ASSET MANAGEMENT STRATEGY

(Adopted 24 June 2015)

Version 2.1
May 2015

Institute of
Public Works
Engineering
Australia
AM4SRRC

Document Control

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Executive Summary

This asset management strategy is a review and update of the May 2013 document and is prepared to assist council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, plant and equipment and buildings. These infrastructure assets have a replacement value of approximately $367M[1] and this update includes the estimated revaluation of road assets at 30 June 2015.

The asset management strategy is to enable Council to:

- show how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long term strategic plan.[2]

This asset management strategy assists council in meeting the requirements of national sustainability frameworks and Integrated Planning and Reporting guidelines for NSW (IP&R) . Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local Government Act 1993 and the Local Government Amendment (Planning and Reporting) Act 2009. This sets out the role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The amendments to the Act give effect to the Integrated Planning and Reporting framework. An Integrated Planning and Reporting Manual has been developed to provide councils with information and guidance to assist their transition to the new planning and reporting framework.

The asset management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Community Strategic Plan.. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to bring council to a minimum 'core' level of asset maturity and competence.

This asset management strategy also contains the results of the asset management plans.

Asset Management Strategy

Asset Management Policy
Overarching council endorsed Asset Management Policy is included in Appendix E.

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[1] Note 9a for the financial year ending 30 June 2014 has $223m but this figure includes estimated road asset revaluation as of 30 June 20155

[2] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

Risks Critical to Council's Operations

The following are critical Asset Management Risks to Council and the risk managmeent strategy to minimise these risks is detailed.

Risk	Description	Risk Management Strategy
Low levels of asset knowledge	Council's renewal projections from the asset register should be suitable for reliable 10 year forward projections and while these are reliable for roads and buildings, other classes of assets are less developed.	Implement an asset knowledge management strategy to update the asset register useful lives, remaining lives and unit costs so that the asset register aligns with the 10 year LTFP and asset management plans. Revalue assets where the values used in Note 9a and the Asset Management Plans are materially different. Record performance trend on key activities such as annual quantity of failed pavement renewed/repaired. **Status:** Asset knowledge has improved significantly, asset data captured and robust for roads, and buildings but still less mature for bridges, water and sewer.
Low levels of state of the assets reporting	Council is currently able to report what proportion of assets have below satisfactory condition/quality, function and capacity utilisation in roads and buildings primarily. State of the assets reporting needs to report on condition/quality, function and capacity/utilisation, reporting the trend of poor/very poor.	Inspect assets to determine proportion in condition 1-5. Implement annual state of the assets reporting in future annual reports so that special schedule 7 (section 428 2(d) of the local government act aligns with the asset management plans. Scenario 1 is based on the Asset Registers and the Long Term Financial Plan using the long term financial plan settings in appendix D. Scenario 2 is based on the best available estimates for future work required to at least maintain current service levels. This manages the low confidence levels of the asset register in 10 year forward projections for asset renewal. **Status:** Data now at a high confidence level due to the collection and capture of base Assets data for most classes of assets. Inspection and reporting regime now established.
Increased loading on Council Pavements	Council does not have the resources to increase the strength and capacity of its road network.	Monitor traffic and transport loads on key roads to ensure state of the assets reporting is linked to road use and loads. The current strategy to increase resealing expenditure intends to protect existing pavements, many of which have poor geometry and strength and are at risk of damage by increased traffic levels and loads. The average growth in road freight since 1995 is 4% per annum[3] and freight vehicles are getting larger. As data is accumulated over the coming 5 years weak spots in the road network will be able to be clearly identified and the most appropriate and cost effective corrective

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[3] Trends in non-urban road freight using weigh-in-motion (WIM) data David Mitchell. Bureau of Infrastructure, Transport and Regional Economics

Risk	Description	Risk Management Strategy
		action taken. **Status:** In process as is collection of bridge condition data to link to bridge use and loads. All roads condition rated but the Council does not have the resources to significantly improve the network for heavy vehicles.
Risk Management and Governance	Corporate risk register and asset committee needs to be implemented in accordance with this strategy.	Implement the governance processes in appendix F and charters for asset management committee and audit committee in appendices G - H. **Status:** Risk Register is established. MANEX operates as asset committee.
Unfunded Flood Damage to Unsealed Roads.	Assistance may be provided for the restoration to pre-event level of service of State, Regional and local road (local access) and bridge infrastructure damaged as a direct result of a declared disaster. There is an exclusion clause such that funding is not provided where there is "any damage where there is evidence the cause is a lack of proper maintenance or where previous restoration work was not completed satisfactorily.[4]"	Council must implement a documented maintenance strategy for all service level gravel roads including: • Culvert and drainage maintenance • Documented inspection programme • Prioritised renewal programme linked to road hierarchy. In progress **Status:** Occurring and documented
A lack of commitment to Asset Management across Council.	Council needs to be fully committed to the management of assets. The effective management of assets requires across council effort if improved productivity expectations are to be realised.	All areas of Council deal with asset management and there needs to be a level of knowledge and commitment to asset management across Council. **Status:** MANEX is driving asset management

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[4] NSW Disaster Assistance Guidelines, Edition 1 Version 1*, Current as of: 31 October 2010, B.2 Restoration of Public Roads*

Asset Management Capability

This Asset Management Strategy includes specific actions required to improve council's asset management capability and projected resource requirements and timeframes. Appendix B of this strategy shows the summary asset management improvement plan and current status of improvement actions.

Council's asset management capability has significantly risen since the last review of this Strategy and is now at a level of maturity with base data at high confidence levels.   It is now at a core level that allows for 80% confidence in asset renewal predictions and has robust base data for all asset classes.

1.   10 year forward outlook is that current service levels can be maintained with current budget allocation.

2.   Any new assets will increase future costs for maintenance, operating and future renewal and need corresponding additional funding.

3.   Residual asset and service risks that are not managed need to be reported and identified in risk management plans.

1.   Introduction

Council is an asset rich organisation and much of our activities and costs relate to assets. Assets deliver important services to communities and are only there to provide those services. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure over time for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.[5]

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.[6]

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the councillors and:
    - bringing together asset management and long term financial plans,
    - demonstrating how council intends to resource the plan, and
    - consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
    - explanation to the community on variations between the budget and actual results ,
    - any impact of such variances on the strategic longer-term plan,
    - report of operations with review on the performance of the council against strategic objectives.[7]

Framework 2 Asset Planning and Management has seven elements to assist in highlighting key management issues , promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

- Asset management policy,
- Strategy and planning,
    - asset management strategy,
    - asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.[8]

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[5] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 2.

[6] LGPMC, 2009, Framework 3 *Financial Planning and Reporting*, pp 2-3.

[7] LGPMC, 2009, Framework 3 *Financial Planning and Reporting*, pp 4-5.

[8] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

The asset management strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management with its long term strategic plan.[9]

The goal of asset management is to ensure that services are provided:

- in the most cost effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- for present and future consumers.

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide services to the community.

1.1 Legislative reform

1.1.1 NSW IP&R

Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local Government Act 1993 and the Local Government Amendment (Planning and Reporting) Act 2009. This sets out the role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The amendments to the Act give effect to the Integrated Planning and Reporting framework. An Integrated Planning and Reporting Manual has been developed to provide councils with information and guidance to assist their transition to the new planning and reporting framework.

In particular, local governments will effectively plan for future sustainability through longer-term planning by developing 10 year plans, publishing these and reviewing progress annually. The community and the State then have the best information available to judge progress against the plan, and local governments can make necessary adjustments.

Long-term Community Strategic Plans

These plans outline the vision of the community for the area and translate into Council goals and strategies. In line with the commitment to principles rather than prescription in the legislation, the content of the plan and the method of community engagement will be decided by individual local governments.

Long-term Financial Plans

A valuable tool for local governments when managing their finances will be to implement a longer-term financial plan to include an investment policy, a debts policy, procurement policy and a revenue policy.

Long-term Asset Management Plans

The Community Strategic Plan provides a vehicle for expressing long-term community aspirations. However, these will not be achieved without sufficient resources – time, money, assets and people – to actually carry them out. The Resourcing Strategy consists of three components:

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[9] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

- Long Term Financial Planning
- Workforce Management Planning
- Asset Management Planning.

The Resourcing Strategy is the point where Council assists the community by sorting out who is responsible for what, in terms of the issues identified in the Community Strategic Plan. Some issues will clearly be the responsibility of Council, some will be the responsibility of other levels of government and some will rely on input from community groups or individuals. The Resourcing Strategy focuses in detail on matters that are the responsibility of the council and looks generally at matters that are the responsibility of others.

Achieving and maintaining sustainability in Local Government requires consideration of services, service levels, associated costs and associated risks.

1.1.2   Strategic Issues at a National Level

At its meeting on 4 August 2006, the Local Government and Planning Ministers' Council (LGPMC) agreed to a nationally consistent approach to asset planning and management, financial planning, and reporting and assessing financial sustainability.

20 October 2006, the LGPMC endorsed the draft National Frameworks for Financial Sustainability in Local Government as a basis for consultation.   On 21 March 2007 the LGPMC endorsed the Frameworks for implementation in the context of their relationships with their local government sectors .

8th May 2009 the LGPMC agreed to enhancement and acceleration of frameworks

The National Frameworks consists of three main frameworks:

- Framework 1 - Criteria for Assessing Financial Sustainability
- Framework 2 - Asset Planning and Management
- Framework 3 - Financial Planning and Reporting

The Asset Planning and Management framework consists of seven elements as follows:

1. Development of an Asset Management Policy - Each state/territory is expected to develop an asset management policy, which provides high-level guidance to assist individual councils in developing their asset management policy.
2. Strategy and Planning - Councils should be provided with guidance from the State on developing an asset management strategy which is designed to support and implement its asset management policy;
3. Governance and Management Arrangements - Councils should be encouraged to apply and implement good governance and management arrangements which link asset management to service delivery and include assigning roles and responsibility for asset management between the CEO, the Council and senior managers;
4. Defining Levels of Service - Mechanisms should be established that include community consultation to define the levels of service councils are expected to provide from their asset base;
5. Data and Systems – A framework for collection of asset management data should be established;
6. Skills and Processes – The asset management framework should contain a continuous improvement program;
7. Evaluation – The asset management framework should contain a mechanism to measure its effectiveness.

The financial reporting elements of the national framework consist of 3 elements as follows:

1. Strategic Longer Term Plan – The plan brings together the detailed requirements in the Council's Long Term Community Strategic Plan, and demonstrates how council intends to resource the plan.
2. Annual Budget – Councils prepare an annual budget which is presented in a way which is understandable to the community and which can be compared with the audited financial statements.
3. Annual Report – Councils prepare an annual report in respect of each financial year. This is to include a report on operations, audited financial statements, explanations of any variations between the budget and actual results, and any impacts that variations will have on the longer term Community Strategic Plan.

Each State and Territory has agreed and is expected to implement the National Frameworks in consultation with local government, with a target date of 31 December 2010

The changes to legislation in NSW IP&R and the implementation through IP&R are consistent with the National Frameworks.

1.2 Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financially sustainability under scenarios with different proposed service levels. Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.[10]

Asset Management Planning Process

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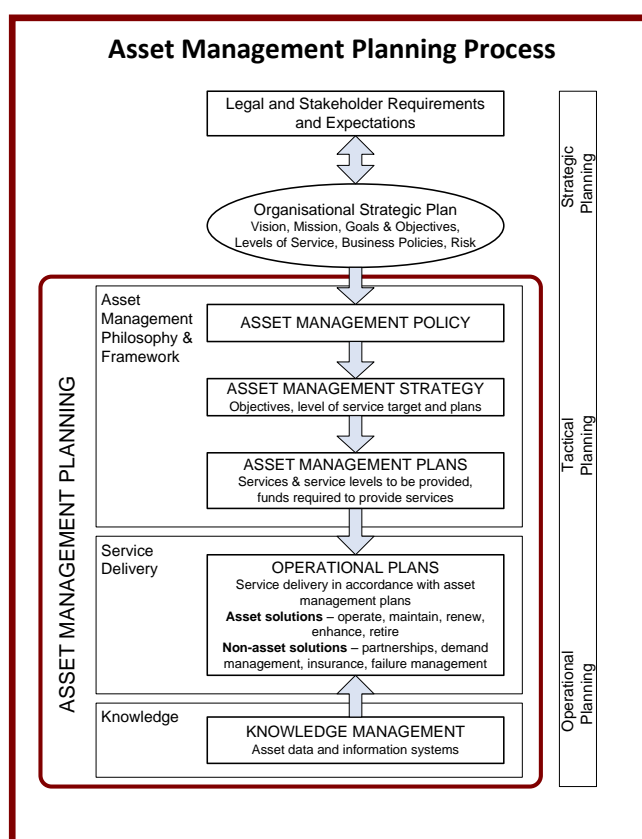
[10] IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

2.   What Assets do we have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from these assets is shown in Table below.

Asset Class	Description	Services Provided
Buildings Parks, Pools and Other Assets	▪ Buildings _ Community ▪ Buildings – Corporate ▪ Structures and park furniture ▪ Swimming Pools	The land and buildings provided by Bombala Council are used to support the administration, operational and social infrastructure for the community.
Miscellaneous and Other Assets (not included in this strategy)	▪ Library Books ▪ Office Equipment ▪ Furniture and Fittings	The miscellaneous and other assets provided by Bombala Council are used to support the administration, operational and social infrastructure for the community and are an import ant part of the assets Council manages. These are included in operational costs allocated in the long term financial plan.
Plant and Equipment (*not included in this strategy*)	▪ Plant and Equipment including waste management	The Plant and Equipment of Bombala Council are used to undertake road construction and maintenance. They are critical to the provision of the road network which is important to the community and economy of the region.
Transport and Drainage	▪ Roads and Transport Network ▪ Bridges ▪ Stormwater Drainage Network ▪ Pipes ▪ Culverts ▪ Pits	The Roads and Drainage provided by Bombala Council are used to support transportation and are an important to the community and economic activities of the region. Control local flooding and damage to infrastructure and property. Control water quality of discharge of stormwater into the natural environment.
Waste Mangement (not included in this strategy)	▪ Landfill, plant and equipment	Councils goal is to ensure that Waste collection, disposal and resource recovery is provided in a cost effective, healthy and sustainable manner.
Water and Sewer	▪ Headworks, ▪ treatment works ▪ reticulation	The Water Supply and Sewerage Network provided by Bombala Council is used to support public health and is important to the community and economic activities of the region.

3.   Council's Assets and their management

3.1   State of the Assets

3.1.1   Financial Status of the Assets

Asset Class	Replacement Cost ($'000)	Depreciated Replacement Cost ($'000)	Depreciation Expense for Current Year ($'000)
Urban Streets - Formation	$8,149		
Urban Streets	$16,974	$5,283	$238
Kerb and Gutter	$3,076	$1,913	$51
Footpath	$1,986	$1,305	$40
Rural/Regional Roads - Formation	$173,937		
Rural Roads Unsealed	$8,696	$6,391	$529
Sealed	$15,972	$5,472	$576
Regional Roads Unsealed	$259	$200	$26
Sealed	$7,559	$3,670	$293
Bridges	$20,482	$10,851	$283
Causeways			
Culvert	$4,095	$2,454	$51
Buildings	$20,526	$8,395	$388
Council Facilities	$288	$248	$2
Sewer	$28,714	$13,341	$353
Water	$19,580	$11,356	$282
Stormwater Drainage	$961	$582	$24
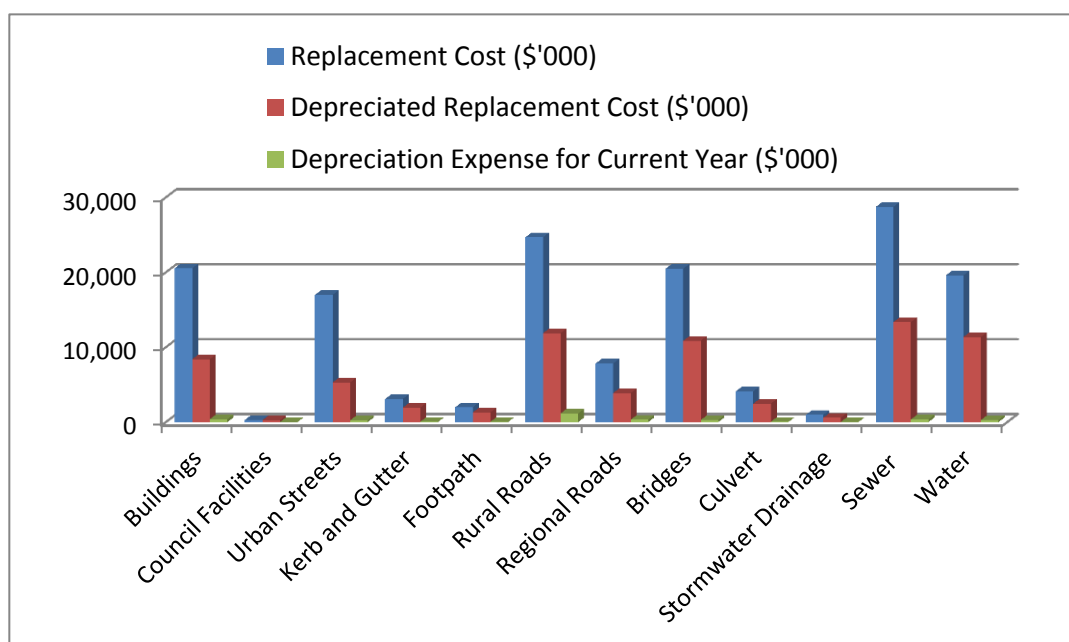
3.1.2 Summarised Financial Status of the Assets

Asset Class	Replacement Cost ($'000)	Depreciated Replacement Cost ($'000)	Depreciation Expense for Current Year ($'000)
Rural Roads	189,074	24,234	1,156
Regional Roads	51,345	10,119	342
Urban Streets	19,879	4,746	255
Bridges	35,220	10,851	343
Buildings & Council Facilities	20,503	8,643	387
Sewer	28,714	13,341	353
Water	19,580	11,356	282
Totals:	364,315	83,290	3,118

NB: Inclusions:

Rural & Regional Roads
- Formation (not depreciated), Pavement & Wearing Course

Urban Streets
- Formation (not depreciated), Pavement & Wearing Course ; Kerb & Gutters ; Footpaths ; Stormwater Drainage

Bridges
- Bridges ; Causeways ; Culverts

3.1.2.1 Current Replacement Costs

Current Replacement Costs ($,000's)

Regional Roads, 51,345, 14%
Urban Streets, 19,879, 5%
Bridges, 35,220, 10%
Buildings, 20,503, 6%
Sewer, 28,714, 8%
Water, 19,580, 5%
Rural Roads, 189,074, 52%

3.1.2.2 Depreciated Replacement Costs
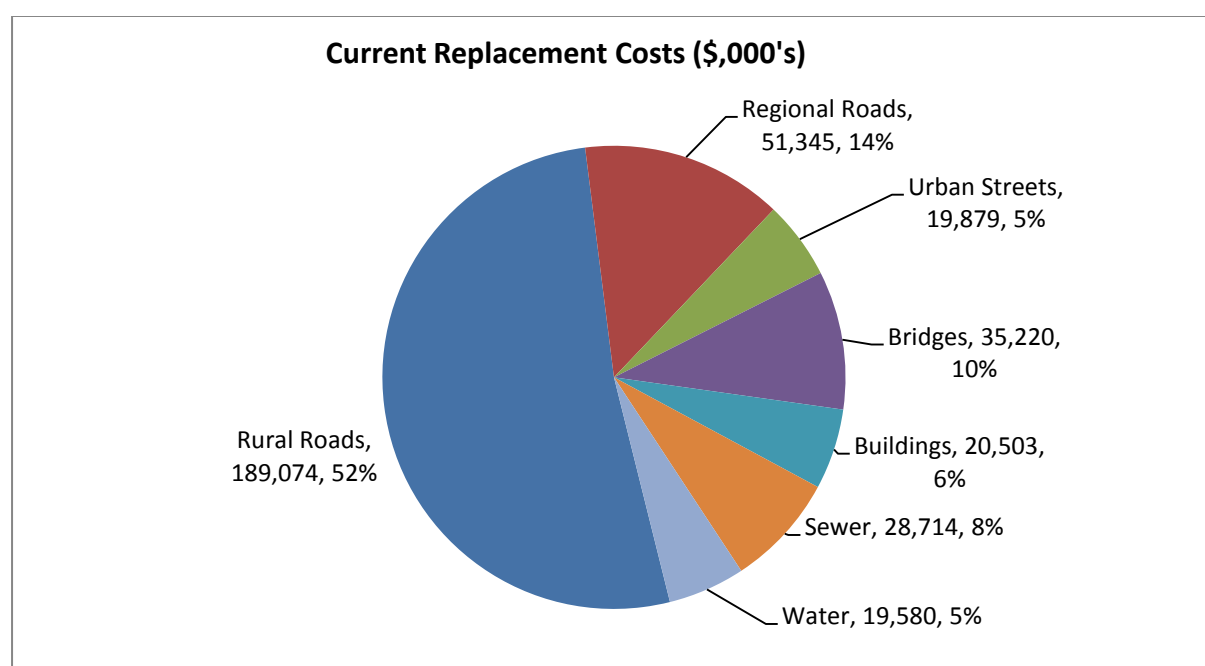
Depreciated Replacement Cost - DRC ($'000's)
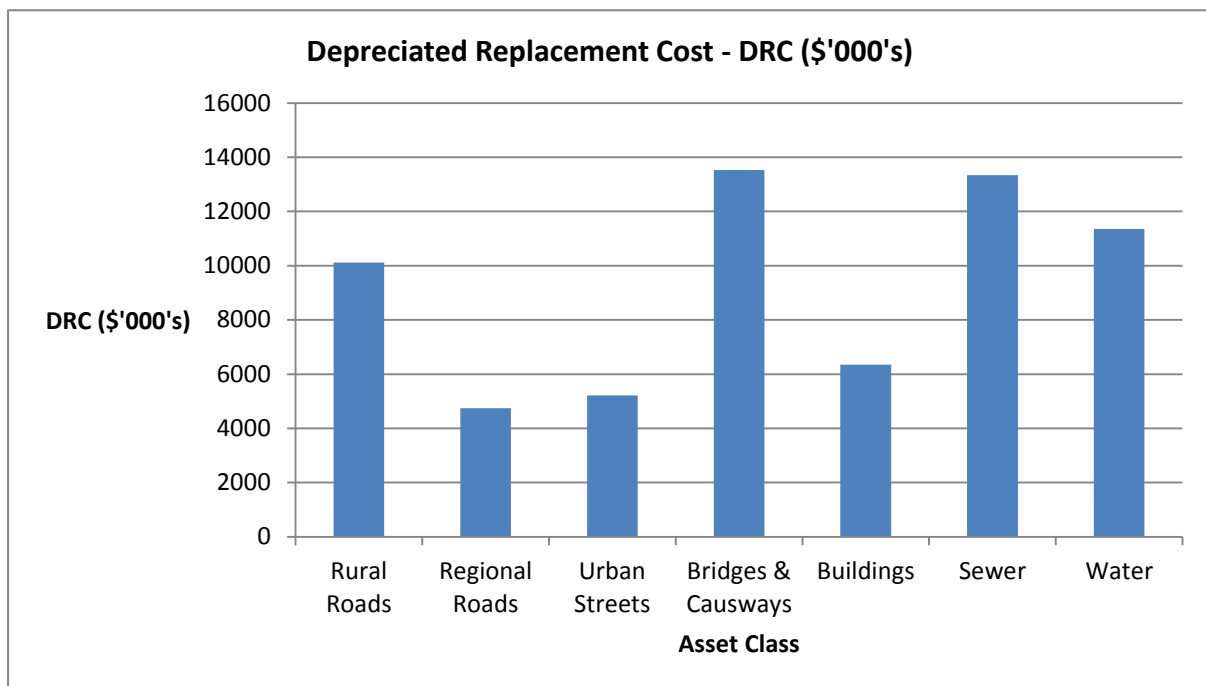
3.1.2.3 Depreciation Costs for Current Year

Annual Depreciation Costs ($,000's)
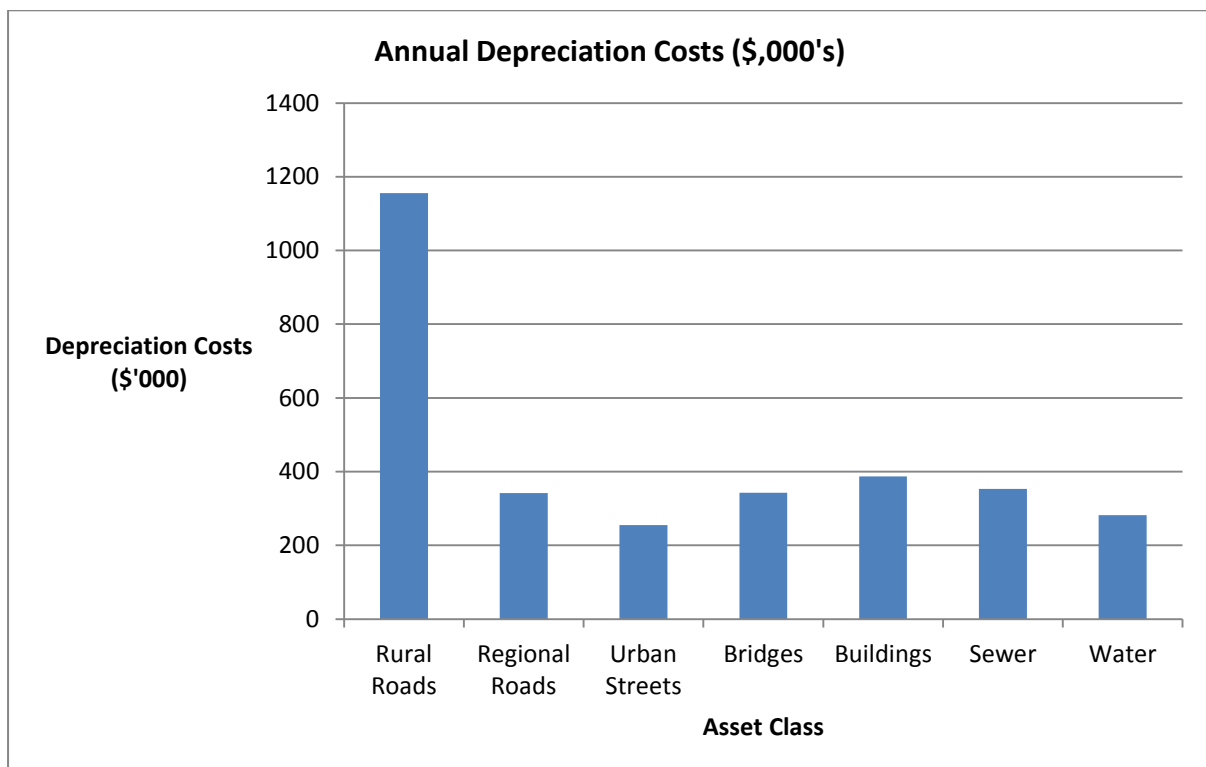
Asset Class	Current Replacement Costs ($000's)
Road Infrastructure	224,309
Bridges	25,369
Buildings	20,814
Sewer	28,714
Water	19,580
Land & Open Spaces	69,108
Total	387,894
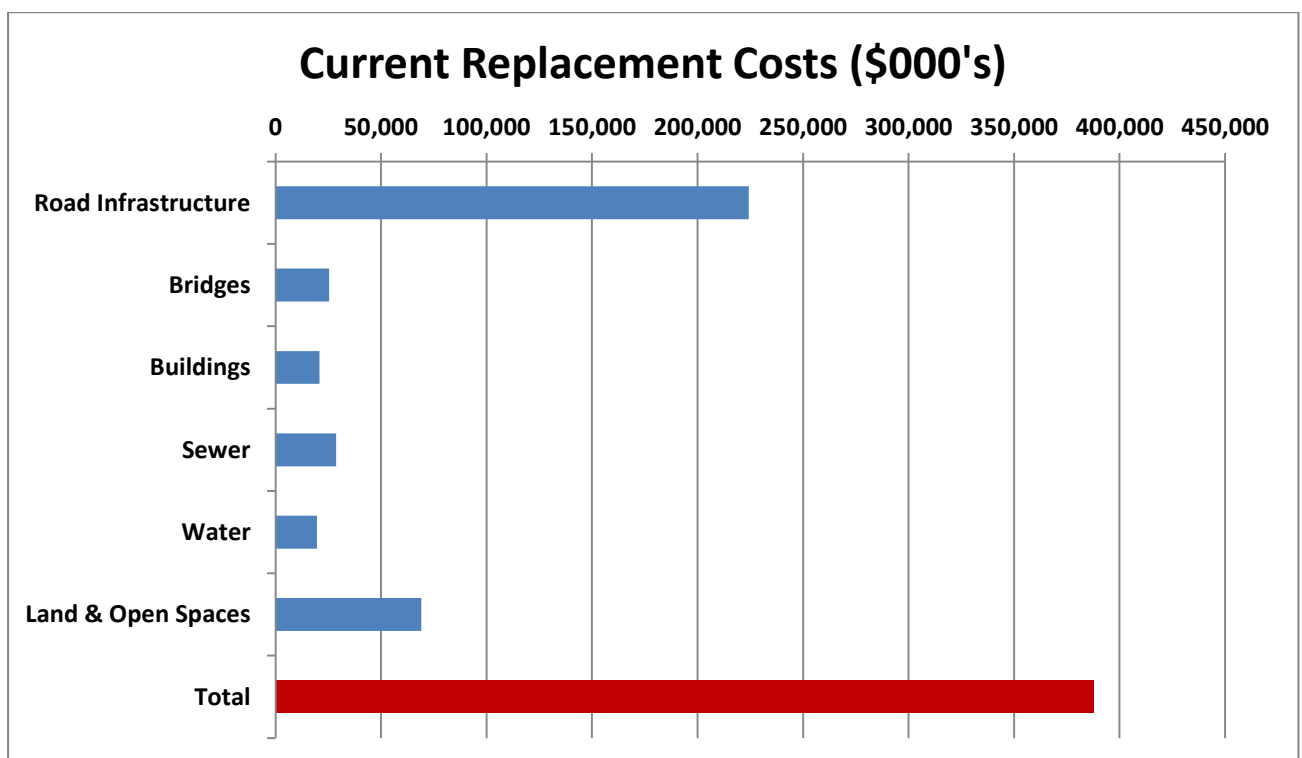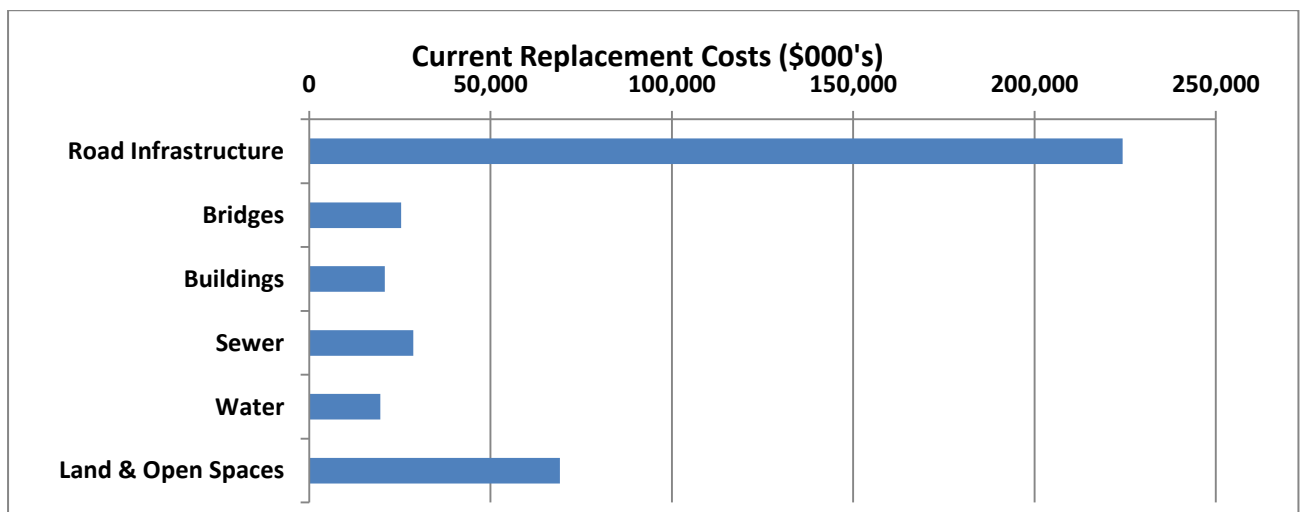
3.1.3 Asset Consumption Ratios

The assets consumption ratios show the proportion of life remaining in the asset. The table below shows the asset consumption ratios of Council's assets (average proportion of 'as new' condition left in assets).

Asset Class	Percentage Life Remaining %
Buildings	36
Council Facilities	50
Urban Streets	62
Kerb and Gutter	34
Footpath	64
Rural Roads - Unsealed	68
- Sealed	35
Regional Roads - Unsealed	57
- Sealed	51
Bridges	60
Culverts	60
Stormwater Drainage	50
Sewer	25
Water	29
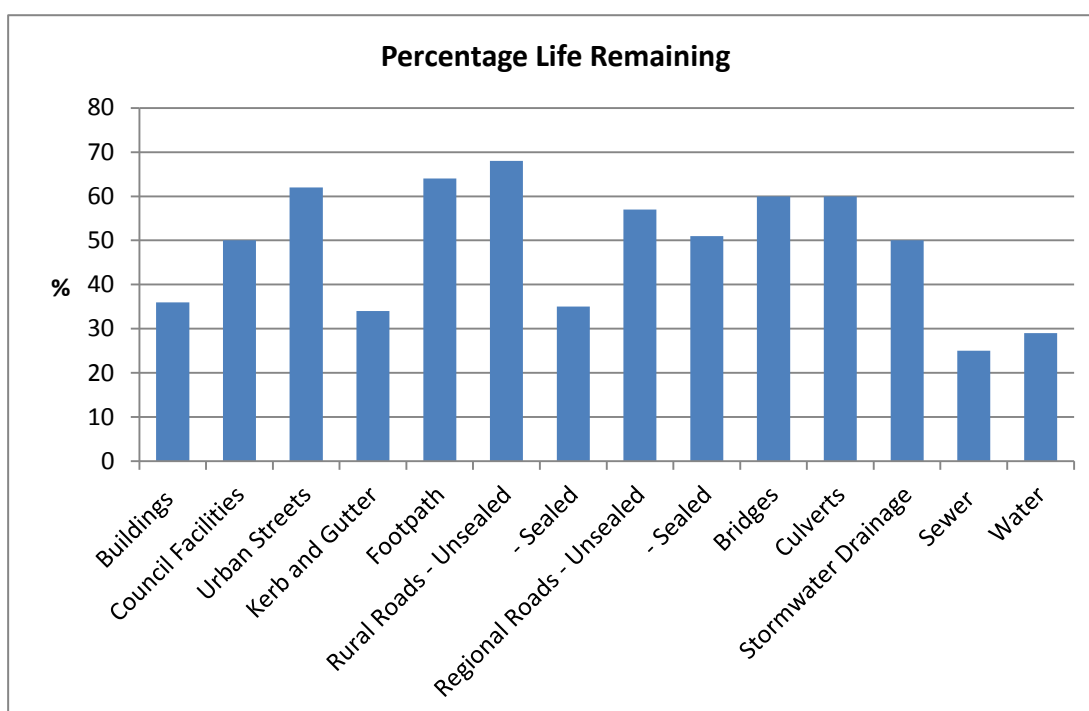
3.1.4 Summary of Asset Groups by Condition Rating

Asset Class	CR=1 (80%-100%) VERY GOOD	CR=2 (60%-80%) GOOD	CR=3 (40%-60%) AVERAGE	CR=4 (20%-40%) POORr	CR=5 (0%-20%) VERY POOR
Rural Roads	0.5	33.5	51	14	1
Regional Roads	0	48	52	0	0
Urban Streets	0	14	86	0	0
Footpaths	0	92	4	4	0
Kerbs & Guttering	0	0	100	0	0
Bridges	0	33	45	22	0
Causeways	0	100	0	0	0
Culverts	0	100	0	0	0
Buildings	0	65	36	0	0
Sewer	0	0	100	0	0
Water	0	0	100	0	0
Stormwater Drainage	0	0	100	0	0
Urban Streets	0	14	86	0	0

Condition Rating % by Asset Class

Legend:
- CR=1 *(80-100 Percentile) VERY GOOD
- CR=2 *(60-80 Percentile) GOOD
- CR=3 *(40-60 Percentile) AVERAGE
- CR=4 *(20-40 Percentile) POOR
- CR=5 *(0-20 Percentile) VERY POOR
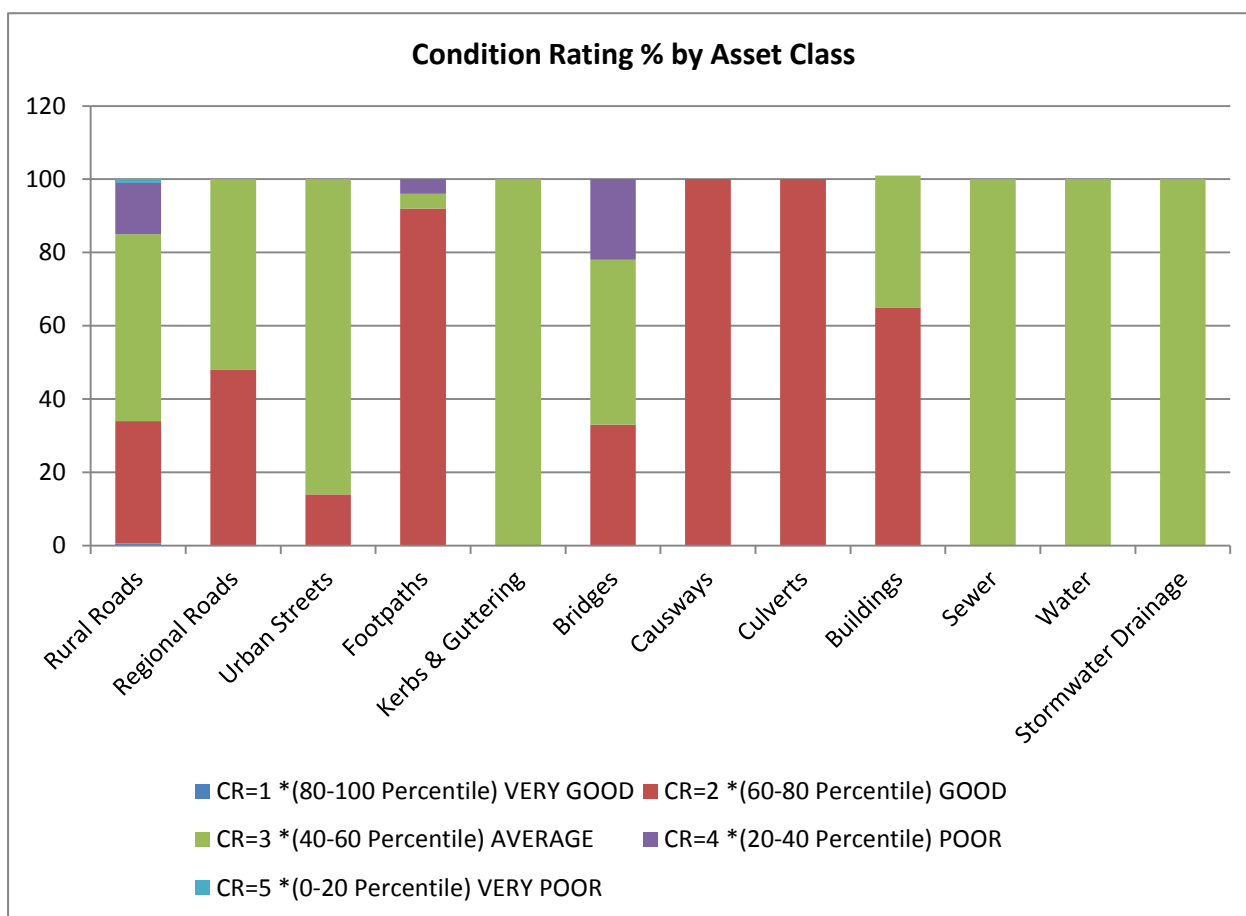
3.2   Cost to Bring Assets to Standard

3.2.1   Summary Cost to Bring Assets to Standard

The table below provides the cost to bring to standard of the assets where Council's standard is at condition rating 2 or 60-80% Good Condition.

Cost to 'Bring To Standard' ($'000)
Standard CR=2 or Good

Asset Class	Cost to 'Bring To Standard'
Buildings	$1,596
Roads Infrastructure	$3,323
Bridges & Causeways	$4,845
Sewer	$5,743
Water	$3,910

Cost to 'Bring To Standard ($'000
Standard = CR of 2 or Good
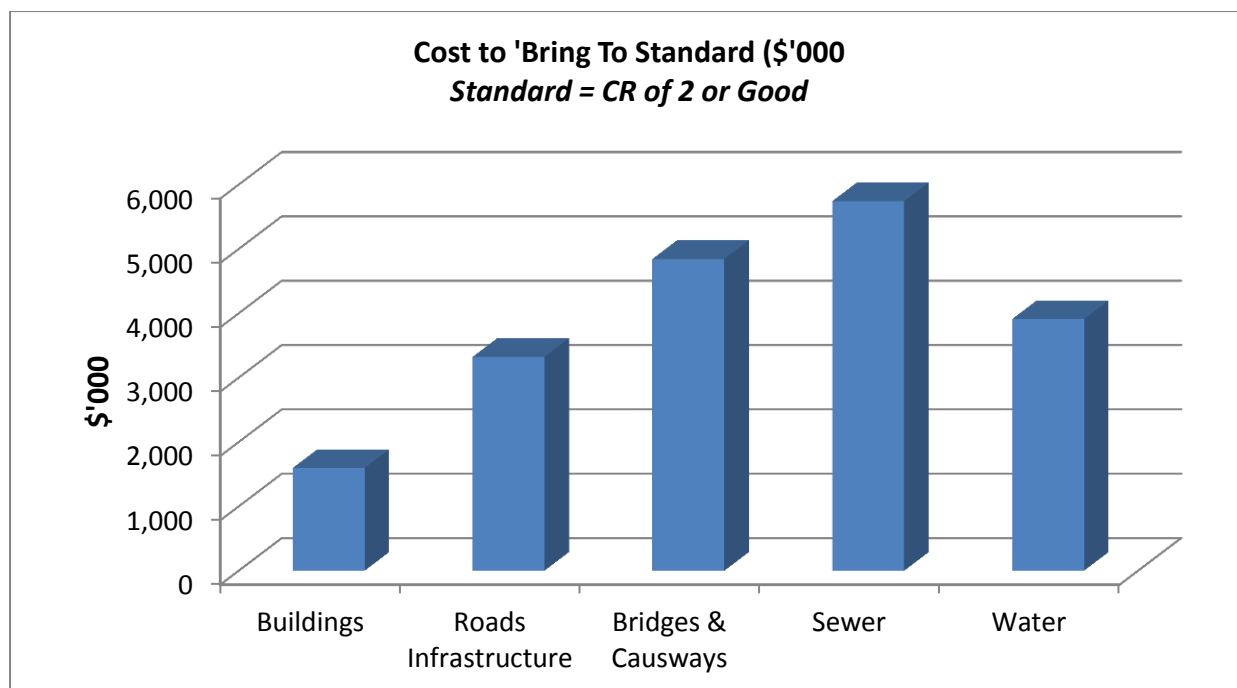
3.2.2 Cost to Bring Road Assets to Standard – 10 Year Projections

Council has robust condition data for the road assets however the model is still lacking in maturity as to the real life of the assets and assumptions have been made on expected asset life and cost to bring the asset to standard.

3.2.2.1 Cost to Bring to Standard Unsealed Rural Road Assets – 10 Year Projections

The table below projects the cost to 'Bring to Standard' Council's Rural Unsealed Roads pavements in current dollars.

Cost to Bring to Standard Rural Unsealed Roads Pavements $'000

Year	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Cost to BTS	2699	1740	587	2427	1641	6016	3432	2186	1816	3512
Av. Total CapEx	1700	1700	1700	1700	1700	1700	1700	1700	1700	1700
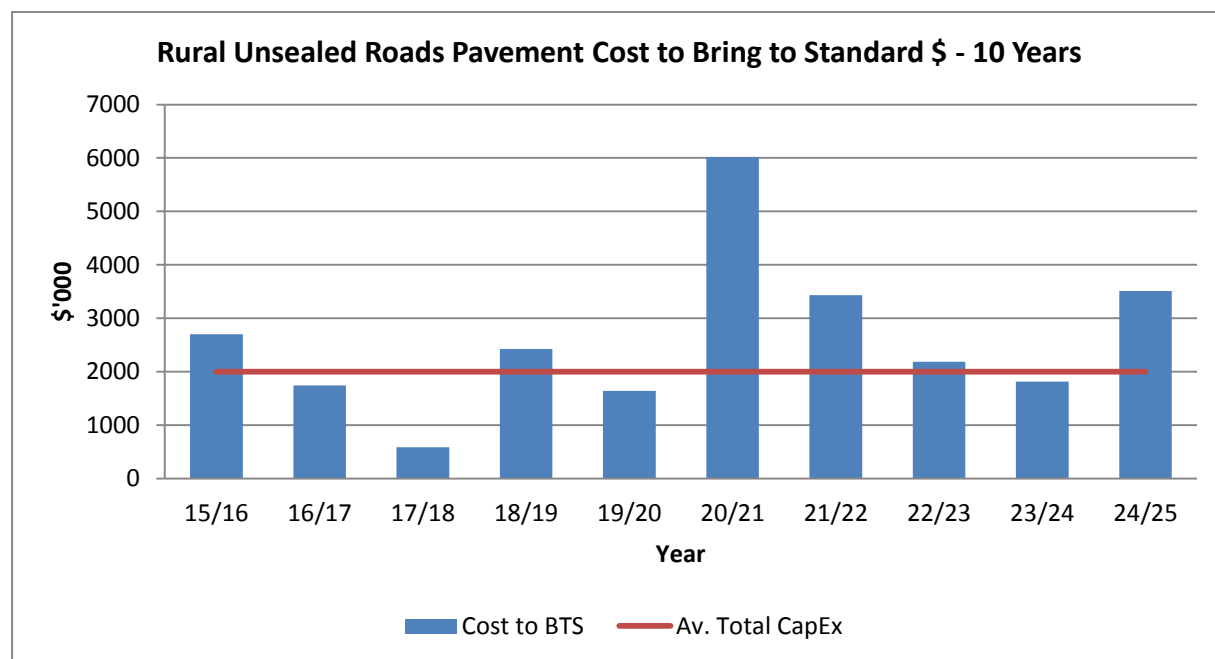
3.2.2.2 Cost to Bring to Standard Sealed Rural Road Assets – 10 Year Projections

The table below projects the cost to 'Bring to Standard' Council's Rural Sealed Roads pavements in current dollars.

Cost to Bring to Standard Rural Sealed Roads Pavements $'000

Year	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Cost to BTS	1070	196	805	0	2066	3426	0	6	5	200
Av. Total CapEx	1700	1700	1700	1700	1700	1700	1700	1700	1700	1700

Rural Unsealed Roads Pavement Cost to Bring to Standard $ - 10 Years
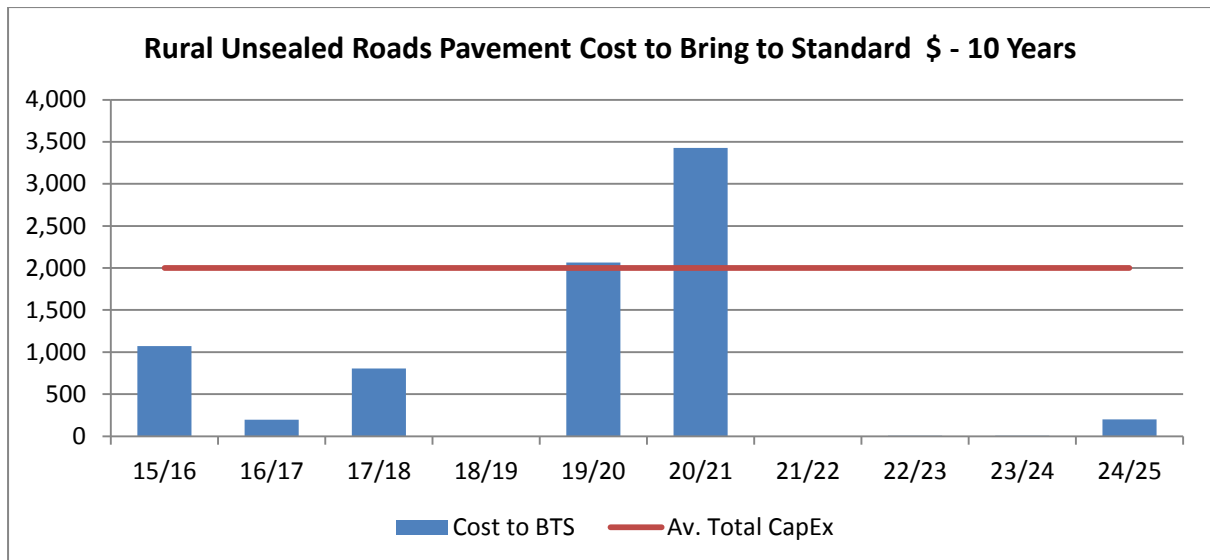
3.2.2.3   *Cost to Bring to Standard Rural Road Assets – 10 Year Projections*

The graph below projects the cost to 'Bring to Standard' all Council's Rural Roads pavements in current dollars.

Cost to Bring to Standard Rural Sealed and Unsealed Roads $ - 10 Years
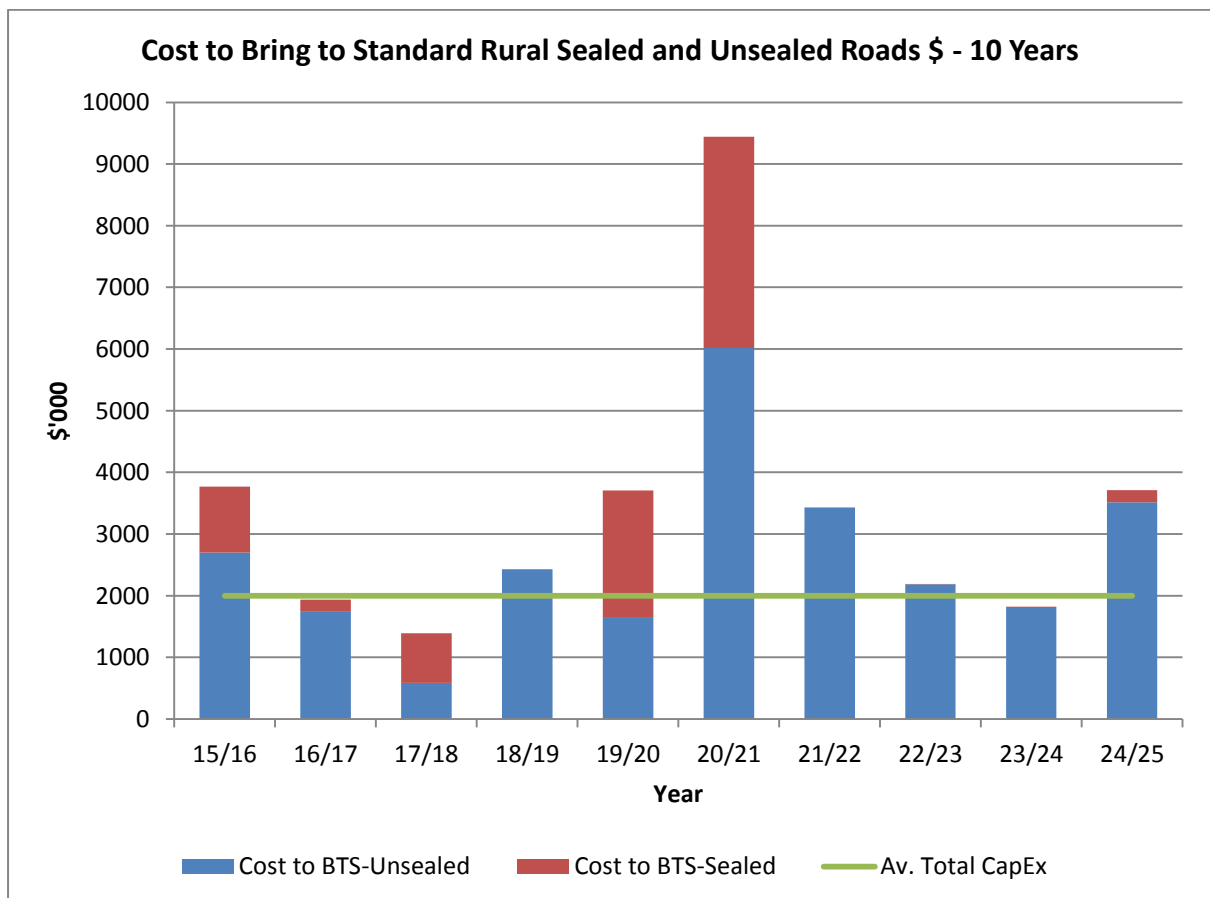
3.2.2.4 Cost to Bring to Standard Buildings – 10 Year Projections

The table below projects the cost to 'Bring to Standard' Council's Rural Sealed Roads pavements in current dollars.

Cost to Bring to Standard Buildings $'000

Year	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Cost to BTS	0	1,233	0	0	880	0	0	0	0	3,640
Av. Total CapEx	150	150	150	150	150	150	150	150	150	150
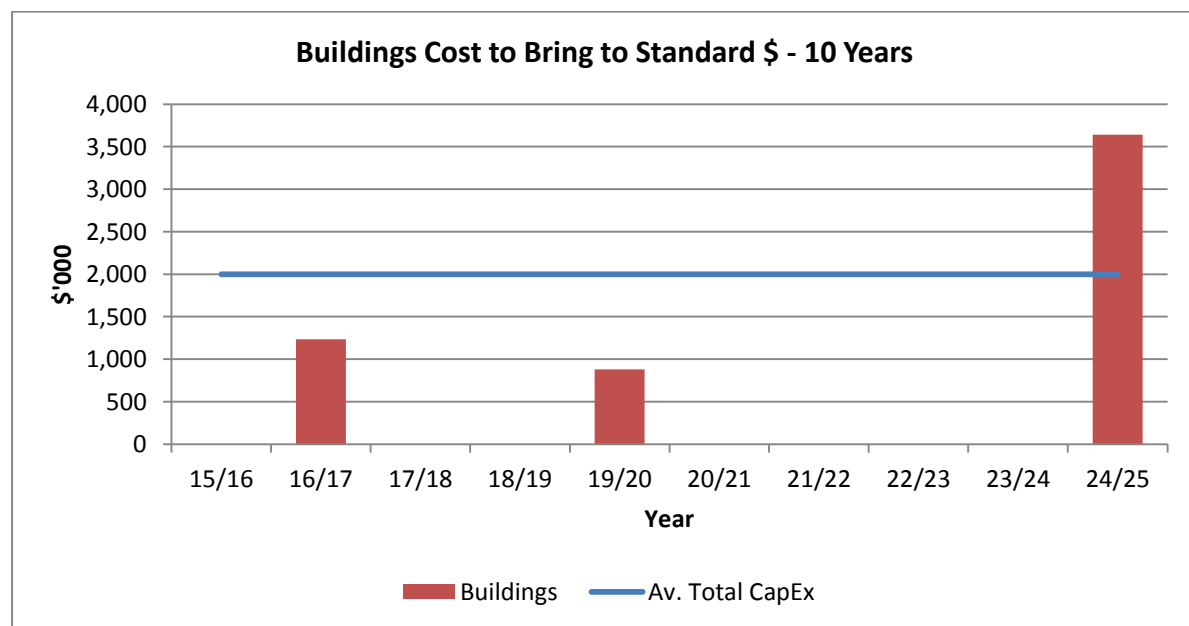
3.3   Asset Condition Rating Profiles

3.3.1   Roads - Condition Rating Profile

3.3.1.1   Unsealed Roads

Condition is measured using a 1 – 5 rating system as detailed in the Table below. In accordance with asset management guidelines the standard considered to be acceptable and fit for purpose will have a condition rating of 2.

Description of Asset Condition

Condition Rating	Description
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Fair: Significant renewal/upgrade required.
5	Poor: Unserviceable.

The graph below highlights the condition rating of Bombala's local unsealed roads. The observed condition rating relates to that which is applied to the road by Council technical staff and is based on how dilapidated the road condition is and also considers the traffic volumes, the type of vehicles using it, whether it is a school bus route, drainage performance, road profile, and risk management. It takes into consideration the width and depth of pavement gravel and the condition it is in at the time of inspection. Typically, given all these parameters the condition rating for Council maintained roads is substantially lower than what the community may apply.

Unsealed Roads Condition Rating Profile Observed against Target
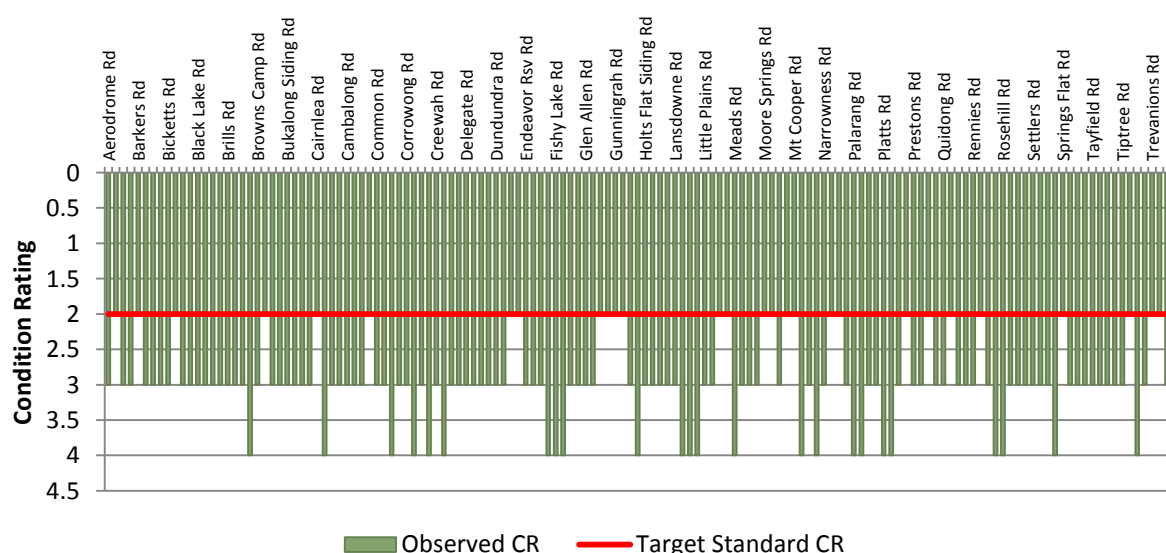
Note: All roads are listed alphabetically but not named in the above table due to number of roads

The weighted condition rating has been factored into the graph giving consideration to the traffic volumes and community views regarding the condition of the roads. Community surveys have revealed that the level of expectation regarding the condition of the road is perceived according to

the type of road and traffic volumes resulting in a reduced criteria. Therefore the weighted condition rating is invariably higher than that scored by Council.

Unsealed Roads - Condition Rating Profile

Note: All roads are listed alphabetically but not named in the above table due to number of roads

3.3.1.2 Sealed Roads

At the time the condition assessments were conducted the majority of Bombala's local sealed roads were at the target standard, i.e. they have a condition rating of two (2). Most of the local sealed roads within the area that are below the standard are regularly subjected to the heavy haulage transport of timber.

Sealed Roads - Condition Rating Profile

3.3.2   Buildings

The following graph gives information on the condition of Council buildings when assessed against the current Building Code Standard and when assessed against a reasonable "fit for purpose" standard as a percentage of very good condition or 100%.

Buildings - Condition Rating Profile

■ Condition Rating (Building Code Standard) ■ Condition Rating (Fit for Purpose Standard)
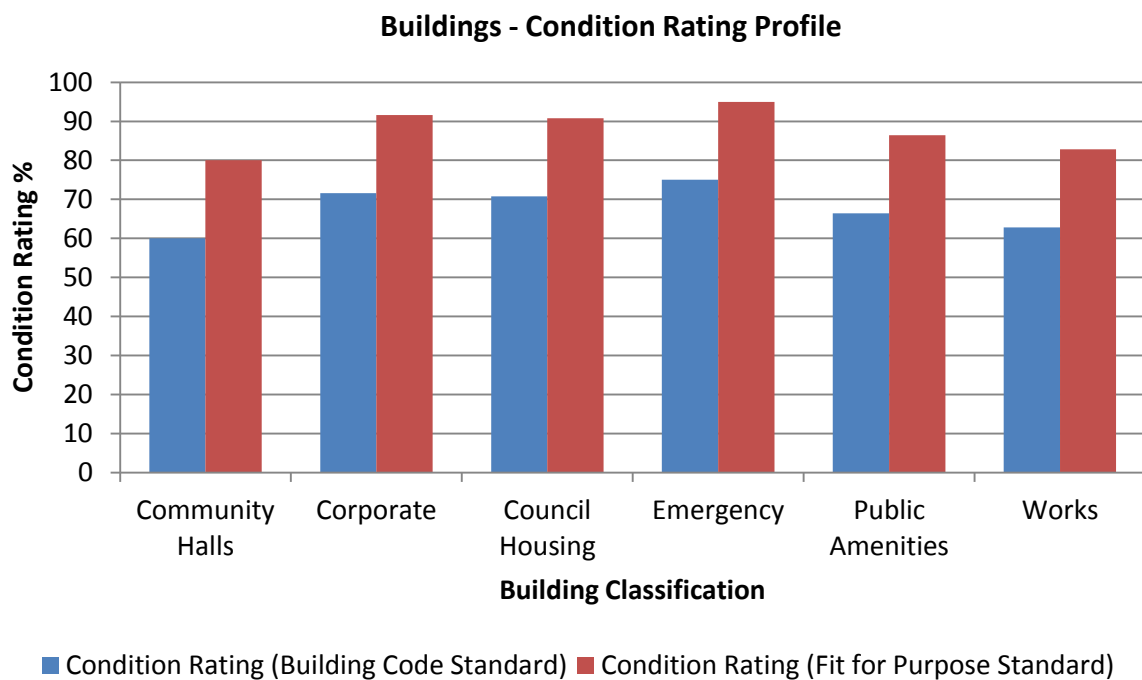
3.3.3   Asset Condition Profile – Water

Condition data for the water assets is not sufficiently robust to provide accurate and meaningful information at this point in time.

3.3.4   Asset Condition Profile – Sewer

Condition data for the sewer assets is not sufficiently robust to provide accurate and meaningful information at this point in time.

3.4   Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table below.

3.4.1   Life Cycle Cost for Council Services

Service	Previous Year Expenditure		Previous Year Depreciation Expense ($'000)	Life Cycle Cost ($/yr) ($'000)
	Operations ($'000)	Maintenance ($'000)		
Buildings and Council Facilities	$0	$494	$390	$884
Road Infrastructure	$0	$1,410	$755	$2,165
Bridges	$0	$73	$283	$356
Sewer	$75	$183	$353	$611
Water	$121	$337	$282	$740
Asset Totals	**$196**	**$2497**	**$2,063**	**$4,756**
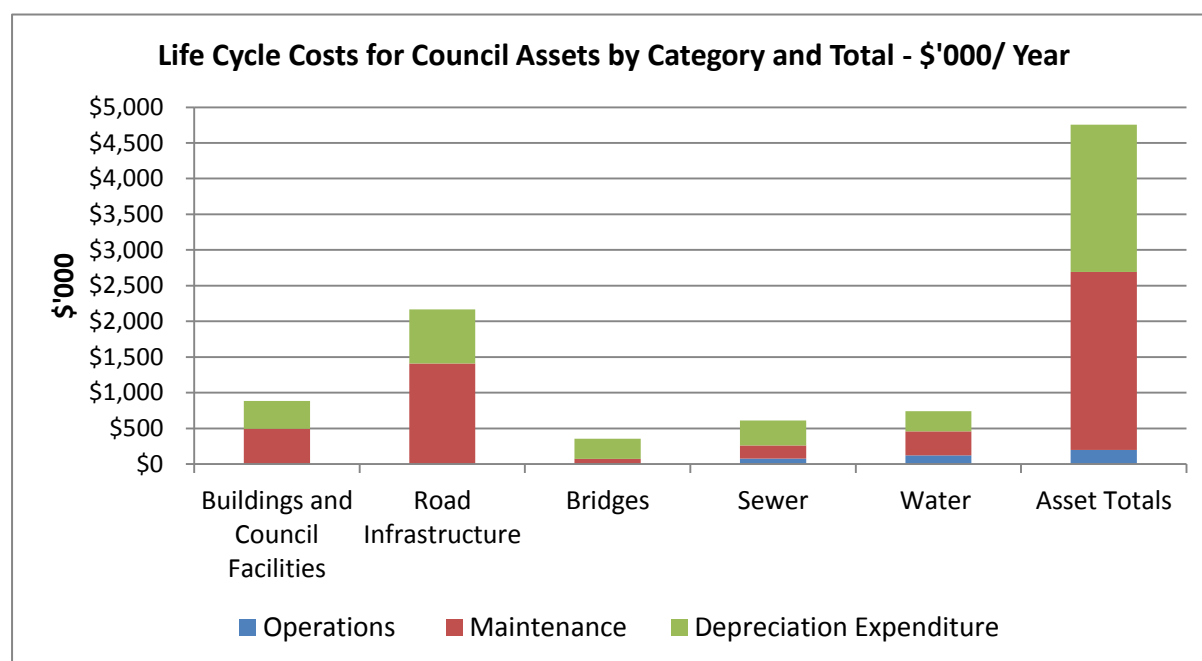
Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is shown in the following Table.

3.4.2 Life Cycle Expenditure for Council Services

The life cycle expenditure for Council services is calculated on using operations, maintenance and capital renewal expenditure for each class of assets.

Service	Previous Year Expenditure		Cap Renewal Exp	Life Cycle Exp
	Operations ($'000)	Maintenance ($'000)	($/yr) ($'000)	($/yr) ($'000)
Buildings	$0	$494	$104	$598
Road Infrastructure	$0	$1,410	$1610	$3,020
Bridges	$0	$73	$0	$73
Sewerage Systems	$75	$183	$71	$329
Water Supply	$121	$337	$61	$519
Asset Totals	**$196**	**$2,497**	**$1,846**	**$4,539**
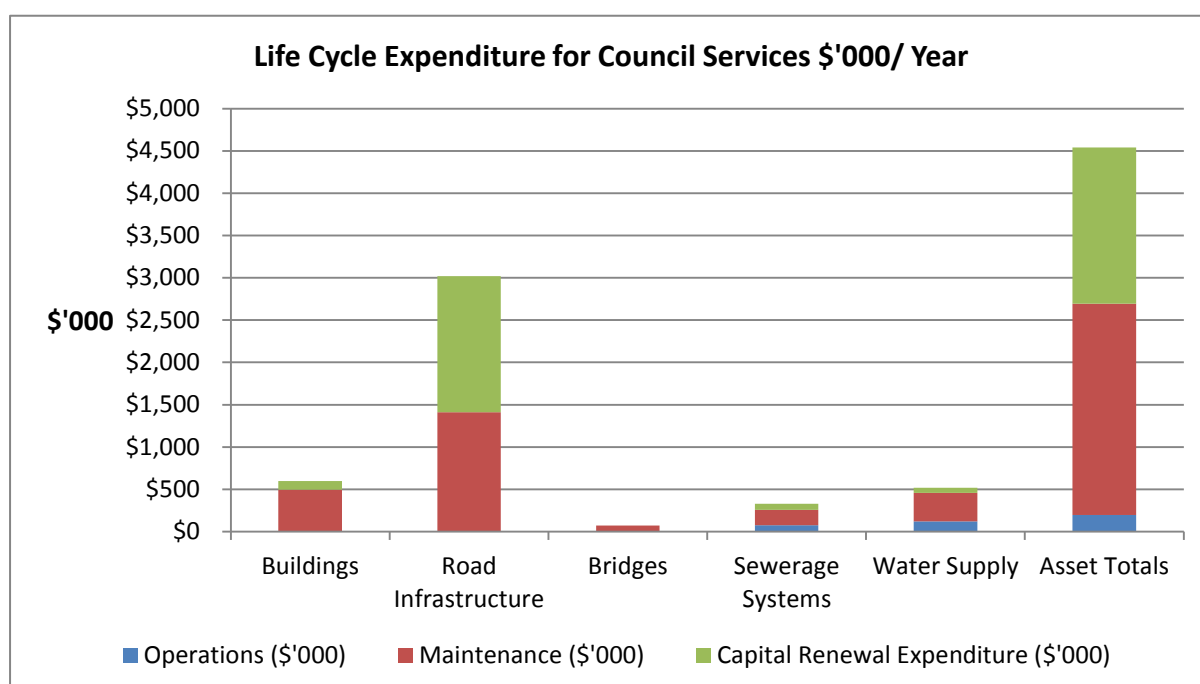
The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term, If the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays, and the service consequences if funding is not available, will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the AM Plans and long term financial plan.

3.4.3 Life Cycle Sustainability Indicators

A shortfall between life cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long term financial plan.

The life cycle gap and sustainability indicator for services covered by this asset management plan is summarised in the following Table.

Service	Life Cycle Cost ($,000/yr)	Life Cycle Expenditure ($,000/yr)	Life Cycle Gap * ($,000/yr)	Life Cycle Sustainability Index
Buildings & Council Facilities	884	598	-286	0.68
Road Infrastructure	2,165	3,020	855	1.39
Bridges	407	73	-334	0.18
Sewer	611	329	-282	0.54
Water	740	519	-221	0.70
Asset Totals	4,807	4,539	-268	0.94
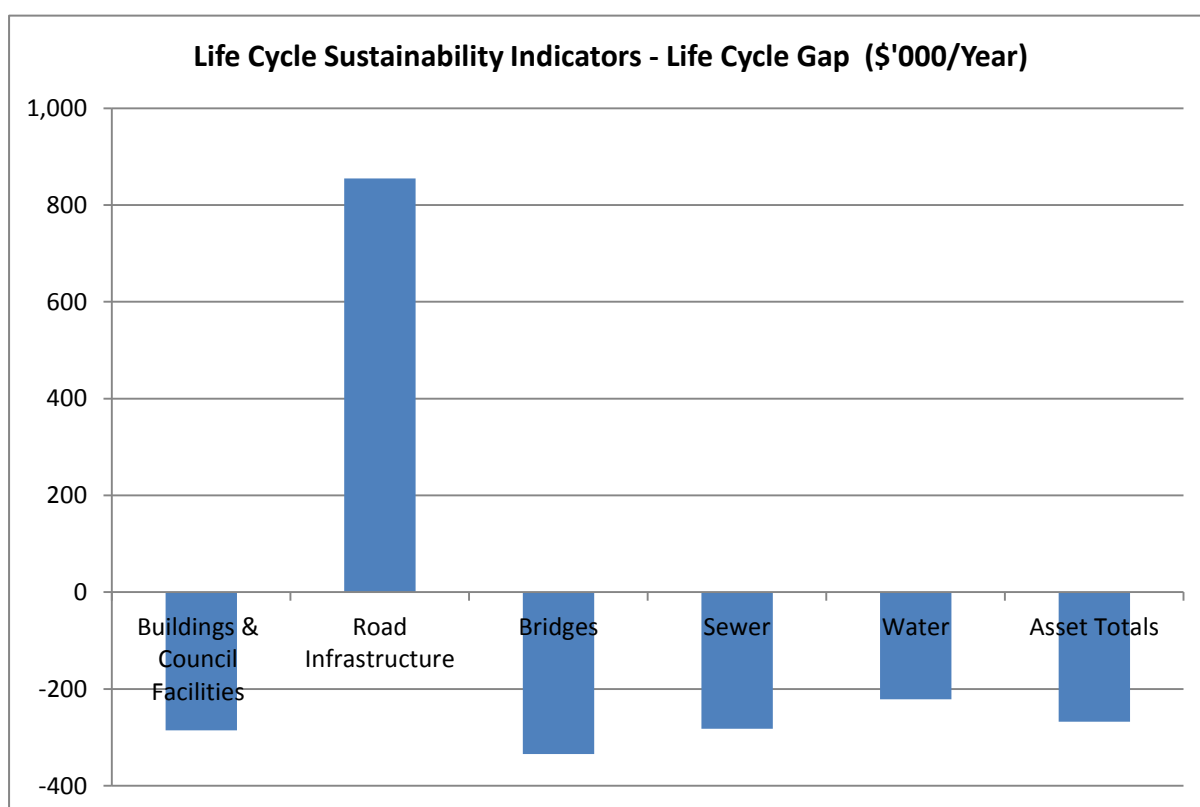
The life cycle gap is the difference between the capital renewal expenditure and the depreciation cost and the above graph is the gap for 2013/14. The expenditure on roads is dependent on grants and currently is expected to remain positive for the next year primarily due to the Fixing Country Roads funding.

*Note: * A life cycle gap is reported as a negative value in most cases as insufficient funds are expended.*

The above table shows the long term life cycle trends calculated for current data in 2015. Council has some short term challenges in the next 10 years, particularly with respect to town water mains.

The sustainability indicators are significantly influenced by the forecast of capital renewal and the planned expenditure on capital renewal and are dependent on the reliability of depreciation as a measure of asset consumption.

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

The Asset Management Plans, which provide the detail input into the sustainability assessment, consider 3 Scenarios.
• Scenario 1 uses the Asset Register valuation data to project the renewal costs for renewal years using acquisition year and useful life.
• Scenario 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or a combination of average network renewals plus defect repairs. Scenario 2 is still being developed for included asset categories.
• Scenario 3 balances the long term financial plan budgets with the projected renewal programme.

3.5   10 Year Asset Management Plans

The forward cash flows from Asset Management Plans are shown in this section. Scenario 1 is based on the asset register and long term financial plan budgets. These scenarios will be further developed and refined in 2015/16. Currently they are in accordance with the first draft Strategy.

3.5.1   Scenario 1

Scenario 1 using the asset registers.
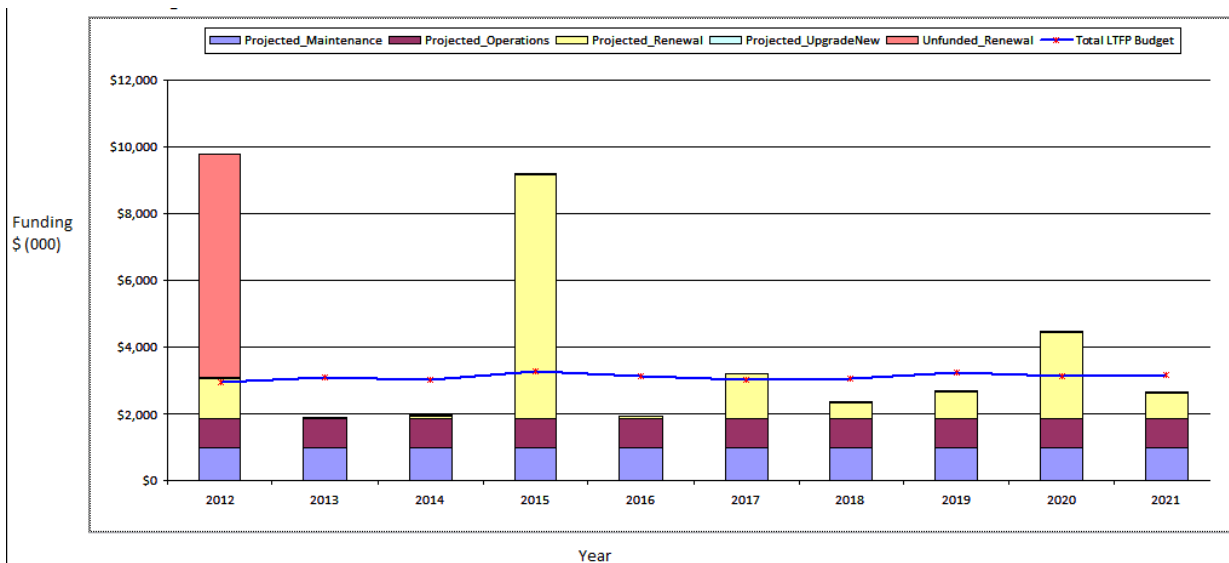
It is not recommended that this scenario is used since the asset register has a low confidence level for 10 year forward projections.

3.5.2   General Fund Scenario 2

Scenario 2 _Forward Programme in Asset Management Plans to keep all Assets at Satisfactory
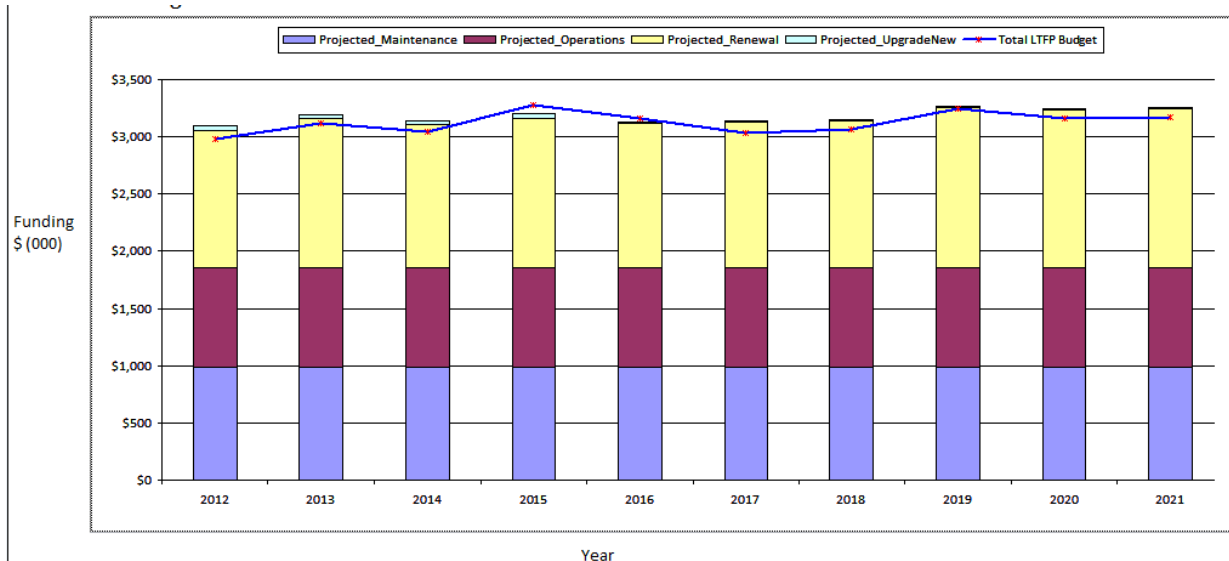
This scenario shows expenditures needed to sustain current services at satisfactory level is achievable.

3.5.3   Buildings Scenario 2
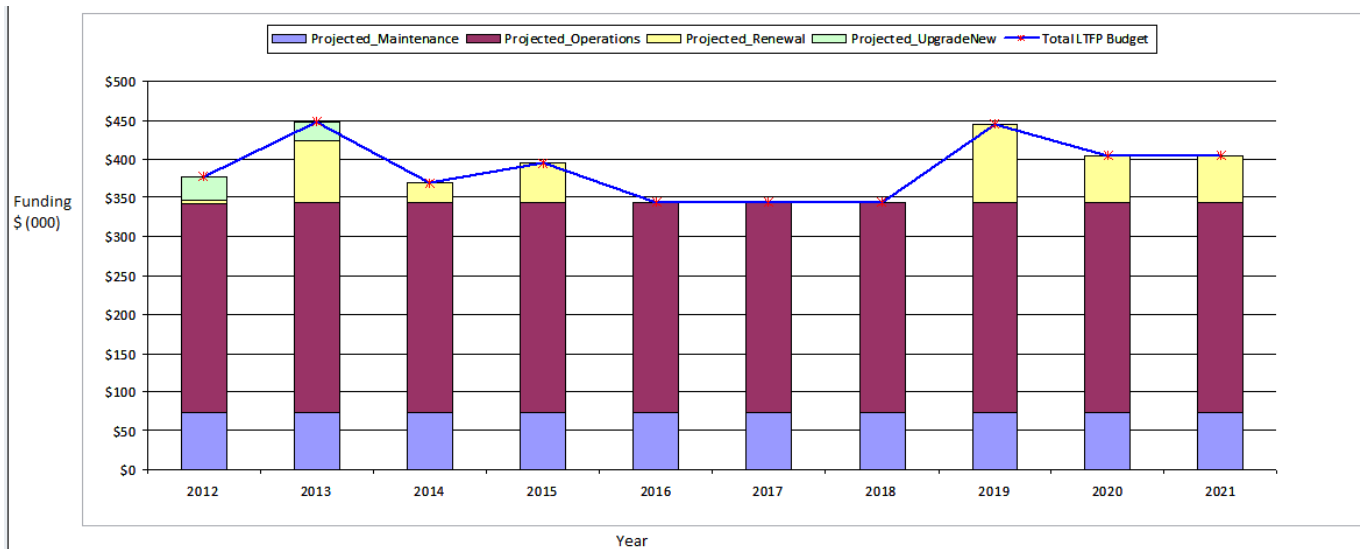
3.5.4   Transport and Drainage Scenario 2
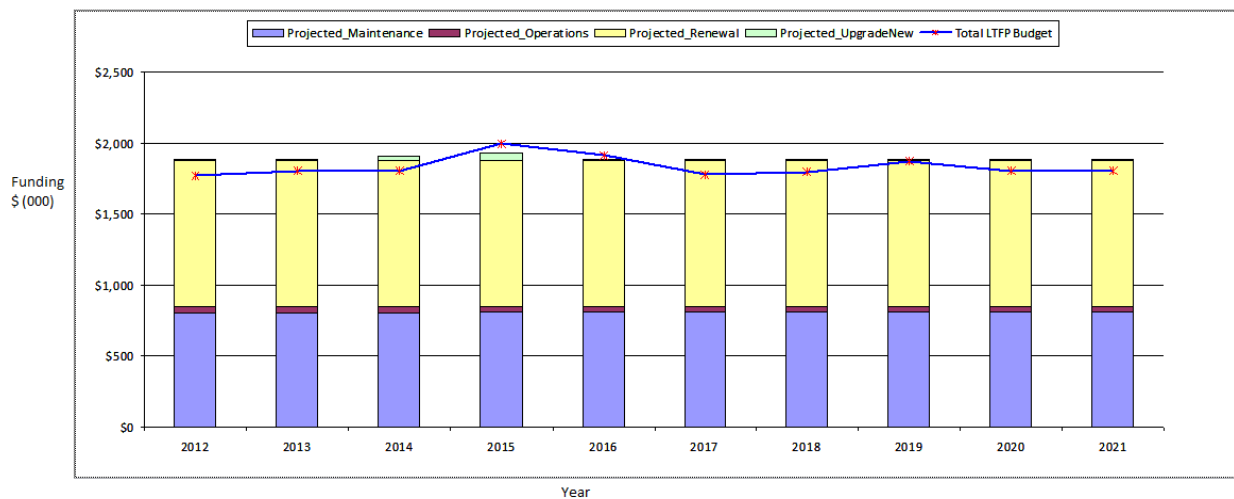
3.5.5 Sewer Scenario 2
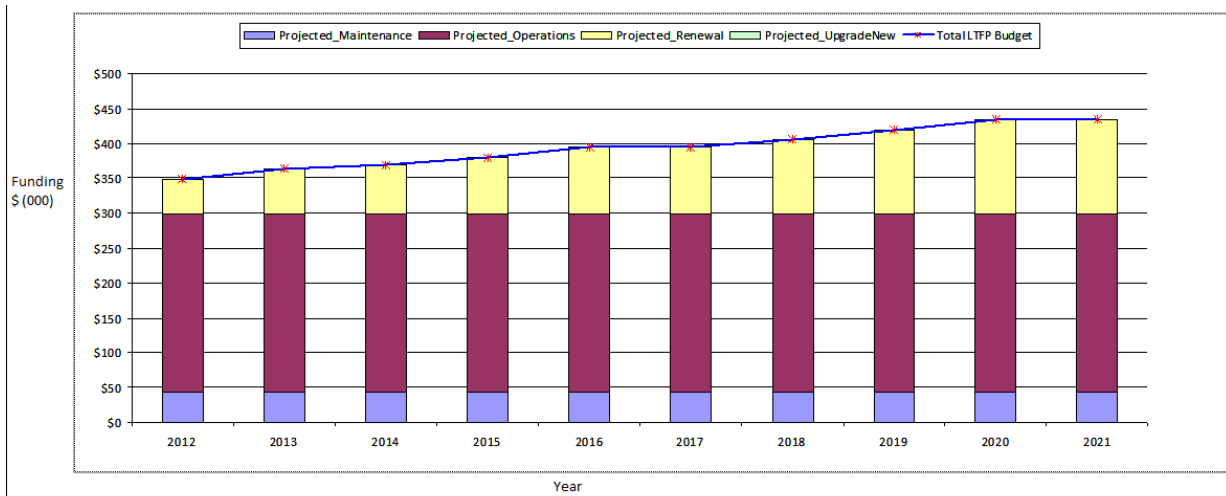
3.5.6 Water Scenario 2
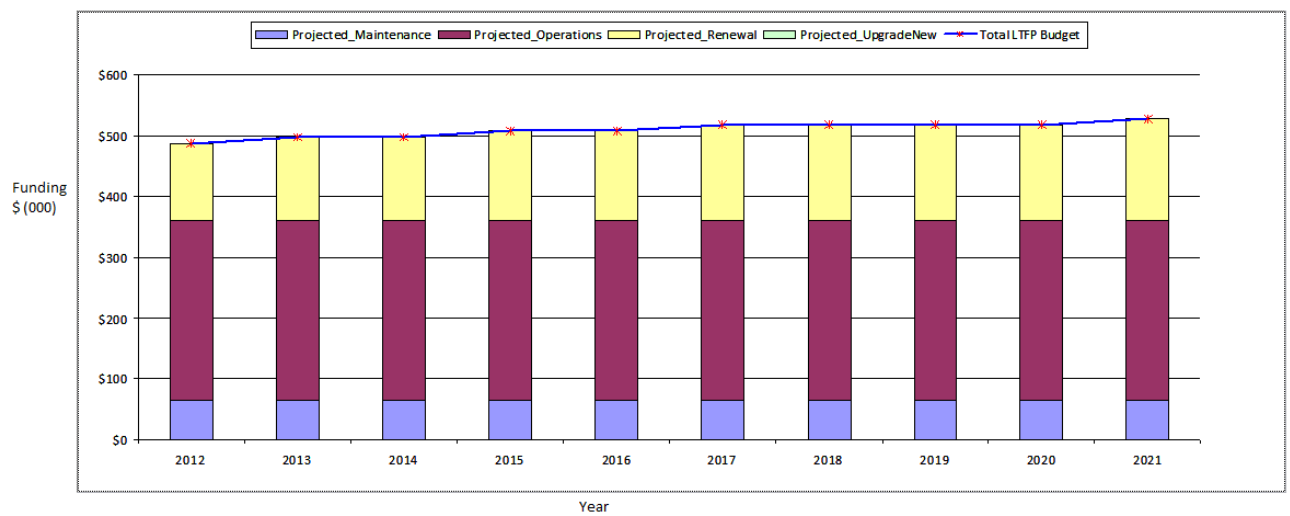
3.6   Asset Management Structure

The standing governance arrangement under NSW IP&R requirements will be under an Asset Management Steering Committee (AMSC) in accordance with the following outline and charter.

The role of the AMSC includes:

- Formulating an appropriate program of;
  - asset management governance,
  - service level reporting
  - risk management reporting
- Statutory compliance to achieve funded target outcomes under the asset management development programme (AMDP) identified in the asset management strategy
- Reviewing processes and providing direction on the development and implementation of an asset knowledge management strategy to ensure optimum benefit / cost / risk for technology systems, information management, business processes and reporting.
- Developing, implementing and monitoring key performance indicators that link the resourcing strategy to the Community Strategic Plan (CSP)
- Developing appropriate policies to ensure effective Asset Management across the organisation that demonstrate value for money whilst controlling risk and loss.
- Informing Council's Senior Management Group (SMG) of progress and
- Recommending to the group organisational change as required.

3.7   Asset Management Steering Committee

A 'whole of organisation' approach to asset management can be developed with a corporate asset management team[11]. The benefits of a corporate asset management team include:

- demonstrate corporate support for sustainable asset management,
- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,
- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over several phases.

Phase 1

- strategy development and implementation of asset management improvement program,

Phase 2

- asset management plan development and implementation,
- reviews of data accuracy, levels of service and systems plan development,

Phase 3

- asset management plan operation
- evaluation and monitoring of asset management plan outputs
- ongoing asset management plans review and continuous improvement.

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[11] See Appendix G for the Charter of the Asset Management Steering Committee

3.8   Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements[12] to assess 'core' competency under the National Frameworks. The core competencies are:

Financial Planning and Reporting
- Strategic Longer Term Plan
- Annual Budget
- Annual report

Asset Planning and Management
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council's maturity assessment for the core competencies is detailed in Appendix B and summarised in Figure 4. The current maturity level is shown by the blue bars. The maturity gap to be overcome for Council to achieve a core financial and asset management competency is shown by the red bars.

Core Asset Management Maturity 2015
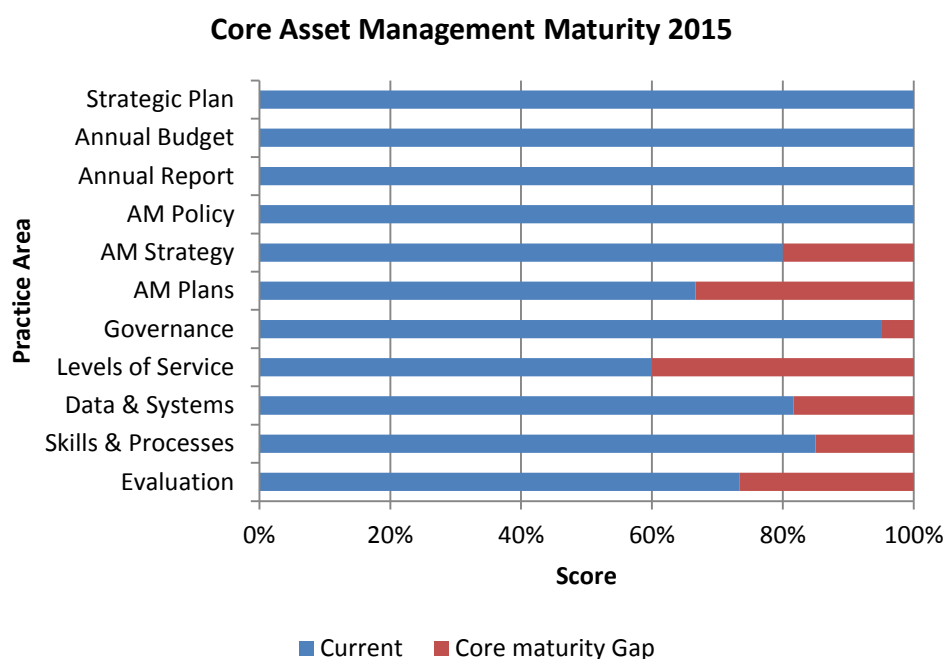
While Council has achieved a base of core maturity for all practice areas there are still weaknesses as detailed in the areas above.

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[12] Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans competencies.

4.   Where do we want to be?

4.1   Council's Vision, Mission, Goals and Objectives

Our community aspires to a future that will:

- Provide a strong, diverse and sustainable local economy that supports employment within the agricultural, forestry and tourism sectors and develops opportunities within niche markets.

- Maintain and improve local services with an emphasis on increased doctor numbers and provision of a dental service.

- Provide quality well maintained infrastructure including roads, footpaths, water and sewer services, community buildings and recreational spaces.

- Provide improved communication systems particularly mobile telephone coverage and emergency communications.

- Maintain the high quality natural environment with an emphasis on control of weeds and pests on rural land.

- Sustain current bio diversity of the area and ensure self-determination of land use.

Council's values and charter are set out in Council's Community Strategic Plan 2013/25 and are included below.

Goals	Objectives
1. Local Economy	- Identify local initiatives to broaden our economy and improve employment and apprenticeship opportunities - Identify and capitalise on local and regional opportunities to enhance the local economy - Assist appropriate agencies and agricultural and forestry enterprises to work together to ensure the long term viability of our local agriculture and timber sectors - Develop greater recognition of our "Platypus Country" unique brand and identity for the Council are to promote local economic growth and development - Provide services to community to enhance local economy and enhance Council's strategic capacity
2. Tourism	- Build on and enhance existing tourism operations to increase economic benefits to local businesses - Strengthen linkages with the East Gippsland, South Coast and Alpine areas - Identify and develop local facilities and amenities to support a range of tourism programs including Indigenous and cultural tourism initiatives - Develop facilities and amenities to encourage increased visitor numbers and length of stay - Promote the local area as bicycle and motorcycle friendly

Goals	Objectives
3. Environment	• Relevant agencies and stakeholders collaborate to maintain and improve our natural environment • Identify and support sustainable land use practices • Identify and implement measures to improve control of weeds and feral animals • Provide waste management, public and environmental health, fire prevention and emergency services
4. Community Wellbeing	• Agencies at all levels deliver and maintain community services and infrastructure that meet community needs • Provide high quality recreational and sporting facilities • Encourage and promote healthy and active lifestyles across all age groups within our community • Provide regulatory services to enhance community well being
5. Infrastructure	• Ensure that the planning and provision of public infrastructure reflects local and regional community needs in the long term • Provide a safe and accessible road network • Ensure that funding allocations from appropriate levels of government reflect the cost of maintaining heavy haulage routes on local and regional roads • Ensure that local water supplies and sewerage facilities are secure and meet long term community and industry needs
6. Local History and Culture	• Organise, support and promote a range of arts and community cultural activities and events • Support Bundian Way project to develop a shared understanding of the history and culture of the area • Promote and support local galleries, museums and historic sites
7. Participation and Leadership	• Engage with the community on a regular basis and in an open and accessible manner • Provide effective representation and advocacy on behalf of our communities • Ensure local governance systems are open, transparent and accountable • Ensure that Council's operations and activities are planned and delivered in a financially sustainable manner

4.2 Asset Management Policy

Council's Asset Management Policy defines Bombala Council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation as well as taking into account community needs and affordability.

The asset management strategy is developed to support the asset management policy and is to enable Council to show:

- how its asset portfolio will meet the affordable service delivery needs of the community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long term strategic plans.

The asset management policy is shown in appendix E.

4.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance,

Council aspires to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the futures, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the asset management strategy are to:

- ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability,

- safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,

- adopt the long term financial plan as the basis for all service and budget funding decisions,

- meet legislative requirements for all Council's operations,

- ensure resources and operational capabilities are identified and responsibility for asset management is allocated,

- provide high level oversight of financial and asset management responsibilities through GM reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

5.   How will we get there?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.   The following strategies will ensure that Council continues to deliver the objections of this policy.

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long term implications of Council services are considered in annual budget deliberations
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies	Improved financial and asset management capacity within Council
11	Report six monthly to Council on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

6. Asset Management Improvement and Engagement Plan

The tasks required to achieve a 'core' financial and asset management maturity are shown in appendix B. The governance process to manage ongoing asset management improvements is shown in Appendix F – GOV_1.

Table 8: Asset Management Improvement Plan

Project Plan Key Project Components	Manager Responsible *(Council to complete)*	Key Milestones for Achieving and Retaining Core Maturity			
		Status 2015	**2015/16**	**2016/17**	**After June 2017**
1. *Review and update community strategic plan*	GM MANEX	*CSP aligns with IP&R Documents. Additional scenarios may be needed to balance LTFP resources to achievable service targets. Outgoing Council reports progress made during the Council term*	*Review integration between CSP and Integrated Planning and Reporting (IP&R) Documents and their service level targets.*	*Council undertakes community consultation to determine CSP priorities and service levels and reviews CSP.*	*Review integration between CSP and IP&R Documents and their service level targets.*
2. *IP&R Documents development and coordination*	GM MANEX	*Council reviews and adopts 2015 IP&R Documents. IP&R Documents balance LTFP with AMPs. AM strategy outlines risks of current maturity as well as service levels that can be achieved by IP&R Documents*	*Council reviews and adopts 2016 IP&R Documents. IP&R Documents balance LTFP with AMPs. AM strategy outlines risks of current maturity as well as service levels that can be achieved by IP&R Documents*	*Council adopts 2016-2030 IP&R Documents. New Council engages community in reviewing and updating the Council's IP&R Documents as per community consultation strategy.*	*Council reviews and adopts 2016 IP&R Documents. IP&R Documents balance LTFP with AMPs. AM strategy outlines risks of current maturity as well as service levels that can be achieved by IP&R Document*
2.1 *Review and update Long Term Financial Plan*	FM MANEX	*Ensure LTFP balances with AMP costs to deliver service level and risk targets. This may involve a number of scenarios. Adopt LTFP*	*Council reviews LTFP and accompanying AM Strategy*	*Council reviews LTFP and accompanying AM Strategy*	*Council reviews LTFP and accompanying AM Strategy*

Project Plan Key Project Components	Manager Responsible *(Council to complete)*	Key Milestones for Achieving and Retaining Core Maturity			
		Status 2015	2015/16	2016/17	After June 2017
2.2 **Review and update Asset Management Plans Policy, Strategy**	DE MANEX	*AM Strategy reviewed and updated 2015 and adopted. AM Plans balanced with LTFP as part of the budget process with an achievable resourcing plan and service targets based on the LTFP. .*	*AM Plans to be further reviewed to ensure AMPs contain service levels and risks that reflect available resources in LTFP as well as scenarios to achieve target levels of service (if different to achievable levels of service)*	*Review AM Strategy and AM Plans balanced with LTFP as part of the budget process. Council may have additional scenarios showing alternative service levels if funding is available*	*AM Plans to be further reviewed to ensure AMPs contain service levels and risks that reflect available resources in LTFP as well as scenarios to achieve target levels of service (if different to achievable levels of service)*
3.1 **Business Planning and Budgeting coordination**	FM MANEX	*Delivery Program reviewed and updated*	*Review and update delivery programme*	*Review and update delivery programme*	*Review and update delivery programme*
3.3 **Develop a Knowledge / Information Management Strategy**	DE MANEX	*Knowledge / Information Management Strategy for AM developed*	*Review and refine knowledge management strategy for systems and data*	*Review knowledge management strategy for systems and data*	*Review knowledge management strategy for systems and data*
4.1 **Community Engagement Strategy**	GM MANEX	*Community Engagement Strategy established as part of IP&R process.*	*Review Community Engagement Strategy. Have achievable service targets and risk been communicated.*	*Implement Community Engagement Strategy in establishing community service targets and CSP goals .*	*Review Community Engagement Strategy. Have achievable service targets and risk been communicated.*
4.2 **Councillor Engagement Strategy**	GM MANEX	*Councillor Engagement Strategy developed and regular information provided on AM. .*	*Review and refine Councillor Engagement Strategy and provision of information on AM.*	*Review and refine Councillor Engagement Strategy and provision of information on AM.*	*Review and refine Councillor Engagement Strategy and provision of information on AM.*

Appendix A   Capital Works Prioritisation Matrix

Using Example Data – To be Applied to each capital project.

Description	Estimate			Cumulative Estimate	Appraisal Score	Risk Indicator	Annual Service Cost	Operating Expense ($/pa)	Addit. Revenue %age
	Renewal	Upgrade/ expansion	Total						
Parks and Reserves									
NON DISCRETIONARY									
Renewal A	$50,000		$50,000	$50,000					
DISCRETIONARY									
Proposal B	$0	$105,000	$105,000	$155,000	92.50	L	$30,600	$22,100	0.04%
Proposal C	$60,000	$130,000	$190,000	$345,000	91.00	H	$37,400	$22,600	0.09%
Proposal G	$0	$350,000	$350,000	$695,000	86.50	M	$55,400	$27,000	0.19%
Total	$110,000	$585,000	$695,000					$71,700	0.32%

Source: Asset Investment Guidelines, Local Government Victoria

Appendix B   Asset Management Maturity Improvement Plan

Practice Area	Improvement Plan Actions	Status
Strategic Longer Term Plan	1. Update the service level projection in the CSP and ensure service measures align with the community service levels in the AMPs.	Completed but further work needed on AMPs
Annual Budget	1. Ensure budget aligns with CSP service targets.	Completed within financial constraints
Annual Report	1. Ensure the special schedule 7 summary aligns with AMPs and annual report overview	In progress – due for 30 June 2015 report
	2. Add a state of the assets graph showing % Good/Fair/Poor for quality/condition, function and capacity.	Done for some classes of assets – to be completed 2015/16
AM Policy	1. Review policy as needed following completion of IP&R documents.	Completed

AM Strategy	Ensure the strategy covers the following areas under IP&R:
	  2.12 The Asset Management Strategy must include a council endorsed Asset Management Policy.
	  2.13 The Asset Management Strategy must identify assets that are critical to the Council's operations and outline risk management strategies for these assets.
	  2.14 The Asset Management Strategy must include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.
		Completed

AM Plans	1. Complete asset management plans.	Completed but plans need to be reviewed 2015/16
Governance and Management	1. AM working group implements the Asset Management Improvement Plan (AMIP) and reports progress to MANEX. 2. This report is the initial AMIP. 3. Use available template for prioritising capital expenditures.	Completed and system implemented
Levels of Service	1. Use AMP and templates to develop technical and community service levels 2. Link community service levels in AMPs with CSP.	In Progress due 2016
Data & Systems	1. Implement a knowledge management strategy including business processes to update component and financial registers. 2. Formalise the current high level of knowledge and expertise used to develop forward programmes. 3. Add risk management documentation as part of the inspection procedures. 4. Use this maturity assessment to benchmark AM performance.	Completed and ongoing measurement and documentation commenced.
Skills and Processes	1. Document audit trail processes for asset register updates. 2. Implement risk management processes to link AMP risk management plan to high level residual risks in a corporate risk register. 3. Knowledge management strategy will need to address what to do about GIS in the next 12 months.	Completed and progressively improving asset data in GIS as funds permit
Evaluation	1. Use this AMIP to implement all tasks through the AMWG and MANEX.	Being undertaken

Appendix C   Asset Management Maturity Strategy Modelling Results

See Asset Management Plans

Appendix D   Asset Management Plan and Long Term Financial Plan Inputs

See Asset Management Plans

Appendix E   Asset Management Policy

BOMBALA COUNCIL	ASSET MANAGEMENT POLICY	DOC NO	
		VERSION 1	DATE 9 APR. 12
CONTROLLER:	APPROVED BY:	REVIEW DATE	
GENERAL MANAGER	COUNCIL		

1.0 Purpose   To set guidelines for implementing consistent asset management processes throughout Bombala Council.

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

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.

- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.

- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by training and development.

- Meeting legislative requirements for asset management.

- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.

- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.0 Scope   This policy applies to all Council activities.

4.0 Policy   **4.1   Background**

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

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

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

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

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

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

4.2 Principles

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

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

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

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

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

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

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

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

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

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

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

4.2.12 Training in asset and financial management will be provided for

councillors and relevant staff.

5.0 Legislation   Local Government Act 1993.

Local Government Amendment (Planning and Reporting) Act 2009. The Act sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The amendments to the Act give effect to the Integrated Planning and Reporting framework.

6.0 Related Documents   Asset Management Strategy and associated Asset Management Plans.

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

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

Review Date   This policy has a life of 4 years. It will be reviewed in April 2016.

Council Meeting Date   16 May 2012

Appendix F   Asset Management Governance Processes

Service and Asset Management Development Programme Process				
GOV_1	© JRA	Bombala Shire Council	15th April 2012	V2

Network Folder.   Asset Management Plans
All files registered in DMS

Word Document
- AM Strategy and Policy

Word Documents
- AMP - Parks
- AMP - Transport
- etc

Word Documents
- RMP - Transport
- etc

Maturity Audit
- Maturity Report
- Recommended Improvements

Risk Management Plan
- Risk Management Actions
- etc

Service Improvement Register
- AM Strategy Tasks
- Section 8.2 Improvement Tasks
- Maturity Improvement Tasks
- Risk Control Tasks
- Service Improvement Tasks

High Or V High Risk

Project Management Form For Each Task Reported to Steering Committee

Online Asset Management Improvement Monitoring System (AMIMS) Improvement UID
- Task Description
- Risk
- Option 1 Risk Cost Benefit | Option 2 Risk Cost Benefit | Option 3 Risk Cost Benefit
- Decision (proceed / do not proceed / more information needed)
- Accountability for Implementation

Service Review

Improvement Reporting

Is there a high residual risk

Place on risk register (see risk management process)

Resourcing Strategy
- Business Plan
- Service Plans
- Delivery Programme
- LTFP

Service Level reporting

Service Level reporing

	Update Process for Asset Management Documents		
GOV_2	Doc Ref	Bombala Shire Council	15th April 2012	V2

JRA

Network Folder. AM Resourcing Strategy
All files registered in DMS

Word Document

AM Strategy and Policy

Word Documents

AMP - Parks

AMP - Transport

etc

Word Documents

RMP - Transport

etc

XL Files

Risk Register - Parks

Risk Register – Transport

etc

XL Files

NAMS data templates - Parks

NAMS data templates – Transport

etc

Check out file for update
Use DMS

Asset Manager or JRA
Update Documents

Update Version Control
in AMP

Legend

AMP = Asset Management Plan
RMP = Risk Management Plan
NAMS = National Asset Management Strategy Templates and Software (IPWEA)

Update File Names
See Below

Asset Manager to check in updated document as a new revision

Will the changes
Impact the AM Strategy? —Yes→

Notify AMFG

←No—

File Naming for Asset Management Plan and Risk Management Plan Documents

Cncl_Job_YYMMDD

S1V5 = Scenario 1 Version 5

- 83_397_110816_NAMS.PLUS_AMP Transport S1V5 = Asset Management Plan (Word Document)
- 83_397_110816_NAMS.PLUS_AMDT Transport S1V5 = Asset Management Data Template (XL File)
- 83_397_110816_NAMS.PLUS_RMP Transport S1V5 = Risk Management Plan (Word Document)
- 83_397_110816_NAMS.PLUS_RMDT Transport S1V5 -= Asset Management Data Template (XL File)

Scenarios and Versions

Scenario 1 (S1V1) Current Asset Register, Current Budget/ LTFP
Scenario 2 (S2V1) Estimated Delivery Programme instead or asset register, Current Budget. *Estimated activities for the next 10 years to maintain current service levels. (reseal programme, gravel resheet programme, building renewal programme)*
Scenario 3 (S3V1)
Adopted Delivery Programme / long term works programme balanced to Adopted LTFP *(This shows service levels and risks of the adopted resourcing strategy)) Asset Renewal Activities balance to LTFP*

A version is the best available data for any scenario.

Network Folder. AM Resourcing Strategy
All files registered in Document Management System (DMS)

Word Document

AM Strategy and Policy

Word Documents

AMP - Parks

AMP - Transport

etc

Word Documents

RMP - Transport

etc

XL Files

Risk Register - Parks

Risk Register – Transport

Risk Register – Non Asset Services

XL Files

NAMS data templates - Parks

NAMS data templates – Transport

etc

High & VH Residual Risks

Risk Analysis Is the Risk Under Control

High and Very High Residual Risks reported to Asset Team Regular Review

Should Risk be reported to Audit Committee

Regular Review of Corporate Risk Register for High /Very High Residual Risks for All Services

Place on Corporate Risk Register Report to Audit Committee

Audit Committee Informs Council of Risks and Options

H RISK

Y

Y

N

Y

Y

N

Appendix G   Asset Management Steering Committee Charter

Asset Management Steering Committee Guide:		Doc No	
		Version 1	Date April 2012
CONTROLLER:	**APPROVED BY:**	**REVIEW DATE:**	
GENERAL MANAGER			

CHARTER

1. Ensure core level governance practices for asset related services and advise the executive management team on any areas of corporate risk.

2. Ensure legislative and risk management compliance for asset related services.

ROLES and RESPONSIBILITIES

1. Maintain the AMIP project plan showing tasks, responsibilities in accordance with Appendix C

2. Allocating appropriate budget ensuring that effort, expenditures and charges are appropriate to stakeholder expectations

3. Schedule of agreed implementation tasks or projects

4. Risk management strategies, ensuring that strategies to address potential threats to the project's success have been identified, estimated and approved, and that the threats are regularly re-assessed

5. Help balance conflicting priorities and resources

6. Provide guidance to the project team and users of the project's outputs

7. Check adherence to project activities to standards of best practice both within the water industry and Council

8. Foster positive communication outside the Team regarding the project's progress and outcomes.

9. Ensure resources, processes and reporting are in place to implement the AMIP

10. Achieve and maintained core level asset management practice or as amended by Council through the AMIP.

11. Ensuring the governance processes in Appendix C are in place and followed.

CHARTER DETAIL

The role of the AMSC includes:

- Formulating an appropriate program of:
    - asset management governance
    - service level reporting
    - risk management reporting
    - statutory compliance
- to achieve funded target outcomes under the asset management development programme (AMDP) identified in the asset management strategy
- Reviewing processes and providing direction on the development and implementation of an asset knowledge management strategy to ensure optimum benefit / cost / risk for technology systems, information management, business processes and reporting.
- Developing, implementing and monitoring key performance indicators that link the resourcing strategy to the Community Strategic Plan (CSP)
- Developing appropriate policies to ensure effective Asset Management across the organisation that demonstrate value for money whilst controlling risk and loss.
- Informing Council's Senior Management Group of progress and
- Recommending to the group organisational change as required.

2) Asset Management Steering Committee (AMSC)

Purpose of the AMSC - Primary Function

The primary function of the AMSC is to take responsibility for determining the program, governance, and the achievement of outcomes of the Asset Management Development Project (AMDP). The AMSC will monitor and review the project status, as well as provide oversight of the project deliverable rollout.

The AMSC provides a policy level overview so organisational governance requirements, concepts and directions are established and maintained whilst allowing innovation and continuous improvement in value for money service delivery. The AMSC provides insight on long-term strategies in support of legislative mandates.

Members of the AMSC ensure business objectives are being adequately resourced and addressed, and the project remains under control. In practice, these responsibilities are carried out by performing the following functions:

- Active involvement to monitor and review the project at regular PGC meetings
- Provide assistance to the project when required
- Control project scope as emergent issues force changes to be considered, ensuring that scope aligns with the agreed business requirements of the project sponsor and key stakeholder groups
- Resolve project conflicts and disputes, reconciling differences of opinion and approach
- Formal acceptance of project deliverables
- Ensure all asset management resource allocation is based on benefit / cost / risk analysis.

Approval Responsibilities

The AMSC is responsible for approving major project elements such as:

- Deliverables as identified in the project Implementation Programme

- Prioritisation of project objectives and outcomes identified in the project Implementation Programme
- Allocating appropriate budget ensuring that effort, expenditures and charges are appropriate to stakeholder expectations
- Schedule of agreed implementation tasks or projects
- Risk management strategies, ensuring that strategies to address potential threats to the project's success have been identified, estimated and approved, and that the threats are regularly re-assessed
- Providing a regular risk report to Councils audit committee based on the risk management plans. The report covers significant residual risks resulting from asset based services that result from limited resource allocation or limited capacity to control risks. The risk report will be quarterly of as needed for high risks needing immediate attention.
- Providing a regular service level achievement report to the executive, reporting on the achievement against service level targets set in the asset management resourcing strategy.

3) AMSC Committee Membership

The AMSC will consist of the Management Executive and the agenda items of each AMSC Meeting will determine which AMSC members will be required to attend specific meetings. For example specific AMSC meetings regarding policy and strategy may require attendance by entire executive team. This will be determined by the Chair of the AMSC.

Role of a AMSC Committee Member

It is intended that the AMSC leverage the experiences, expertise and insight of key individuals committed to professional project management. AMSC members are not necessarily directly responsible for managing project activities, but provide support and guidance for those who do. Thus, individually, AMSC members should:

- Understand the strategic implications and outcomes of initiatives being pursued through project outputs
- Appreciate the significance of the project for some or all major stakeholders and represent their interests
- Be actively involved and genuinely interested in the project initiative, and be an advocate for broad support for the outcomes being pursued in the project
- Have a broad understanding of project management issues and approaches being adopted

In practice, this means they:

- Review the status of the project
- Ensure the project's outputs meet the requirements of the business owners and key stakeholders
- Help balance conflicting priorities and resources
- Provide guidance to the project team and users of the project's outputs
- Consider ideas and issues raised
- Check adherence to project activities to standards of best practice both within the water industry and Council
- Foster positive communication outside the Team regarding the project's progress and outcomes

Input will be sought from Specialist and Technical advisors as required.

4) AMSC Meetings

Meeting Schedule and Progress

The AMSC team will meet quarterly or as required to keep track of issues and the progress of the project's implementation and ongoing support to its stakeholders. The project manager chairs the AMSC and facilitates the AMSC Meeting.

Meeting Agenda

At each meeting, project status will be reported to the AMSC by the Project Manager using an agenda determined by the AMSC. The agenda may include the following:

- Review Project Status
- Overall status
- Scope status
- Schedule status
- Budget status
- Issues Register
- Outstanding issues, open points, project conflicts
- Reason for deviating from agreed targets
- New issues arising since the last AMSC meeting
- Review and approval of project change orders
- Plans for next reporting period
- Specific requests for assistance of the AMSC
- Consideration of other items relevant to the project
- Review and summarise new actions from this meeting
- Plans, dates and location for next meeting

The agenda items of each AMSC Meeting will determine which AMSC members will be required to attend specific meetings. For example specific AMSC meetings regarding policy and strategy would require attendance by Executive team.

5) Guidelines / Standards

The AMSC will reference relevant industry guidelines and practices.

- The following guidelines and standards have also been used and referenced throughout the corporate project:
- International Infrastructure Management Manual – International edition 2006.
- Australian Infrastructure Financial Management Guidelines - Edition 1.0 - 2009
- Optimised Decision Making Guidelines - New Zealand edition 1 2004.
- Creating Customer Value from Community assets - New Zealand edition 1 2002
- Australian Standards
    - AS 5037 (Int):2003 Interim Australian Standard Knowledge Management
    - AS/NZS 4581:1999 Management System Integration – Guidelines to
    - Business, Government and Community Organisations
    - AS/NZS ISO 9000:2000 Quality Management Systems
    - AS/NZS ISO 9004:2000 Quality Management Systems – Guidelines for
    - performance improvements
    - AS 3806:1998 Compliance Programs

- AS/NZS 4360:1999 Risk Management- updated by Risk Management Standard AS/NZS ISO 31000
- HB 143:1999 Guidelines for managing risk in the Australian and New Zealand public sector.
- Local Government Financial Sustainability Framework - Local Government and Planning Ministers' Council.
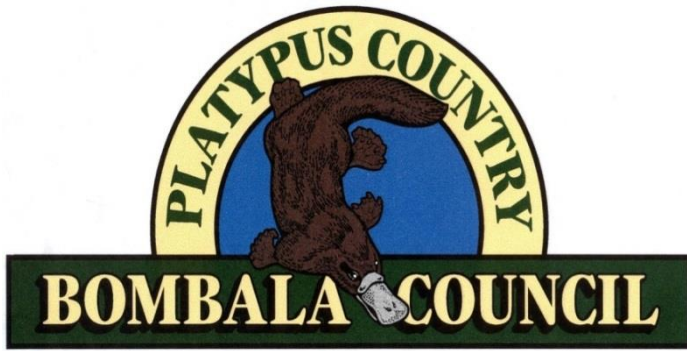- Various Federal and State Government Asset Management reports and studies.

6) Asset Management Policy

Council will consider and adopt an Integrated Total Asset Management policy drafted by the steering committee. A copy of the adopted policy is attached. The policy ensures commitment to the adoption and integration of best practice Asset Management principles and practices within Conargo Shire Council. Integral to the policy are:

- Developing and implementing a Total Asset Management system that becomes a key part of corporate planning and management, and general culture of the organisation.
- Reducing risk through improved Asset Management practices.
- Improving decision making by providing better data on assets.
- Developing an Asset Management Information System (computer software) that provides for optimised decision making having regard to trade-offs and financial considerations) and accurate, reliable and timely internal and external reporting of relevant information related to assets.

Appendix H   Asset Management Plan Capital Cost Projections

See Asset Management Plans for Details

WORKFORCE PLAN

(Adopted 24 June 2015)

Contents

Introduction

Council is a multi disciplinary organisation and requires a workforce with a diversity of skills to deliver a wide range of services. Council's Workforce Planning process is a continual process designed to match workforce requirements with organisational objectives now and in the future.

The Workforce Plan forms an essential part of the Resourcing Strategy in the Integrated Planning and Reporting Framework and is designed to ensure Council is appropriately staffed to handle the changes and challenges over the 4 years of the Delivery Program and more generally over the 10 years of the Community Strategic Plan.

Labour market supply and demand factors, skills shortages, staff retention, work and family considerations, an ageing workforce and equity and diversity issues are some of the issues that impact on Council's workforce management plan.

Essentially Council is seeking to have the right mix of people and skills at the right time and for the best employment cost to meet the community's needs and its operational objectives.

As an organisation Council aims to:

- Have an employee skill base to match its role
- Maintain technical expertise or have access to technical expertise
- Communicate with the community better
- Strengthen its capacity as a risk manager, project manager, resource manager and strategic thinker
- Foster a positive, progressive, change embracing and safety conscious work culture
- Value trust, honesty and respect and be consistent and transparent in decision making
- Act fairly and lawfully in a professional manner
- Provide consistent and reliable services to the community
- Identify innovative sources of funding to achieve Community goals
- Provide value for money services and facilities

Current Strategies

Training and Skills Development

A common problem identified at destination 2036, a forum held some time ago in Dubbo to determine the future direction of local government, was the fact that small remote councils had problems in recruiting staff. This trend is tied in part to a national skills shortage in many areas of endeavour and is particularly noticeable in the technical areas.

Council encourages training and development of staff to broaden the skills base of the organisation and to provide opportunities for locals. Council has and is operating successful apprentice and trainee programs and provides development opportunities for junior staff in particular to develop their skills. A number of staff have and are encouraged to continue to access external courses in relevant fields in house training occurs on systems and equipment.

Flexible Cost Effective Resourcing

Resource Sharing

Council has continued to explore and undertake the sharing of professional services with other Councils including Bega Valley Shire Council, Cooma-Monaro Shire Council and Snowy River Shire Council in particular and the South East Regional Organisation of Councils (SEROC) more generally.

Mix of Staff and Contract

Council continues to ensure that limited resources are directed towards areas of highest priority and the delivery of value for money, best quality services within a variable budget context depending on grant revenues. This strategy ensures Council retains strategic skills while at the same time it can increase workload with contractors where required. This creates a more stable workplace environment for staff while giving the ability to provide more or less infrastructure maintenance and renewal in particular without modifying staff numbers.

The case for contracting out is considered where:
- The level of work is increased due to additional grant funding or flood damage over the normal expected yearly works program;
- The service may be provided better by contractors with skills and/or equipment that are not readily available in the workforce;
- The service is new or is better run by contractors with appropriate expertise;
- Growth in the staff establishment is not desirable and flexibility in service delivery is required.

Management Strategies

A range of initiatives have been implemented to strengthen a positive organisational culture and reinforce staff participation and ownership of their tasks and responsibilities. A number of strategies have been and are being used including:

- using performance planning and performance reviews systematically;
- engaging staff in identifying and undertaking ways to improve and achieve their work goals and responsibilities in conjunction with the goals of Council;
- General Manager meeting all staff on a regular basis;
- All staff notices where appropriate; and
- Establishing Work Health and Safety and Consultative Committees.

Work Health and Safety Risk Management

Improving Council's performance in the area of Work Health and Safety (WHS) risk management has been a priority over the years. Council has implemented the following to improve and enhance our injury management practices and reduce injury/incident rates and severity:

- Management Executive regularly considers risk and work health and safety;
- All staff are inducted and trained appropriately for their work with a particular emphasis on work health and safety and considering risk to themselves and others;
- Return to work is being proactively managed to reduce the risk of re-injury
- Council's WHS management system is being progressively improved to achieve compliance with the Work Health and Safety Act and Australian Standard 4801.

Resourcing Challenges

The challenge in resourcing the organisation adequately and staffing it appropriately for the next 10 years is to consider what it needs to look like to meet the community's service expectations and the resource implications of those expectations. These challenges are both external challenges and internal and depend on the organisational philosophy adopted.

External Challenges

Economic, social and political factors influence Council's operations whether they are on a local, state, national or international level. They impact on availability of appropriately skilled staff, costs of providing services and include the following:

- Local Economy – downturns or booms;
- Changing labour demographics and employee expectations;
- Changing ratepayer demographic profile;
- Increased customer service expectations or new expectations;
- Changing legislative and regulatory frameworks; and
- Increasing labour costs.

Local Economy

The Bombala economy relies heavily on the agricultural and timber sectors, both of which operate in national and international markets, and are also heavily reliant on the weather. Agricultural commodities have been significantly impacted over years of drought in the 2000s although the last two seasons have been excellent. This, combined with the fluctuation in market prices, at times limits the capacity of ratepayers to pay rates or fund extra works.

Industry of employment, top responses	Bombala	%
Employed people aged 15 years and over	*1091*	
Sheep, Beef Cattle and Grain Farming	228	20.9
Forestry and Logging	67	6.1
Log Sawmilling and Timber Dressing	65	6.0
Manufacturing (primarily timber)	101	9.3
Retail	96	8.8
Education and Training	67	6.1
Health Care and Social Assistance	93	8.5
Accommodation and Food Services	50	4.6
Public Administration and Safety	73	6.7
Transport, Postal and Warehousing	45	4.1
Construction	58	5.3

Professional, scientific and technical services	27	2.5
Other Services (incl. administrative, electricity, arts and recreation)	121	11.1

Source: ABS Census Data

While the local economy and population has had some significant hits over the past 20 years (see Changing Ratepayer Demographic information) there is currently the potential for additional micro industries to develop along with a further 100 job expansion and value adding second processing stage to the Dongwha Timber Mill.

Labour Demographics and Employee Expectations

The labour force demography continually change and currently Australia is looking at an ageing workforce. The expectations of employees, including part time and flexible work arrangements being increasingly demanded and ability to change careers and places of work impact on the way Council attracts and retains staff.

The following table identifies the general labour market and skills available in Bombala.

Occupation	Bombala	%
Employed people aged 15 years and over	*1091*	
Managers	260	23.8
Labourers	167	15.3
Technicians and Trades Workers	136	12.5
Machinery Operators and Drivers	135	12.4
Professionals	118	10.8
Clerical and Administrative Workers	98	9.0
Community and Personal Service Workers	90	8.2
Sales Workers	67	6.1
Inadequately described/ Not stated	20	1.8

Source: ABS Census Data

To keep pace with labour market changes Council has a number of strategies in place including:

- Establishing ways to keep an ageing workforce and the corporate knowledge held while transitioning people into retirement and capturing that knowledge;

- A rural council provides excellent prospects for employees who wish to gain new skills and Council facilitates training to offer a career path with transportable skills;

- Appointing employees who are multi-skilled as this attribute is essential in a small organisation;

- Identifying risk areas in relation to the loss of key personnel and/or corporate knowledge; and

- Developing strategic partnerships to ensure required services are provided through the use of contractors and other Councils.

Changing ratepayer demographic profile

The demographic profile of Bombala Council area is ageing and the consequences of a number of State and federal decisions have impacted heavily on the population over the past 20 years. These decisions include:

- Closing the hardwood industry and mill in the late 1990s
- Using agricultural land for softwood losing farming families
- A softwood processing plant only opening in April 2013
- Removing or significantly reducing State Forest offices in Bombala

The consequence of this is that Bombala Council has a predicted population growth (i.e. decline) of less than -10% between 2011 and 2031according to the '*Statewide Profile 2014 NSW*' released by Planning and Environment. This information however is based on historic influences and is well out of date.

Increased customer service expectations or new expectation

Over time and as new residents move into the area there is an increased expectation by residents as to the level of service for many of Council's services and infrastructure. This places a significant burden on Council, within a very constrained budget, to provide services at the level expected. Council also runs the Service NSW office in Bombala and customer service and informing our community is a significant focus of the organisation.

Council seeks to:

- Foster a culture of excellence in customer service as we all seek to improve the services and facilities for our community; and
- Ensure adequate training in customer service skills are provided as required.

Changing legislative and regulatory frameworks

Council operates under constantly changing and often restrictive legislative and regulatory frameworks. These changes constantly challenge Council to ensure compliance whilst maintaining service delivery standards and operational costs.

In particular from a human resourcing perspective these include the Work Health and Safety Legislation, Local Government (State) Award, Local Government Act, and Fair Work Act.

To address these issues Council will continue to:

- Identify changes and implement best practice processes to minimise the administrative cost of legislative compliance; and
- Investigate and implement alternate staffing models where they provide a more cost effective delivery method without compromising service outcomes.

Increasing labour costs

Labour costs are steadily rising and generally these, together with many other costs to Council, are rising at a rate significantly higher that the allowed rate peg for our general rates income.

Some skilled positions (e.g. engineering) are also taken by industries that pay considerably more than Council and therefore these positions can be costly and difficult to fill.

Council is addressing this by:

- Advertising strategies to suit the position and attract the widest pool of potential staff;
- Seeking to enhance its status as an employer of choice;
- Exploring alternate staffing models; and
- Ensuring that Council's resources are appropriately focused on the delivery of priority services.

Internal Challenges

Internal challenges also impact on Council's operations and ability to provide a range and quality of services and infrastructure to meet community expectations. Council faces significant internal challenges including the following:

- Workforce demographics and an ageing workforce;
- Complex and uncertain operating environment and managing change;
- Injury rates and associated workers compensation insurance premium costs;
- Supervisory and performance management skills; and
- Human resource management and cost of resource.

Workforce Demographics – Ageing Workforce

The following charts give a profile of the Bombala Council workforce by age, gender and employment status in February 2015. The field workforce is 100% male and the office and community services workforce has a significant representation of female staff although many of these are low hours casual staff.

	All staff		Full Time Staff	
	No.	%	No.	%
Male	38	59%	33	67%
Female	27	41%	16	33%
Total	65		49	
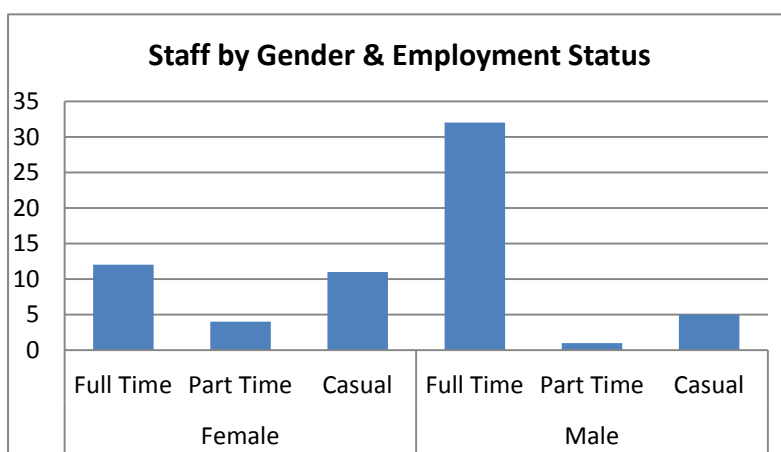
The ageing demographic of Council's workforce, particularly field staff is clearly identified in the following table.

Council Staff by Age Group, Gender and Employment Status
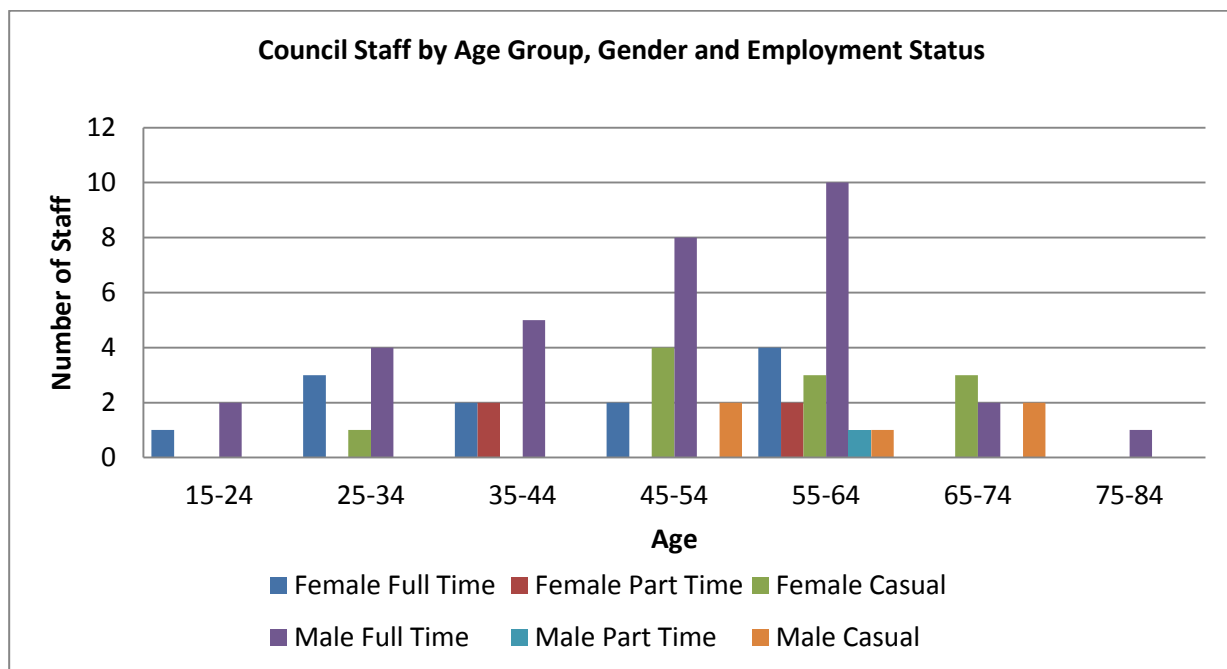
Council has consistently had a low staff turnover rate, generally below 10%. The age profile of the organisation ranges from 78 years old to 17 years old. The organisation is primarily made up of Baby boomers (1943-1966) however with 67% of staff falling into this category.

The following charts give the staff profile by Department and Works section.

Staff by Department

Engineering Staff Groups
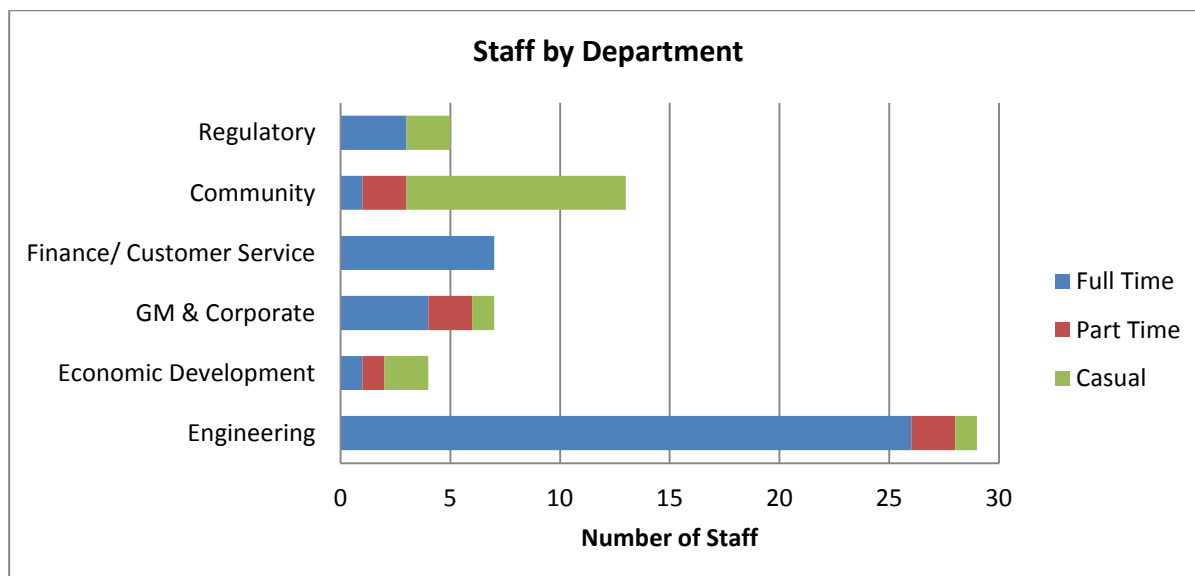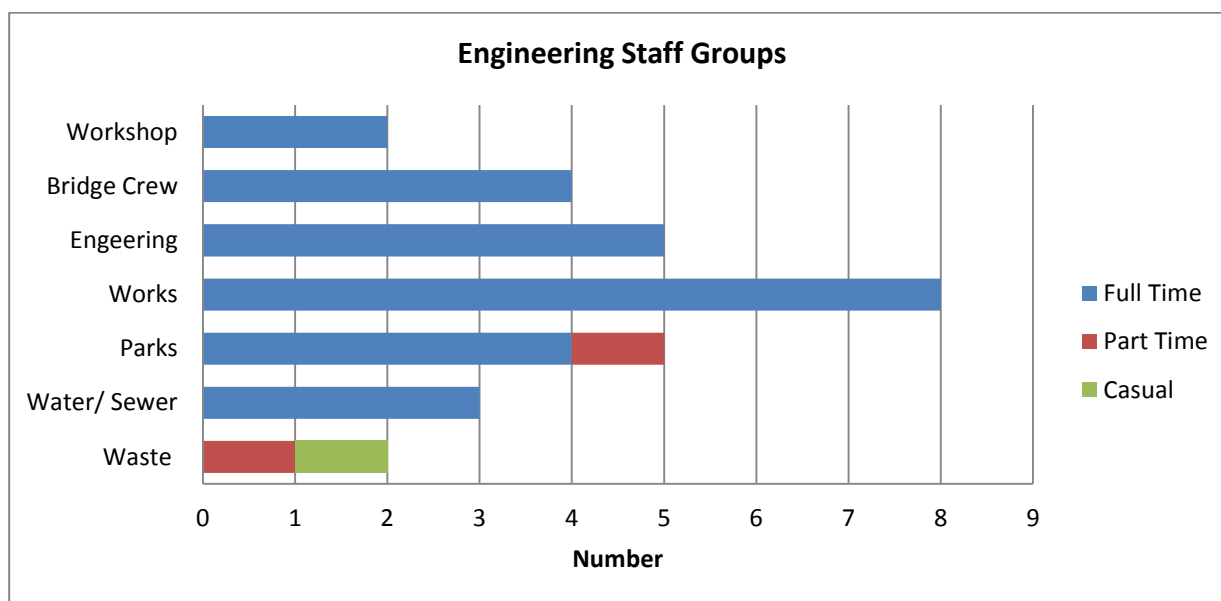
Council is employing the following strategies to meet these challenges with an ageing staff:

- Ensuring Work Health and Safety is paramount in job design;

- Implementing measures to ensure staff are aware of wellness generally and fitness in jobs that are physically demanding;

- Taking steps to capture corporate knowledge and upgrade information systems

- Ensuring EEO, fairness and equity is a factor in all recruitment and promotion and HR activities;

- Identifying and removing artificial barriers to recruitment and undertaking appropriately diverse advertising of positions; and

- Developing alternate employment models including, where appropriate, job sharing, staggered start and finish hours, and working from home in limited circumstances.

Complex Environment & Managing Change

Local government is currently operating in a complex environment with the Fit for the Future process and the uncertainty of what the Council will look like in two years' time, stand-alone rural council or merged with neighbouring councils.

This rapidly changing political and uncertain environment creates ambiguity which feeds into proposals for models of governance, different ways of resourcing the organisation and different work patterns to the past. As well as this new technology, changing functions and expectations, job redesign and organisational restructures add to the stress of change.

Managing change within the organisation as systems and governance models change will be a key challenge over the next few years. Council is facilitating this process by:

- Improving its internal communication and consultation;

- Investing in staff training;

- Providing clear and concise protocols and processes in relation to performance review management; and

- Sourcing assistance from external consultants and specialists as required.

Injury Rates & Workers Compensation

Workplace safety is Council's number one priority as an employer. Council has had high workers compensation premiums in the past and is seeking to significantly reduce workplace incidents and accidents to reduce costs and improve performance at all levels.

Council has been progressively addressing this risk exposure and implementing cultural change including increasing accountability across all levels of the organisation, training with an emphasis on safety and skill development and a proactive approach to injury management.

Strategies to improve Council's performance in Work Health and Safety include:

- Regular training and briefings on risks and responsibilities of all staff

- Improving Work Health and Safety policy and procedures and ensuring these are well understood by all staff

- Strengthening Work Health and Safety inductions

- Ensuring all training including manual handling training is up to date and staff have regular refresher courses in this

- Ensuring asbestos management procedures are understood and staff are appropriately trained on this; and

- Developing wellness programs, drug testing and other proactive measures to ensure the wellness of staff.

Supervisory & Performance Management Skills

Council's staff need to be appropriately managed and performance issues need to be quickly identified and addressed. To assist with this there is a need for Council to invest in the development of its supervisory staff to ensure that they are both confident and competent to address staffing issues as and when they emerge.

Further work is required to ensure front line support resources, position descriptions, work procedures, performance guidelines and management reporting are clear and user friendly. Council is facilitating this process by:

- Training staff in appropriate supervisory skills as required; and

- Developing more streamlined and user friendly documents and processes for performance reviews, performance management, grievance handling and performance recognition.

Human Resource Management & Cost of Resource

Council management needs adequate up to date information in relation to staffing costs, demographics, resignation rates and vacancies, sick leave, injury rates, etc. to appropriately manage the organisation's human resources.

Council's human resources comprise between a quarter and a third of Council's expenditure and provide and manage all services to the community. They are Council's most valuable resource however they can be increasingly costly. If staff numbers increase, these costs will increase including provision of or expansion of office and depot buildings, IT networks, fleet vehicles and training programs.

Council is addressing this by:

- Resource sharing where appropriate;

- Outsourcing contracted services where economically viable and supportive of community needs;

- Improving HR systems and procedures;

- Improving HR reporting to assist in proactively managing HR resources; and

- Using temporary staff and short term labour hire where appropriate.

Organisational Structure and Staffing Projections

Council's 10 year Long Term Financial Plan is based on zero growth in staff numbers. It is anticipated that any human resource demands can be resourced through the employment of additional casual staff, letting contracts to undertake services, directing resources from existing areas and through efficiency gains which permit diversion of existing resources. A combination of these methods is likely to be used. This will need to be reassessed however if new services and increased services are required by the community or government.

The current organisational chart is below however this is being reviewed in the light of the current local government reform, workforce demographics and ongoing operational needs. It is anticipated that while the total staff compliment may not vary the skills and staff numbers in various areas will change.

```
                          ┌─────────────┐
                          │   Council   │
                          └──────┬──────┘
                                 │
                   ┌─────────────┴──────┐   ┌──────────────────┐
                   │  General Manager   │───│ Risk Management  │
                   └─────────┬──────────┘   │ HR Management    │
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Director Regulatory Services	Director Engineering	Corporate Services Manager	Economic Development Manager	Finance Manager

Director Regulatory Services
Planning
Building
Compliance enforcement
Noxious Weeds
Animal control
Emergency Management
HACC services
Library
Community facilities

Corporate Services Manager
Records management
Business Papers & Minutes
Administrative Services
Governance
Corporate communications
Secretarial Services to Mayor
   & Council
Section 355 Committees

Finance Manager
Customer Services
Financial management
Rates
Statutory accounting
IT
Payroll
Service NSW

Director Engineering
Roads & Bridges
Parks & Gardens
Water Schemes
Sewerage Schemes
Stormwater
Waste Management
Plant & Fleet Management
Sporting Facilities
Depot

Economic Development Manager
Economic development
Tourism development, services &
   facilities
Community/cultural development
Youth development
Community health & education
Events Management & promotion

Council is likely to be a very different organisation in 10 years' time to what it is today. The shape of the organisation will be determined by the needs of the community, guided by the Community Strategic Plan and the other strategic documents in the Resourcing Plan.

Workforce Plan Strategies

Retention of Appropriately Skilled Staff

- Continue to plan and improve systems to capture corporate knowledge before staff retire and identify risk areas in relation to the loss of key personnel and/or corporate knowledge.
- Continue to encourage an ageing workforce to transition into retirement to mitigate the loss of corporate knowledge and create a pool of experienced people who have retired but are willing to work in peak periods or for short duration.
- Continue to encourage and facilitate training and professional development offer a career path with transportable skills.
- Develop and implement appropriate coaching/mentoring programs for younger workers.

Employer of Choice

- Establish HR practices that are responsive to worker's needs by regularly monitoring and reviewing policies and procedures.
- Research 'best practice' in a range of employment areas including professional and personal development, work life balance, career diversity, job flexibility etc.
- Review and improve existing salary system and continue benchmarking to ensure market competitiveness.
- Invest in staff training.
- Continue to recruit trainees and apprentices where appropriate.

Attraction and Recruitment of Appropriately Skilled Staff

- Advertise in a variety of media to suit the position and attract the widest pool of potential staff.

Management Strategies

- Improve HR systems and procedures.
- Improve HR reporting to assist in proactively managing HR resources.
- Foster a culture of excellence in customer service and conduct surveys biannually.
- Developing more streamlined and user friendly documents and processes for performance reviews, performance management, grievance handling and performance recognition.
- Identify changes and implement best practice processes to minimise the administrative cost of legislative compliance.
- Explore and implement alternate staffing models where they provide a more cost effective delivery method without compromising service outcomes including contracts for services.

- Ensure that Council's resources are appropriately focused on the delivery of priority services.

- Ensure adequate training in customer service skills is provided.

- Source assistance from external consultants and specialists as required.

Flexible Resourcing and Mix of Staff and Contract

- Explore and implement resource sharing where appropriate to provide required skills, or achieve efficiencies and cost savings.

- Outsource contracted services where economically viable and supportive of community needs.

- Use temporary staff and short term labour hire where appropriate.

- Develop strategic partnerships to ensure required services are provided through the use of contractors and other Councils.

- Develop and implement alternate employment models including, where appropriate, job sharing, staggered start and finish hours, and working from home in limited circumstances.

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Enterprise Risk Management

- Ensuring Work Health and Safety is paramount in job design and strengthen Work Health and Safety induction.

- Implementing measures to ensure staff are aware of wellness generally and fitness in jobs that are physically demanding;

- Take steps to capture corporate knowledge and upgrade information systems.

- Ensure EEO, fairness and equity is a factor in all recruitment and promotion and HR activities.

- Maintain and improve Work Health and Safety policy and procedures and ensure these are well understood by all staff including undertaking regular training and briefings on risks and responsibilities of all staff.

- Ensure all required training including manual handling training is up to date and staff have regular refresher courses.

- Ensure asbestos management procedures are understood and staff are appropriately trained.

- Develop and undertake wellness programs, drug testing and other proactive measures to ensure the wellness of staff.

- Train staff in appropriate supervisory skills as required.