



Armidale Asset Management Strategy Armidale Regional Council October 2020





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1. Executive Summary

This overarching Asset Management Strategy (AMS) provides a framework for the seven Asset Management Plans (AMPs), discussed as sub sections of this AMS. The AMS states the approach to implementing principles and the objectives of the Asset Management Policy and includes requirements that outline processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management (AM) system. The asset groups covered by this AMS are transport, buildings, stormwater drainage, parks and recreation, water supply, sewerage network and airport infrastructure.

The AMS highlights major issues which need to be addressed for each of the asset classes over the next few years. The strategy also highlights the necessary actions in order for Armidale Regional Council (ARC) to help close the gap between current asset management practice and move towards a 'best appropriate practice' position in the future.

Both the AMS and the Asset Management Plans (AMPs) have been prepared in accordance with the International Organisation for Standardisation, Standard ISO 55000. Development of asset management plans for Council's infrastructure assets is a mandatory requirement for NSW local governments. The key findings for each asset class are included in the asset management plans section of this strategy; these are covered in a concise but detailed manner.

Council has an asset management policy which will be adopted as part of this strategy and reviewed every four years. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

Asset Values

In preparing this AMS, it has been identified that ARC has combined infrastructure assets with a current replacement cost of approximately \$1 Billion. The seven asset classes included in this plan and their values are detailed in the following table.

Asset Class	Gross Replacement Cost (CRC) 000's	Written Down Value (WDV) 000's	Annual Depreciation Expense 000's
Transport ¹	\$438,156	\$343,700	-\$5,429
Buildings	\$118,483	\$61,760	-\$2,149
Stormwater	\$60,393	\$46,906	-\$630
Parks, Recreation and Other	\$41,052	\$30,863	-\$995
Water Supply	\$241,378	\$163,268	-\$3,163
Sewerage Network	\$136,138	\$97,941	-\$2,082
Airport	\$9,545	\$6,977	-\$370
Combined	\$1,045,145	\$751,415	-\$14,818

Table 1 Summary of ARC combined infrastructure assets values

¹ Excludes non depreciable earthworks



Asset Backlog

As per the 2020 Special Schedule 7 analysis, Council has a combined asset backlog of approximately \$14 million or 1.88% to bring assets to '*satisfactory standard*' which is currently taken as Condition 3. The breakdown of backlog per asset class is shown in table below.

Estimated cost to satisfactory	Backlog (\$m)	Backlog Ratio %
Transport	\$4,707	1.37%
Buildings	\$4,765	7.72%
Stormwater	\$67	0.14%
Parks, Recreation and Other	\$884	2.86%
Water Supply	\$1,482	0.91%
Sewerage Network	\$2,237	2.28%
Airport	\$0	0.00%
Combined	\$14,142	1.88%

Table 2 Backlog Summary

This is based on the proposed methodology prepared by Morrison Low on behalf of Armidale Regional Council, which provides a consistent methodology across all asset classes.

Asset Condition

Based on the review of asset condition data, most of Council's assets are in 'excellent' or 'very good' condition by value. Although the condition data of most assets appears to be reliable, a condition review of stormwater assets, parks, recreation and other assets is suggested to confirm the confidence in the data. Details of Council's current asset condition are detailed in Table 3 below. The condition is represented as a percentage of replacement cost value of Council's seven asset classes, and as combined.

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Transport	63.02%	22.67%	11.13%	1.90%	1.28%
Buildings	17.97%	12.24%	49.90%	18.54%	1.35%
Stormwater	54.84%	37.15%	7.38%	0.63%	0.00%
Parks, Recreation and Other	46.52%	35.67%	1.68%	16.13%	0.00%
Water Supply	9.90%	51.76%	35.00%	3.26%	0.08%
Sewerage Network	19.80%	47.76%	23.06%	9.39%	0.00%
Airport	91.63%	8.37%	0.00%	0.00%	0.00%
Combined	39.32%	32.62%	21.96%	5.38%	0.72%

Table 3 Summary of ARC combined asset condition



Asset Expenditure

The analysis of Councils asset expenditure is based on three groupings. Firstly, a combination of all Councils assets, secondly looking at Councils general Fund Assets and finally looking at Council's combined Water and Sewerage Assets.

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$39.9 million per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being \$48.2 million per year. This indicates that Council has funded 83% of its required asset expenditure over the period of the plan.

While Council's current infrastructure backlog is currently below the OLG Benchmark of 2%, it is expected that this threshold will be breached in 2023/2024. The analysis of the data suggests that while there is a minor shortfall in annual maintenance expenditure, there is a significant shortfall in annual renewal expenditure.

The general fund assets have an average annual forecast expenditure of \$22.2Million per year, compared with a required expenditure of \$29.7 Million per year. This indicates that Councils general fund assets are funded 75% of the required asset expenditure.

The water and sewerage assets have an average annual forecast expenditure of \$17.7 Million per year, compared with a required expenditure of \$18.5 Million per year. This indicates that Councils water and sewer fund assets are funded 95% of the required asset expenditure.

Level of Service

Council has prepared specific Levels of Service that are yet to be consulted with the community. The AMPs detail and specify Levels of Service for each individual asset class that are developed to address the lifecycle management of assets. The AMS establishes a basic framework to measure service level outcomes. These outcomes are accessibility, quality / condition, responsiveness, customer satisfaction, affordability and sustainability.



High Level Improvement Plan

Based on the observations and analysis of current asset management practices, a range of strategic actions have been developed that apply to all asset groups. These strategic actions are to ensure adequate provision is made for the long-term management of Council's infrastructure assets. The actions are outlined in the following table.

Table 4 High Level Improvement Plan

Ref			Suggested
No.	High Level Strategic Actions	Priority	Timeframe
1.	Clearly identify all asset expenditure requirements into four categories; renewals, new, maintenance and operational for all asset classes. Establish clear budgets and reporting lines for each category.	High	2020/21
2.	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually.	High	2020/21
3.	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset groups to obtain most accurate backlog. Assess the backlog against Council's infrastructure priorities, financial budgets and LTFP.	High	2020/21
4.	Establish transparent and responsible asset management processes that align with best appropriate practice. This includes consistency between Asset Management Strategy and Long Term Financial Planning, Finance One systems, Level of Services for all asset groups, data collection, validation and reporting.	High	2020/21
5.	Develop critical asset's emergency response plans, assign necessary budgets and resources, ensuring these are on high priority and regularly reviewed.	Hiah	2020/21
6.	Allocate and clarify roles, resources and responsibility for asset management, which includes good understanding of asset data, finance and budgets. Establish clear communication protocols with finance department and companywide.	High	2020/21
7.	Prioritise and plan asset renewals to meet agreed service levels based on community's importance, infrastructure priority and site inspections.	Medium	2021/22
8.	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs.	Medium	2021/22
9.	Extend asset inspection sample to get an acceptable range that is agreed by Council's executives. Plan and carry out condition inspections on regular basis on diverse range of assets, ensuring to cover all asset classes.	Medium	On-going
10.	Create an environment where Council employees take part in the overall management of Council assets by developing asset management awareness and capability throughout the Council.	Medium	On-going



2. Introduction

Scope of this Asset Management Strategy & Plan

This asset management strategy & plan has been developed to provide the framework to ensure that Council's infrastructure assets are operated, maintained, renewed and upgraded so that the Levels of Service are achieved in the most cost effective and sustainable way. It meets Council commitments under the IP&R framework by ensuring that all Council's infrastructure assets are fully accounted for. Details on each asset class including the inventory financial and predicted expenditure and required expenditure are included in the appendices.

The audience for this asset management strategy 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 & plan are to

- · prioritise funding and resources between asset groups
- demonstrate responsible and sustainable stewardship of the community assets
- define how Council's assets are, and will be, managed to achieve the Levels of Service
- assist the management of the environmental, financial and public risks related to the infrastructure assets
- provide the basis for forward works programs
- provide the basis for optimising whole of life costs
- support long term financial planning across all asset classes.

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

- current asset condition and performance
- Levels of Service
- forecast demand for infrastructure and services
- funding constraints.

This supports Council's aim to have the 'best value' asset management strategies and practices. This is achieved by continually developing and improving Council's knowledge, systems, processes and strategies. This ensures that Council is providing the level of asset management necessary to competently, responsibly and sustainably manage the community assets now and into the future.

This is a core asset management strategy and plan prepared using a 'top down' approach where 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, rehabilitation and replacement based on local knowledge of assets and options for meeting current Levels of Service.

Future revisions of this asset management plan and strategy will move towards a more 'Advanced' level of asset management, using 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.

This strategy is based generally on the guidelines outlined in the International Infrastructure Management Manual 2015, incorporating the Sections defined in Table 4.



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	Outline of the purpose and scope of the plan and how the plan relates to other key policies and strategies		
3.	Asset Management Policy	Sets out the high level policy that governs that way Council manages its assets		
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.	Expenditure Projections	Sets out both the planned and required expenditure on Councils assets over the period of the plan		
8.	Risk Management Plan	Provision of an asset based risk management plan		
9.	Overarching Asset Management Strategy	Provision of a summary of Council's overall asset strategy including asset management policy and identification of critical assets		
Ap	pendix 1	Building Assets		
Ap	pendix 2	Transport Assets		
Ap	pendix 3	Stormwater Assets		
Appendix 4		Park & recreation Assets		
Appendix 5		Water Supply Assets		
Appendix 6		Sewerage Network Assets		
Ap	pendix 7	Airport Assets		
Ap	pendix 8	Critical Assets		



Asset Planning - Background

Development of asset management plans for Council's infrastructure assets is a mandatory requirement for NSW local governments. Local Government Act 1993 Section 8B "Principles of sound financial management". The act states that:

(a) Council spending should be responsible and sustainable, aligning general revenue and expenses.

(b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.

(c) Councils should have effective financial and asset management, including sound policies and processes for the following:

- (i) performance management and reporting,
- (ii) asset maintenance and enhancement,
- (iii) funding decisions,
- (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Armidale Regional Council is following the guidelines that accompany the Local Government Act 1993 (as amended) in the development of asset management plans and strategy. The key findings for each asset class are included in the asset management plans section of this strategy; these are covered in a concise but detailed manner.

The primary role of assets is to support the delivery of services that deliver Council's long-term objectives. As Council's assets age there are increased maintenance, refurbishment and disposal costs which increase the cost of the services that they support.

The current Council planning framework has been revised to align with the legislated planning framework in the Local Government Act 1993 (as amended) and the Integrated Planning and Reporting Guidelines for Local Government in NSW. This plan has been developed in line with the legislated framework and guidelines and integrates with the following documents:

- Community Strategic Plan outlines what the community wants, the objectives of the community and strategies to achieve those objectives.
- Resourcing Strategy details the resources that the Council has to deliver the CSP
- Delivery Program/Operational Plan how Council will use the resources that it has to meet the objectives in the Community Strategic Plan, specifically where Council has been identified as responsible or as a supporting partner in the identified strategies



• Annual Report – reporting mechanism used by Council to report on those activities and actions that Council proposed in its Delivery Program and Operational Plan

This asset management strategy & plan establishes a framework to enable prioritisation of asset groups through planning, construction, maintenance and operation of the infrastructure necessary to achieve the goals and objectives as set out in Armidale Regional Council Community Strategy Plan, Delivery Program and Operational Plan.

Assets Covered in AMS & AMPs

There are seven asset classes covered by this Asset Management Strategy and Plan. These are:

- Transport
- Buildings
- Stormwater Drainage
- Parks and Recreation
- Water supply
- Sewerage
- Airport

Full details of the Council's assets are included in the lifecycle management section of this strategy.

About Armidale Regional Council

The newly formed Armidale Regional Council (Council) was created in May 2016 following the merger of Armidale Dumaresq Council and Guyra Shire Council. The merged council, located in the New England region of New South Wales (NSW), covers 8,630 square kilometres and has an approximate resident population of 30,779 ²people. The predominant form of land use is agricultural, which includes sheep and cattle grazing, along with a substantial amount of National Park lands, State Forest and nature reserves. The main township is located at Armidale, with a smaller township at Guyra, and a series of villages across the Council area (Community Strategic Plan 2017-2027).

Links to Council Plans and Strategies

The Asset Management Strategy and Plans have been prepared in line with the vision and strategies outlined in the Community Strategic Plan 2017 - 2027.

Infrastructure assets will play both a direct and an indirect role in achieving the strategic objectives. The following table indicates how Council's assets play a role in the delivery of the key strategies linked to the Community Strategic Plan.

² ABS Estimated Resident Population 2019



Table 6 Strategic Linkages

Strategic Direction	Community Outcomes	Strategies	Asset Classes Involved
Environment and Infrastructure	Community Outcome 2: The community can participate in initiatives which contribute to a sustainable lifestyle	Prepare disaster management plans to reduce the impact of natural disasters	All
	Community Outcome 3: The community is provided with the essential and resilient infrastructure it requires for daily life, and has access to a prioritised schedule of infrastructure works	Regular review of asset management plans to ensure that prioritisation of resources are allocated in the most effective and efficient manner	All
		Improved community engagement mechanisms to establish acceptable levels of service for all of Council's asset classes	All
		Regular review of open space related asset management plans to ensure parks, sportsgrounds, water recreation facilities and other open space meets community needs and is provided to an acceptable level of service and accessibility standards	Parks, Recreation and other Assets
		Develop a strategy to ensure that water and sewer utilities are maintained to an acceptable standard, and to ensure that the community has access to a water supply even in times of drought	Water and Sewer
		Develop a program for the provision of sustainable transport options, including additional cycleways and education programs to encourage sustainable transport	Transport
Growth, Prosperity and Economic Development	Community Outcome 3: The visitor economy generates additional revenue and employment to boost the local economy and creates opportunities for more vibrant cultural offerings and activities	Provide Central Business District (CBD) infrastructure that supports a more vibrant and varied offering of shopping experiences for tourists	All
		Develop an Arts and Cultural Program with an emphasis on creating vibrant and attractive public spaces, including the installation of public art in city centres	Buildings, Parks, Recreation and Other Assets
	Community Outcome 5: The community has access to transport which enables connectivity both locally	Facilitate discussions at regular intervals with local transport providers and commuters to ensure that	Transport



Strategic Direction	Community Outcomes	Strategies	Asset Classes Involved
	and outside of the region	transport services meet the needs of the local community	-
		Investigate opportunities for increased bus services from remote areas to Armidale town centre to support people to attend work commitments, partake in activities which mitigate social isolation and carry out regular tasks and errands	Transport
		Create partnerships and facilitate discussions with relevant stakeholders to ensure further progress towards the implementation of the Armidale Airport Masterplan	Airport
		Council's asset management plans ensure that roads and bridges are provided and maintained to an acceptable standard, and are suitable for use by heavy transport	Transport
Leadership for the Region	Community Outcome 2: Council exceeds community expectations when managing its budget and operations	Council implements a business excellence program across its operations	All
		Council's strategic planning documents are integrated in a way which delivers community outcomes while effectively managing budgets, asset management and workforce planning	All



3. Asset Management Policy

Purpose

The purpose of this Asset Management Policy is to set out principles which guide how asset management will be implemented to achieve the asset management objectives set by Armidale Regional Council.

The aim of the policy is to ensure that the Council has information, knowledge and understanding about the long term consequences of being the custodian of public infrastructure.

The policy will also demonstrate Council's commitment to the responsible management of Armidale's assets and set guidelines for implementing consistent asset management processes throughout Armidale Regional Council.

Context

Council has a community engagement policy which guides and influences how Council engages with and consults with the community. It is vital to engage and consult with community on achieving financial sustainability, agree level of service and prepare asset management plans that are robust and customer focused.

The Local Government Act 1993 (as amended) and Integrated Planning and Reporting (IP&R) also requires Council to account and plan for all existing assets under its ownership, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

This policy is prepared with reference to IP&R Manual 2013 and ISO 55000. It refers to all fixed assets owned or managed by Council, regardless of their purpose or source of acquisition.

To meet the objectives of the Policy and legislation, Council should:

- prepare an integrated Asset Management Strategy and Asset Management Plan(s) which delivers on CSP strategies and supports the Road Management Strategic Plan and Community Strategic Plan
- ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of ten years
- ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy and is integrated with Road Management Strategic Plan
- engage with community to establish agreed level of service for delivery of infrastructure assets
- ensure that the Asset Management Strategy identifies assets that are critical to the Council's operations and outline risk management strategies for these assets as per Enterprise Risk Management Framework
- ensure that the Asset Management Strategy includes specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes.

Figure 1 on the next page shows the IP&R framework alignment with the asset management framework.





Figure 1 ARC asset management aligns with the integrated planning and reporting framework

The policy is consistent with Armidale Community Strategic Plan 2017-2027 and places key emphasis on community consultation in all aspects of strategic asset planning.

As such the principals of asset management have been built around 'strong customer focus' where communities have a say in the future decision making. These principles are:

- a) Have good understanding of our infrastructure assets, their criticality and consequences associated with poor management of assets
- b) Identify key issues with asset management practices and continuously work towards improvement
- c) Consult and engage with community on key issues affecting the delivery of services and infrastructure assets through Community Engagement Policy
- d) Provide value for money solutions for community through effective planning around budget and operations
- e) Clearly define infrastructure asset service levels and communicate outcomes with community
- f) Take life cycle approach in managing infrastructure assets
- g) Managerisks associated with infrastructure assets
- h) Strive for sustainable environmental performance
- i) Planning to embrace intergenerational equity by identifying life cycle requirements of assets



Policy Objectives

The policy objectives are consistent with the policy principles and meet the strategic goals and community outcomes set out in the Community Strategic Plan 2017-2027. The policy objectives are:

- 1) Provide infrastructure and services that:
 - meets the needs of the community including vulnerable members of community
 - supports quality of life and amenity
 - adapts to emerging needs in sustainable transport
 - contributes to sustainable lifestyle.
- 2) Implement transparency and trust in management of infrastructure assets by:
 - engaging with community to establish satisfactory and agreed level of services
 - consulting with community on all 'new' initiatives or projects
 - increasing community involvement in initiatives which contribute to sustainable lifecycle
 - providing access to community to prioritised schedule of infrastructure works.
- 3) Implement a life-cycle approach to the management of infrastructure assets where:
 - asset planning decisions are based on an evaluation of alternatives that consider the "whole of life" of an asset through acquisition, operation, maintenance, renewal and disposal
 - the asset management cycle considers the current and future environmental, economic, cultural and social outcomes.
- 4) Continuously address key issues related asset to assets by:
 - creating an asset management improvement plan
 - developing and continuously updating asset management plans.
- 5) Provide a sustainable funding model that aligns with Armidale's long term plans and community needs:
 - Funded model for all asset related services extending at least ten years into the future that addresses the need for funds, considers renewal peaks and troughs and identifies how the funds will be sourced.
- 6) Provide reliable asset and infrastructure data thorough supported digital platforms demonstrated
 - implementation of sound data governance and data quality management
 - access to systems and information wherever possible.
- 7) Ensure compliance with legislative requirements by
 - having clear policies, processes and information to ensure that organisational objectives and legislative requirements are met.
- 8) Allocate asset management responsibilities where:
 - the roles and responsibilities of Council, Chief Executive Officer and Asset Managers are clearly identified.



Responsibilities

Elected Council

- Provide stewardship
- Consider the impact on Council's asset base of planning, financial and service level decisions
- Adopt the Asset Management Policy and Strategy

Chief Executive Officer, Executive and Senior Leadership Team

- Ensure that sound business principles are reflected in the Asset Management Strategy and Plans that are developed and implemented
- Ensure community is involvement and engaged on all key Council matters affecting service delivery
- Ensure service levels are communicated and agreed for all main asset groups
- Support the implementation of the Asset Management Strategy and associated Asset Management Improvement Plan
- Approve the Asset Management Plans
- Ensure the integration and compliance with the Asset Management Policy and Strategy with other policies and business processes of the organisation
- Facilitate 'best appropriate practice in asset management'

Asset Management and Design Teams

- Review Asset Management Policy and Strategy
- Take responsibility for the implementation of the Asset Management Improvement Plan
- Identify and develop appropriate policies and procedures to ensure effective asset management across the organisation

Asset Management Managers and Technical Officers

- Develop and maintain Asset Management Plans
- Facilitate community consultation to establish agreed service levels
- Develop and maintain asset maintenance and renewal plans
- Provide professional advice and comment to other departments of Council in relation to asset management
- Develop and maintain an asset management information system to facilitate efficient and effective asset management

Responsibilities for Management of Assets within Council

Councils have a responsibility under the Local Government Act 1993 to manage lands and other assets so that current and future local community needs can be met in an affordable way. As such, Council has responsibilities relating to infrastructure assets that includes that the

- Councillors adopt the policy to ensure sufficient resources are applied to manage the assets
- Council owns all assets and acts as a steward for the assets, sets the asset management policy and



vision, and ensures that resources are available for asset management activities

- Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council
- Executive Team reviews the Asset Management Strategy (including the four year Delivery Program) and asset business cases in line with this policy, advises Council on asset matters and is responsible for implementing asset management systems, policies and procedures
- Service Leaders, Asset Management and Design teams, delegated by Council to act in the capacity of
 asset owner and makes recommendations to Council, develops the Asset Management Strategy that
 recommends the most sustainable use of available funds across the asset portfolio, reviews all new
 asset acquisitions to ensure they are consistent with Council's long-term objectives, that the life cycle
 costs have been considered and that the asset can be funded within agreed risk tolerances
- Employees with management or supervisory responsibility are responsible for the management of assets within their area of responsibility as determined under the asset management plans.

In the short term, employees will be tasked under implementation plans, and will be responsible for the timely completion of the activities contained within those plans. In the medium term, awareness sessions will be conducted to ensure that employees are familiar with asset management and how it is applied within the Armidale Regional Council.

Key Stakeholders

Table 7 Key Stakeholders

Stakeholders	Role
Councillors	 Represent needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing services while managing risks Ensure the organisation is financially sustainable
Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

There are a number of legislative requirements that apply to the management of assets including:

Local Government Act 1993



- Local Government (General) Regulation 1999
- Environmental Planning and Assessment Act 1979
- Environmental Planning Legislation Amendment Act 2006
- Protection of the Environment Administration Act 1991
- Protection of the Environment Operation Act 1991
- Civil Liability Act 2002
- Environmental Protection Act 1970
- Work, Health and Safety Act and Regulations
- Disability Discrimination legislation including:
- Commonwealth Disability Discrimination Act 1992 (DDA)
- NSW Anti-Discrimination Act 1997
- AS 1428 (Set) 2003 Design for Access and Mobility
- AS/NZS 4360 2004 Risk Management
- Australian Accounting Standards
- Environmentally Hazardous Chemicals Act 1985
- Water Management Act 2000
- Heritage Act 1977
- Crown Lands Act
- Building Code of Australia
- Plus, other legislation relating to:
 - Working at Heights
 - Confined Spaces
 - Plant Regulations
 - Manual Handling
 - Noise Regulations
 - Planning Controls
 - Various other Australian Standards.



4. Asset Management Practices

Asset Management Systems

All Council's asset software solutions are TechnologyOne Systems, made up of various modules consisting of:

- Enterprise Asset Management System EAM
- Finance based module TechnologyOne
- Roads defects module within EAM called Mobility

Each module compliments the asset management system and is managed by a different team. Further, this Asset Management Strategy, Policy and Plans interrelate and integrate the information available in each module in accordance with the IP&R framework and requirements.

Data collection and Validation

In the preparation of this Asset Management Strategy and Plans, Council has used the most current and up to date information from TechnologyOne. This information will be required to be updated on a regular basis.

In preparation of the AMS and AMPs, Council has also undertaken a recent condition assessment of roads to provide high level of accuracy in the condition data, and renewals projections.

As part of the Asset Management Improvement Plan it is proposed that asset conditions are regularly monitored, checked and validated on a wider range with particular focus on the poor condition assets.

Monitoring and Review Procedures

The Executive Management Team will consider a summary report on the progress against the Asset Management Improvement Plan on a regular basis and will prepare a detailed report on progress against the plan on an annual basis at the end of each financial year and present it to Council.



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, see the table below.

Table 8 Data Confidence Definitions

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 table below.

Asset Class	Confidence Grade
Transport	Reliable – Condition assessment was recently completed in Dec 2017 of roads assets. Some regional and unsealed roads do not have assigned conditions. Revised conditions have been used in the assessment and generating renewals requirements.
Buildings	Reliable – Condition data is available and valued. Aerodrome building is currently included in the buildings category. In future, this will need to be transferred to 'Airport' category.
Stormwater	Uncertain – Condition is based on a small sample and generalised for the network.
Parks, Recreation and Other Assets	Reliable – Condition data is available and stored in one register
Water Supply	Reliable – Detailed asset data and conditions are available however the condition is based on a small sample which limits the accuracy of network.
Sewer Network	Reliable – Detailed asset data and conditions are available however the condition is based on a small sample which limits the accuracy of network.
Airport	Reliable – Condition data is available, however all of airport data is not managed under airport category. Airport buildings are kept under buildings category.

Table 9 Data Confidence Summary



Funding Strategy

Council's fundamental approach in developing a funding strategy for the assets which it controls is to have budgets based on lifecycle requirement of assets. Council has identified asset based capital and ongoing costs which are used to set annual budgets that are incorporated into the Long Term Financial Plan. The budgets are represented as 10 year capital works forecasts for each asset class and ten year estimated operational and maintenance requirements based on the agreed service levels and good practices. These are shown for individual asset classes in the asset management plans and collectively shown in the executive summary of this document.

The overall cost identified in the renewal plans is averaged to create a gradual flow of cash and avoid any peaks and troughs. The excess funds are stored separately in reserves to account for planned future renewals or in event of failure.

Council recognises the importance of integration of asset funding requirements with the availability of funding. In cases where the requirement of funding for assets exceeds the availability, Council will need to review all its expenditure avenues and consider alternate funding arrangements in consultation with Council and the community.

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, by assessing and approving/rejecting Capital and transformational projects through a Capital Portfolio Board
- Undertake project scoping for all capital upgrade/new projects to identify:
 - gnment with the CSP in achieving the stated outcomes
 - he service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
 - he project objectives to rectify the deficiency including value management for major projects
 - he range of options, estimated capital and life cycle costs for each options that could address the service deficiency
 - ement of risks associated with alternative options
 - nd evaluate the options against evaluation criteria adopted by Council
 - ct the best option to be included in capital upgrade/new programs
- Review current and required skills base and implement training and development to meet required construction and project management needs
- Review management of capital project management activities to ensure Council is obtaining best value for resources used



5. Levels of Service

Defining Level 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 a particular activity which relates to something that can be controlled. Service levels may relate to:

- how reliable the asset is
- the right quality of the assets
- 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.

Performance Measures

The level of service statement is supported by performance measure(s), also referred to as performance indicators, that indicate how the organisation is performing in relation to that level of service. The performance measure includes targets which are made up of customer and technical measures. Customer measures relate to how the customer 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 services are 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 number of other factors also strongly contribute to the overall outcome.



Service Level Outcomes

The Levels of Service in this plan have been developed with customer focus and grouped into core customer value areas that are referred as 'Service Level Outcomes'. These service level outcomes (or sometimes referred as service criteria) are things like:

- Accessibility and/or availability
- Affordability
- Health and Safety
- Quality/condition
- Reliability / Responsiveness
- Customer satisfaction
- Sustainability

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, Councils' 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. In this regard, Council should determine the quality of the assets required for the Local Government Area (LGA). 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 assets 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 Councils condition rating matrix is detailed below.

Condition Rating	Condition	Descriptor	Guide	as a % of total life	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	
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which	Significant maintenance	41 to 64	55	

Table 10 Condition Summary



Condition Rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
		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.	and/or repairs required (to 10 - 20% of the asset)		
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	Worn	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

Responsiveness

Council will maintain assets in a workman-like 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.

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.

Sustainability

Council will ensure that its assets are maintained in a manner that will enable 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



Health and Safety

Council will endeavour to identify and mitigate all key health and safety risks created by 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 to drink
- Sewage is managed without risk to public health

Each of the service level outcomes is linked 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 to the future demands of the community whilst balancing the potential risks to the community and the Council.

Financial Based Service Levels

The premise of asset management (AM) is that asset requirements and AM 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 life cycle management strategies and works programme identified within this AM strategy.

Levels of Service is a term used to describe the quality of services provided by an asset. Some specific financial based service levels are described below.

Asset Consumption Ratio

The average proportion of 'as new' condition remaining for assets. This ratio shows the written down current value of Councils 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.

Asset Sustainability Ratio

Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government 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. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.

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.

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.

Asset Maintenance Ratio

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



6. Future Demand

Demand Forecast

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

- Population growth/reduction
- Changes in the demography of the community
- Lifestyle changes
- Residential occupancy levels
- Commercial/Industrial demand
- Technological changes which impact the asset
- The economic situation
- Governmentpolicy
- Environmental

Population Forecasts

The Census data for resident population of the Armidale Regional Council area in 2019 was 30,779³. As per the Community Strategic Plan, the growth target is to increase the 2016 population (29,449) by 5% by 2020.

Changes in Technology

Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.

³ ID community 2020, link <u>http://profile.id.com.au/armidale/population?WebID=10</u>



Demand Management Plan

The following general implications and impacts predicted on the Council assets, based upon changes and trends, are shown in Table 11.

Table 11Future demand impact on assets

Demand Factor	Impact on Services
Population	Population growth will place an increased demand on assets, especially libraries and community centres
Demographics	The trend towards multicultural society, an increasing and older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets
Social/Economic	Community demand due to change in social economic activity
Transportation Changes	Smart, multi-modal transport solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of transport
Increasing Costs	Requirement to continue to maximise service delivery within the funding limitations
Environment and Climate	Some assets may be impacted by change such as more severe weather events
Lifestyle	Will impact on the type and size of facilities provided into the future
Technology	May require improved environmental management of facilities

7. Expenditure Projections

The analysis of Councils asset expenditure is based on three groupings. Firstly, a combination of all Councils assets, secondly looking at Councils general Fund Assets and finally looking at Council's combined Water and Sewerage Assets.

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$39.9 million per year. This compares to the expenditure which is required to maintain, operate and renew the asset network as required being \$48.2 million per year. This indicates that Council has funded 83% of its required asset expenditure over the period of the plan.

While Council's current infrastructure backlog is currently below the OLG Benchmark of 2%, it is expected that this threshold will be breached in 2023/2024. The analysis of the data suggests that while there is a minor shortfall in annual maintenance expenditure, there is a significant shortfall in annual renewal expenditure.

The general fund assets have an average annual forecast expenditure of \$22.2Million per year, compared with a required expenditure of \$29.7 Million per year. This indicates that Councils general fund assets are funded 75% of the required asset expenditure.

The water and sewerage assets have an average annual forecast expenditure of \$17.7 Million per year, compared with a required expenditure of \$18.5 Million per year. This indicates that Councils water and sewer fund assets are funded 95% of the required asset expenditure.

All Assets

Detailed below is a table showing the summary of planned and required expenditure for all council's assets.

Table 12 Total Asset Expenditure

Expenditur	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
	Renewal	2,623	11,132	12,234	15,234	12,022	14,155	14,077	9,753	13,074	11,095
Actual	New and Expanded Assets	678	24,595	21,203	8,696	5,917	5,438	5,935	3,874	4,540	4,145
\$ 000's	Maintenance and Operational	18,194	18,450	18,765	19,171	19,582	20,002	20,436	20,933	21,464	21,979
	Total Expenditure	21,495	54,177	52,203	43,100	37,522	39,595	40,448	34,560	39,079	37,219
	Required Renewal (Depreciation)	14,817	15,596	16,188	16,670	17,126	17,597	18,068	18,566	19,099	19,625
Required	New and Expanded Assets	678	24,595	21,203	8,696	5,917	5,438	5,935	3,874	4,540	4,145
\$ 000's	Required O&M	19,050	19,960	20,881	21,553	22,151	22,856	23,501	24,146	24,832	25,521
	Total	34,545	60,151	58,272	46,919	45,194	45,892	47,504	46,585	48,472	49,291
	Overall (GAP)	(13,050)	(5,974)	(6,070)	(3,819)	(7,672)	(6,296)	(7,056)	(12,026)	(9,393)	(12,072)





The following charts show the planned and required asset renewals and asset maintenance expenditure for the next 10 years for all Councils assets.



Backlog Ratio Backlog Benchmark OLG INFRASTRUCTURE BACKLOG RATIO 3% 3% 2% 2% 1% 1% 0% 2020/2021 2021/2022 2022/2023 2023/2024 2024/2025 2025/2026 2026/2027 2027/2028 2028/2029 2029/2030 2030/2031 Assets Consumption and Long Term Funding Ratios Consumption Ratio Long Term Funding Ratio 72% 72% 71% 71% 70% 70% 69% 69% 2021/2022 2029/2030 2020/2021 2022/2023 2023/2024 2024/2025 2025/2026 2026/2027 2027/2028 2028/2029 2030/2031

Based on the planned expenditure, backlog and consumption, the following charts indicate the estimated backlog ratio and consumption ratio for all Councils assets.



General Fund Assets

Detailed below is a table showing the summary of planned and required expenditure for Council's general fund assets.

Table 13 General Fund Asset Expenditure

Expenditure Projections – Combined Assets		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Renewal	2,623	5,797	5,280	4,761	5,051	5,665	6,113	5,974	9,295	5,316
Actual	New and Expanded Assets	678	20,370	7,842	983	590	1,788	795	482	990	495
\$ 000's	Maintenance and Operational	12,023	12,192	12,401	12,668	12,940	13,218	13,504	13,833	14,184	14,524
	Total Expenditure	15,324	38,359	25,522	18,412	18,582	20,671	20,413	20,289	24,470	20,335
	Required Renewal (Depreciation)	9,572	10,182	10,500	10,754	11,008	11,297	11,560	11,853	12,168	12,476
Required	New and Expanded Assets	678	20,370	7,842	983	590	1,788	795	482	990	495
\$ 000's	Required O&M	12,810	13,561	14,148	14,545	14,904	15,393	15,789	16,190	16,614	17,045
	Total	23,060	44,113	32,490	26,282	26,502	28,478	28,145	28,525	29,773	30,016
	Overall (GAP)	(7,736)	(5,754)	(6,967)	(7,869)	(7,920)	(7,807)	(7,732)	(8,236)	(5,303)	(9,681)





The following charts show the planned and required asset renewals and asset maintenance expenditure for the next 10 years for Councils general fund asset








Based on the planned expenditure, backlog and consumption, the following charts indicate the estimated backlog ratio and consumption ratio for Councils general fund assets.



Water & Sewerage Fund Assets

Detailed below is a table showing the summary of planned and required expenditure for council's water and sewerage fund assets.

Table 14 Water and Sewerage Asset Expenditure

Expenditure Projections – Combined Assets		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Renewal	0	5,335	6,954	10,472	6,971	8,490	7,964	3,779	3,779	5,779
Actual \$ 000's	New and Expanded Assets	0	4,225	13,361	7,713	5,326	3,650	5,140	3,392	3,550	3,650
	Maintenance and Operational	6,171	6,258	6,365	6,502	6,642	6,784	6,931	7,100	7,280	7,455
	Total Expenditure	6,171	15,818	26,680	24,688	18,940	18,924	20,036	14,270	14,609	16,884
Required \$ 000's	Required Renewal (Depreciation)	5,245	5,414	5,689	5,916	6,118	6,300	6,508	6,713	6,931	7,149
	New and Expanded Assets	0	4,225	13,361	7,713	5,326	3,650	5,140	3,392	3,550	3,650
	Required O&M	6,240	6,399	6,733	7,008	7,247	7,464	7,712	7,956	8,218	8,476
	Total	11,485	16,038	25,783	20,638	18,692	17,414	19,360	18,060	18,699	19,275
	Overall (GAP)	(5,314)	(220)	898	4,050	248	1,510	676	(3,790)	(4,090)	(2,391)

The following charts show the planned and required asset renewals and asset maintenance expenditure for the next 10 years for Councils water and sewerage fund assets.







Based on the planned expenditure, backlog and consumption, the following charts indicate the estimated backlog ratio and consumption ratio for Councils water and sewerage fund assets.







8. 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".

A high level risk assessment process to identify risks and to outline a plan to address the risks relating to assets was undertaken. The risk assessment process was carried out generally in accordance with Australian Standard for Risk Management AS/NZS 4360:2004.

			Consequences					
Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic			
Almost certain	Medium	High	Extreme	Extreme	Extreme			
Likely	Medium	Medium	High	Extreme	Extreme			
Possible	Low	Medium	High	Extreme	Extreme			
Unlikely	Low	Low	Medium	High	Extreme			
Rare	Low	Low	Medium	High	High			

The risk assessment process identified and evaluated community and service risks that may impact on the community and delivery of services and developed a risk treatment plan.

Critical assets have been identified for major asset classes, however further work is required to prioritise and develop risk mitigation strategies. These critical assets are detailed in Appendix A.

Enterprise Risk Management Framework

Council's Enterprise Risk Management (ERM) Framework covers a wide range of projects, programs and activities. The plan feeds into the Delivery Program and Operational Plan and is also to be used in management of assets or and infrastructure related risk.

Council operates a wide range of diverse projects, programs and activities and has a large number of diverse stakeholders with varying needs and expectations. Therefore, the scope of Council's organisation-wide risk management must encapsulate all activities. Specifically, the context of risk management will include:

Governance	Sound Processes for Decision-making i.e. the processes by which decisions are implemented or not implemented
Compliance	Meeting the expectations and requirements of those stakeholders who regulate the organisation
WH&S	Achieve fewer and less severe injuries, better trained and informed employers and workers, improved morale among workers
Financial	Includes strategic and business planning, financial management principles, funding and accounting
Operational	Includes programs, activities and processes to deliver internal and external services



Environmental

Given exposure or series of exposures that may damage human health or the physical environment

Strategic Infrastructure Risks

Using the ERM Framework, some high level infrastructure based risks have been identified that are associated with the management of the assets. These strategic risks are identified in the following table.



		a		Asset Group Affected					d		ate				
RiskDetails/Event	Likelihood	Consequence	Risk	Transport	Buildings	Stormwater Drainage	Parks and Recreation	Water Supply	Sewer Supply	Airport	Existing Controls	Controls Adequ	Actions Needed		
Poor design / construction causes damage or injury	Possible	Major	Η								Designs prepared and construction projects supervised by suitably qualified and experienced people.	Y	Adopt more rigorous "Design Office Approach" to ensure standards are achieved for design and documentation. Implement improved "Project Management Approach" and establish mechanisms for better liaison between designers and constructors. Better communications between design and construction staff required.		
Damage caused by vandalism including graffiti	Possible	Moderate	Μ								Efforts are made to design and construct works to reduce susceptibility to damage. Council arranges removal of graffiti from its assets	Y	Educate community and encourage graffiti reporting		
Overall condition of assets decreases due to inadequate renewal and maintenance programs	Likely	Moderate	Н								Programs controlled by budget availability.	N	Establish clear expenditure budgets based on asset life cycle, to maintain Levels of Service and debate with Council.		
Changes in legislation affect the responsibilities of Council	Unlikely	Moderate	L								Monitor legislative changes.	Y	Continue to monitor legislative changes.		
Resource constraints affect the management of the assets	Possible	Major	Н								None.	N	Monitor staff turnover and maximise staff retention.		
Unforeseen increases in fuel, plant and materials costs	Likely	Moderate	Н								Costs are monitored.	Y	Continue to monitor costs.		
Failure of materials supplies	Possible	Major	Н								None.	N	Ensure alternative supply arrangements are in place for critical materials.		
Flooding	Possible	Major	Н								Flood management plans being prepared.	Y	Implement flood management program.		
Impact of climate change on assets	Possible	Major	Η								Monitor conditions of assets	Y	Discuss climate change impacts on assets in an environmental plan and develop strategies to manage climate change		



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 CI 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 CI 6.2.2.1 suggests that "a risk ranking process can determine which assets have a significant potential to impact on the achievement of AM objectives".

Armidale Regional Council has used an advanced approach to identify critical assets for each major asset class. The approach is using the 'Critical Asset Risk Matrix' by Morrison Low Consultants on Council owned assets that rates each asset from high to low in importance, significance and consequences. The assets identified as high have currently been ranked as critical. These are identified in the critical assets section of this plan.

9. Asset Management Strategic Actions

Ref No.	High Level Strategic Actions	Priority	Suggested Timeframe
1	Clearly identify all asset expenditure requirements into four categories; renewals, new, maintenance and operational for all asset classes. Establish clear budgets and reporting lines for each category.	High	2020/21
2	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually.	High	2020/21
3	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset groups to obtain most accurate backlog. Assess the backlog against Council's infrastructure priorities, financial budgets and LTFP.	High	2020/21
4	Establish transparent and responsible asset management processes that align with best appropriate practice. This includes consistency between Asset Management Strategy and Long Term Financial Planning, Finance One systems, Level of Services for all asset groups, data collection, validation and reporting.	High	2020/21
5	Develop critical asset's emergency response plans, assign necessary budgets and resources, ensuring these are on high priority and regularly reviewed.	High	2020/21
6	Allocate and clarify roles, resources and responsibility for asset management, which includes good understanding of asset data, finance and budgets. Establish clear communication protocols with finance department and companywide.	High	2020/21
7	Prioritise and plan asset renewals to meet agreed service levels based on community's importance, infrastructure priority and site inspections.	Medium	2021/22
8	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs.	Medium	2021/22
9	Extend asset inspection sample to get an acceptable range that is agreed by Council's executives. Plan and carry out condition inspections on regular basis on diverse range of assets, ensuring to cover all asset classes.	Medium	On-going
10	create an environment where Council employees take part in the overall management of Council assets by developing asset management awareness and capability throughout the Council.	Medium	On-going





Airport Asset Management Plan Draft

Armidale Regional Council

November 2020



Document status

Job #	Version	Approving Director	Date

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Asset Management Plan – Airport

This Asset Management Plan covers the infrastructure assets that serve the ARC community's Airport needs.

Council has a responsibility for a number of functions including:

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

The planning of these functions is outlined in this Asset Management Plan.

Purpose of this Plan

The purpose of this Asset Management Plan is to develop a strategic framework for the maintenance and renewal of airport infrastructure 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 airport assets.



Introduction

Stakeholders

Key stakeholders must be considered in the preparation and implementation of this Asset Management Plan to ensure the value of services justifies investment in the assets. It also ensures there is a greater understanding of stakeholders' expectations with regards to the facilities and services provided by Council.

Key stakeholders in preparation of this Asset Management Plan are:

Table 1 Airport Key Stakeholders

Stakeholders	Role
Councillors	 Represent needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing services while managing risks Ensure the organisation is financially sustainable
Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

This Asset Management Plan was made in accordance with the following documents and legislative requirements.

Table 2 Airport Legislative requirements

Legislation	Requirement
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability.



Legislation	Requirement
Environmental Planning and Assessment Act 1979; Environmental Protection Act 1994; Protection of the Environment Operations Act 1997; National Parks & Wildlife Act 1974; Threatened Species Conservation Act 1995; Native Vegetation Act 2003	Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment.
Local Government Act 1993	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.
WH&S Act 2011 & regulations	Sets out Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Crown Lands Act 2016	Is an act to provide for the administration and management of Crown land in the Eastern and Central Division of the state of NSW. Council has a large holding of Crown land under its care, control and management.
Building Code of Australia	To meet all BCA requirements to meet the minimum necessary standards of relevant, health, safety (including structural and fire services), amenities and access to AS 1428.2.
Airport Act 1996 CASR Act b1988	Sets out Council's responsibility to ensure compliance with the aviation regulatory framework in Australia.

Links to council policies, plans and strategies

This Asset Management Plan has been informed by the following Council plans and strategies:

- Armidale Regional Council Community Strategic Plan 2017 2027
- Resourcing Strategy
- Delivery Program and Operational Plan
- Enterprise Risk Management Policy
- Asset Management Policy
- Armidale Regional Airport Masterplan

Asset Inventory and Condition

Council's airport assets data is comprehensive and up to date, with assets having been revalued as of 30 June 2017. Council will continue to ensure the integrity of its asset data through continuous monitoring of its assets and planned revaluations cycle. However, it should be noted that not all airport assets are currently managed under the airport category. Airport buildings are kept under buildings category. The table below provides a summary of the value and condition of Council's airports assets.

Accet Class	et Class Asset Sub Categories		Unit	Gross Replacement Cost	Written Down Value	Annual Depreciation	Condition					
Assel Class				(CRC)	(WDV)	Expense	1	2	3	4	5	
Airport	Airport - Temporary car park			\$206,519	\$165,215	-\$20,652	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Apron			\$624,325	\$366,768	-\$27,943	0.0%	100.0%	0.0%	0.0%	0.0%	
	Airport Apron Flood Lighting			\$41,800	\$24,556	-\$1,871	0.0%	100.0%	0.0%	0.0%	0.0%	
	Airport PAPI			\$80,000	\$67,692	-\$1,584	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Pylon Sign			\$27,500	\$20,199	-\$575	0.0%	100.0%	0.0%	0.0%	0.0%	
	Airport Runway & Taxiways			\$5,997,450	\$4,300,817	-\$258,064	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Runway Lighting			\$412,500	\$349,035	-\$8,167	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Security Boundary Fence			\$396,968	\$316,221	-\$11,850	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Street Lighting to Car Park			\$62,700	\$44,962	-\$2,698	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Terminal Airside Security Fence			\$46,200	\$42,070	-\$650	100.0%	0.0%	0.0%	0.0%	0.0%	
	Airport Wind socks x3			\$35,000	\$25,707	-\$731	0.0%	100.0%	0.0%	0.0%	0.0%	
	Regional Airport Industrial Land Develop			\$125,599	\$115,214	-\$2,512	100.0%	0.0%	0.0%	0.0%	0.0%	

Reg Tax	gional Airport Parallel ĸiway B	\$442,740	\$419,860	-\$5,534	100.0%	0.0%	0.0%	0.0%	0.0%
Reg	gional Airport Terminal cension	\$207,953	\$197,206	-\$2,599	100.0%	0.0%	0.0%	0.0%	0.0%
Grand Total		\$8,707,254	\$6,455,521	-\$345,431	91.6%	8.4%	0.0%	0.0%	0.0%

Asset Based Service Levels

The asset- based Level of Service stated below are more specific measures as per the key service level outcomes described in the strategy above. This section specifically looks at airport asset class to create tailored measurable target performance measure. It is important to note that these asset-based level of service have not yet been consulted with the community and may likely be modified in time to fully match community's expectations.

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Accessibility	Airport is well linked to transport network and accessible	Customer feedback survey	80% of customers are satisfied that airport is easily accessible	NA
	Residents are aware of the airport facilities available and how to access them	Customer satisfaction survey or consultations Council website, library and Council offices	Information is available and updated regularly for all facilities outlining hours, activities and opportunities for businesses/community to participate	NA

	Provide adequate physical access to facilities for all users including disabled	Disability Discrimination Act (DDA) compliance	Airport is 100% DDA compliant Less than 5 complaints per year about problems with access for disabled people	DDA compliance
Quality / Condition	Airport provides a good quality experience for all users and customers	Customer complaints	80% customers are satisfied that the airport meets the needs of different customers High level of compliance with key performance indicators for maintenance and cleanliness as measured though weekly audits Quality of airport is managed in accordance with the Airport Act 1996 Daily inspections of Airport infrastructure is carried out by AROs	NA
	Percent of physical assets in condition 2 or better	Condition assessment	90% for all assets	94%
	Airport utilisation	Operational reports	Airport should have 60-80% utilisation rate at any given month	NA
Reliability / Responsiveness	Ensure services are reliable	Community satisfaction survey	Scheduled maintenance and shut downs do not affect the operations at the airport Urgent maintenance requests resolved within 24 hours 80% of customers rate reliability of Council provided services offered at the airport as good	NA

Community Satisfaction and Involvement	Opportunity for community involvement in decision making are provided	Asset Management Plan	The airport asset management plan is available on the website and for circulation to the public	Draft ready
	Airport provides social benefit to the whole community	Community satisfaction report	At least 90% of the community agree that they have good airport facilities	NA
Affordability	The airport is affordable for airlines and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils Compliance with legislation	Total operating costs of the airport is in line with benchmarking against other comparable regional airports Airport management agreements are prepared in accordance with Airport Act 1996	NA
Sustainability	Airport is managed with respect for future generations	Life cycle approach to managing assets	Prepare a 10 year asset condition and age based renewals plan. Ensure the plan is approved by authorities and updated every 4 years.	Plan prepared, review in place
	Airport meets financial sustainability ratios	Consumption ratio	Between 50% and 75%	
		Renewal funding ratio	Between 90% and 110%	
		Long term funding ratio	Between 95% and 105%	
Health & Safety	Ensure airport is safe for all users	Annual Inspections operational reports and safety audits	No injury reported which can be attributed to poorly maintained facilities	NA

		1	
		A health and safety plan are approved each year and followed in line with WHS Act, Airport Act and CASR Act. Monthly hazard inspections are carried out Fewer than 5 minor injury accidents as a result of building hazards reported per year	
A safe working environment provided for people involved in providing the service	H&S reported incidents	the number of lost time injuries is less than 12 per year the number of Workers Compensation claims is less than six per year 100% Compliance with SPN Safety Policy	NA



Future demand/demand management plan

Council evaluates the demand for services and the assets required to deliver them. Armidale's demand for new services will be managed through a combination of:

- managing existing assets
- upgrading of existing assets
- provision of new assets.

Demand management practices include non-asset solutions, insuring against risks and managing failures.

Council will continue to engage the community to monitor community priorities, needs and expectations regarding its airport assets and services, to ensure that increased demand is met with sensible, sustainable and community driven planning.

Table 3 Airport assets – future demand impacts

Demand factor	Impact on assets	Demand management plan
Technology and Regulatory requirements	Shifts in aerospace industry standards and regulation may result in council having to prematurely upgrade/replace assets to maintain regulatory and operational status.	Ensure that council stays abreast of industry developments and allow for upgrade works as part of council's capital renewal works.
Demographic and Economic Growth	Increased population and increased economic activity may require upgraded facilities to accommodate increased passenger volumes and different classes of aircraft	Ensure that council's airport masterplan is reviewed annually to reflect the changing demographic and economic landscape of Armidale Regional Council.

Current Practices

Maintenance Strategies

Council's airport facilities and assets are continuously monitored and maintained to a safe standard that will maximise their long-term benefit to the community and in accordance with priorities set through comprehensive asset management planning. Monitoring and maintenance is prioritised based upon the criticality of Council's assets.

Renewal Strategies

Renewals are forecast based upon the lifecycle stage of the assets in conjunction with condition assessments. The condition of the renewable components of airport assets are assessed in conjunction with the revaluation cycle and are updated accordingly in the Council asset management register.



Expenditure Projections

The projections below look at the annual expenditure gap by comparing planned budgets in the Long-Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements. Further under 'Renewals Plan' section, asset age and condition-based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

Budget Gap b	y Asset Group)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Airport	Actual											
		Renewal	-	-	-	-	26	466	-	-	3,636	-
		New and Expanded Assets	352	2,640	1,598	540	-	940	450	-	-	130
		Maintenance	775	786	799	817	834	852	870	892	914	936
		Total Expenditure	1,127	3,426	2,397	1,357	860	2,258	1,320	892	4,550	1,066
	Required											
		Required Renewal (Depreciation)	370	381	437	463	473	512	537	550	564	581
		New and Expanded Assets	352	2,640	1,598	540	-	940	450	-	-	130
		Required O&M	1,190	1,568	1,798	1,906	1,947	2,108	2,211	2,265	2,323	2,395
		Total	1,912	4,589	3,833	2,909	2,420	3,560	3,198	2,815	2,886	3,106
		Overall (GAP)	(785)	(1,163)	(1,436)	(1,552)	(1,559)	(1,302)	(1,878)	(1,923)	1,664	(2,040)









Financial Ratios

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.







Risk

Critical Assets

Council is currently in the process of identifying its critical airport infrastructure assets.

Risk management

Council is in the process of aligning its risk management processes to ISO 31000:2009 and is currently in development of risk management plans for its assets.

Confidence levels

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

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.

Table 4 Airport assets – data confidence rating

The overall confidence level of the plan is reliable.

Main Findings

Council's airport asset data is of good quality allowing for effective condition-based lifecycle planning, further work is required with respect of Council's levels of service. While levels of service currently exist, it is unclear whether they are being tracked and reported on and whether they were developed with community consultation. To ensure effective lifecycle planning, capacity and functionality should be a key consideration in conjunction with condition data and this should be captured as part of Council's levels of service.

Currently there are no airport assets in unsatisfactory condition and council has budgeted enough funding over the 10 -year forecasting horizon to ensure that councils backlog remains below OLG benchmark levels. It should be noted however that council is on average only funding 44% of its required operations and maintenance and as such this could result in a faster than expected rate of degradation of its assets over the long term.



Improvement Plan

Based on our findings we have highlighted some high- level tasks that will improve Councils overall asset management maturity

Table 5 Airport Improvement Plan

Ref No.	Airport Supply Asset Management Improvement Plan	Priority	Suggested Timeframe
1	Restructure Airport register to include airport buildings and airport infrastructure	High	2019/20
2	Review and confirm expenditure for all Airport asset categories into renewals, new, maintenance and operational	High	2019/20
3	Extend Airport inspections to cover all assets sub-categories	High	2020/21
4	Re-calculate Airport backlog using new condition assessment results and regenerate renewals plan	High	2020/21
5	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually	High	2020/21
6	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	2020/21
7	Review and finalise Airport critical assets. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources	High	2020/21
8	Prioritise and plan Airport's asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use	Medium	2020/21
9	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs	Medium	2020/21





Buildings Asset Management Plan Draft

Armidale Regional Council

November 2020



Document status

Job #	Version	Approving Director	Date

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Asset Management Plan – Buildings

Council has a diverse and extensive building portfolio. The building assets include assets essential to the running of the council being administration centres and works depots, as well as assets which provide a range of services and functions to the community such as libraries, child care centres and rooms/halls for community hire.

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

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

The planning of these functions is outlined in this Asset Management Plan.

Purpose of this Plan

The purpose of this Asset Management Plan is to develop a strategic framework for the maintenance and renewal of buildings 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

Introduction

Stakeholders

Key stakeholders must be considered in the preparation and implementation of this Asset Management Plan to ensure the value of services justifies investment in the assets. It also ensures there is a greater understanding of stakeholders' expectations with regards to the facilities and services provided by Council.

Key stakeholders in preparation of this Asset Management Plan are:



Table 1 Buildings Key Stakeholders

Stakeholders	Role
Councillors	 Represent needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing
	 services while managing risks Ensure the organisation is financially sustainable
Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

This Asset Management Plan was made in accordance with the following documents and legislative requirements.

Table 2 Buildings Legislative requirements

Legislation	Requirement
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability.
Environmental Planning and Assessment Act 1979; Environmental Protection Act 1994; Protection of the Environment Operations Act 1997; National Parks & Wildlife Act 1974; Threatened Species Conservation Act 1995; Native Vegetation Act 2003	Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment.
Local Government Act 1993	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.



Legislation	Requirement
WH&S Act 2011 & regulations	Sets out Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Libraries Act 1939	Sets out role of local governments in providing residents with access to information services.
Crown Lands Act 2016	Is an act to provide for the administration and management of Crown land in the Eastern and Central Division of the state of NSW. Council has a large holding of Crown land under its care, control and management.
Heritage Act 1977	Is an act to conserve the environmental heritage of the state. Several properties are listed under the terms of the act and attract a high level of maintenance cost, approvals and monitoring. The possible acquisition of Hungry Point is affected by this act.
Building Code of Australia	To meet all BCA requirements to meet the minimum necessary standards of relevant, health, safety (including structural and fire services), amenities and access to AS 1428.2.

Links to council policies, plans and strategies

This Asset Management Plan has been informed by the following Council plans and strategies:

- Armidale Regional Council Community Strategic Plan 2017 2027
- Resourcing Strategy
- Delivery Program and Operational Plan
- Enterprise Risk Management Policy
- Asset Management Policy

Asset Inventory and Condition

Council's buildings assets data is comprehensive and up to date, with buildings assets having been revalued as of 30 June 2018. Council will continue to ensure the integrity of its asset data through continuous monitoring of its assets and planned revaluations cycle. The table below provides a summary of the value and condition of Council's buildings assets.

Accet Class	Assat Sub Catagorias	No	Unit Gross Replacement Cost		Written Down Value	Annual Depreciation	Condition				
Assel Class	Asset Sub Categories			(CRC)	(WDV)	Expense	1	2	3	4	5
Building	Administration		No	\$18,959,300	\$8,184,222	-\$395,068	1%	0%	84%	15%	1%
	Community Services and Education		No	\$9,929,601	\$7,996,610	-\$144,282	74%	0%	26%	0%	0%
	Economic Affairs		No	\$6,825,400	\$3,171,251	-\$126,209	0%	1%	81%	18%	0%
	Housing and Community Amenities		No	\$5,047,077	\$2,225,146	-\$82,406	4%	9%	70%	16%	0%
	Public Order and Safety		No	\$6,867,189	\$3,722,524	-\$114,269	3%	16%	80%	1%	0%
	Recreation and Culture		No	\$48,008,394	\$22,785,169	-\$1,025,741	6%	23%	44%	25%	2%
	Sewerage Services		No	\$1,860,422	\$883,935	-\$22,323	0%	20%	56%	19%	6%
	Transport and Communication		No	\$13,177,600	\$9,555,397	-\$247,667	73%	0%	1%	26%	0%
	Water Supplies Network		No	\$2,605,000	\$1,138,931	-\$27,839	0%	12%	67%	20%	1%
	Other		No	\$520,000	\$392,480	-\$12,627	5%	95%	0%	0%	0%
Grand Total				\$113,799,984	\$60,055,663	-\$2,198,430	18%	12%	50%	18%	1%

Asset Based Service Levels

The asset- based Level of Service stated below are more specific measures as per the key service level outcomes described in the strategy above. This section specifically looks at Buildings asset class to create tailored measurable target performance measure. It is important to note that these asset-based level of service have not yet been consulted with the community and may likely be modified in time to fully match community's expectations.

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Accessibility	Provision of sufficient facilities to meet needs	Customer complaints	60% of the population live within 20km of a library/community hall/community facilities etc	NA
	Residents are aware of the range of facilities available and how to access them	Customer satisfaction survey or consultations	80% of the community are aware of the facilities available to them	NA
	Provide adequate physical access to facilities	Disability Discrimination Act (DDA) compliance	80% of public facilities are DDA compliant Less than 5 complaints per year about problems with access for disabled people	NA
Quality / Condition	Facilities provide a good quality experience for all users and customers	Customer complaints	User groups consulted once a year on their current and future facilities needs High level of compliance with key performance indicators for maintenance and cleanliness as measured through cleaning diary audits. 80% of people agree that facilities are well appointed and comfortable	NA
	Percent of physical assets in condition 3 or better	Condition assessment	90% for all assets (by value)	87%

Reliability / Responsiveness	Ensure services are reliable	Community satisfaction survey	80% of the occupiers are satisfied with maintenance response times and security of tenure Tenants and users are advised at least 24 hours prior to any scheduled shut down Urgent maintenance requests resolved within 48 hours	NA
Community Satisfaction and Involvement	Opportunity for community involvement in decision making are provided	Asset Management Plan	The buildings asset management plan is available on the website and for circulation to the public	Draft ready
	Service provide social benefit to the whole community	Community satisfaction report	At least 70% of the community agree that they have average or better facilities	NA
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	Total operating and maintenance are not greater than benchmarking against comparable regional Council's All new and upgrade projects are planned and managed effectively and delivered on time, within scope and approved budget.	NA
Sustainability	Assets are managed with respect for future generations	Life cycle approach to managing assets	Prepare a ten year asset condition and age based renewals plan. Ensure the plan is approved by Council and updated every 4 years.	Plan prepared, review in place
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	42.4%
		Renewal funding ratio	Between 90% and 110%	4.7%
		Long term funding ratio	Between 95% and 105%	15.5%
Health & Safety	Ensure buildings/facilities are safe and do not cause a hazard to people	Quarterly Inspections, operational reports and safety audits	Fewer than five reported incidents which can be attributed to poorly maintained facilities	NA

		Annual Fire Safety Statements are certified for each facility requiring it.	
		Quarterly Safety inspections are carried out for each facility	
		Fewer than five injury accidents as a result of building hazards reported per building per year	
		the number of lost time injuries is less than 12 per year.	
A safe working environment provided for people involved in providing the service	H&S reported incidents	the number of Workers Compensation claims is less than six per year.	NA
		100% Compliance with SPN Safety Policy	


Future demand/demand management plan

Council evaluates the demand for services and the assets required to deliver them. Armidale's demand for new services will be managed through a combination of:

- managing existing assets
- upgrading of existing assets
- provision of new assets.

Demand management practices include non-asset solutions, insuring against risks and managing failures.

Council will continue to engage the community to monitor community priorities, needs and expectations regarding its buildings and other structure assets and services, to ensure that increased demand is met with sensible, sustainable and community driven planning.

Table 3 Structures assets – future demand impacts

Demand factor	Impact on assets	Demand management plan
Population	Places pressure on existing Council facilities particularly around areas of high density.	Ensure that capacity and functionality of Council's assets is monitored and forms part of the decision-making process regarding Council's capital works program.
Demographics	As the population ages, buildings and their surrounds (such as footpaths, car parks) and furniture may need to be upgraded to cater to a slower and less mobile population.	Modify or upgrade the facilities to meet the age ratios within the areas. multi age suitable premises to be included in design briefs for new buildings.



Current Practices

Maintenance Strategies

Council's buildings and facilities are continuously monitored and maintained to a safe standard that will maximise their long-term benefit to the community and in accordance with priorities set through comprehensive asset management planning. Monitoring and maintenance is prioritised based upon the criticality of Council's Structures assets.

Renewal Strategies

Renewals are forecast based upon the lifecycle stage of the assets in conjunction with condition assessments. The condition of the renewable components of buildings assets are assessed in conjunction with the revaluation cycle and are updated accordingly in the Council asset management register.

Generally, renewals relating to buildings will take place on a component by component basis, e.g. kitchen, rather than whole of building renewal. In certain circumstances the service offering of the building, even when renewed on a component basis, will not meet community's expectations on service delivery. In these cases, renewal may occur by building replacement. This is usually triggered when the building lacks capacity to meet a changed need or that demand has changed to such a degree that the functionality of the existing building is no longer adequate



Expenditure Projections

The projections below look at the annual expenditure gap by comparing planned budgets in the Long-Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements. Further under 'Renewals Plan' section, asset age and condition-based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

Budget Gap by Asset Group		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Buildings	Actual											
		Renewal	-	212	38	68	-	633	140	27	200	269
		New and Expanded Assets	235	2,242	486	-	-	73	-	-	-	-
		Maintenance	1,783	1,808	1,839	1,879	1,919	1,960	2,003	2,051	2,103	2,154
		Total Expenditure	2,018	4,262	2,363	1,947	1,919	2,666	2,143	2,078	2,303	2,423
	Required											
		Required Renewal (Depreciation)	2,149	2,515	2,568	2,623	2,680	2,739	2,798	2,866	2,939	3,009
		New and Expanded Assets	235	2,242	486	-	-	73	-	-	-	-
		Required O&M	2,430	2,578	2,632	2,689	2,747	2,807	2,868	2,938	3,012	3,085
		Total	4,814	7,335	5,686	5,312	5,426	5,618	5,666	5,804	5,951	6,094
		Overall (GAP)	(2,796)	(3,073)	(3,324)	(3,366)	(3,507)	(2,953)	(3,523)	(3,726)	(3,648)	(3,671)









Financial Ratios

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.







Risk

Critical Assets

The following attributes were considered in determining criticality for council's buildings assets:

- Civic Purpose
- Hazardous Materials
- Heritage
- Emergency Services
- Size

Councils Critical Buildings assets have been identified in the Appendix of councils Strategic Asset Management Plan.

Risk management

Council is in the process of aligning its risk management processes to ISO 31000:2009 and is currently in development of risk management plans for its assets.

Confidence levels

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

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.

Table 4 Buildings assets – data confidence rating

The overall confidence level of the plan is reliable.



Main Findings

While Council's buildings asset data is comprehensive and of good quality allowing for effective conditionbased lifecycle planning, further work is required with respect of Council's levels of service. While levels of service currently exist, it is unclear whether they are being tracked and reported on and whether they were developed with community consultation. To ensure effective lifecycle planning, capacity and functionality should be a key consideration in conjunction with condition data and this should be captured as part of Council's levels of service.

Currently, there is a notable portion of council's buildings assets in below satisfactory condition (12.9%) which council should aim to reduce through a targeted renewals program. Further, councils 10-year expenditure forecasts show an average annual shortfall of \$1.4m in renewal expenditure which is anticipated to have a negative effect on councils backlog and the overall condition of councils buildings portfolio.

Improvement Plan

Based on our findings we have highlighted some high- level tasks that will improve Councils overall asset management maturity

Table 5 Buildings Improvement Plan

Ref No.	Buildings Asset Management Improvement Plan	Priority	Suggested Timeframe
1	Review and confirm expenditure for all buildings sub-categories into renewals, new, maintenance and operational	High	2019/20
2	Carry out building inspections to determine correct value of assets in Condition 4 and 5.	High	2019/20
3	Re-calculate buildings backlog using new condition assessment results and regenerate renewals plan	High	2019/20
4	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually.	High	2019/20
5	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	2019/20
6	Review and finalise buildings critical assets. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources.	High	2019/20
7	Prioritise and plan buildings asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use.	Medium	2020/21







Parks, Recreation and Other Assets Asset Management Plan Draft

Armidale Regional Council

November 2020



Document status

Job #	Version	Approving Director	Date

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Asset Management Plan – Parks, Recreation and Other Assets.

Armidale Regional Councils parks, recreation and other assets provide many functions for the benefit of the community and the environment. This asset management plan covers a broad spectrum of assets including:

- Aquatic Centres
- Artworks
- Childcare
- Public Halls
- Recreation Assets
- Sporting Grounds
- Parks and Reserves

Purpose of this Plan

The purpose of this Asset Management Plan is to develop a strategic framework for the maintenance and renewal of Parks, Recreation and Other 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 leisure facilities.

Introduction

Stakeholders

Key stakeholders must be considered in the preparation and implementation of this Asset Management Plan to ensure the value of services justifies investment in the assets. It also ensures there is a greater understanding of stakeholders' expectations with regards to the facilities and services provided by Council.

Key stakeholders in preparation of this Asset Management Plan are:

Table 1 Parks, Rec and Other Key Stakeholders

Stakeholders	Role				
Councillors	 Represent needs of community/stakeholders 				
	 Allocate resources to meet the organisation's objectives in providing 				



	services while managing risksEnsure the organisation is financially sustainable
Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

This Asset Management Plan was made in accordance with the following documents and legislative requirements.

Table 2	Parks,	Rec and	Other	Legislative	requirements
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Legislation	Requirement
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability.
Environmental Planning and Assessment Act 1979; Environmental Protection Act 1994; Protection of the Environment Operations Act 1997; National Parks & Wildlife Act 1974; Threatened Species Conservation Act 1995; Native Vegetation Act 2003	Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment.
Local Government Act 1993	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.
WH&S Act 2011 & regulations	Sets out Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Crown Lands Act 2016	Is an act to provide for the administration and management of Crown land in the Eastern and Central Division of the state of NSW. Council has a large holding of Crown land under its care, control and management.



Links to council policies, plans and strategies

This Asset Management Plan has been informed by the following Council plans and strategies:

- Armidale Regional Council Community Strategic Plan 2017 2027
- Resourcing Strategy
- Delivery Program and Operational Plan
- Enterprise Risk Management Policy
- Asset Management Policy

Asset Inventory and Condition

Council's parks, rec and other assets data is comprehensive and up to date, with assets having been revalued as of 30 June 2017. Council will continue to ensure the integrity of its asset data through continuous monitoring of its assets and planned revaluations cycle. The table below provides a summary of the value and condition of Council's parks, rec and other assets.

Asset Class	Asset Subcategories		Unit	Gross Replacement Cost (CRC)	Written Down Value (WDV)	Annual Depreciation Expense	Condition				
				, , , , , , , , , , , , , , , , , , ,	· · · · ·		1	2	3	4	5
Other Structures											
	Administration		No.	\$11,965	\$11,254	-\$237	100.0%	0.0%	0.0%	0.0%	0.0%
	Miscellaneous		No.	\$67,939	\$46,404	-\$1,448	53.9%	31.3%	14.8%	0.0%	0.0%
	Public Order & Safety		No.	\$75,280	\$38,321	-\$1,725	0.0%	100.0%	0.0%	0.0%	0.0%
	Recreation		No.	\$9,045,539	\$5,254,510	-\$121,749	13.6%	35.4%	0.8%	50.2%	0.0%
	Retain Wall		No.	\$23,265	\$19,869	-\$416	100.0%	0.0%	0.0%	0.0%	0.0%
	Swimming Pool		No.	\$1,039,237	\$802,562	-\$13,948	100.0%	0.0%	0.0%	0.0%	0.0%
	Tourist Office		No.	\$12,913	\$12,146	-\$256	100.0%	0.0%	0.0%	0.0%	0.0%
	Transport & Communication		No.	\$11,880	\$8,726	-\$248	0.0%	100.0%	0.0%	0.0%	0.0%
	Other		No.	\$417,106	\$414,837	-\$2,269	20.2%	0.0%	0.0%	0.0%	0.0%
	Sub Total			\$10,705,124	\$6,608,629	-\$142,296	25.9%	30.9%	0.7%	42.4%	0.0%
Other Assets											
	Administration		No.	\$111,298	\$98,226	-\$4,841	100.0%	0.0%	0.0%	0.0%	0.0%
	Cattle yards		No.	\$42,000	\$38,346	-\$1,827	100.0%	0.0%	0.0%	0.0%	0.0%
	Fence		No.	\$821,749	\$451,422	-\$35,746	28.5%	67.1%	0.0%	4.4%	0.0%

	Hardstand	No.	\$456,214	\$294,806	-\$19,845	47.2%	43.6%	9.2%	0.0%	0.0%
	Internal Road	No.	\$521,593	\$404,687	-\$22,689	100.0%	0.0%	0.0%	0.0%	0.0%
	Miscellaneous	No.	\$716,075	\$542,908	-\$31,149	84.3%	15.7%	0.0%	0.0%	0.0%
	Other Assets	No.	\$9,135,748	\$6,676,159	-\$397,405	55.6%	43.9%	0.0%	0.5%	0.0%
	Playground	No.	\$312,142	\$238,948	-\$13,578	74.0%	21.7%	4.2%	0.0%	0.0%
	Public Order & Safety	No.	\$192,138	\$169,696	-\$8,358	100.0%	0.0%	0.0%	0.0%	0.0%
	Recreation	No.	\$6,713,859	\$4,694,896	-\$292,053	62.2%	31.1%	5.5%	1.2%	0.0%
	Retain Wall	No.	\$38,280	\$26,559	-\$1,665	56.0%	44.0%	0.0%	0.0%	0.0%
	Security	No.	\$330,000	\$155,429	-\$14,355	6.0%	94.0%	0.0%	0.0%	0.0%
	Swimming Pool	No.	\$11,968	\$5,887	-\$521	0.0%	100.0%	0.0%	0.0%	0.0%
	Other	No.	\$196,478	\$187,931	-\$8,547	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub Total	No.	\$19,599,542	\$13,985,900	-\$852,580	59.4%	37.6%	2.2%	0.8%	0.0%
Grand Total			\$30,304,666	\$20,594,528	-\$994,876	47.6%	35.2%	1.7%	15.5%	0.0%

Asset Based Service Levels

The asset- based Level of Service stated below are more specific measures as per the key service level outcomes described in the strategy above. This section specifically looks at parks, recreation and other assets class to create tailored measurable target performance measure. It is important to note that these asset-based level of service have not yet been consulted with the community and may likely be modified in time to fully match community's expectations.

Table 3 Parks, Rec and Other Assets LoS

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	accessible to everyone.	Continuous monitoring as part of operational activities	Parks are open and accessible to community 365 days/year.	
Quality/condition	Percent of assets in condition 3.	Condition assessment	93% for all assets.	
	Reduction in number of defects.	Annual inspection	Maintain defect at less than 10% for parks.	
Reliability/responsiveness	Percent compliance with Council's documented response time.	Council's complaints register	90%	
	Compliance with maintenance servicing frequencies.	Servicing frequency	Meet at least 90% of frequency requirements for all asset categories.	
Community satisfaction and involvement	Opportunity for community involvement in decision making are provided.	Asset Management Plan	The Leisure Facilities Infrastructure Asset Management Plan is available on the website and for circulation to the public.	
	facilities are provided that meet community demand.	Community satisfaction survey	Satisfaction rating is 'high'. Fewer than 10 complaints received per annum regarding overcrowding of facilities.	

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Sustainability	Facilities are managed 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 authorities and updated every four years.	
	Facilities meet financial	Consumption ratio	Between 50% and 75%	
	sustainability ratios.	Renewal funding ratio	Between 90% and 110%	
		Long term funding ratio	Between 95% and 105%	
Health and safety	Safe leisure assets are provided.	Annual inspections, operational reports and safety audits	 Fewer than five reported safety incidents per year in parks and reserves. Ensure Council complies with the insurance industry's requirement to have a policy on 'signage as remote supervision'. Reduction in number of safety issues identified through audits. Ensure new playground equipment is installed, maintained and operated as per AS 4685.0:2017 'Playground equipment and surfacing development, installation, inspection, maintenance and operation'. 	
	A safe working environment provided for people involved in providing the service.	H&S reported incidents	The number of lost time injuries is less than 12 per year. The number of Workers Compensation claims is less than six per year.	
Affordability	Access to facilities and services is affordable and cost effective.	Review of service agreements and benchmark with other councils.	Total operating cost per hectare of park is in line with benchmarking against comparable councils.	



Future demand/demand management plan

The services provided by Council's parks, recreations and other infrastructure are subjected to continual change and will vary depending on a number of factors. Planning for services from infrastructure requires Council to develop plans to accommodate any new services or the expansion/reduction of any existing services. Demand management plans enable this by minimising the impact of demand for new services on Council.

Council has identified the primary drivers of demand affecting its I assets and has prepared a demand management plan accordingly.

Demand drivers	Impact on services	Demand management plan
Population and migration change	Places pressure on existing active open space particularly in areas of high density.	Identify areas of growth and establish plan for facility renewals.
Demographics	Changing service needs affect the design and scope of facilities.	Understand the needs of the ageing population and design accordingly (i.e. equal access design for mobility impaired).
Economic factors	Changing service needs and hence changing foreshore and open space asset requirements.	Factor economic trends into the provision of new services and the design of new facilities.
	participate and have capacity to pay, less advantaged households may lack capacity to pay/participate.	active open space is accessible to all.
Housing trends	The demand for passive versus active open space may increase. Increased density close to active open space may create conflict with residents, e.g. floodlighting, high impact of traffic during peak times.	Greater understanding of active versus passive needs, via a community consultation and development of a Recreation Strategy. Condition assessment of floodlighting assets to be undertaken to ensure
	'Ownership' of facilities by residents leading to potential conflict with sporting groups.	Operational plans of management to be developed in areas with highly residential numbers including a good neighbours policy.
Sports industry trends	The majority of sports fields are already at capacity.	Strategic allocation practices. Consultation with clubs and schools
	Greater demand for sports facility space by personal users/demand for road/public domain space for events.	about how much use is sustainable. Improved field management,

Table 4 Parks, Recreation and Other assets demand management plan



Demand drivers	Impact on services	Demand management plan
		rehabilitation processes. New sporting developments to be focused on multi-use rather than one sporting code.
		Gather data on current usage patterns of existing assets to determine where multi- purpose opportunities exist.

Current Practices

Maintenance Strategies

Routine operations and maintenance activities are required to preserve the functionality and condition of Council's parks, recreation and other assets. Existing proactive practices are undertaken in accordance with Council's adopted service criticality with the number of asset inspection undertaken for each asset dependant on the criticality of the asset. Reactive maintenance procedures arise from Council's CRMS system and are addressed within the standard response window.

Renewal Strategies

Renewal actions are works to replace existing assets or facilities with assets or facilities of equivalent capacity or performance capability. Council has determined a satisfactory condition level of 4 with assets falling below this being recommended for renewal. Leisure facilities assets are likely to be renewed due to functionality and or regulatory obsolescence rather than condition. Council considers these factors as key determinants in conjunction with asset condition in developing its capital program.



Expenditure Projections

The projections below look at the annual expenditure gap by comparing planned budgets in the Long-Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements. Further under 'Renewals Plan' section, asset age and condition-based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

Budget Gap by Asset Group			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Other Structures	Actual	Renewal	134	47	402	192	241	176	100	100	100	100
		New and Expanded Assets	14	2,716	3,362	136	47	529	20	150	56	20
		Maintenance	701	711	723	739	754	771	787	807	827	847
		Total Actual Expenditure	849	3,474	4,487	1,067	1,042	1,476	907	1,057	983	967
	Required	Required Renewal (Depreciation)	142	180	227	233	239	251	257	265	272	279
		New and Expanded Assets	14	2,716	3,362	136	47	529	20	150	56	20
		Required O&M	480	388	489	504	516	542	554	572	588	603
		Total Required Expenditure	636	3,284	4,078	873	802	1,322	831	987	916	902
		Overall (GAP)	213	190	409	194	241	154	77	70	67	65

Other Assets	Actual	Renewal	-	-	-	-	-	-	-	-	-	-
		New and Expanded Assets	-	-	-	-	-	-	-	-	-	-
		Maintenance	3,098	3,142	3,195	3,264	3,334	3,406	3,480	3,564	3,655	3,742
		Total Actual Expenditure	3,098	3,142	3,195	3,264	3,334	3,406	3,480	3,564	3,655	3,742
	Required	Required Renewal (Depreciation)	853	847	861	885	915	944	964	987	1,013	1,037
		New and Expanded Assets	-	-	-	-	-	-	-	-	-	-
		Required O&M	2,490	2,541	2,585	2,655	2,746	2,831	2,893	2,963	3,038	3,111
		Total Required Expenditure	3,343	3,388	3,446	3,540	3,662	3,775	3,857	3,951	4,051	4,148
		Overall (GAP)	(245)	(247)	(251)	(276)	(327)	(369)	(377)	(386)	(396)	(406)
Combined		Total Actual Expenditure	3,947	6,615	7,682	4,331	4,377	4,881	4,387	4,621	4,638	4,709
		Total Required Expenditure	3,979	6,672	7,524	4,413	4,463	5,097	4,688	4,938	4,967	5,050
		Overall (GAP)	(32)	(56)	158	(82)	(87)	(215)	(301)	(317)	(329)	(341)









Financial Ratios

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.







Risk

Critical Assets

Councils Parks, Recreation and Other Assets critical assets have been identified as part of the appendix A of councils Strategic Asset Management Plan.

Risk management

Council is in the process of aligning its risk management processes to ISO 31000:2009 and is currently in development of risk management plans for its assets.

Confidence levels

The confidence in the asset data used as a basis for the forecasts has been assessed using the following grading system. The overall confidence level of the plan is reliable.

Table 5 Pa	irks, Recreation and Ot	ther assets – data	confidence rating

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.

Main Findings

There is a significant portion of council's assets (15.5%) currently in unsatisfactory condition, further, we observe that over the 10-year projection horizon, council's assets renewals ratio is on average below 15%. This is likely to result in a degradation of the network over the short – medium term with a backlog set to double from 4% to over 9% through the forecast. In light of this council should review its capital program to ensure that assets are renewed and funded in a sustainable manner. Also of note, is that council is currently averaging just over 120% of its required operations and maintenance expenditure, council should review its categorisation of this expenditure to identify whether any of the works are capital in nature.

The overall quality of councils data however is reliable and allows for improved lifecycle planning, further work is required with respect to Councils levels of service as well as the criticality of its assets.



Improvement Plan

Based on our findings we have highlighted some high- level tasks that will improve Councils asset management maturity

Table 6 Parks Recreation and Other Assets Improvement Plan

Ref No.	Parks Recreation and Other Assets Asset Management Improvement Plan	Priority	Suggested Timeframe
1	Review and confirm expenditure for all categories into renewals, new, maintenance and operational	High	2020/21
2	Carry out inspections to determine correct value of assets in Condition 4 and 5 assets.	High	2020/21
3	Re-calculate backlog using new condition assessment results and regenerate renewals plan	High	2020/21
4	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually.	High	2020/21
5	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	2020/21
6	Review and finalise critical parks and recreational facilities. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources.	High	2020/21
7	Prioritise and plan asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use.	Medium	2021/22
8	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs.	Medium	2021/22
9	Review current proportion of OPEX and CAPEX for councils parks, rec and other assets.	High	2020/21





Stormwater Asset Management Plan Draft

Armidale Regional Council

November 2020



Document status

Job #	Version	Approving Director	Date

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Asset Management Plan – Stormwater

Armidale Regional Council manages an extensive network of stormwater assets that serve the communities needs. This includes pipe, pit, culvert, channel and gross pollutant trap assets throughout the council area which protect both life and property from larger storm events and minimise disturbances from minor storms.

Purpose of this Plan

This Asset Management Plan aims to demonstrate how stormwater assets can be provided and sustainably managed to meet the expectations and aspirations of the local community. Stormwater drainage assets are designed, installed, and managed to help meet the following key objectives that will ensure Armidale Regional Council is a water sensitive and conscious community:

- minimise risk for and impact of flooding
- ensure waterways are ecologically healthy
- minimise risk from stormwater infrastructure

The outcomes of the Asset Management Plan have helped inform the development of Council's Strategic Asset Management Plan and Long-Term Financial Plan.

Introduction

Stakeholders

Key stakeholders must be considered in the preparation and implementation of this Asset Management Plan to ensure the value of services justifies investment in the assets. It also ensures there is a greater understanding of stakeholders' expectations with regards to the facilities and services provided by Council.

Key stakeholders in preparation of this Asset Management Plan are:

Table 1 Stormwater Key Stakeholders

Stakeholders	Role
Councillors	 Represent needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing services while managing risks Ensure the organisation is financially sustainable
Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure



Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

This Asset Management Plan was made in accordance with the following documents and legislative requirements.

Table 2	Stormwater	Legislative	requirements
	JUIIIWater	Legislative	requirements

Legislation	Requirement
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.
Disability Discrimination Act 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability.
Environmental Planning and Assessment Act 1979; Environmental Protection Act 1994; Protection of the Environment Operations Act 1997; National Parks & Wildlife Act 1974; Threatened Species Conservation Act 1995; Native Vegetation Act 2003	Sets out the role, purpose, responsibilities and powers of Council relating to protection and preservation of the environment.
Local Government Act 1993	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.
WH&S Act 2011 & regulations	Sets out Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Crown Lands Act 2016	Is an act to provide for the administration and management of Crown land in the Eastern and Central Division of the state of NSW. Council has a large holding of Crown land under its care, control and management.

Links to council policies, plans and strategies

This Asset Management Plan has been informed by the following Council plans and strategies:

- Armidale Regional Council Community Strategic Plan 2017 2027
- Resourcing Strategy
- Delivery Program and Operational Plan
- Enterprise Risk Management Policy
- Asset Management Policy

Asset Inventory and Condition

Council's stormwater assets data is comprehensive and up to date, with stormwater assets having been revalued as of 30 June 2017. Council will continue to ensure the integrity of its asset data through continuous monitoring of its assets and planned revaluations cycle. The table below provides a summary of the value and condition of Council's stormwater assets.

Asset Class		No	Unit	Gross Replacement Cost	Written Down Value	Annual Depreciation	Condition				
Asset Class	Asset Class Asset Subcategories No		Unit	(CRC)	(WDV)	Expense	1	2	3	4	5
Stormwater	Culverts	22.4	Km	\$15,561,240	\$12,108,749	-\$166,505	1.7%	82.5%	13.4%	2.4%	0.0%
	Pipes	92.2	Km	\$32,985,221	\$26,810,234	-\$352,942	91.5%	2.9%	5.6%	0.0%	0.0%
	Pits	3768	No	\$8,435,410	\$4,681,790	-\$90,259	0.0%	95.4%	4.6%	0.0%	0.0%
	Other Stormwater Assets	22	No	\$3,398,920	\$3,306,160	-\$19,804	100.0%	0.0%	0.0%	0.0%	0.0%
Grand Total				\$60,380,792	\$46,906,932	-\$629,510	56.0%	36.2%	7.2%	0.6%	0.0%

Asset Based Service Levels

The asset- based Level of Service stated below are more specific measures as per the key service level outcomes described in the strategy above. This section specifically looks at Stormwater asset class to create tailored measurable target performance measure. It is important to note that these asset-based level of service have not yet been consulted with the community and may likely be modified in time to fully match community's expectations.

Table 3 Stormwater LoS

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Accessibility	All community residents are provided with an adequate stormwater outlet	Customer complaints	100% of urban properties have access to the stormwater network.	NA
Quality / condition	Services protect property and people from impacts of flooding	Customer complaints	Fewer than 5% properties reporting exterior damage from flooding per year	NA
	Percent of assets in condition 3 or better	Condition assessment	90% for all assets	98%
	Percent of network inspected by CCTV	CCTV monitoring	5% per year (within five years)	NA
	Compliance with maintenance servicing goal as per 'Maintenance Service Levels 2014'	Annual review	Meet at least 90% of maintenance service level for all service groups	NA

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Reliability / Responsiveness	A reliable service is provided	Community satisfaction survey	Response time for the need for notification of road closure and SES due to flooding is compliant with Council's RMF monitoring system and notifications.	NA
	Percent compliance with Council's documented response time	CRMS data	90% of customer requests are completed within the designated times within Councils customer charter	NA
Community Satisfaction and Involvement	Opportunity for community involvement in decision making are provided	Asset Management Plan	The stormwater asset management plan is available on the website and for circulation to the public	Draft ready
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 maintaining and operating cost per km is maintained in line with benchmarking against comparable regional Council's.	NA
Sustainability	Assets are managed with respect for future generations	Life cycle approach to managing assets	Prepare a 10 year asset condition and age based renewals plan. Ensure the plan is approved by authorities and updated every four years.	Draft prepared, review in place
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	79%
		Renewal funding ratio	Between 90% and 110%	342.8%
		Long term funding ratio	Between 95% and 105%	191.6%

Level of Service	Performance Measurement Process	Target Performance	Current Performance
Services do not cause a hazard to people	Annual Inspections, operational reports and safety audits	No health nuisance reported from facilities or assets (noise, mosquitoes, etc)	NA
A safe working environment provided for people involved in providing the service	H&S reported incidents	the number of lost time injuries is less than 12 per year the number of Workers Compensation claims is less than six per year 100% Compliance with SPN Safety Policy	NA
	Level of Service Services do not cause a hazard to people A safe working environment provided for people involved in providing the service	Level of ServicePerformance Measurement ProcessServices do not cause a hazard to peopleAnnual Inspections, operational reports and safety auditsA safe working environment provided for people involved in providing the serviceH&S reported incidents	Level of ServicePerformance Measurement ProcessTarget PerformanceServices do not cause a hazard to peopleAnnual Inspections, operational reports and safety auditsNo health nuisance reported from facilities or assets (noise, mosquitoes, etc)A safe working environment provided for people involved in



Future demand/demand management plan

Council evaluates the demand for services and the assets required to deliver them. Armidale Regional Councils demand for new services will be managed through a combination of:

- managing existing assets
- upgrading of existing assets
- provision of new assets.

Demand management practices include non-asset solutions, insuring against risks and managing failures.

Council will continue to engage the community to monitor community priorities, needs and expectations regarding its buildings and other structure assets and services, to ensure that increased demand is met with sensible, sustainable and community driven planning.

Table 4 Stormwater assets – future demand impacts

Demand factor	Impact on services
Urban growth and development	Increased growth and development will have a two-fold effect. Firstly, development is likely to increase hard-surface areas and therefore increasing the run-off rates and the size/concentration of flow into Council's existing assets. Secondly additional stormwater infrastructure capacity will be required to accommodate growth in rural residential households.
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 Council's current regulatory controls and may require the upgrade of both public and private infrastructure.

Current Practices

Maintenance Strategies

Assets are operated and maintained to ensure the correct ongoing performance of the asset and to retain the condition and useful life of the asset. Asset operation and maintenance demands typically increase with declining asset quality for stormwater drainage assets. Assets with higher risk ratings will generally be prioritised for more frequent and/or more intensive operation and maintenance effort to meet agreed technical levels of service. The ratio of proactive to reactive maintenance activity is expected to increase as risk ratings are progressively confirmed.

Renewal Strategies

Most of Council's stormwater assets, primarily stormwater pipes, are renewed reactively in response to customer requests. Some assets, such as stormwater pits and open channels, may however be identified for renewal following regular, proactive visual inspection.


Expenditure Projections

The projections below look at the annual expenditure gap by comparing planned budgets in the Long-Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements. Further under 'Renewals Plan' section, asset age and condition-based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

Budget Gap by	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
Stormwater	Actual											
		Renewal	202	0	0	236	243	250	316	262	262	262
		New and Expanded Assets	0	120	0	0	0	0	0	0	482	0
		Maintenance	0	571	581	593	606	619	632	648	664	680
		Total Expenditure	202	691	581	829	849	869	948	910	1409	942
	Required											
		Required Renewal (Depreciation)	630	656	668	682	697	712	727	745	769	787
		New and Expanded Assets	0	120	0	0	0	0	0	0	482	0
		Required O&M	570	575	585	597	610	623	637	652	673	689
		Total	1200	1351	1252	1279	1307	1335	1364	1397	1924	1476
	Overall (GAP)		(998)	(660)	(671)	(450)	(458)	(466)	(415)	(487)	(515)	(534)







Financial Ratios

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.





Risk

Critical Assets

Council is currently in the process of identifying its critical stormwater assets. The following factors may be used in determining the criticality of the asserts in its stormwater portfolio:

- Size of the sub-catchment
- Environmental Protection
- Assets beneath private structures or major roads
- Emergency Management use

Risk management

Council is in the process of aligning its risk management processes to ISO 31000:2009 and is currently in development of risk management plans for its assets.

Confidence levels

The confidence in the asset data used as a basis for the forecasts has been assessed using the following grading system. The overall confidence level of the plan is Uncertain.

Table 5 Stormwater assets – data confidence rating

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.



Main Findings

Armidale Regional Council has recently improved the quality of its stormwater data allowing for improved lifecycle planning, further work is required with respect to Councils levels of service as well as the criticality of its assets. While levels of service currently exist, it is unclear whether they are being tracked and reported on and whether they were developed with community consultation. To ensure effective lifecycle planning, capacity and functionality should be a key consideration in conjunction with condition data and this should be captured as part of Council's levels of service.

While there is currently only a small percentage of assets in below satisfactory condition (0.62%) this has been primarily based upon an age-based assessment. Council should aim to increase annual asset inspection range to around 10-15% of the network. Further council's 10-year expenditure forecasts show an average annual shortfall of \$0.56 million which can primarily be attributed to a shortfall in renewal expenditure, this is likely to cause an overall degradation of the network in the long-term.

Improvement Plan

Based on our findings we have highlighted some high- level tasks that will improve Councils asset management maturity

Table 6 Stormwater Improvement Plan

Ref No.	Stormwater Asset Management Improvement Plan	Priority	Suggested Timeframe
1	Review and confirm expenditure for all Stormwater sub-categories into renewals, new, maintenance and operational	High	2020/21
2	Extend Stormwater inspections to cover 10%-15% range	High	2020/21
3	Re-calculate Stormwater backlog using new condition assessment results and regenerate renewals plan	High	2020/21
4	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually	High	2020/21
5	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community	High	2020/21
6	Review and finalise Stormwater critical assets. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources	High	2020/21
7	Prioritise and plan Stormwater asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use	Medium	2021/22
8	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs	Medium	2021/22



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Transport Asset Management Plan Draft

Armidale Regional Council

November 2020



Document status

Job #	Version	Approving Director	Date

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Asset Management Plan – Transport

Councils Transport Infrastructure enables the community to function in an effective and efficient manner by facilitating the provision of multiple services, enabling the transportation of goods, materials and people. Council's transport portfolio includes roads, kerb and gutter, footpaths, bridges, as well as other roads infrastructure assets.

Purpose of this Plan

The purpose of this Asset Management Plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a ten year planning period.

The Asset Management Plan provides a long-term assessment of the activities and actions required to deliver services related to transport infrastructure assets. This Asset Management Plan documents the levels of service currently provided, future demands on assets, as well as planned improvements. They take a 'whole of life' approach to managing transport infrastructure assets.

This Asset Management Plan details the methods Council uses to operate and maintain the transport infrastructure asset network to achieve the following objectives:

- ensure the assets are maintained at a safe and functional standard
- ensure that all future asset financial commitments are identified and planned for in future operating budgets
- ensure that all assets are assessed, maintained, and serviced to the highest possible standard
- ensure that service levels are matched as closely as possible to the Council's ability to fund the service in a sustainable way
- develop cost-effective asset management strategies for the long term.

Introduction

Stakeholders

Key stakeholders must be considered in the preparation and implementation of this Asset Management Plan to ensure the value of services justifies investment in the assets. It also ensures there is a greater understanding of stakeholders' expectations with regards to the facilities and services provided by Council.

Stakeholders	Role
Councillors	 Represent needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing services while managing risks Ensure the organisation is financially sustainable

Key stakeholders in preparation of this Asset Management Plan are:



Chief Executive Officer	Overall responsibility for the management of Council's asset network
Community	End users of Council's assets
Council Staff	Managers of Council's asset network
Visitors	End users of Council's asset network
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's asset network
Local and National Business	End users of Council's asset network
State Government	Management and funding source for a range of assets

Legislative Requirements

This Asset Management Plan was made in accordance with the following documents and legislative requirements.

Table 1 Transport Legislative requirements

Legislation	Requirement
Local Government Act (1993)	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.
Road Act 1993	Sets out the rights of members of the public to pass along public roads, the rights of persons who own land adjoining a public road to have access to the public road, and to establish the procedures for the opening and closing of a public road, to provide for the classification of roads, to provide for the declaration public authorities as roads authorities for both classified and unclassified roads, to confer certain functions (in particular, the function of carrying out road work), and to regulate the carrying out of various activities on public roads.
Environment Planning and Assessment Act 1979	Sets out to encourage the proper management, development and conservation of natural and artificial resources for the purpose of promoting the social and economic welfare of the community and a better environment and the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats.
Workplace Health and Safety Act 2011	Protecting workers and other persons against harm to their health, safety and welfare through the elimination or minimisation of risks arising from work.
Disability Discrimination Act 1992	To eliminate, as far as possible, discrimination against persons on the grounds of disability in the areas of the provision of goods, facilities, services and land.



Legislation	Requirement
Australian Accounting Standard AASB116	Reporting on asset condition and consumption to councillors, management and the community.
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards.

Links to council policies, plans and strategies

This Asset Management Plan has been informed by the following Council plans and strategies:

- Armidale Regional Council Community Strategic Plan 2017 2027
- Armidale Regional Council Roads Management Strategy 2017
- Resourcing Strategy
- Delivery Program and Operational Plan
- Enterprise Risk Management Policy
- Asset Management Policy

Asset Inventory and Condition

Council's transport assets data is comprehensive and up to date, with transport assets having been revalued as of 30 June 2017. Council will continue to ensure the integrity of its asset data through continuous monitoring of its assets and planned revaluations cycle. The table below provides a summary of the value and condition of Council's transport assets.

Asset Class	Asset Sub Categories	et Sub Categories No U		ries No Unit Gross Replacement Cost (CRC)		Written Down Value (WDV)	Annual Depreciation Expense	Condition (% or CRC)					
							1	2	3	4	5		
Roads	Rural Sealed Roads	482	km	62,662,358	48,404,327	-1,195,707	53.7%	35.2%	9.7%	1.4%	0.1%		
	Urban Sealed Roads	214	km	49,658,234	33,306,488	-779,008	44.3%	36.1%	17.2%	1.8%	0.6%		
	Unsealed Roads	1,169	km	30,338,400	17,301,088	-1,330,501	46.9%	15.3%	26.2%	7.0%	4.6%		
	Regional Roads	159	km	31,743,362	22,866,308	-540,359	52.2%	28.9%	17.5%	0.9%	0.4%		
Bridges	Bridges	144	No.	62,197,268	39,208,354	-756,592	35.5%	40.7%	22.6%	1.2%	0.0%		
Footpaths	Footpaths		-	9,885,712	6,020,779	-115,985	69.9%	9.9%	3.2%	12.7%	4.3%		
	Cycleway		-	3,901,530	905,234	-140,387	10.0%	45.7%	27.4%	2.5%	14.4%		
Other Assets	Kerb and Gutter		-	21,766,102	12,055,228	-243,038	59.5%	11.7%	9.4%	7.7%	11.8%		
	Furniture		-	10,289,203	8,416,885	-146,958	15.1%	83.6%	1.3%	0.0%	0.0%		
	Bulk Earthworks			143,048,514	141,468,114	0	100.0%	0.0%	0.0%	0.0%	0.0%		
Grand Total				425,490,682	329,952,806	-5,248,536							

Asset Based Service Levels

The asset-based Level of Service stated below are more specific measures as per the key service level outcomes described in the strategy above. This section specifically looks at Transport asset class to create tailored measurable target performance measure. It is important to note that these asset-based level of service have not yet been consulted with the community and may likely be modified in time to fully match community's expectations.

Table 2 Transport Assets LoS

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Accessibility	The road network is convenient, offers choices of travel, and is available to the whole community	Continuous monitoring as part of operational activities	No more than 3 bridges with loading or dimension restrictions Less than 5 km of roads where posted pavement strength restricts loading demand 80% of residents and businesses think that the network is adequate to carry the vehicles and loadings required.	NA
Quality / Condition	The local road network is strategically and efficiently maintained, renewed and upgraded	Compliance with 'Road Management Strategic Plan 2017'	Maintenance, renewals and upgrades of all sealed, unsealed and gravel roads complies 100% with the service levels adopted in 'Road Management Strategic Plan 2017'	Compliance NA
	Footpaths and cycle assets are in good condition and are fit for purpose	Condition assessment and operational reviews	90% of assets are in Condition 3 or better 90% of the footpaths are within acceptable defect level (less than 10%).	83% of footpaths and cycleway in Condition 3 or better NA

	Kerb & gutter and traffic assets are in good condition and are fit for purpose	Condition assessment and operational reviews	90% of assets are in Condition 3 or better 90% of the assets are within acceptable defect level (less than 10%)	81% K&G in Condition 3 or better NA
	Business district and residential streets and sumps are cleaned and litter is removed, so that the streets are tidy and look good	Customer satisfaction survey	Sweep streets and K&G in residential streets once every month.	NA
Reliability / Responsiveness	The transportation system is reliable and travel times are predictable	Council's complains register	70% of the users are satisfied that network is reliable and travel times are predictable	NA
	Traffic control systems are designed to improve traffic flow	Compliance with standards	100% compliance with AS 1348:1 Road and Traffic Engineering and Australian Road Rules legislations	100% Compliance
Community Satisfaction and Involvement	Opportunity for community involvement in decision making are provided	Asset Management Plan	The Transport Asset Management Plan is available on the website and for circulation to the public	Draft ready
	Transport facilities are provided that meet community demand	Community satisfaction survey	Satisfaction rating is "satisfactory" or above	NA

	Service provide social benefit to the whole community	Community satisfaction report	Parking occupancy rates do not exceed 80% at times of peak demand.	NA
Sustainability	Assets are managed with respect for current and future generations	Consumption ratio	Between 50% and 75%	62%
	Transport assets meet financial sustainability ratios	Renewal funding ratio	Between 90% and 110%	70.7%
		Long term funding ratio	Between 95% and 105%	95.6%
Health & Safety	The network feels safe to use and is regarded safe in comparison to other similar networks	Annual Inspections, operational reports and safety audits	Fewer than five reported safety incidents resulting from road design as factor Ensure Council complies with the delineation standards for local roads where line marking is provided	NA
	Traffic signs and marking are easy to understand	Routine safety inspections	Less than 10% traffic signs found missing or damaged	Compliance with road safety NA
	Roadworks sites are safely managed	Routine safety inspections and independent audits	All active roadwork sites are audited at least once per month 100% compliance achieved at all sites 60% of residents think that roadwork sites are well managed, signage is clear and they are safe to pass through	Compliance with road safety

				NA – community surveys
	Lighting is provided to enhance safety for all road users and to aid navigation and security	Compliance and customer surveys	Lighting installations and upgrades comply with AS 1158 for Council owned lighting. Fewer than 10 complaints per year from residents about poor lit areas for Council owned lighting.	Compliance with road safety NA – community surveys
	A safe working environment provided for people involved in providing the service	H&S reported incidents	The number of lost time injuries is less than 12 per year. The number of Workers Compensation claims is less than 6 per year. 100% Compliance with SPN Safety Policy	Compliance
Affordability	Access to facilities and services is affordable and cost effective	Review of service agreements and benchmark with other councils	Total maintaining and operating cost per km is maintained in line with benchmarking against comparable regional Council's.	NA



Future demand/demand management plan

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

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. Examples of non-asset solutions include encouraging community title in development, so the strata body owns the roads and footpaths, but they are available for the public use.

Demand for new services will be managed through a number of strategies:

- supply side a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand
- regulation restrict time of use and type of use
- incentives pricing and subsidies.

Table 3 Transport Assets Demand Factors

Demand Factor	Impact on Assets	Demand Management Plan
Population	Roads will become more congested with the increase in population, putting greater strain and usage on transport infrastructure.	Regulatory - Heavy Vehicle restriction, Speed restrictions and local area traffic management Promote low cost alternatives to road finishes
Demographics	Increased need for footpath facilitation to accommodate walking frames and mobile scooters in built up areas	Supply - Modification of access to asset, for example in local area traffic management schemes
Socio Economic	Higher expectation of services and presentation of roads assets, and the way we deliver them	Operations –Consider new technology for maintaining and managing traffic infrastructure



Current Practices

Councils current Transport asset management practices have been detailed in councils Road Management Strategy 2017.

Maintenance Strategies

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, e.g. footpath repair, pothole patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

A key element of advanced asset management planning is determining the most cost-effective mix of planned and unplanned maintenance

The Service Level agreement defines:

- the inspection frequency for Roads infrastructure assets
- the response times for attention to defects identified by inspection
- the works to be performed to address defects identified by inspection
- identify road assets in poor condition to include in Renewal Program.

Renewal Strategies

Council will plan capital renewal and replacement projects to meet Service Level objectives and minimise infrastructure service risks. The capital program has been primarily driven by asset condition and works are prioritised on the following factors:

- Safety Risk Accident Potential
- Heavy Vehicle Use
- Network Significance
- Cost / Benefit
- Environmental Factors.



Expenditure Projections

The projections below look at the annual expenditure gap by comparing planned budgets in the Long Term Financial Plan against the required expenditure, calculated based on best practices. The allocation of adequate budget in each budget category demonstrates Council's knowledge and understanding of asset's life cycle requirements. Further under 'Renewals Plan' section, asset age and condition-based renewals plans have been developed which provide a more realistic renewals pattern and renewals expenditure requirements. Although the plan provides optimal year of renewals for each asset, to set the budget to match the pattern is not practical. Therefore, it is important to review the renewals plan against estimated depreciation and establish a reserve that can be used as required.

Budget Gap by Asset Group			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Roads	Actual	Renewal	1,922	2,942	3,827	3,228	3,383	3,392	4,416	4,253	4,228	3,493
		New and Expanded Assets	29	12,601	2,852	307	313	319	325	832	338	1,020
		Maintenance	4,618	4,683	4,763	4,866	4,970	5,077	5,187	5,313	5,448	5,579
		Total Actual Expenditure	6,569	20,226	11,442	8,400	8,666	8,788	9,929	10,398	10,015	10,092
	Required	Required Renewal (Depreciation)	4,392	4,539	4,651	4,755	4,861	4,969	5,081	5,214	5,351	5,491
		New and Expanded Assets	29	12,601	2,852	307	313	319	325	832	338	1,020
		Required O&M	5,290	5,540	5,677	5,804	5,933	6,065	6,201	6,364	6,530	6,702
		Total Required Expenditure	9,711	22,681	13,180	10,865	11,107	11,353	11,607	12,410	12,219	13,213
		Overall (GAP)	(3,142)	(2,455)	(1,737)	(2,465)	(2,440)	(2,565)	(1,678)	(2,012)	(2,204)	(3,121)
Bridges	Actual	Renewal	-	2,550	743	627	846	550	723	865	564	784
		New and Expanded Assets	-	-	-	-	-	-	-	-	-	-
		Maintenance	203	206	209	214	218	223	228	234	239	245
		Total Actual Expenditure	203	2,756	953	841	1,065	773	951	1,099	804	1,029
	Required	Required Renewal (Depreciation)	775	792	805	823	840	858	877	898	921	943
		New and Expanded Assets	-	-	-	-	-	-	-	-	-	-

Budget Ga	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		
		Required O&M	150	155	158	161	165	168	172	176	181	185
		Total Required Expenditure	925	947	963	984	1,005	1,027	1,049	1,075	1,102	1,128
		Overall (GAP)	(722)	1,809	(11)	(143)	60	(254)	(98)	24	(298)	(99)
Footpaths	Actual	Renewal	-	47	270	411	311	199	418	467	304	407
		New and Expanded Assets	48	50	321		403	185	-	-	199	-
		Maintenance	282	286	291	297	304	310	317	324	333	341
		Total Actual Expenditure	330	383	882	708	1,018	694	735	792	836	748
	Required	Required Renewal (Depreciation)	262	273	283	289	303	313	320	328	340	348
		New and Expanded Assets	48	50	321	-	403	185	-	-	199	-
		Required O&M	210	216	224	229	240	248	253	259	269	275
		Total Required Expenditure	520	538	829	518	946	746	573	587	808	623
		Overall (GAP)	(190)	(155)	53	190	72	(52)	161	205	28	125
			/									
Combined	Actual	Renewal	1,922	5,539	4,841	4,266	4,541	4,141	5,557	5,585	5,097	4,685
		New and Expanded Assets	77	12,651	3,173	307	715	504	325	832	537	1,020
		Maintenance	5,103	5,175	5,263	5,377	5,492	5,610	5,732	5,871	6,020	6,165
		Total Actual Expenditure	7,102	23,365	13,277	9,949	10,749	10,255	11,614	12,288	11,655	11,869
	Required	Required Renewal (Depreciation)	5,429	5,604	5,740	5,867	6,005	6,141	6,278	6,440	6,612	6,782
		New and Expanded Assets	77	12,651	3,173	307	715	504	325	832	537	1,020
		Required O&M	5,650	5,911	6,059	6,194	6,338	6,481	6,626	6,799	6,980	7,162
		Total Required Expenditure	11,156	24,166	14,972	12,368	13,058	13,125	13,229	14,072	14,129	14,965
		Overall (GAP)	(4,054)	(802)	(1,695)	(2,419)	(2,309)	(2,871)	(1,615)	(1,783)	(2,474)	(3,095)

























Financial Ratios

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.















Risk

Critical Assets

The following attributes were considered in determining criticality for council's transport assets:

- Is the asset located adjacent to a waterway or in a 1:100-year flood zone?
- Does the asset service a bus route?
- Is the asset in a school zone?
- Incident history
- Use by emergency services

Councils Critical Transport assets have been identified in the Appendix of councils Strategic Asset Management Plan.

Risk management

Council is in the process of aligning its risk management processes to ISO 31000:2009 and is currently in development of risk management plans for its assets.

Confidence levels

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

Table 4 Transport assets – data confidence rating



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.

The overall confidence level of the plan is reliable.

Main Findings

Armidale Regional Council's transport infrastructure makes up a significant portion (43.54%) of its total asset portfolio with a gross replacement cost of \$442 million. The network is overall in good condition with only 3% of all assets in unsatisfactory condition, however it should be noted that there is a significant portion of councils unsealed roads and footpaths currently in unsatisfactory condition (11% and 17% respectively) that will need to be prioritised in councils capital program. Councils current asset expenditure projections show that over the 10 year projections period there is average annual shortfall in both renewal (\$1.4m) and maintenance (\$2.5m) expenditure, this is likely to result in a degradation of the overall condition of the network in the medium to long term.

Improvement Plan

Based on our findings we have highlighted some high- level tasks that will improve Councils overall asset management maturity

Table 5 Transport Assets Improvement Plan

Ref No.	Transport Asset Management Improvement Plan	Priority	Suggested Timeframe
1.	Review and confirm expenditure requirements into four categories; renewals, new, maintenance and operational for all asset sub categories including minor categories such as Kerb and Gutter, Bridges, footpaths, etc.	High	2020/21
2.	Review and adopt acceptable Level of Services in consultation with community, update any changes and measure progress annually.	High	2020/21
3.	Review and establish clear assumptions and approach for calculating depreciation and backlog. Apply this consistent approach across all asset sub categories to	High	2020/21



	obtain most accurate backlog. Prioritise and create a plan to address the backlog by reaching an acceptable level, as consulted and agreed with the community		
4.	Review and finalise transport critical assets. Once agreed by Council as significant assets, develop emergency response plans, budgets and resources.	High	2020/21
5.	Prioritise and plan transport asset renewals to meet agreed service levels based on community's importance, asset category priority and site inspections. Standardise renewal expenditure where possible and reserve any extra funds separately for later use.	Medium	2021/22
6.	Review and update future life cycle costs (unit rates) to improve accuracy of estimated lifecycle costs.	Medium	2021/22
7.	Continue site inspection of transport assets to get acceptable level of coverage. Plan and carry out condition inspections on regular basis on diverse range of assets, ensuring to cover all asset sub categories.	Medium	On-going