance costs. Pooling of water on roads leads to potential driver safety.	Extreme	Assess potential deterioration impacts and increase funding if necessary for blockage maintenance and open drain and levee renewal work.	Low
There is very limited amount of data on the asset condition and performance.	Limited inspection of drains is carried out leading to inability to accurately forecast asset related issues and prioritise planning.	High	Identify asset related risks, their treatment requirements and prioritise maintenance funding.	Low
Provision of insufficient maintenance funding.	Sedimentation and buildup of material reduces capacity of stormwater network and increase risk of localised flooding.	High	Identify key locations in low spots and flooding occurs and develop inspection program to maintain pipes and pits are clear of obstructions.	Low

C1.12 Confidence Levels

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 11: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 12: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Stormwater	Acceptable	Uncertain	Uncertain	Uncertain

The overall confidence level of the plan is considered to be '**Uncertain**'.

C1.13 Improvement Plan

There is a body of work required to ensure Council's stormwater asset data is of decision grade quality. While the current portfolio size is relative, this is expected to significantly increase with the town centre stormwater upgrade project. It is crucial that Council establishes a strategic approach to managing these assets and future iterations of this asset management plan will focus on a more strategic approach to managing the portfolio. The improvement plan below sets out the pathway for Council to achieve this.

Table 13 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/06/24
Council to undertake CCTV sampling of existing stormwater network to validate current age and condition profile	M	Assets	31/12/23
Asset knowledge processes			
Council to review required maintenance and depreciation requirements for its Stormwater portfolio	M	Assets Finance	30/06/24
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	H	Assets Finance	30/06/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/06/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/06/24
Council to engage community on developed service levels.	H	Assets	30/06/25
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/06/24
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Assets Operations Systems	30/06/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/06/25
Information systems			
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/06/23

C1.14 Capital Works Program

To be provided by Council

Appendix D - Water and Sewer Asset Management Plan

This asset management plan covers the portfolio of water and sewerage infrastructure that deliver a wide range of services to the Narrandera Shire Council community.

Council's water and sewer infrastructure include its pumping, reticulation, treatment and storage infrastructure.

As the owner and operator of assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

D1.1 Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of water and sewer assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

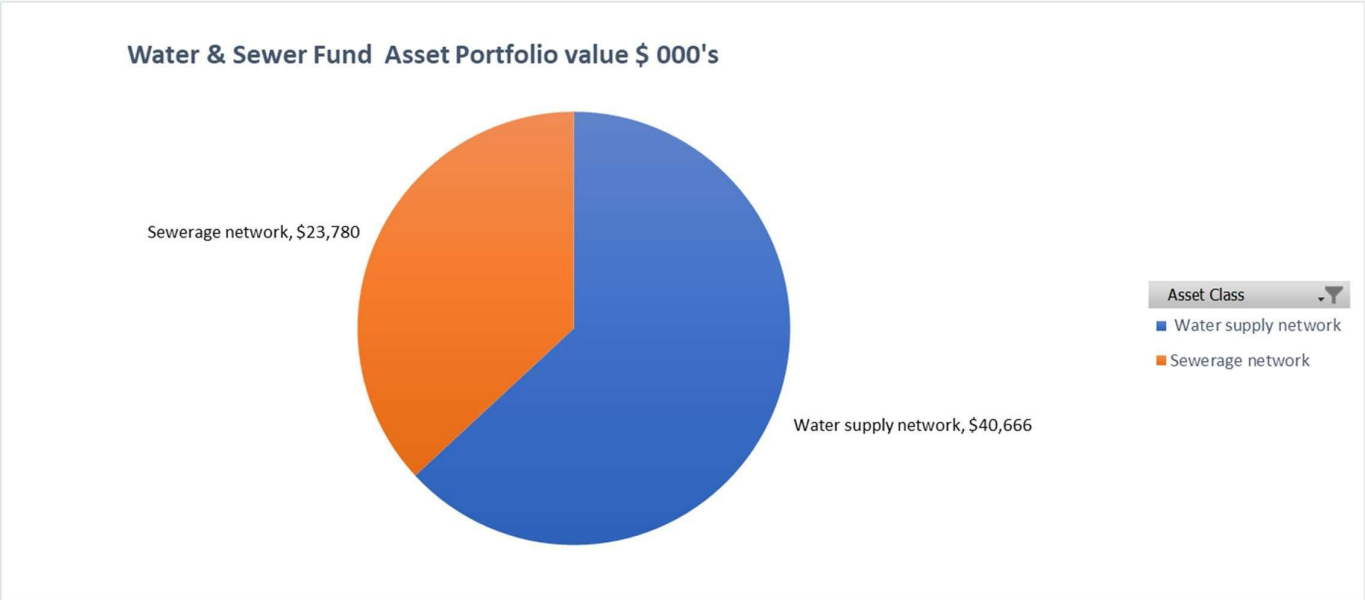
- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of buildings assets.

D1.2 Asset Class Summary

Council has done significant work and is nearing completion of a draft of the integrated water cycle management plan and as such has projected out the community needs for its water and sewer infrastructure over a 30 – year horizon. As such Council's Water and Sewer assets are adequately funded over the 10 – year horizon of this iteration of the plan with an average annual surplus of $1.07m which can be attributed to a $0.79m average annual surplus in OPEX spend and $0.28m average annual surplus in capital expenditure. Council should review the forward budgets to see if a higher proportion of this spend is capital in nature and whether funding can be optimised moving forward. Further it should be noted that Council currently has a sizable portion of its water infrastructure currently in poor condition, however the replacement of this has been programmed and incorporated into the AMP with a new treatment facility expected to come online in 2025/26.

D1.3 Portfolio Overview

Figure 1 Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $000's	
Infrastructure Renewals ratio	89.41%	48.96%	Yr 1	(-$87)
Benchmark 100%			5 Yr Average	$543
			10 Yr Average	$256
Infrastructure Backlog Ratio	12.41%	6.71%	Yr 1	(-$4,124)
Benchmark 2%			5 Yr Average	(-$3,803)
			10 Yr Average	(-$3,492)
Infrastructure Maintenance Ratio	162.61%	129.22%	Yr 1	$753
Benchmark 100%			5 Yr Average	$690
			10 Yr Average	$608
Total Infrastructure Funding Gap			Yr 1	(-$3,458)
			5 Yr Average	(-$2,570)
			10 Yr Average	(-$2,628)

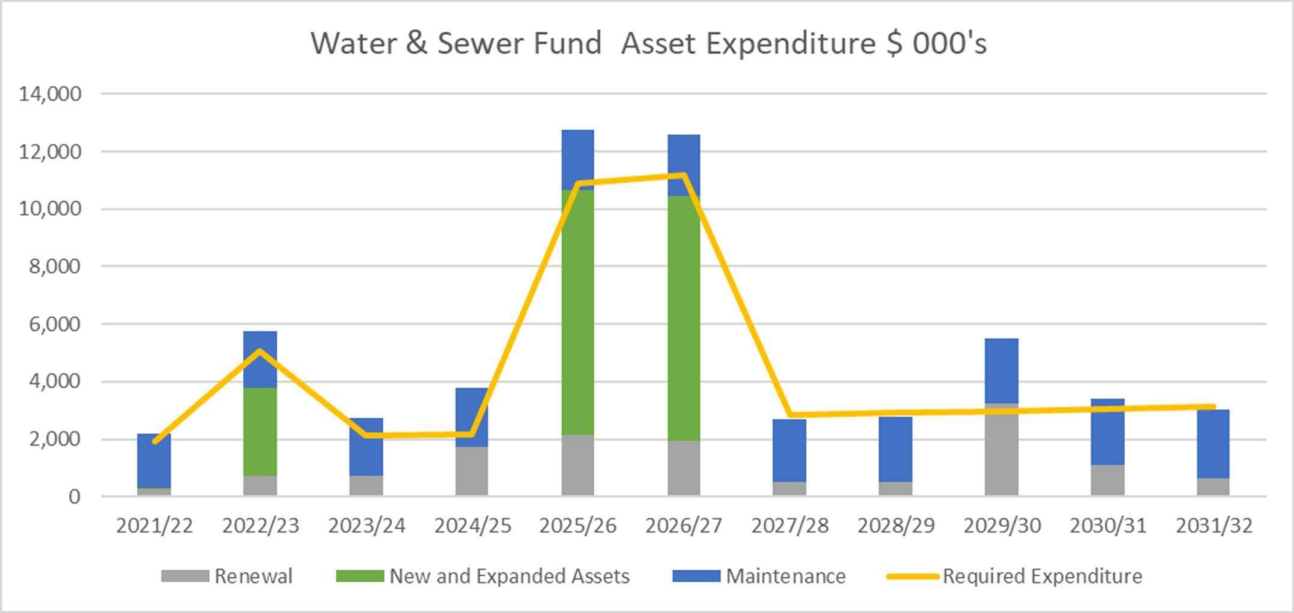
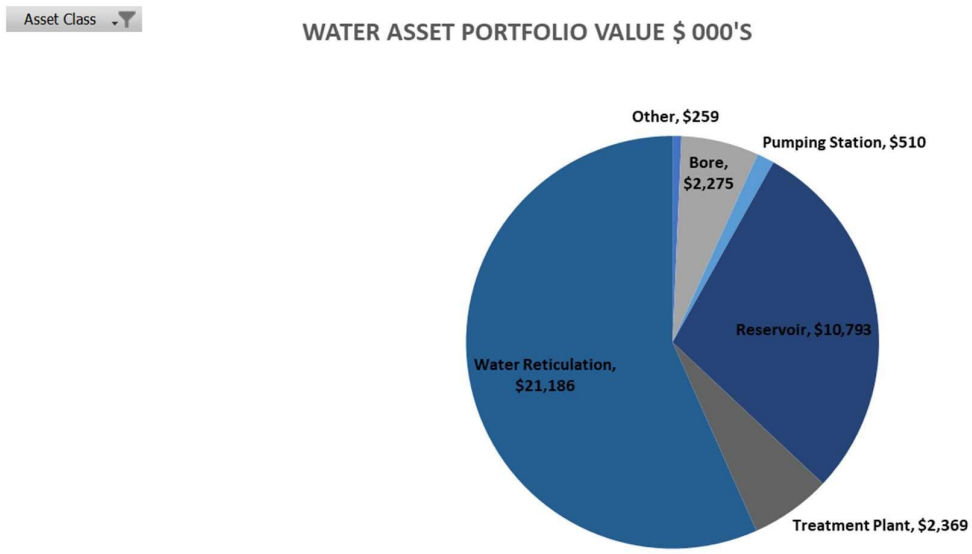


Figure 2 Water Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	75.80%	46.46%	Yr 1	(-$123)
Benchmark 100%			5 Yr Average	$38
			10 Yr Average	$85
Infrastructure Backlog Ratio	18.23%	8.64%	Yr 1	(-$3,348)
Benchmark 2%			5 Yr Average	(-$3,214)
			10 Yr Average	(-$3,009)
Infrastructure Maintenance Ratio	177.05%	128.38%	Yr 1	$495
Benchmark 100%			5 Yr Average	$438
			10 Yr Average	$365
Total Funding Gap			Yr 1	(-$2,975)
			5 Yr Average	(-$2,737)
			10 Yr Average	(-$2,559)

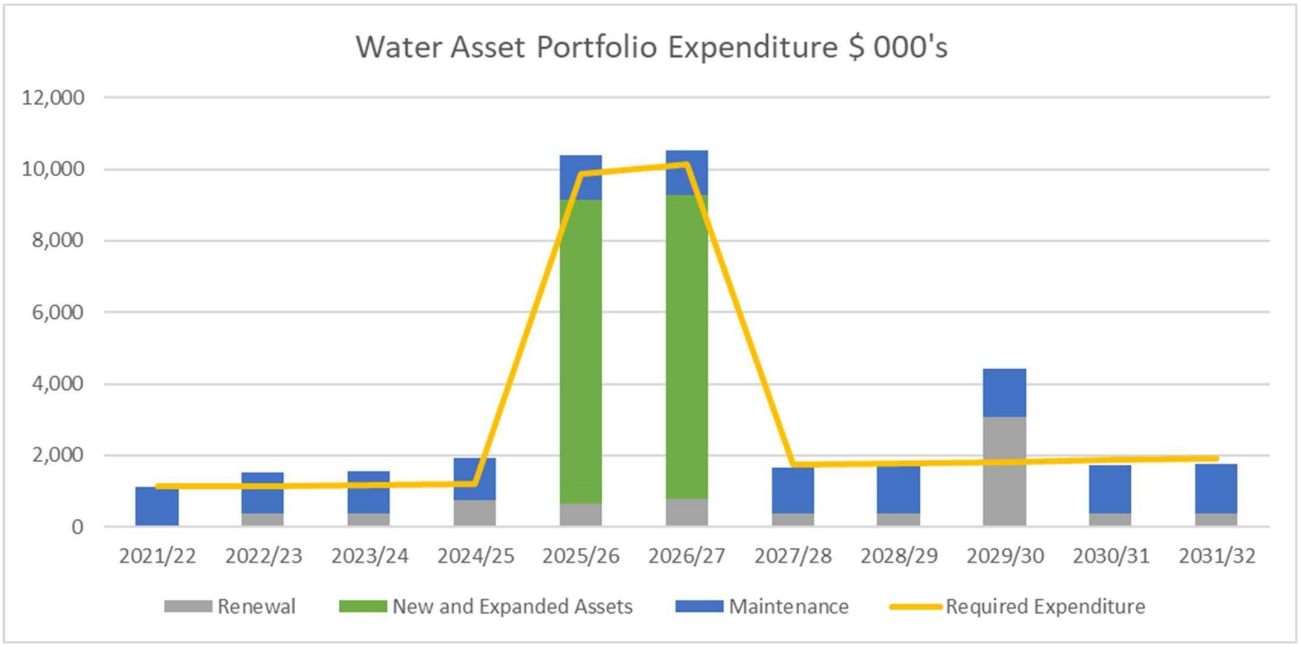
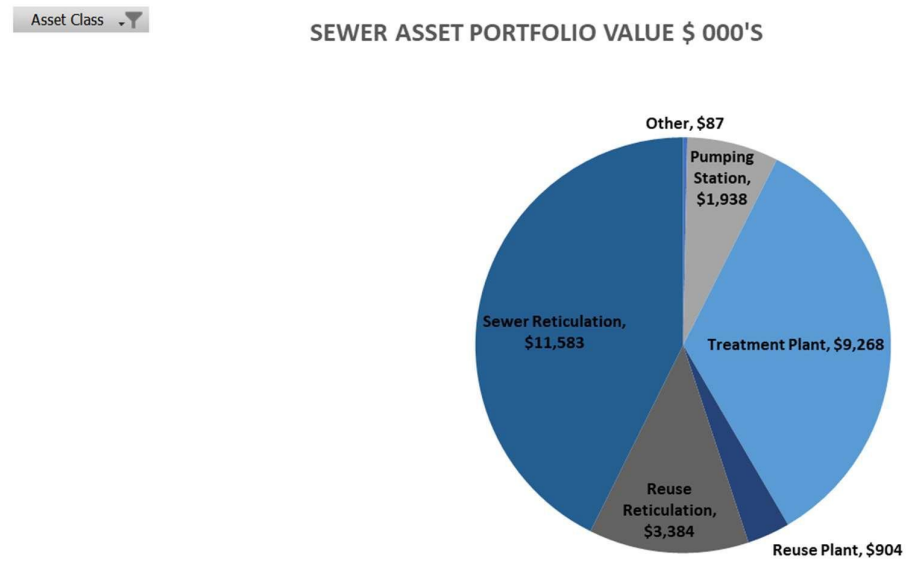
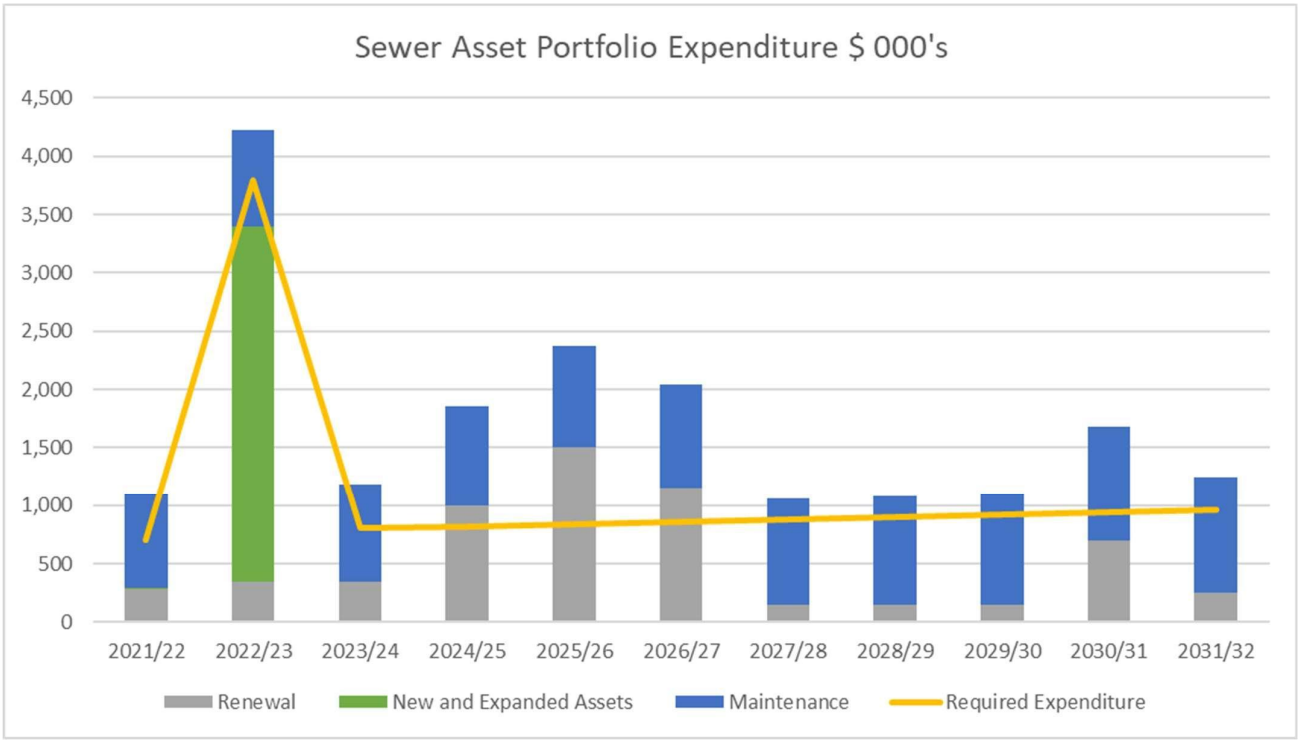


Figure 3 Sewer Portfolio Overview



Infrastructure Ratios	Budget 2022/23	Estimated 2031/32	Funding gap $ 000's	
Infrastructure renewals ratio	112.28%	58.73%	Yr 1	$38
Benchmark 100%			5 Yr Average	$512
			10 Yr Average	$192
Infrastructure Backlog Ratio	6.14%	4.20%	Yr 1	(-$780)
Benchmark 2%			5 Yr Average	(-$599)
			10 Yr Average	(-$496)
Infrastructure Maintenance Ratio	187.90%	187.90%	Yr 1	$383
Benchmark 100%			5 Yr Average	$400
			10 Yr Average	$423
Total Funding Gap			Yr 1	(-$359)
			5 Yr Average	$313
			10 Yr Average	$119



D1.4 Asset Inventory, Values and Condition

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

Table 1 Water Asset Inventory

Asset	Unit	Units
Reticulation Mains	Km	80.2
Trunk Mains	Km	6
Water Treatment Plants	No.	1
Bores	No.	2
Water Pumping Stations	No.	2
Reservoirs	No.	3

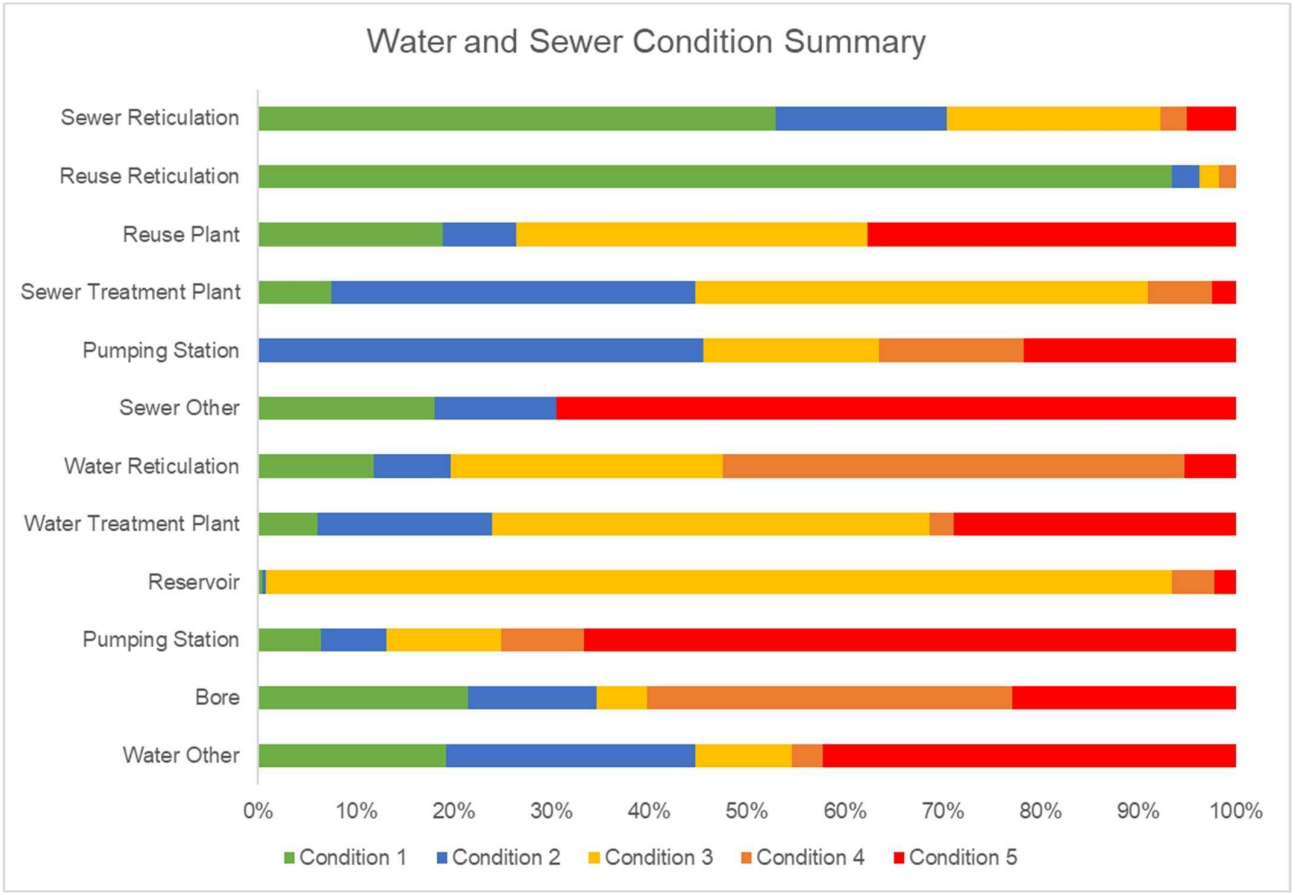
Table 2 Sewer Asset Inventory

Asset	Unit	Units
Gravity Mains	Km	83.4
Rising Mains	Km	4
Manholes	No.	631
Reuse Reticulation Main	Km	1.4
Reuse Trunk Main	Km	6
Sewer Treatment Plant (incl. Reuse Facility)	No.	1
Sewer Pumping Stations	No.	5

Table 3 Portfolio Valuation

Asset	Gross Replacement Cost $ 000's	Written Down Value $ 000's	Annual Depreciation $ 000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Water Supply	$40,666	$20,235	-$497	9%	7%	46%	31%	8%
Sewerage	$23,780	$15,565	-$305	37%	24%	28%	5%	6%

Figure 4 Water Condition Summary



D1.5 Roles and Responsibilities

Council has adopted the following roles and responsibilities matrix for its water and sewer assets.

Table 4 Roles and Responsibilities Summary

Role	Responsibilities	Functions
Asset Owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy	• Establish long term policy and strategy • Establish existing demand for assets • Establish future demand for assets (type and standard) • Establish long term community expectation • Implement policy and strategy for existing assets • Establish community asset service level • Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy • Maintain and develop asset systems and reporting • Ensure asset accounting is accurate and maintained, and asset valuation, • Develop capital works prioritisation • Develop capital works program • Liaison with the organisation as a whole on asset matters.
Asset Custodian	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	• Develop and oversee capital works and maintenance program • Handover and documentation • Control budgets • Develop asset plans • Asset condition rating • Risk management • Data custodian – Hierarchy, level of detail • Recommendation of asset disposal and renewal 4yr program.
Asset Delivery – Maintenance and Operations Asset Delivery - CAPEX	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	• Controls asset use, in line with policy • Deliver programmed and reactive maintenance, internal/external • Deliver and / or manage capital works • Manage all operations and service delivery functions • Manage service user expectations • Deliver adopted levels of service.

Table 5 Roles and Responsibilities Matrix

Asset Class	Asset Category	Asset Owner (Ownership and Strategy)	Asset Custodian (Plan and Manage)	Asset Delivery (Delivery and Ops) - CAPEX	Asset Delivery (Delivery and Ops) - Maintenance
Water supply network	Bore	DGMI	WSM	WSM	WSM
Water supply network	Other	DGMI	WSM	WSM	WSM
Water supply network	Pumping Station	DGMI	WSM	WSM	WSM
Water supply network	Reservoir	DGMI	WSM	WSM	WSM
Water supply network	Treatment Plant	DGMI	WSM	WSM	WSM
Water supply network	Water Reticulation	DGMI	WSM	WSM	WSM
Sewerage network	Reuse Plant	DGMI	WSM	WSM	WSM
Sewerage network	Reuse Reticulation	DGMI	WSM	WSM	WSM
Sewerage network	Other	DGMI	WSM	WSM	WSM
Sewerage network	Pumping Station	DGMI	WSM	WSM	WSM
Sewerage network	Treatment Plant	DGMI	WSM	WSM	WSM
Sewerage network	Sewer Reticulation	DGMI	WSM	WSM	WSM

D1.5 Asset Based Levels of Service

Council undertakes a Community Satisfaction Survey to inform the development of the Community Strategic Plan, with the latest survey having been completed in December 2021. A sample of residents was polled on how important they view each of Council's services as well as how satisfied they are with the service delivery. The table below presents most recent community satisfaction survey reported for importance and satisfaction levels for the following services:

Table 6 Community Satisfaction Survey

Service/Facility	2021			2016		
	Importance	Satisfaction	Gap	Importance	Satisfaction	Gap
Protecting our natural flora and fauna	4.38	3.79	-0.59	N/A	N/A	
Water supply	4.75	2.45	-2.3	4.61	3.12	-1.49
Sewer services	4.42	3.58	-0.84	4.25	3.69	-0.56

Community satisfaction is used in informing the strategic plan and developing the Levels of Service.

Table 7 Water Levels of Service

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Accessibility	Provision of a reliable water service where water supply services are available	Customer complaints	Provision of a reliable water service to properties where water supply services are available.	
	Water pressure	Customer complaints, testing and modelling	Provide between 15 and 90 metres head of static water pressure in reticulation system.	
Quality/condition	Provide safe drinking water.	Water Quality Sampling & Customer complaints	100% compliance with ADWG for health based parameters.	
			Compliance with DWMS.	
			90% compliance with ADWG aesthetic parameters.	
	Percent of assets in condition 4 or better	Condition assessment	95% of assets in satisfactory condition or better.	93% of water assets are in condition 4 or better
Reliability/ responsiveness	Percent compliance with Council's documented response time	CRMS data	90% of requests are completed within Council's customer charter.	
		Water main breaks per 100km inline with NSW Performance Benchmarking Report (A8 - Water main breaks # per 100 km of water main) (C15 – Average Duration of unplanned interruptions water in minutes)	< the state average for water number and duration of water service interruptions.	
	Interruptions to supply	Planned interruptions	Customers to receive 24 hrs written notice for planned service interruptions	
Community satisfaction and involvement	Customers are happy with the services provided	Community satisfaction survey	The net differential between importance and performance is positive.	
Affordability	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils	Total operating costs per volume of water distributed is equal or less than the industry average.	Yes

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Sustainability	Long-term plans are prepared	Lifecycle approach to managing assets	Achieve compliance with 2022 Department of Planning and Environment strategic planning assurance framework.	Partial compliance
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	49.80%
		Renewal funding ratio	Between 90% and 110%.	0% though the following years renewal ratios are planned to be higher
		Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%.	18.50%

Table 8 Sewer Levels of Service

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
Reliability	Operation of reliable sewerage network	Network performance data and customer complaints.	Wastewater overflows per 100km of main less than NSW average.	
			Wastewater main breaks and chokes per 100km less than NSW average.	No
Quality/condition	Effective treatment and disposal of sewage	Regulatory reporting	100% compliance with Environmental Protection Licence concentration and load limits.	No
Responsiveness	Percent compliance with Council's documented response time	CRMS data	90% of requests are completed within Council's customer charter.	
Community satisfaction and involvement	Customers are satisfied with the services provided	Community satisfaction survey	The net differential between importance and performance is positive.	
Affordability	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other	Total operating costs equal or less than the industry average benchmark.	

Service level Outcome	Level of Service	Performance Measure process	Performance Target	Current Performance
		councils		
Sustainability	Long term plans are prepared	Life cycle approach to managing assets	Achieve compliance with 2022 Department of Planning and Environment strategic planning assurance framework.	Partial compliance
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	65.50%
	Assets meet financial sustainability ratios	Renewal funding ratio	Between 90% and 110%.	91.8% currently within target
	Assets meet financial sustainability ratios	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	7.50%

D1.6 Future Demand

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Opportunities identified to date for demand management are shown in the table below. Further opportunities will be developed in future revisions of this asset management plan.

Table 9 Demand Management

Demand factor	Impact on assets
Population	While there is a small decrease in population over the life of the plan, Council will need to monitor usage to ensure that demand is not exceeding the service capacity of its existing portfolio.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations.
Environment and climate	May impact on the environmental sustainability of Council's water and sewer facilities as well as the availability of water.
Technology	May require improved environmental management of construction and the management of the portfolio into the future.

D1.7 Lifecycle - Maintenance Strategy

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council undertakes a range of planned and reactive activities in the maintenance of its water and sewer systems. Treatment facilities are fully monitored, and treatment is changed to suit meet EPA guidelines. Major components are maintained on a cyclical basis and pumping stations are routinely inspected based on usage. The reticulation network however is typically managed on a reactive basis.

Figure 5 OPEX Water Expenditure

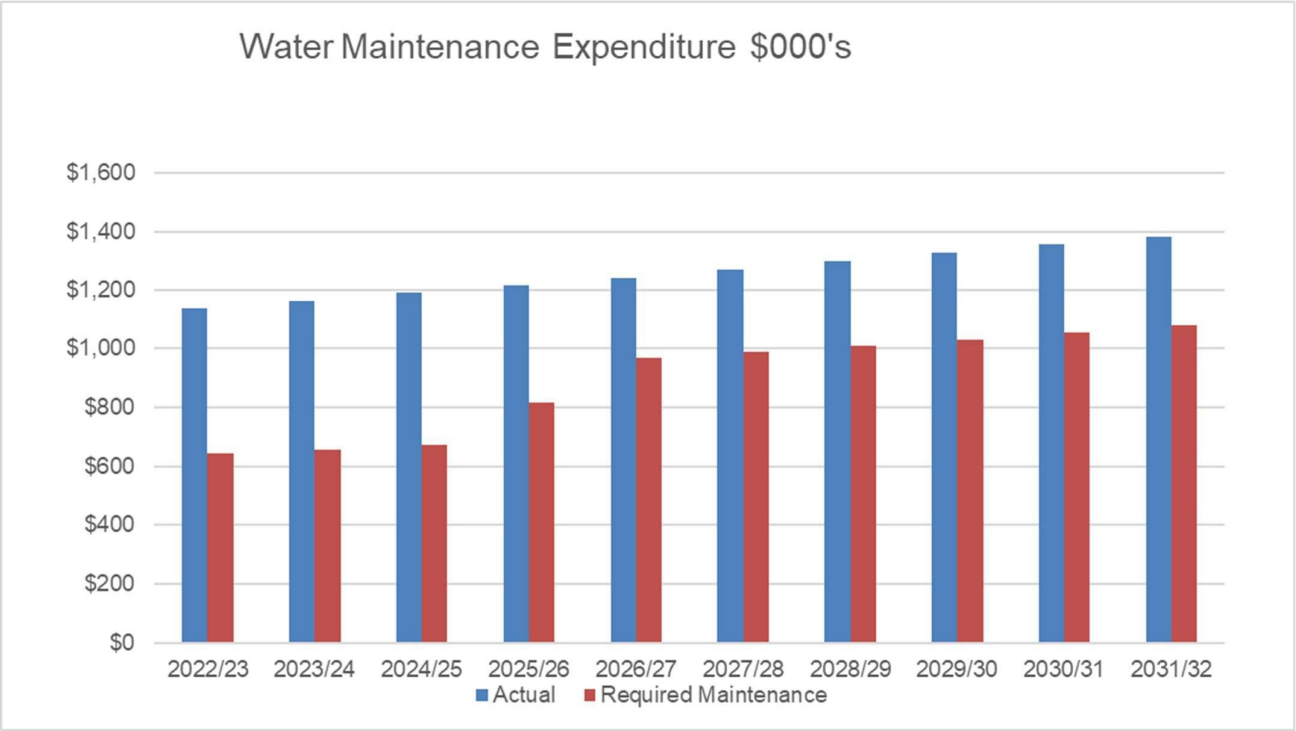
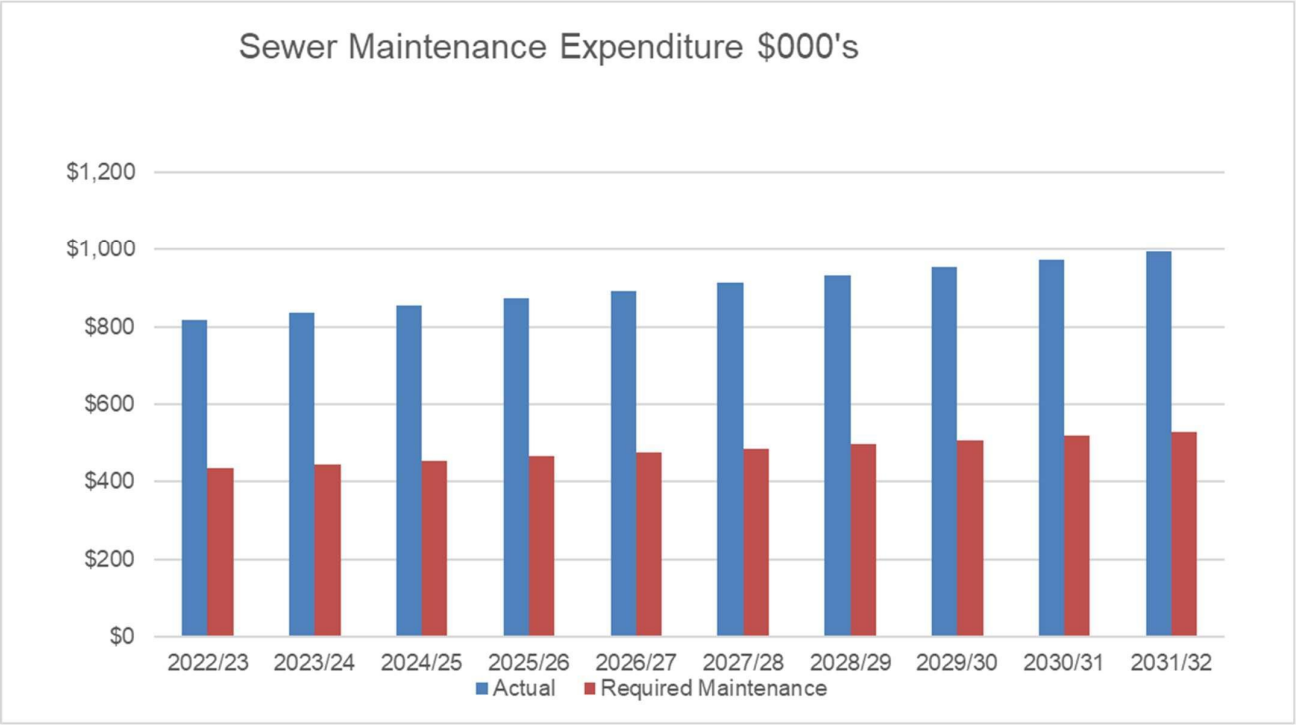


Table 10 OPEX Sewer Expenditure



Reviewing OPEX expenditure against required spend, there is a notable surplus in both water and sewer maintenance expenditure. Council should review whether any of this work is capital in nature and can be captured accordingly.

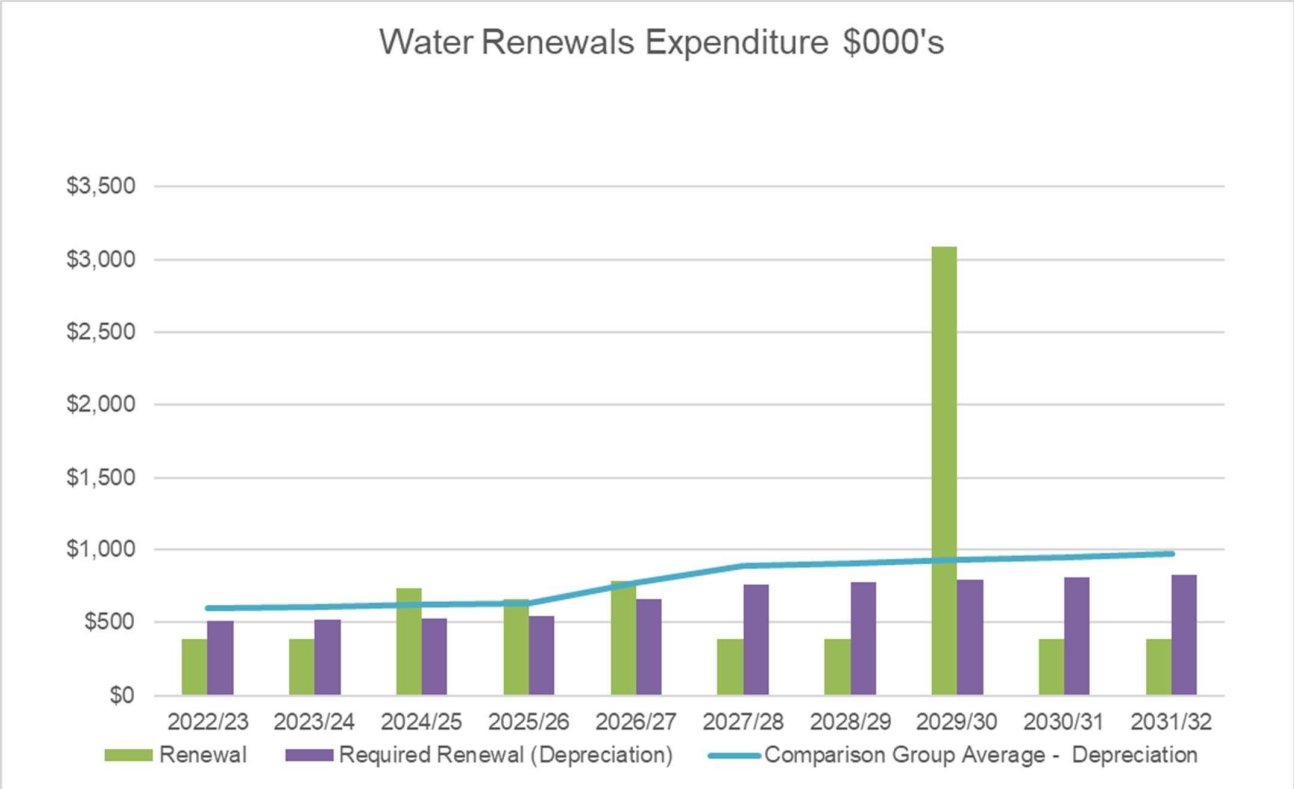
D1.8 Lifecycle - Renewal/Replacement Strategy

Council's capital works program is primarily driven by the risk profile of its assets network. The risk profile incorporates; criticality, age, condition, material as well as the amount of maintenance work/service requests undertaken for the asset. Capacity and functionality also play a key role in renewal and upgrade decisions Councils documented renewal criteria is as follows:

Table 11 Renewal Criteria

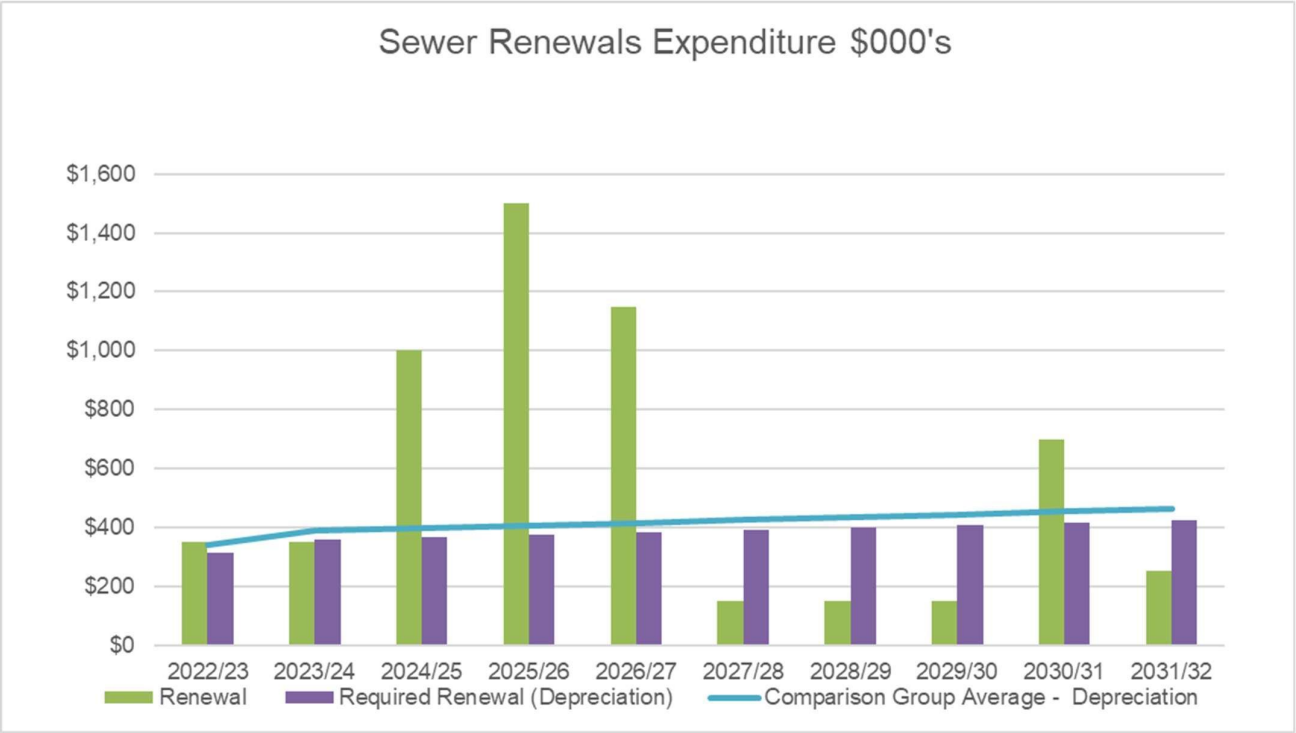
Criteria	Weighting
Structural Integrity	30%
Function	30%
Safety	30%
Service	10%
Total	**100%**

Figure 6 Water CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its water portfolio against its annual depreciation requirements. This showed that Council currently had adequately budgeted to meet the required level of funding and it is anticipated that the condition of portfolio will improve. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate lower than that of the comparison group.

Figure 7 Sewer CAPEX Expenditure



Similarly, Council compared its budgeted/actual CAPEX expenditure for its sewer portfolio against its annual depreciation requirements. This showed that again, Council currently had sufficient funds to meet the required level of funding and it is anticipated that the condition of these assets will improve. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets in line with the comparison group.

D1.9 Expenditure Projections

Table 12 Water Expenditure Projections

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Water	**Actual**											
		Renewal	385	385	735	660	785	385	385	3,085	385	385
		New and Expanded Assets	0	0	0	8,500	8,500	0	0	0	0	0
		Maintenance and Operations	1,137	1,163	1,188	1,214	1,241	1,268	1,296	1,325	1,354	1,384
		Total Expenditure	**1,522**	**1,548**	**1,923**	**10,374**	**10,526**	**1,653**	**1,681**	**4,410**	**1,739**	**1,769**
	Required											
		Required Renewal (Depreciation)	508	519	531	542	658	760	776	793	811	829
		New and Expanded Assets	0	0	0	8,500	8,500	0	0	0	0	0
		Required O&M	642	657	671	817	967	988	1,010	1,032	1,055	1,078
		Total	**1,150**	**1,176**	**1,202**	**9,859**	**10,125**	**1,748**	**1,786**	**1,825**	**1,865**	**1,906**
		Maintenance Overall (GAP)	495	506	517	397	274	280	287	293	299	306
		Renewals Overall (GAP)	-123	-134	204	118	127	-375	-391	2,292	-426	-444
		Overall (GAP)	**372**	**372**	**721**	**515**	**401**	**-94**	**-105**	**2,584**	**-127**	**-138**
		Comparison Group – Depreciation	594	607	621	634	770	889	908	928	949	970
		Comparison Total (Inc. New and Expanded)	**1,237**	**1,264**	**1,292**	**9,952**	**10,237**	**1,877**	**1,918**	**1,960**	**2,003**	**2,047**
		Comparison Overall (GAP)	**286**	**283**	**631**	**423**	**289**	**-224**	**-237**	**2,449**	**-265**	**-279**

Table 13 Sewer Expenditure Projection

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Sewer	**Actual**											
		Renewal	350	350	1,000	1,500	1,150	150	150	150	700	250
		New and Expanded Assets	3,050	0	0	0	0	0	0	0	0	0
		Maintenance and Operations	819	837	855	874	893	913	933	953	974	996
		Total Expenditure	**4,219**	**1,187**	**1,855**	**2,374**	**2,043**	**1,063**	**1,083**	**1,103**	**1,674**	**1,246**
	Required											
		Required Renewal (Depreciation)	312	358	366	374	382	390	399	408	417	426
		New and Expanded Assets	3,050	0	0	0	0	0	0	0	0	0
		Required O&M	436	445	455	465	475	486	496	507	519	530
		Total	**3,797**	**803**	**821**	**839**	**857**	**876**	**895**	**915**	**935**	**956**
		Maintenance Overall (GAP)	383	391	400	409	418	427	436	446	456	466
		Renewals Overall (GAP)	38	-8	634	1,126	768	-240	-249	-258	283	-176
		Overall (GAP)	**421**	**384**	**1,034**	**1,535**	**1,186**	**187**	**188**	**188**	**739**	**290**
		Comparison Group – Depreciation	339	389	397	406	415	424	433	443	453	463
		Comparison Total (Inc. New and Expanded)	**3,824**	**834**	**852**	**871**	**890**	**910**	**930**	**950**	**971**	**993**
		Comparison Overall (GAP)	**394**	**353**	**1,003**	**1,503**	**1,153**	**153**	**153**	**153**	**703**	**253**

Table 14 Combined Expenditure Projection

Budget Gap by Asset Group ($,000s)			2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Combined	**Actual**											
		Renewal	735	735	1,735	2,160	1,935	535	535	3235	1085	635
		New and Expanded Assets	3,050	0	0	8500	8500	0	0	0	0	0
		Maintenance and Operations	1956	2000	2043	2088	2134	2181	2229	2278	2328	2380
		Total Expenditure	**5,741**	**2,735**	**3,778**	**12,748**	**12,569**	**2,716**	**2,764**	**5,513**	**3,413**	**3,015**
	Required											
		Required Renewal (Depreciation)	820	877	897	916	1040	1150	1175	1201	1228	1255
		New and Expanded Assets	3,050	0	0	8500	8500	0	0	0	0	0
		Required O&M	1078	1102	1126	1282	1442	1474	1506	1539	1574	1608
		Total	**4,947**	**1979**	**2023**	**10698**	**10982**	**2624**	**2681**	**2740**	**2800**	**2862**
		Maintenance Overall (GAP)	878	897	917	806	692	707	723	739	755	772
		Renewals Overall (GAP)	-85	-142	838	1,244	895	-615	-640	2034	-143	-620
		Overall (GAP)	**793**	**756**	**1,755**	**2,050**	**1,587**	**93**	**83**	**2772**	**612**	**152**
		Comparison Group – Depreciation	933	996	1018	1040	1185	1313	1341	1371	1402	1433
		Comparison Total (Inc. New and Expanded)	**5,061**	**2,098**	**2,144**	**10,823**	**11,127**	**2,787**	**2,848**	**2,910**	**2,974**	**3,040**
		Comparison Overall (GAP)	**680**	**636**	**1,634**	**1,926**	**1,442**	**-71**	**-84**	**2,602**	**438**	**-26**

Figure 8 Water Sustainability Ratios

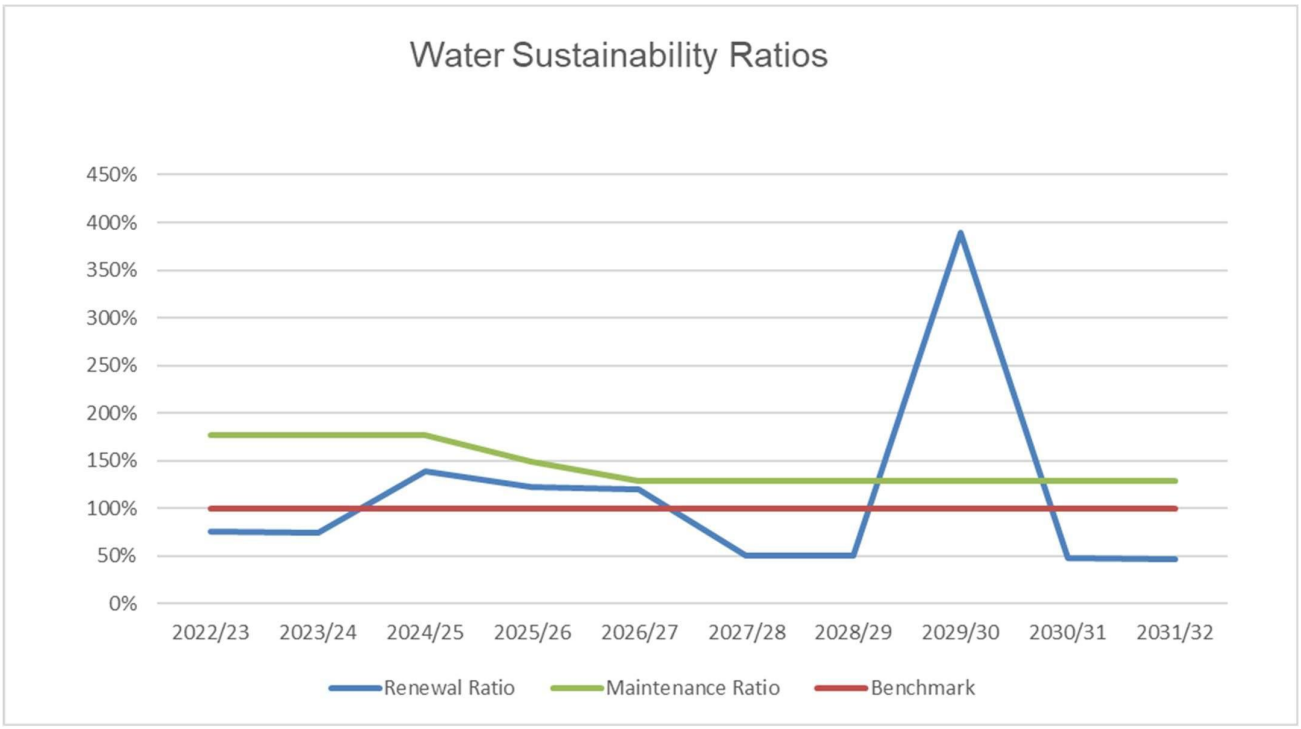


Figure 9 Water Backlog Ratio

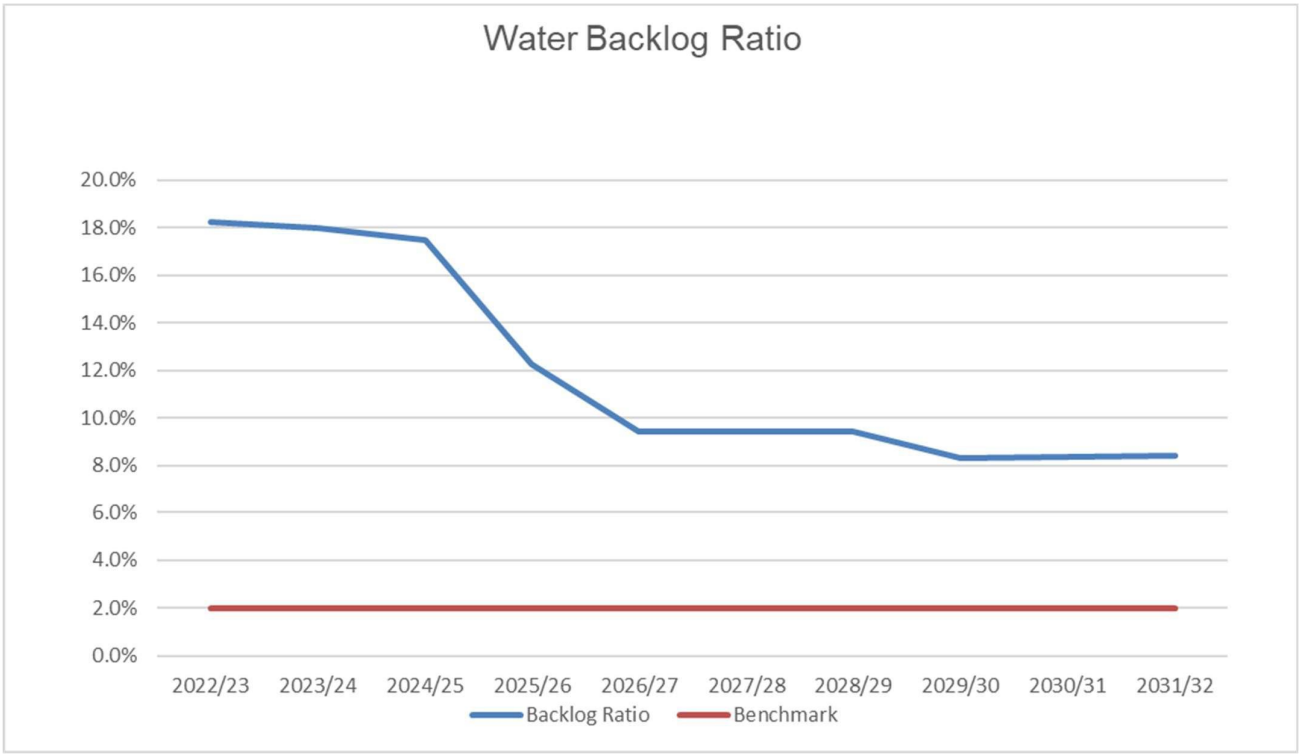


Figure 10 Sewer Sustainability Ratios

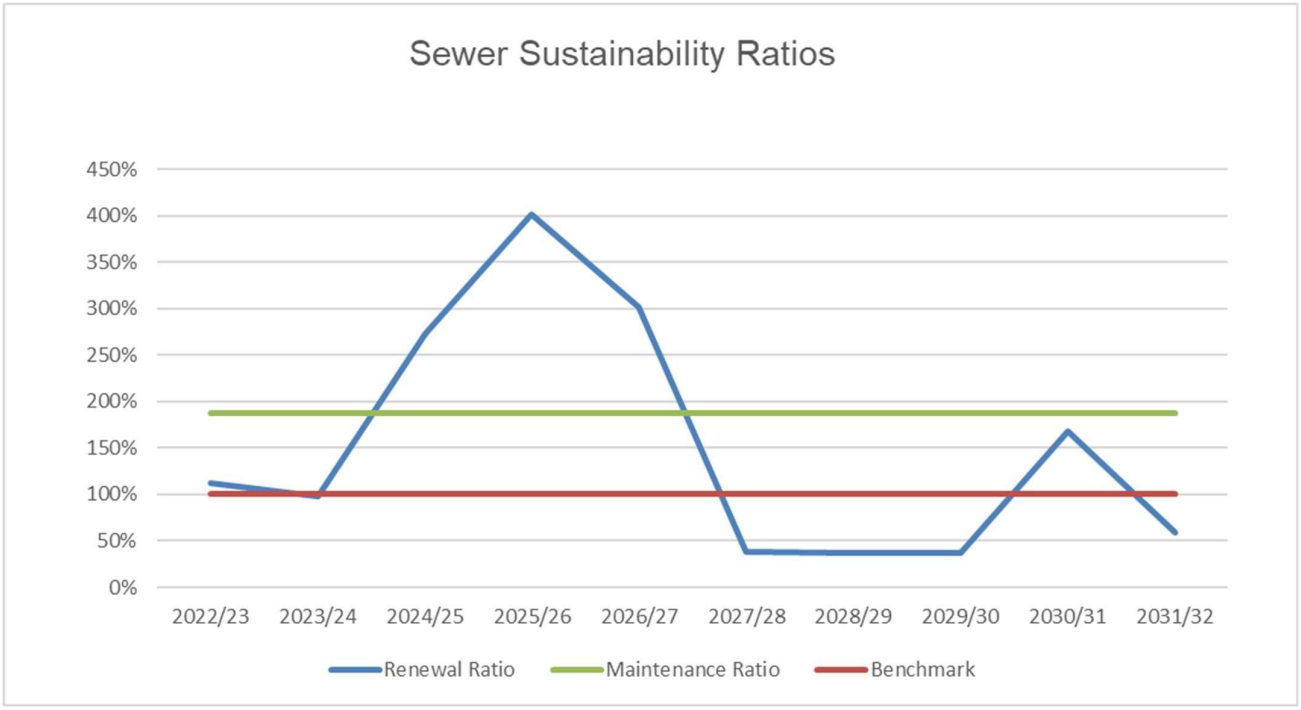
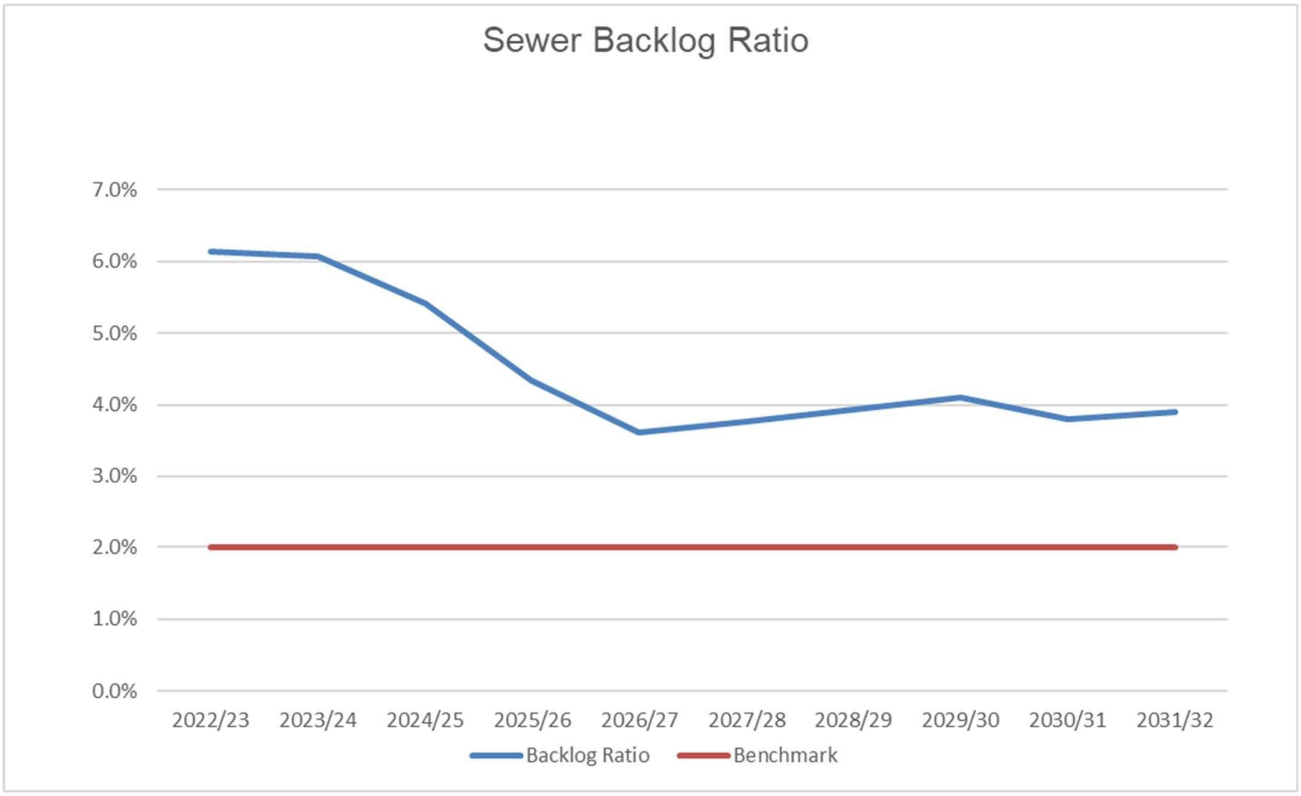


Figure 11 Sewer Backlog Ratio



D1.10 Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its building portfolio.

The following attributes are currently being considered as part of this analysis:

Table 15 Water Critical Assets

Criteria	High	Medium	Low
Reticulation			
Function	Supply	Trunk	Residential Reticulation
Material	AS/CI	CLS / PVC	HDPE
Flood zone	Yes		
Water Way	Line runs parallel to waterway	Line runs perpendicular to waterway	
Size	> 150mm Diameter	50 - 150mm Diameter	< 50mm Diameter
Pressure Pump			
Backup pump and power	No	Yes	Yes
Catchment	Large	Medium	Small
Storage Capacity			
Storage Capacity	Small	Medium	Large
Catchment	Large	Medium	Small
Treatment	Yes		

Table 16 Sewer Critical Assets

Criteria	High	Medium	Low
Reticulation			
Rising main	Yes		
Carrier	Yes		
Material	VC/AS	Concrete / PVC	
Flood zone			Yes
Water Way	Line runs parallel to waterway	Line runs perpendicular to waterway	
Size	> 300mm Diameter	200 - 300mm Diameter	150mm diameter
Pump Stations			
Storage Capacity	Small	Medium	Large
Backup pump and power	No	Accessible	Yes
Catchment	Large	Medium	Small
Flood zone	Yes		
Treatment	Yes		

Identified critical assets include Council's treatment infrastructure, its rising mains and supply trunks as well as its large pumping stations.

D1.11 Risk Management

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's water and sewer assets and highlights the strategic risks which impact Council's asset portfolio.

Table 17 Strategic Risk Management

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
Water Supply Asset Maintenance	Increasing maintenance requirements	High	Continue to improve data Documented service level risks and utilisation for establishing future maintenance priorities	Staff Time
Water Supply Asset Renewal	Assets deteriorate to a lesser service standard and higher risk situation	High	Continue to improve data Required renewal of water assets is being achieved in the short to medium term Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities	Staff Time
Damage to Water Supply Assets	Damage to water supply assets as a result of major storm events	Very High	At present cannot be managed within Council's resourcing. Continue to improve data	Staff Time
Water Supply Network	Contamination or disruption of water supply to the Community	High	Higher levels of confidence about 10 year renewal programme. Improved knowledge of the condition of the existing network	Ongoing staff time
Sewer Network Maintenance	Increasing maintenance requirements	High	Continue to improve data Documented service level risks and utilisation for establishing future maintenance priorities	Staff Time

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Associated Costs
Sewer Network Renewal	Assets deteriorate to a lesser service standard and higher risk situation	High	Continue to improve data Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities	Staff Time
Damage to Sewer Supply Assets	Damage to water and sewer networks as a result of major storm events	Very High	At present cannot be managed within Council's resourcing. Continue to improve data	Staff Time
Sewerage System	Deterioration of network	High	Improve knowledge of remaining life or condition of network	Ongoing Staff Time
Sewer Pump Stations	Environmental Damage and compliance issues	High	• Continue to improve data by carrying out sample inspections • Required renewal of sewerage system components is being achieved in the short to medium term. Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities.	Ongoing staff time Funding for renewals included in the Capital Works Program and Long Term Financial Plan

D1.12 Confidence Levels

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 18: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 19: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Water	Reliable	Acceptable	Reliable	Reliable
Sewer	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**Reliable**'.

D1.13 Improvement Plan

Council's Water and Sewer assets are adequately funded over the 10 – year horizon of this iteration of the plan. Council has done significant work and is nearing completion of a draft of the integrated water cycle management plan and as such has projected out the community needs for its water and sewer infrastructure over a 30 – year horizon. Finalising this document to inform the AMP's is critical for the sustainable management of councils and this improvement plan sets out a pathway to improve the maturity of the portfolios.

Table 20 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/06/24
Council to develop processes for extracting and reporting on lifecycle data which is to be fed back into asset management planning.	H	Operations Assets Systems	30/06/24
Asset knowledge processes			
Council to review required maintenance and depreciation requirements for its water and sewer portfolio	M	Assets Finance	30/06/24
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	H	Assets Finance	30/06/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/06/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/06/24
Council to engage community on developed service levels.	H	Assets	30/06/25
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/06/24
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Assets Operations Systems	30/06/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/06/25
Information systems			
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/06/23

D1.14 Capital Works Program

To be provided by Council