

# Federation Council Strategic Asset Management Plan 2022-2032

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# 1. Introduction

## 1.1 Council's objective: Sound Financial Management

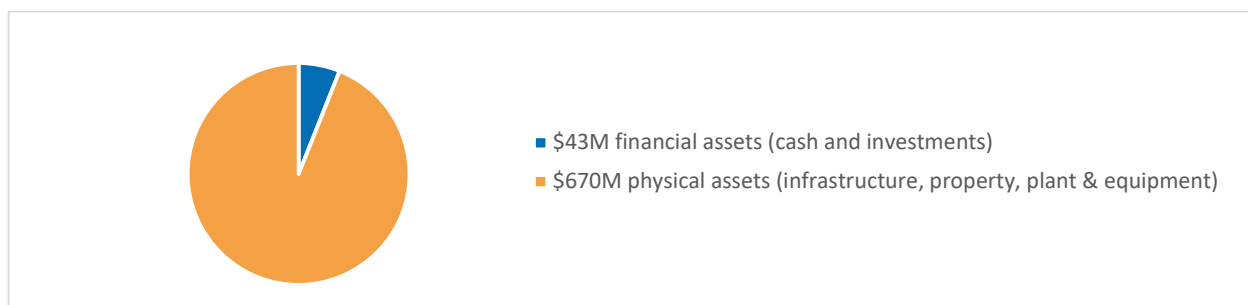
The *NSW Local Government Act* (section 8B) establishes the following principles of sound financial management that councils are required to adhere to:

- a) Council **spending** should be responsible and sustainable, aligning general revenue and expenses
- b) Councils should invest in responsible and sustainable **infrastructure** for the benefit of the local community
- c) Councils should have effective **financial and asset management**, including sound policies and processes for the following:
  - (i) performance management and reporting,
  - (ii) asset maintenance and enhancement,
  - (iii) funding decisions,
  - (iv) risk management practices.
- d) Councils should have regard to achieving **intergenerational equity**, including ensuring the following:
  - (i) policy decisions are made after considering their financial effects on future generations,
  - (ii) the current generation funds the cost of its services (which also means the current generation shouldn't bear costs for benefit of future generations)

**This Strategic Asset Management Plan is intended to support Council's efforts to apply all these principles.**

With reference to the requirements of the *Integrated Planning and Reporting (IP&R) Guidelines* issued by OLG, it incorporates requirements for both the 'Asset Management Strategy' and 'Asset Management Plans'.<sup>1</sup>

The chart below is a visual representation of why Council must manage its *physical* assets, in addition to its *financial* assets, if it is to adhere to the principles of sound financial management in the Act: **Council's financial assets only make up around 6% of community assets it is responsible for.**<sup>2</sup> If Council is to be responsible and sustainable, it must manage its physical assets.



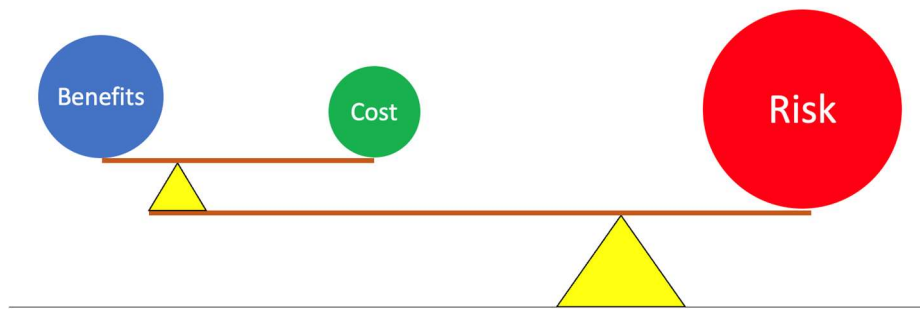
<sup>1</sup> IP&R Guidelines essential elements 3.14 to 3.23.

<sup>2</sup> Aligns with Statement of Financial Position in 2022 Financial Statements.

## 1.2 Asset Management Policy and relationship of this SAMP to other documents

Council's **Asset Management Policy** documents its commitment to managing its infrastructure and other physical assets responsibly and sustainably, in a way that delivers best value to the community. Council recognises this involves balancing:

- **performance benefits** of assets (community priorities and aspirations in the Community Strategic Plan)
- **costs** of providing assets (as set out in the Long Term Financial Plan)
- **risks** associated with assets (as identified under the Risk Management Framework).



The Policy states that Council will:

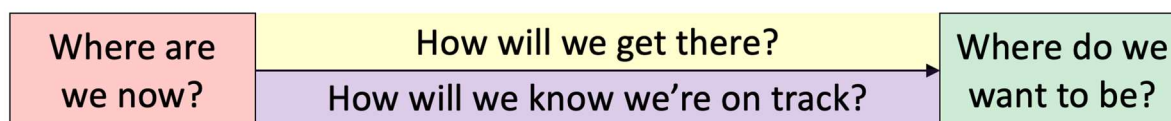
- take a **systematic approach** to managing its assets, aligned with the principles of ISO 55000 (international standard for asset management systems) and integrated with its **Risk Management Framework**
- identify performance objectives for its asset-related functions in its **Delivery Program** and report against these 'levels of service' and related objectives in its **Annual Report**
- identify performance indicators related to its activities to perform its asset-related functions in its **Operational Plan** and monitor these in its **6 monthly Progress Report** to provide assurance it is on track to achieve the objectives in its Delivery Program
- update its **Strategic Asset Management Plan** annually (including the asset class summaries, 10 year capital works program and improvement action plan), alongside its **Long Term Financial Plan**
- update its **State of Our Council Infrastructure Assets Report** annually, identifying the specific issues behind the dollar values in the **Report on Infrastructure Assets** (in its Annual Financial Statements) and identifying asset-related risks and treatment measures (in a way that aligns with its Risk Register)
- establish an **Asset Management Steering Group** to monitor implementation of its asset management system, lead continuous improvement programs and report on progress.

**This Strategic Asset Management Plan brings all the above issues together:**

<b>Section</b>	<b>Contents</b>
<b>2</b>	<b>Asset Class Summaries</b> Provides a big picture view of the situation with Council's assets now, where we are headed in future and how we'll stay on track
<b>3</b>	<b>Risk Management and Performance Reporting on Assets</b> Explanation of the <b>State of Our Council Infrastructure Assets Report</b> , which facilitates integration between Council's asset management framework, risk management framework and the mandatory performance reporting on assets
<b>4</b>	<b>Financial Planning</b> The 10-year capital works program, aligned with the Long Term Financial Plan, and explanation of how this SAMP aligns with other financial planning
<b>5</b>	<b>Asset Management System and Improvement Actions</b> How Council develops and implements its AM system, and the role of the Asset Management (AM) Steering Group to oversee this, and to provide regular updates to the Audit, Risk and Improvement Committee and Council
Appendix 1	<b>Terms of Reference for AM Steering Group</b> Terms of reference for the Asset Management Steering Group
Appendix 2	<b>Asset Management Improvement Action Plan</b> Improvement Action Plan the AM Steering Group will keep under review (this includes an action to draft performance objectives and indicators for each asset-related function to inform the next Delivery Program and Operational Plan, after the 2024 elections)
Appendix 3	<b>Recommended Capital Renewal</b> Indicative program supporting Section 4 Financial Planning

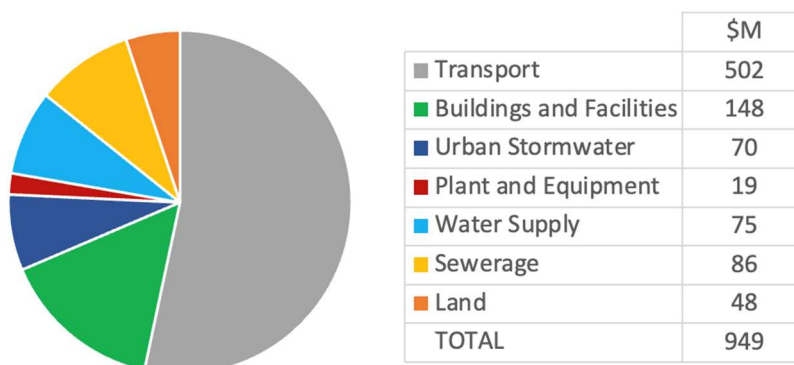
## 2. Asset Class Summaries

Strategic planning can be understood as a story that asks and answers 4 questions:



The Asset Class Summaries in this section present a 'big picture view' of each of Council's primary asset classes in terms of these questions. Further details on 'where we are now' is provided in the **State of Our Council Infrastructure Assets Report** discussed in section 3.

The chart below summarises the **replacement value** of these asset classes.<sup>3</sup>



Each asset class (other than land) is considered in the following sections. Land is not considered in the same way at present, although Council is updating its property register and preparing plans of management for all community and Crown land.

'Buildings and facilities' are considered together, including both buildings and 'other' assets (e.g. pools, playgrounds, parks and sports infrastructure) as most facilities include a building and these other assets as well.

<sup>3</sup> The total here \$949M, which aligns with Note C1-7 of 2022 Financial Statements, excluding capital works in progress, tip & quarry assets) is higher than the 'carrying value' in section 1 (\$670M) as replacement value is what it is worth new, not what it is worth now (after depreciation).

# TRANSPORT

## What assets are we responsible for?

Asset category	Replacement Value \$M	Asset category	Replacement Value \$M
999km sealed roads*	260.7	123km kerb and gutter	20.2
1311km unsealed roads	51.8	62km footpaths (bike paths)	9.3
73 bridges and major culverts	27.8		
Earthworks for rds. (non-depreciable)	132.3	Total	502.1

## Where are we now?

Most of the road network was originally constructed over 60 years ago. The roads were lightly built but provided a adequate level of service for the needs of the time. Since that time and particularly in the last 15years usage of the roads has changed from seasonal to all year round and with large increases in tonnage. The condition of the roads has progressively declined significantly in the last 15 years.

the proposed Special Rate Variation (SRV) will assist prevent further decline in the condition of the road network. To maximise the benefits of the SRV, Council needs to target key activities.

### Sealed local roads:

This most important task is to protect the bitumen seals. These should be carried out every 12 to 15 years (\$33,000 per km) failure to reseal the roads at this frequency results in oxidation and cracking allowing water to penetrate the road pavement. The pavement then fails prematurely and needs renewal (at a cost of \$270,000/km).

Council has been prioritising investment in reseals over the last few years with available funds, but there is still a backlog of around 150km. There is a further 20km of roads that have already failed and need full rehabilitation. Most of the problems are on the rural road network. To further protect the sealed roads, gravel on the shoulders should be replaced regularly and annual grading to remove vegetation and prevent edge drop-offs.

### Unsealed local roads:

The strength of a road is made up of the natural subbase, and the gravel pavement. Water penetration is the major cause of roads losing strength and failure. Gravel is constantly eroded from the surface by traffic and should to be regularly replaced. Council currently re-gravels around 23km of unsealed roads p.a. At this rate the entire network will take 45years to re-gravel. This is much higher than the recommended 20 years, resulting in roads losing the entire gravel surface and rapidly declining. The level of re-gravelling should be doubled to replace the current annual loss of gravel from the roads.

### Regional roads:

Council has 278km of regional roads. The NSW government provide grants to Council for maintenance and repair. These grants are well below adequate for this purpose. It is expected that Councils top up the costs from its own funds. This has not been possible. The major deficiency has been the amount of reseals carried to seal and protect the roads.

### Maintenance:

Council undertakes inspections and prioritises work on a risk-basis as per its Road Maintenance Management Plan. Funds are generally sufficient to address high priority issues, but resourcing can be an issue in peak periods (e.g., following storms)

### Other transport assets:

Investment in bridges, culverts, kerb and gutter and footpaths has been minimal over many years. Council's bridges do not meet modern standards and 7 bridges have been identified



	for replacement over the next 10 years. At least 8km of kerb and 2km of footpaths are rated as poor. Repair works are prioritised based on traffic, condition and risk.			
Where will we be in 10 years?	With additional funding from the Special Rate Variation, the condition of the network will stabilise and slowly improve over time. This is subject to Council concentrating on its high priority activities such as resealing and re-gravelling. Council will still be heavily reliant on additional support from other levels of government, particularly to help with larger projects like bridges and road reconstruction.			
How will we know we're on track?	Activity	Target	Activity	Target
	Local road reseals	48km p.a.	Maintenance grading	1,100km p.a.
	Regional road reseals	20km p.a.	Maintenance Mgt. Plan: inspections completed, defect intervention stds. and response times	95%
	Unsealed re-sheeting	46km p.a.		
	Other capital works completed	Completed as per program		
	Grants for bridge projects	Secured		

*Note: Council can only achieve some targets (e.g., length of reseals + re-sheets) with extra funds from the Special Rate Variation (SRV) and additional grant funding from State and Federal Government. These targets have been set based on the full SRV taking effect 2027 and continuity in supply of goods and contractors to undertake required works.*



# BUILDINGS AND FACILITIES

## What assets are we responsible for?

Asset category	Replacement Value \$M	Asset category	Value \$M
4 Administration Offices + Libraries	24.7	5 Health/medical/doctors + house	2.9
1 Aerodrome (buildings + runway)	0.2building+7.3runway	30 Playgrounds (100+ items)	3.9
5 Aquatic/Leisure Centres	16.7	5 Quarries	Under review
2 Caravan/Tourist Parks (30+ items)	5.0	Recreational lake (Urana)	2.0
Carparks (Facilities)	1.5	14 Residential Units over 3 sites	1.9
3 Children's services facilities	3.7	Saleyards Corowa	11.0
6 Commercial buildings (leased)	3.7	37 Shelters	1.6
19 Community Buildings (halls, etc.)	26.3	11 Sports facilities (70+ items)	20.0
4 Depots (17 buildings)	3.2	25 Toilets (public, open 24/7)	3.0
10 Emergency Services (RFS and SES)	2.1	5 Waste facilities	Under review
150+ open space/sports assets	3.3	TOTAL	148.3

## Where are we now?

### Managing Council's buildings and facilities generally

Council is responsible for a large number of facilities, with hundreds of buildings and other assets, which support a diverse array of functions.

An initial analysis has identified \$20M in works are needed within the next 10 years to refurbish assets in poor condition and address fairly basic service needs.

While grants may be secured for some work, much will need to be funded by Council, but there aren't sufficient funds to cover all this (even with the Special Rate Variation).

Council needs to:

- develop, and keep under review, a prioritised list of works
- deliver these within its funds available in the Long Term Financial Plan, supplemented by grants (where possible) and contributions from stakeholders for specific works and via lease/hire charges (where appropriate)
- review its portfolio, identifying opportunities to rationalise, dispose or even demolish underutilised assets to free up funds to invest in those of higher value
- identify priorities for new and upgraded assets, but consider the long-term costs of these (e.g. operations and maintenance), and priorities for existing assets
- identify priorities to improve energy efficiency and reduce long term costs.

### Waste management

Council should operate its waste management function on a cost recovery basis, but current revenues are currently insufficient to cover day to day operations and future requirements associated with rehabilitation and ongoing management of the site post closure. Further capital works (such as constructing new landfill cells) and providing for future rehabilitation of sites has not been fully funded.

The largest capital investment required in the next 10 years is likely to be a new facility to service Corowa. Once Finalised the Waste Management Strategy will inform the future of waste management services across the council area.

	The long-term financial plan will reflect the decisions made in line with the adopted waste management strategy. This will impact on the user fees and charges to ensure sufficient funds are generated to cover the full costs associated with the delivery of the service.	
Where will we be in 10 years?	<p>Prioritised works program for buildings has been developed and progressed as funds permit. Portfolio of buildings and other assets has been reviewed and rationalised.</p> <p>Program developed for delivery of priorities from Waste Management Strategy once adopted and Long Term Financial plan updated accordingly.</p>	
How will we know we're on track?	Activity	Target
	Asset portfolio reviewed, opportunities to rationalise/dispose identified	30 June 2024
	Prioritised list of projects across all facilities endorsed by Council	30 June 2024
	Review pricing methodology / charges for commercial buildings	30 June 2025
	Formal building maintenance program developed and implemented	30 June 2025
	Adoption of Waste Management Strategy	31 December 2023

# URBAN STORMWATER DRAINAGE

What assets are we responsible for?

Asset category	Replacement Value \$M
91km of urban stormwater drainage pipes and box culverts	58.5
2735 stormwater drainage pits and headwalls	5.1
13 stormwater pumping stations and rising mains	1.3
19 retarding (detention) basins	3.0
16km of large open stormwater drainage channels	1.6
2 flood protection levees	0.6
TOTAL	70.1

*Note: drainage pipes and culverts in rural areas are included in Transport*

Where are we now?	<p><u>Significant capacity issues</u> in the urban stormwater drainage network are a concern in Corowa, Howlong and Mulwala (including open drains, pipes and pumping stations). They create a risk of localised flooding issues (e.g. 30+ houses were flooded in Corowa, 2022).</p> <p><u>Information</u> on the system is limited. Ground truthing and analysis is required to model catchment issues and to identify and prioritise work to alleviate them. CCTV inspection of pipelines is needed to verify materials and sizes, and to identify defects needing work.</p> <p><u>Stormwater pumping stations</u> are a significant risk in terms of capacity and reliability. Upgrades to reduce local flooding risk is a high priority at 3 sites and further works will be needed beyond this. A stormwater servicing strategy is to be prepared as part of the suite of documents to inform the Growth Strategy for Federation Council area.</p> <p><u>Maintenance</u> needs to be carried out on open drains, detention basins, constructed wetlands and gross pollutant traps so they operate as designed.</p> <p><u>The impacts of further development</u> on existing problems needs careful assessment, supported by specific studies to avoid exacerbating current problems.</p> <p><u>Urana flood levee</u> was identified as a priority in the adopted Floodplain Risk Management Plan. Grant funding for design has been sought. The project will continue to be progressed. Flood levees at Morundah, Rand and Urana are not built to current standards but are serviceable. Morundah also has 2 flood pumps.</p>
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Where will we be in 10 years?	<p>Stormwater pumping stations refurbished and upgraded (to address current operational deficiencies, not all capacity issues); ongoing maintenance to assure reliability.</p> <p>Ground truthing of existing system completed. CCTV program progressed.</p> <p>Prioritised upgrade program completed to address deficiencies in existing systems, progressed as funding permits.</p> <p>Urana flood levee construction funding secured and works program defined in accordance with relevant funding body.</p>
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How will we know we're on track?	<table> <tr> <th>Activity</th><th>Target</th></tr> <tr> <td>Improvement strategy developed for consideration and adoption by Council to reduce risk of localised flooding including open drain clearing program, renewals/upgrades to pump stations, maintenance and</td><td>By 2023</td></tr> </table>	Activity	Target	Improvement strategy developed for consideration and adoption by Council to reduce risk of localised flooding including open drain clearing program, renewals/upgrades to pump stations, maintenance and	By 2023
Activity	Target				
Improvement strategy developed for consideration and adoption by Council to reduce risk of localised flooding including open drain clearing program, renewals/upgrades to pump stations, maintenance and	By 2023				

	reliability plan for pump stations, CCTV inspections of a sample of pipes, catchment analyses to identify upgrade priorities, etc.	
	Priority renewal and upgrades to pumping stations completed	By 2025
	Complete design for Urana flood levee	By 2024
	Funding secured for construction of Urana flood levee	By 2028
	Identify studies to adequately assess impact of future development	By 2023

# PLANT AND EQUIPMENT

What assets are we responsible for?

Asset category	Replacement Value \$M
Heavy (civil construction) plant, trucks, mowers, utilities, and cars	17.0
Office equipment (information technology, furniture, etc.)	1.5
TOTAL	18.5

Where are we now?

Plant and Vehicle Fleet: Council needs a modern, reliable and efficient fleet to support its operations. The plant and equipment is a combination of Urana and Corowa's assets. Whilst some integration has occurred, generally there is a northern plant fleet and a southern plant fleet.

Council is currently analysing each plant item to determine effectiveness, level of utilisation, safety systems, operating costs, criticality, level of skills required to operate and alternative services

outsourcing plant and services is also assessed. This includes, availability, timeliness, reliability, safety and environmental programs, pricing structures and experience of operators.

Skills in determining the optimum time to replace are currently being developed.

Plant hire out rates are being reviewed to ensure that replacement plant can be funded from the plant reserve.

Information and communications technology: Council has invested in ICT to support efficient and effective operations Council continues to invest in replacing ageing equipment on an annual basis.

New products, systems, apps and security protocols are reviewed constantly and recommendations are presented to MANEX for consideration. Staff skills are constantly being upgraded to identify outdated systems, weakness and effectiveness of all the overall assets.

Where will we be in 10 years?

Council has a modern, reliable and efficient plant fleet. The true costs of individual items are allocated to the relevant areas. The plant and vehicle fleet is self-funding, with an internally restricted reserve in place to fund replacements. Regular reporting on performance supports decisions to optimise fleet management decisions.

Continued investment in information technology ensures Council's operations are as efficient, effective and secure as possible.

How will we know we're on track?

Activity	Target
Review of underutilised items and prioritised replacement program	30 June 2023
Revise hire charges (considering impacts on budgets)	30 June 2023
Internal reporting and monitoring systems have been implemented and provide sufficient information to make decisions	30 June 2024
Plant reserve fully fund the plant defined in the adopted plant replacement program	30 June 2025
ICT Strategy updated and implemented	30 June 2024

# WATER SUPPLY

Corowa, Howlong, Mulwala

(Plus non-potable supplies at Balldale and Daysdale; Northern villages are serviced by Riverina Water)

What assets are we responsible for?

Asset category	Replacement Value \$M	Asset category	Replacement Value \$M
200km water supply pipelines	44.9	4 pump stations (off takes)	3.3
3 water treatment plants	18.2	8 bores, booster pump stations and other structures	3.2
12 water towers / reservoirs	7.9	TOTAL	75.2

Where are we now?

**Council operates its water supply business on a self-funding basis. Current revenues are insufficient to pay for all works necessary to meet current and future demands.**

**Grants will be pursued, but Council will need to finance much of the required investments itself through a combination of increased charges and borrowings.**

A sustainable long term financial + asset plan is needed to maintain existing services and increase capacity to cater for new development.

The value of required capital is far higher than the replacement value of existing plants. Servicing plans and upgrades are being developed to ensure the new/ replacement plants meet legislative requirements. The replacement cost for modernisation of the plants will be significantly higher than the replacement values within Council's financial statements. The value of the upgrade works for all four networks is approximately \$130M.

**Water supply and pressure** is less than the minimum standards at Howlong. Two new pipelines are to be built to meet minimum standard for existing users in 2023-4.

**Howlong reservoir** needs major refurbishment to fix corroded steel and other issues. To do so, it needs to be taken offline, so a second reservoir needs to be built beside it. These works are to be undertaken in 2023-4.

New / upgraded treatment plants are needed to meet current health standards, plus cater for development.

**Mulwala Water Treatment Plant** is nearing the end of its useful service life. A new plant needs to be built at a new site that will also cater for future growth. The new plant and associated works, which are needed within 8 years, are estimated to cost \$36M (2023 \$).

**Howlong Water Treatment Plant** needs replacing within 10 years as it is reaching the end of its useful life and an upgrade is needed for further growth. Estimated cost is \$13M (2023\$)

**Corowa Water Treatment Plant** will need to be augmented in 17 years to cater for further growth (based on current developments) at a cost of \$6M.

**Water mains and valves** across the network are ageing but generally performing OK. The incidence of breaks is less than NSW median, problem pipes are replaced as required.

\$10M needs to be invested in new pipelines over the next 15 years in Corowa, Howlong and Mulwala to ensure there is sufficient supply volume and pressure for development and existing customers. A new water tower is also needed in Mulwala.

**Mechanical and electrical** equipment needs ongoing investment to ensure reliability.

Council will need to replace all **water meters** and electronic tags within 5 years.

Council will need to purchase additional **water licences** to ensure security long term.

Availability of suitably qualified and trained staff is a challenge.

An **Integrated Water Cycle Management Strategy** will be prepared to guide actions.

Where will we be in 10 years?	Council will have a sustainable financial and asset plan for its water supply business that delivers agreed levels of service and caters for future development while keeping charges as low as possible over the long term.	
How will we know we're on track?	Activity	Target
	Financial and asset plans refined; risk assessment undertaken to evaluate evidence currently available and to prioritise gaps	31 December 2024
	Integrated Water Cycle Management Strategy Completed	30 June 2025
	Urgent works at Howlong completed (pipelines + reservoir)	31 March 2024
	Water supplied meets Australian Drinking Water Guidelines	100%
	Interruptions to supply (planned outages: minimum 3 days' notice) not exceeding the median value of the annual performance report	100%
	Water losses throughout the system not exceeding the median value of the annual performance report	100%
	Valve and hydrant maintenance is in accordance with the renewal program identified in the capital works program annually	As planned



# SEWERAGE

for Corowa, Howlong, Mulwala, Oaklands and Urana

## What assets are we responsible for?

Asset category	Replacement Value \$M	Asset category	Replacement Value \$M
138km gravity and 53km rising mains	48.4	5 sewage treatment plants	25.7
76 reticulation +21 facility sewage pump stns	4.5	Manholes (Access chambers)	7.8
		TOTAL	86.4

## Where are we now?

**Council operates its sewerage business on a self-funding basis. Current revenues are insufficient to pay for all works necessary to meet current and future demands.**

**Grants will be pursued, but Council will need to finance much of the required investments itself through a combination of increased charges and borrowings.**

A sustainable long term financial + asset plan is needed to maintain existing services and increase capacity to cater for new development.

**Howlong Sewage Treatment Plant** - Minor works in 2023 are planned and a further \$4.5M is needed to cater for current demand, plus new development in the short term. Ideally (if a grant can be secured) the existing plant would be demolished and a new one built at a cost of \$10M.

**Corowa Sewage Treatment Plant** needs replacing short term (ideally within 5 years) for environmental reasons at a cost of \$21M; upgrade to cater for development is also needed at an estimated cost of another \$8M. \$1.5M needs to be spent for it to remain in service in the interim.

**Mulwala Sewage Treatment Plant** will need to be augmented in 8 years to cater for further growth at a cost of \$12M, then the existing plant refurbished within 20 years.

**Many parts of the network** (pipes, pump stations) are under-sized and inefficient. \$6.6M needs to be invested in upgrading pumping stations and rising mains over the next 15 years in Corowa, Howlong and Mulwala to provide capacity for new development.

A further \$10M is needed to eliminate 'chains' of small pumping stations (inefficient, unreliable, creating odour and capacity issues downstream) in Mulwala.

The value of these is far higher than the existing plants. Servicing plans and upgrades are being developed to ensure the new/ replacement plants meet legislative requirements at time of construction and the replacement cost for modernisation of the plants will be significantly higher than the replacement values within Council's financial statements. It is estimated that the value of the major upgrade works for all five networks is approximately \$154M. Sewer Servicing plans are being developed to inform the Growth Strategy for Federation Council area. It will provide further clarification regarding the required works and income required to be generated to fund these works.

Chokes and breaks in pipes as well as inflow and infiltration are a problem, particularly in older areas of Corowa. Pipes need CCTV inspection and relining.

Liquid trade waste management: an improvement program being implemented.

Availability of suitably qualified and trained staff is a challenge.

An Integrated Water Cycle Management Strategy will be prepared to guide actions.

## Where will we be in 10 years?

Council will have a sustainable financial and asset plan for its sewerage business that delivers agreed levels of service and caters for future development while keeping charges as low as possible over the long term.

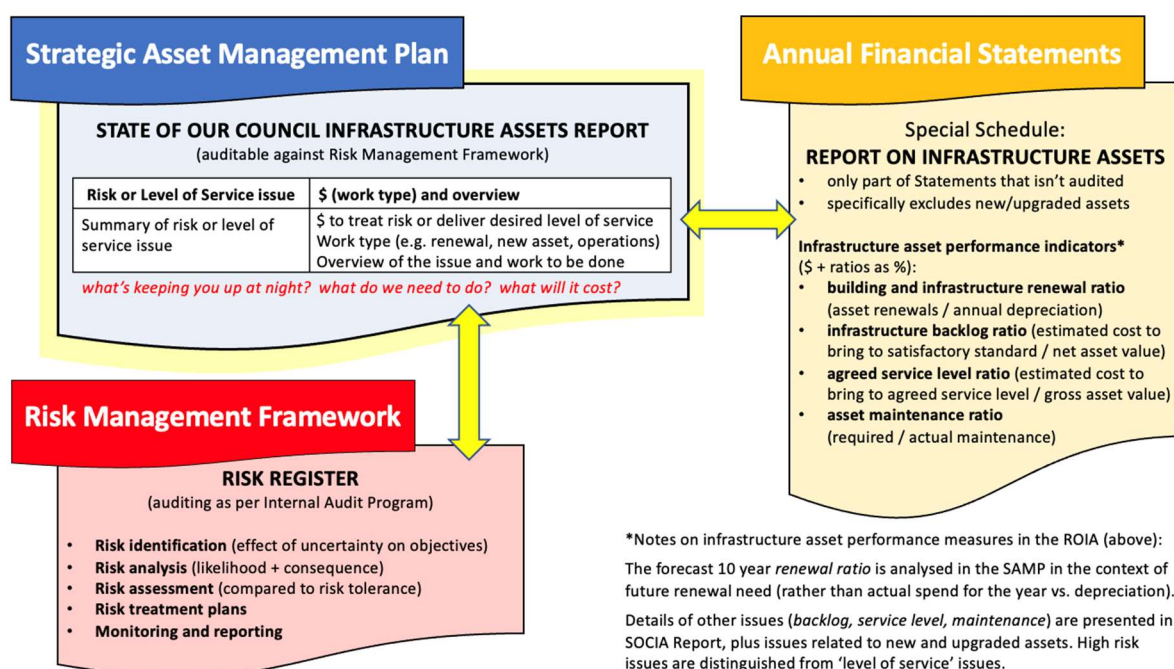
How will we know we're on track?	Activity	Target
	Financial and asset plans refined; risk assessment undertaken to evaluate evidence currently available and to prioritise gaps	31 December 2024
	Corowa Sewage Treatment Plant finalise tender documents Grants secured and construction commences	30 June 2024 Subject to funding
	Howlong Sewage Treatment Plant upgrade concept study Grants secured and construction commences	Subject to funding
	Mulwala Sewage Treatment Plant upgrade concept study Grants secured and construction commences	Subject to funding
	Strategy and program adopted for Pumping station upgrade/efficiency/reliability for Mulwala for inclusion in the Long Term Financial Plan	31 December 2025
	Compliance with Environmental Protection Licence, system containment	100%
	Liquid trade waste management improvement program implemented in Urana and Oaklands	30 June 2024
	Incidence of failures (sewage chokes, pump failures) not exceeding the median value of the annual performance report	100%

### 3. Risk Management and Performance Reporting on Assets

Council's Asset Management Policy identifies the management of risks as a key part of responsible and sustainable management of its assets, not a separate issue that sits alongside this.<sup>4</sup>

While IP&R Guidelines<sup>5</sup> require councils to identify 'critical assets' and 'risk management strategies for these' in their Asset Management Strategy,<sup>6</sup> Council's Asset Management Policy establishes its commitment to developing an annual State of Our Council Infrastructure Assets (SOCIA) Report that addresses this requirement.

The SOCIA Report is a supporting document for this SAMP. It identifies the specific issues behind the dollar values in the Report on Infrastructure Assets (in its Annual Financial Statements) and asset-related risks and treatment measures (in a way that aligns with its Risk Register). This simplified and integrated approach is summarised below. Further information is in the SOCIA Report itself.



<sup>4</sup> It is worth noting principles of sound financial management (section 8B, Local Government Act referenced in section 1.1 above) identify risk management as part of effective financial and asset management.

<sup>5</sup> See essential element 3.18.

<sup>6</sup> As noted in section 1.1, this SAMP satisfies requirements for the AM Strategy and Plans.

## 4. Financial Planning

As noted in section 1.2, Council's Asset Management Policy recognises that responsible and sustainable management of its assets involves balancing performance benefits, costs and risks associated with its assets.

This 'balancing act' is an ongoing and iterative process. Consequently, the Policy includes a commitment to review this SAMP annually, alongside the LTFP.

**The purpose of this SAMP is not to 'lock in' Council's asset-related activities and budgets for the next 10 years, but rather to inform its Delivery Program and Operational Plan, which is where these strategic decisions are 'locked in' and implemented.**

Under the NSW Local Government Act, councils must account for their general, water and sewer funds distinctly. Each is considered individually in the following sections.

### 4.1 General Fund

Council's General Fund includes the asset classes of transport, buildings and facilities, urban stormwater drainage, plant and equipment, and open spaces and recreational assets; effectively it includes all Council assets and operations excluding water supply, sewerage services and the domestic kerbside waste collection service.

#### 4.1.1 Recommended capital renewal

Based on the preceding Asset Class summaries and the State of Our Council Infrastructure Assets Report 2022, the following asset renewal by asset class is recommended to meet most priority infrastructure needs. It is important to note that this is based on asset management practice and is not based on Council's financial capacity.

		Capital Works										
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS
TR 1	Sealed local roads	2,883	3,344	3,876	4,491	4,522	4,551	4,581	4,612	4,643	4,674	42,177
TR 2	Unsealed local roads	872	1,036	1,227	1,453	1,460	1,468	1,475	1,483	1,490	1,498	13,462
TR 3	Regional roads	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	17,000
TR 4	Road upgrades (grant dependent)	2,553										
TR 5	Kerb and gutter	125	122	119	139	140	141	141	142	143	143	1,356
TR 6	Footpaths	125	122	119	186	187	187	189	189	190	191	1,686
TR 7	Bridges	-	-	-	232	234	234	235	236	238	239	1,649
TR 8	Rural drainage (culverts)	-	24	48	93	93	94	94	95	95	95	731
TR 9	Earthworks & sub-base (non-depreciable)											-
	TRANSPORT	8,258	6,348	7,089	8,294	8,336	8,375	8,416	8,457	8,500	8,541	80,614
UD 1	Stormwater pumping stations		815	500	500	500	500	500	500	500	500	4,815
UD 2	Stormwater pipes and pits			100	100	100	100	100	100	100	100	800
UD 3	Other stormwater drainage upgrades											-
	URBAN STORMWATER DRAINAGE	-	815	600	600	600	600	600	600	600	600	5,615
BF 1	Admin + libraries		30	50	10	295			280			665
BF 2	Aerodrome											-
BF 3	Aquatic		40	80		520		20	470			1,130
BF 4	Caravan parks		60		275			30				365
BF 5	Childrens services											-
BF 6	Commercial		50	535	50	1,015		50	500			2,200
BF 7	Community		30	35	75	625			530			1,295
BF 8	Depots				90							90
BF 9	Emergency services											-
BF 10	Medical/Health				250							250
BF 11	Residential		40		60			20				120
BF 12	Sports		35		15			15				65
BF 13	Public toilets		300	400	90	560			425			1,775
BF 14	Open space (parks and sports)	200	890		1,025			305				2,420
BF 15	Waste management	120	275	275	275	275	275	275	275	275	275	2,595
	BUILDINGS & FACILITIES	320	1,750	1,375	2,215	3,290	275	715	2,480	275	275	12,970
PE 1	Heavy plant and light vehicles	1000	1,301	2,216	1,472	1,605	1,501	1,500	1,500	1,500	1,500	15,095
PE 2	Office equipment and IT	161	231	121	248	124	146	199	202	250	250	1,932
	PLANT AND EQUIPMENT	1,161	1,532	2,337	1,720	1,729	1,647	1,699	1,702	1,750	1,750	17,027
	TOTAL GENERAL FUND	9,739	10,445	11,401	12,829	13,955	10,897	11,430	13,239	11,125	11,166	116,226

Table 1: 10 year capital works program for general fund down to program level

Further commentary on each of these programs is contained in Appendix 3, noting that actual projects and budgets will be identified in the Annual Operational Plan.

Transport asset data has been taken from the Transport Asset Management Plan (AMP) adopted by Council in June 2022. Since that time the *State of Our Council Infrastructure Assets Report* has been prepared identifying a significant backlog in reseals, and sealed road pavement reconstruction and unsealed road resheeting (SOCIA section 3). Early estimates indicate this is in excess of \$20m and this is expected to increase given wet conditions in recent years, along with the current flood event. As noted in the Transport AMP, this is something Council will need to focus on addressing via additional grants over and above the ongoing funds it has available.

#### 4.1.2 Financial Capacity for capital renewal

General Fund income is forecast to increase over the next 4 years with additional revenues being generated by the Special Rate Variation (SRV). Council still faces difficult decisions regarding priorities for available funds. This is particularly the case in the first couple of years, when SRV revenues aren't up to their full amount of around \$6M p.a. in year 4.

Council's 2023-2032 LTFP earmarks all funds generated from the SRV for capital works rather than operations and maintenance.<sup>7</sup> At the time of developing the LTFP further asset management work was required to determine specifically what it would be expended on. All additional funds were allocated to capital renewal to indicate the intent to commit the funds to asset renewal and maintenance. This will be updated following the adoption of the final SAMP.

The total capital works funding available is reported in the LTFP against 'purchase of infrastructure, property, plant and equipment' in the cashflow statement. This SAMP works on unindexed figures, so indexation is removed in Table 2 below. GST is also removed.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
LTFP cashflow statement for general fund (purchase of Infrastructure, Property, Plant and Equipment)	10,713	7,019	8,593	10,758	12,318	12,609	12,605	12,767	13,529	13,524	114,435
Indexation @ 2.5% p.a.	100%	102.5%	105.1%	107.7%	110.4%	113.1%	116.0%	118.9%	121.8%	124.9%	
Purchase of IPPE unindexed	10,713	6,848	8,179	9,990	11,160	11,145	10,869	10,740	11,104	10,829	101,576
Purchase of IPPE unindexed excl. GST	9,739	6,225	7,435	9,082	10,145	10,131	9,881	9,764	10,094	9,845	92,342

Table 2: removal of indexation and GST from capital works program in Cashflow Statement in LTFP

Table 3 below summarises the cash available in the LTFP, and the total cost of **recommended priority capital works** for each asset class over the ten years, pursuant to this Strategic Asset Management Plan.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
Capital works funding in LTFP	(9,739)	(6,225)	(7,435)	(9,082)	(10,145)	(10,131)	(9,881)	(9,764)	(10,094)	(9,845)	(92,342)
Transport	8,258	6,348	7,089	8,294	8,336	8,375	8,416	8,457	8,500	8,541	80,614
Urban stormwater drainage	-	815	600	600	600	600	600	600	600	600	5,615
Buildings and facilities	320	1,750	1,375	2,215	3,290	275	715	2,480	275	275	12,970
Plant and equipment	1,161	1,532	2,337	1,720	1,729	1,647	1,699	1,702	1,750	1,750	17,027
<b>TOTAL PRIORITY WORKS</b>	<b>9,739</b>	<b>10,445</b>	<b>11,401</b>	<b>12,829</b>	<b>13,955</b>	<b>10,897</b>	<b>11,430</b>	<b>13,239</b>	<b>11,125</b>	<b>11,166</b>	<b>116,226</b>
(surplus)/shortfall	(0)	4,220	3,965	3,747	3,810	765	1,549	3,475	1,030	1,322	23,884

Table 3: priority works by asset class, and shortfall compared to available funds in LTFP

<sup>7</sup> Capital works involves renewal and replacement of existing assets (*restoring* them to serviceable condition) as well as upgraded and new assets; operations and maintenance are ongoing activities (*retaining* assets in serviceable condition). These are accounted for separately.

As can be seen, there is a shortfall of \$23.9M in funding available for recommended priority capital works over 10 years, the majority of this being in 2024 to 2027 (when revenues from the SRV are lower, recommended buildings and facilities and plant and equipment projects are high), but also in 2030 (when building and facilities projects are again high). Recommended capital works in these years will need to be prioritised to reflect the capacity of Council at the time of preparing its Annual Budget (ideally, supported by grants and other external revenues).

#### **4.1.3 Asset Maintenance and Operational Costs**

In addition to the priority capital works the following recommended priority operational activities are identified in the *State of Our Council Infrastructure Assets Report* as needing funding over the next 10 years including:

- Transport: \$300k p.a. for grading shoulders and clearing table drains on sealed roads
- Urban stormwater drainage:
  - \$2.5M to clear the 'backlog' of open drains, constructed wetlands and detention basins across the urban stormwater drainage network to increase their capacity and ensure proper functioning
  - \$100k p.a. ongoing to then keep the drains, wetlands and basins clear
  - \$250k to undertake a CCTV program to collect information on the existing pipe network, including proactive identification of potential problems
  - \$300k to undertake a capacity analysis of the local networks to identify and prioritise works to improve capacity

Again, there is a shortfall in funding available to fully fund these asset maintenance and operational costs. Recommended asset maintenance and operational costs in the early years will need to be prioritised to reflect the capacity of Council at the time of preparing its Annual Budget.

#### **4.1.4 Financial Capacity**

The fact that there is insufficient funding for all priority works (potentially \$50M+ over 10 years, including the estimated backlog for transport assets, the shortfall in funds in the LTFP compared to recommended projects and additional maintenance and operational costs) is not a situation unique to Federation Council. The 'infrastructure renewal backlog' and 'maintenance funding gap' are of concern to most councils and have been for many years.

The key points to note here are:

- Council needs the additional funds generated from the proposed SRV to cover recommended asset management activities
- Council will need to make some difficult decisions about allocation of its limited resources across these competing priorities, and manage the shortfall via:
  - Delaying works having a lower risk to council and the community
  - Delaying works beyond its capacity to deliver
  - Pursuing grants from other levels of government to renew infrastructure assets
  - Pursuing contributions from beneficiaries of assets where the benefit can be reasonable apportioned
  - Using debt to hasten asset renewal for key assets
- **Council needs to continue to focus on strategic asset management planning, revising the SAMP annually alongside the LTFP, to inform decision making.**



## 4.2 Water Fund

Council's water supply business is accounted for separate to 'general fund' as required by National Competition Policy and the Local Government Act.

### 4.2.1 Recommended capital renewal

Based on the preceding Asset Class summary for Water and the State of Our Council Infrastructure Assets Report 2022, the following asset renewal is recommended to meet priority infrastructure needs.

PROG.#	PROGRAM	Capital works										
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS
WS 1	Water mains - replacements	400	400	400	400	400	400	400	400	400	400	4,000
WS 2	Water mains - new/upgrade for growth	2,150	1,100	1,100	1,100	750	500	-	-	750	500	7,950
WS 3	Pump stations	75	75	75	75	75	75	75	325	75	75	1,000
WS 4	Reservoirs and water towers	1,800	100	100	100	100	100	100	100	100	100	2,700
WS 5	Mulwala water treatment plant	-	-	-	-	-	2,000	16,000	16,000	2,000	-	36,000
WS 6	Howlong water treatment plant (2032-33)	-	-	-	-	-	-	-	-	-	7,000	7,000
WS 7	Corowa water treatment plant	900	-	-	-	-	-	-	-	-	-	900
WS 8	Other (telemetry, meters, planning, plant)	235	190	-	1,300	25	25	25	25	25	25	1,875
<b>WATER FUND</b>		<b>5,560</b>	<b>1,865</b>	<b>1,675</b>	<b>2,975</b>	<b>1,350</b>	<b>3,100</b>	<b>16,600</b>	<b>16,850</b>	<b>3,350</b>	<b>8,100</b>	<b>61,425</b>

Table 4: 10 year recommended capital works program for Water Fund down to program level

Further commentary on each of these programs is contained in Appendix 3.

### 4.2.2 Financial Capacity

The **total capital works funding available** is reported in the LTFP against 'purchase of infrastructure, property, plant and equipment' in the cashflow statement. This SAMP works on unindexed figures, so indexation is removed in Table 2 below. GST is also removed.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
LTFP cashflow statement for water fund (purchase of Infrastructure, Property, Plant and Equipment)	6,054	2,401	662	2,160	2,137	2,640	8,858	8,778	9,655	2,203	45,548
Indexation @ 2.5% p.a.	100%	102.5%	105.1%	107.7%	110.4%	113.1%	116.0%	118.9%	121.8%	124.9%	
Purchase of IPPE unindexed	6,054	2,342	630	2,006	1,936	2,333	7,638	7,385	7,924	1,764	40,013
Purchase of IPPE unindexed excl. GST	5,504	2,129	573	1,823	1,760	2,121	6,944	6,713	7,204	1,604	36,375

Table 5: removal of indexation from capital works program in LTFP

Table 6 below summarises the cash available in the LTFP, and the total cost of **recommended priority capital works** over the ten years, pursuant to this Strategic Asset Management Plan.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
Capital works funding in LTFP	(5,504)	(2,129)	(573)	(1,823)	(1,760)	(2,121)	(6,944)	(6,713)	(7,204)	(1,604)	(36,375)
<b>TOTAL PRIORITY WORKS WATER FUND</b>	<b>5,504</b>	<b>1,865</b>	<b>1,675</b>	<b>2,975</b>	<b>1,350</b>	<b>3,100</b>	<b>16,600</b>	<b>16,850</b>	<b>3,350</b>	<b>8,100</b>	<b>61,369</b>
(surplus)/shortfall	-	(2,129)	(573)	(1,823)	(1,760)	(2,121)	(6,944)	(6,713)	(7,204)	(1,604)	(30,872)

Table 6: priority works for water fund, and shortfall compared to available funds in LTFP

As can be seen, there is a shortfall of \$30.9M in funding available (within the current LTFP) for recommended priority capital works over 10 years.

The current LTFP was prepared prior to this more comprehensive asset management information being available. The LTFP contains access fee increases of around 10% p.a. in the initial 4 years and includes minimal growth in the number of serviced properties. Interim financial modelling based on the recommended priority capital works and



amended timing of renewal needs has been prepared, with the growth in serviced properties being informed by Development Application activity and more recent forecast data. This modelling also contains increased access and usage charges and developer contributions to generate the funds required for water supply infrastructure renewal and expansion. Further work will be undertaken in 2023 to refine this modelling, understand the impact on water supply customers and engage with the community on future water supply infrastructure needs.

Recommended capital works in the early years will need to be prioritised to reflect the capacity of Council at the time of preparing its Annual Budget.

The key points to note here are:

- Council will need to make some difficult decisions about allocation of its limited resources across these competing priorities, and manage the shortfall via:
  - Reviewing access and usage charges to ensure that current users are funding the full cost of water supply services
  - Reviewing developer contribution charges to ensure that developers are funding the cost of enhanced infrastructure required to provide for growth in the Council area
  - Delaying works having a lower risk to council and the community
  - Delaying works beyond its capacity to deliver
  - Pursuing grants from other levels of government to renew water supply assets
  - Using debt to hasten asset renewal for key assets

## 4.3 Sewer Fund

Council's sewerage business is accounted for separate to 'general fund' (covering all other activities) as required by National Competition Policy and the NSW Local Government Act.

### 4.3.1 Recommended capital renewal

Based on the preceding Asset Class summary for Sewerage and the State of Our Council Infrastructure Assets Report 2022, the following asset renewal is recommended to meet priority infrastructure needs:

		Capital works										
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS
S 1	Gravity pipelines (mostly relining)	881	250	625	625	625	625	625	625	625	400	5,906
S 2	Vent stacks	100	100	60	60	60	60	60	160	60	60	780
S 3	Manholes	134	250	250	250	250	250	250	250	250	250	2,384
S 4	Rising mains		100	100	100	100	100	100	100	100	100	900
S 5	Pumping stations - renewals	425	220	75	75	80	-	-	-	-	-	875
S 6	Pumping stations - Mulwala efficiencies	-	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	-	10,000
S 7	SPS + mains upgrades for growth	-	2,250	1,300	1,250	1,050	500	-	1,000	-	300	7,650
S 8	Corowa sewage treatment plant	310	-	-	1,000	10,000	10,000	8,000	-	-	-	29,310
S 9	Howlong sewage treatment plant	435	-	-	-	5,000	5,000	-	-	-	-	10,435
S 10	Mulwala sewage treatment plant	430	-	-	-	-	1,000	6,000	6,000	-	-	13,430
S 11	Plant and Equipment - renewals	541	90	90	90	90	90	90	90	90	90	1,351
S 12	Plant and Equipment - upgrades	138	30	30	30	30	30	30	15	15	15	363
SEWER FUND		3,394	4,540	3,780	4,730	18,535	18,905	16,405	9,490	2,390	1,215	83,384

Table 7: 10 year recommended capital works program for Sewer Fund down to program level

Further commentary on each of these programs is contained in Appendix 3.

### 4.3.2 Financial Capacity

The **total capital works funding available** is reported in the LTFP against 'purchase of infrastructure, property, plant and equipment' in the cashflow statement. This SAMP works on unindexed figures, so indexation is removed in Table 8 below. GST is also removed.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
LTFP cashflow statement for sewer fund (purchase of Infrastructure, Property, Plant and Equipment)	3,733	1,592	920	1,466	3,762	7,255	9,864	5,926	2,294	894	37,706
Indexation @ 2.5% p.a.	100%	102.5%	105.1%	107.7%	110.4%	113.1%	116.0%	118.9%	121.8%	124.9%	
<b>Purchase of IPPE unindexed</b>	<b>3,733</b>	<b>1,553</b>	<b>876</b>	<b>1,361</b>	<b>3,408</b>	<b>6,412</b>	<b>8,506</b>	<b>4,985</b>	<b>1,883</b>	<b>716</b>	<b>33,433</b>
<b>Purchase of IPPE unindexed excl. GST</b>	<b>3,394</b>	<b>1,412</b>	<b>796</b>	<b>1,238</b>	<b>3,098</b>	<b>5,829</b>	<b>7,732</b>	<b>4,532</b>	<b>1,712</b>	<b>651</b>	<b>30,394</b>

Table 8: removal of indexation from capital works program in LTFP

Table 9 below summarises the cash available in the LTFP, and the total cost of **recommended priority capital works** over the ten years, pursuant to this Strategic Asset Management Plan.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 years
Capital works funding in LTFP	(3,394)	(1,412)	(796)	(1,238)	(3,098)	(5,829)	(7,732)	(4,532)	(1,712)	(651)	(30,394)
<b>TOTAL PRIORITY WORKS SEWER FUND</b>	<b>3,394</b>	<b>4,540</b>	<b>3,780</b>	<b>4,730</b>	<b>18,535</b>	<b>18,905</b>	<b>16,405</b>	<b>9,490</b>	<b>2,390</b>	<b>1,215</b>	<b>83,384</b>
<b>(surplus)/shortfall</b>	<b>-</b>	<b>3,128</b>	<b>2,984</b>	<b>3,492</b>	<b>15,437</b>	<b>13,076</b>	<b>8,673</b>	<b>4,958</b>	<b>678</b>	<b>564</b>	<b>52,990</b>

As can be seen, there is a shortfall of \$53M in funding available for recommended priority capital works over 10 years, the majority of this being in 2027 and 2028 (associated with the Corowa STP).

The current LTFP was prepared prior to this more comprehensive asset management information being available. The LTFP contains 5% access fee increases over the ten years and minimal growth in the number of serviced properties. Interim financial modelling based on the recommended priority capital works, cost escalations and amended timing of renewal needs has been prepared, with the growth in serviced properties being informed by

Development Application activity and more recent forecast data. In particular renewal of sewage treatment plants has been brought forward when compared to the current LTFP. This modelling also contains increased access and usage charges and developer contributions to generate the funds required for sewerage infrastructure renewal and expansion. Further work will be undertaken in 2023 to refine this Sewer Fund modelling, understand the impact on serviced customers and engage with the community on future sewerage infrastructure needs.

Recommended capital works in all years will need to be prioritised to reflect the capacity of Council at the time of preparing its Annual Budget.

The key points to note here are:

- Council will need to make some difficult decisions about allocation of its limited resources across these competing priorities, and manage the shortfall via:
  - Reviewing access and usage charges to ensure that current users are funding the full cost of sewerage services
  - Reviewing developer contribution charges to ensure that developers are funding the cost of enhanced infrastructure required to provide for growth in the Council area
  - Delaying works having a lower risk to council and the community
  - Delaying works beyond its capacity to deliver
  - Pursuing grants from other levels of government to renew sewerage assets
  - Using debt to hasten asset renewal for key assets

## 5. Asset Management System and Improvement Actions

Council's **Asset Management Policy** states that Council will take a **systematic approach** to managing its assets, aligned with the principles of ISO 55000 (international standard for asset management systems) and that it will establish an **Asset Management Steering Group** to monitor implementation of its asset management system, lead continuous improvement programs and report on progress.

The **Terms of Reference for the Asset Management Steering Group** are included in Appendix 1.

**Actions to improve** Council's asset management capability are in Appendix 2. Council intends to assess its capability against a formal benchmark (such as ISO 55001) in future, but it does not consider that this is warranted for this revision of this SAMP (there are some basic actions to address that will take sufficient time and resources over the next year on its own).

The Steering Group will monitor and report on progress with improvement actions (as per the Terms of Reference), but some actions may also be included in future Operational Plans.

# APPENDIX 1: Terms of Reference for Asset Mgmt. Steering Group

## *Purpose*

The Asset Management Steering Group (AMSG) to support Council in achieving its objectives in its AM Policy (i.e., responsible and sustainable management of infrastructure and other physical assets, providing best value). The AMSG will do so by:

- monitoring and reviewing the implementation and improvement of the Asset Management (AM) system
- providing a cross-functional forum for planning and coordinating AM activities, including raising awareness of, and communicating about, AM issues.

## *Membership*

- General Manager
- Directors (Director of Engineering – Chair)
- Asset Management Officer (administration for the committee)
- GIS Officer
- Fleet Co-ordinator
- IT Systems Administration
- Systems Accountant
- Managers of Finance, Utilities, Infrastructure, Operations, Recreation, Environment Facilities and Regulations, Facilities and Environment (North)
- other staff as required

## *Agenda Items*

Standard agenda items will include the following:

- Progress with improvement action plan (Appendix 2 of SAMP)
- Problems or potential problems identified with Council's assets or AM system; actions to correct or prevent these; progress on actions taken
- Integration with Council's risk management system
- Asset management Resourcing (staffing, budget preparation and review of Long Term Financial Plan)
- Coordination with GIS
- Review for Report on Infrastructure Asset requirements annually in September for inclusion the financial statements

Each year, the AMSG will undertake a review of the AM system and Improvement Action Plan when updating the SAMP (usually, February/March) and endorse a new Action Plan.

## *Distribution of Minutes*

Minutes of the AMSG will be tabled for information at meetings of MANEX and the Audit, Risk and Improvement Committee.

## APPENDIX 2: Asset Management Improvement Action Plan

Ref	Improvement Action	Who	When
<b>GENERAL</b>			
G1	Establish Asset Management Steering Group, quarterly report to Manex; progress reporting to Audit, Risk and Improvement Committee (ARIC)	MANEX	Quarterly meeting
G2	Resource Asset Management Coordinator currently vacant and GIS office (Currently vacant)	DES	Mar 2023
G4	Review/audit of Asset Registers	AMSG	End of 2023
G5	Develop Program of Asset revaluations	AMSG	End of 2023
G7	Link capital works to asset classes	AMSG	End of 2023
<b>TRANSPORT</b>			
T1	Determine road asset condition assessment system, considering ongoing updating of data by key staff (criteria, format, training, etc.)	DES, MI & MO	Dec 2023
T2	Condition inspection of entire sealed road network completed including assessment of surface, pavements, shoulders and table drains. Align segments for surface and pavements.	MI	Mar 2023
T3	Quantify 'backlog' for reseals (priority work to do), quantify heavy patching and reconstruction needs, revise 10 year works program incorporating program for table drain clearing.	DES	Apr 2023
T4	Prioritise local roads for shoulder widening and consider in the context of reseals and pavement needs; table draft prioritised list to Roads Committee for comment and Council for consideration, review and endorsement	MI	June 2024
T5	Condition inspection of unsealed road network completed including formation shape, gravel coverage and table drains.	MI	Sept 2024
T6	Review of 'backlog' for gravel re-sheeting, develop scenarios to address this based on varying levels of funding; consider need to review service levels for maintenance grading at the same time	MI	Oct 20234
T7	Develop program for condition inspection of bridge and large culvert structures, assess ability to complete this within current budgets	MI	Jun 2023
T8	Develop program to progress bridge replacements, identifying the need for further investigations to support grant applications	MI	Mar 2024
T9	Develop a prioritised program for footpath upgrades drawing on existing strategies but also incorporating asset renewals and widening of existing paths.	MI	Mar 2024

Ref	Improvement Action	Who	When
<b>BUILDINGS AND FACILITIES</b>			
BF1	Refine draft prioritised list of building and facility projects, identifying assets where action is required/potentially required (e.g. demolish, dispose, rationalise, refurbish, upgrade, etc.); identify stakeholders; relevant documents (e.g. masterplans, crown lands mgmt. plans); identify potential funding sources for works; workshop with councillors	DDES	Mar 2023
BF2	Prepare waste management strategy to guide investments including Corowa transfer station, rehabilitation of other sites; quantify future provisions.	DES	Dec 2024
BF3	Develop maintenance management plan for buildings and facilities including scheduled (e.g. maintenance/condition inspections, fire safety, air conditioning, electrical, asbestos) and unscheduled/reactive (e.g. customer requests)	MEFR & MFE	Mar 2024
BF4	Business case to improve energy efficiency (e.g. solar)	MEFR & MFE	Mar 2024
<b>URBAN STORMWATER DRAINAGE</b>			
U1	Improvement strategy developed for consideration by Council to reduce risk of localised flooding including open drain clearing program, renewals/upgrades to pump stations and basins, maintenance and reliability plan for pump stations, CCTV inspections of a sample of pipes, catchment analyses to identify upgrade priorities, etc.	MI, MU & MO	Mar 2024
U2	Identify studies required to adequately assess the impact of future development	DDES, MU & PDE	Mar 2024
<b>PLANT AND EQUIPMENT</b>			
P1	Review of underutilised items and identify items that can be rationalised	MO	June 2024
P2	Revise internal charge out rates based on industry benchmarks for utilisation and cost.	MO	March 2023
P3	Establish reporting and review system to monitor usage, operating income and costs, replacement program. Report regularly to MANEX	MO & MF	Annual
P4	Establish internally restricted reserve ('plant fund') so plant is self-funding in future	MO & MF	June 2023
P5	Information Communications Technology Strategy, including emerging technology.	MIT&CS	June 2023
<b>WATER SUPPLY</b>			
W1	Next revision of financial + asset plans for consideration by Council	MU	June 2023
W2	Risk assessment on issues as well as evidence currently available to support strategies; identify and prioritise gaps	MU	Dec 2023
W3	Coordinate and centralise maintenance plans	MU	Dec 2024



W4	Consider simplified approach to IWCM Strategy development	MU	Dec 2022
W5	Secure funding (DPE) and procure IWCM Strategy	DES	Jun 2023
SEWERAGE			
S1	Next revision of financial + asset plans for consideration by Council	MU	June 2023
S2	Risk assessment on issues as well as evidence currently available to support strategies; identify and prioritise gaps	MU	Dec 2023
S3	Progress the inflow and infiltration program, CCTV monitoring program and relining.	MU	Annual
S4	Upgrade/efficiency/reliability strategy for pumping stations	MU	Annual
S5	Network modelling	MU	Dec 2023

## APPENDIX 3: Recommended Capital Renewal

The following tables provide additional detail on what may be considered for each of the recommended capital renewal programs. Given that the program will require further prioritising to accommodate Council's financial capacity, these are currently indicative only. Individual projects will be identified in the Operational Plan and Annual Budget.

TRANSPORT
<b>T1. SEALED LOCAL ROADS:</b> figures are for both reseals + pavement reconstruction. The 48km p.a. target (in the asset class summary) should be the key driver to determine projects, with remaining funding available for pavements (either heavy patching within reseals, or pavement reconstruction of failed areas outside of this, if there are funds remaining). State of Our Council Assets Report identifies the full scope of works across all sealed roads. Works should be coordinated with shoulder grading and table drain clearing (if/when funded).
<b>T2. UNSEALED LOCAL ROADS:</b> re-gravelling of unsealed (gravel) roads. 46Km p.a.
<b>T3. REGIONAL ROADS:</b> budget of \$1.7M p.a. is based on identified need (in Transport AMP) but actual funding is only \$1.8M p.a., less \$0.4M p.a. for maintenance. This is insufficient and competitive grant funding to be sought when made available.
<b>T4. ROAD UPGRADES:</b> grant dependant. Prioritised list of potential projects to be prepared for consideration / endorsement by Council.
<b>T5. KERB AND GUTTER:</b> focus on replacing kerb in poor condition. Priorities list to be developed.
<b>T6. FOOTPATHS:</b> Estimate assumes the focus will be renewing existing footpaths after risk review as per adopted footpath management plan. In addition the Pedestrian and Cycling Strategy to be reviewed
<b>T7. BRIDGES:</b> there are 7 bridges needing replacement (total estimate \$11.5M), grants to be pursued.
<b>T8. RURAL CULVERTS:</b> priority projects to be identified based on risk and need across network.
URBAN STORMWATER DRAINAGE
<b>UD1. STORMWATER PUMPING STATIONS AND BASINS:</b> year 1 includes high risk works (in SOCIA Report) including renewal of poor condition assets (pumps, switchboards, electricals) and minor upgrades to 3 stations with significant capacity issues. Further \$500k p.a. is for broader upgrade program, which needs to be informed by an analysis of the issues (see SOCIA Report).
<b>UD2. STORMWATER PIPES AND PITS:</b> small allowance to cover capital renewal works (potentially with minor upgrades) on existing network. CCTV program required (see SOCIA Report) to identify the issues enabling scheduling of maintenance rather than responding to failures.
<b>UD3. UPGRADE PROGRAM:</b> works to be determined, based on report on priorities across the network (see SOCIA Report).
BUILDINGS AND FACILITIES
<i>A detailed list of projects has been developed identifying works at individual sites. These have been grouped by priority: high (1-2 years), medium (3-6 years), low (7-10 years).</i>

<b>BF1. ADMINISTRATION AND LIBRARIES:</b> Urana: gutter replacement, LED lights, eaves; Mechanical service replacement Corowa: Civic Centre AC and new roof, carpet, fire and security, Capital Building Maintenance Schedule, LEDs.
<b>BF2. AERODROME:</b> Reseals for taxiway, runway, cyclical program.
<b>BF3. AQUATIC:</b> Urana & Oaklands: resurface pools + replace dosing systems; Howlong, Corowa and Mulwala: long list of items (mostly replacement of poor condition assets in Howlong and identified WH&S issues for Corowa)
<b>BF4. CARAVAN PARKS:</b> refurbish Urana Dam and Aquatic Centre onsite cabins & toilets, various works at Ball Park.
<b>BF6. COMMERCIAL:</b> sale of surplus building to be considered by Council.
<b>BF7. COMMUNITY:</b> Urana hall kitchen; Court House lights; Oaklands hall roof + soft furnishings; Corowa Memorial Hall refurbishment (various works \$760k); Mulwala Hall, Oddfellows Hall, Howlong Community Centre – refurbishments.
<b>BF8. DEPOTS:</b> Corowa washdown bay
<b>BF9. EMERGENCY SERVICES:</b> No work required to SES (RFS funding for repairs to shed and equipment).
<b>BF10. MEDICAL:</b> Urana doctors surgery: expand to accommodate allied health, expect upto 50% funding via grants.
<b>BF11. RESIDENTIAL:</b> Urana units: refurbish kitchens and bathrooms.
<b>BF12. SPORTS:</b> Boree Creek Recreation Ground Buildings (Demolitions) Oaklands Rec Reserve (drainage)
<b>BF13. TOILETS:</b> major works at MacKnight Park (Urana), Memorial Park (Howlong), RSL Park (Corowa) and Owen Park (Mulwala); Howlong Cemetery (new); refurbish 11 other facilities.
<b>BF14. OPEN SPACE:</b> major works <u>short term</u> (1-2 yrs, \$890k total) John Foord Oval fence, Corowa RSL Park irrigation, Morundah main park, trees Corowa & Howlong Main streets; <u>medium term</u> (3-6 yrs, \$1,025k total): Irrigation: Boree Creek Tim Fisher Park, Corowa Cemetery, Mulwala: Apex, Bob Beams, Melbourne St and Purtle Parks, Urana Victoria Park, Rand Rec Ground, Oaklands Rec Ground; Purtle Park retaining wall. Various fencing.
<b>BF15. WASTE:</b> The Waste Management Strategy is currently being prepared which involves the review of the assets for the facilities across the Council area. The capital renewal required for waste will be updated following adoption of the strategy.
<b>PLANT AND EQUIPMENT</b>
<b>PE1. HEAVY PLANT + LIGHT VEHICLES</b> Heavy plant fleet (graders, backhoes, trucks) replacement program is planned to optimise productivity, reliability and whole of life costs; light vehicles planned to minimise operating costs
<b>PE2. ICT &amp; OFFICE EQUIPMENT:</b> investment in equipment for productivity/efficiency

WATER SUPPLY	
<b>WS1. MAINS – REPLACEMENTS:</b>	program to replace old pipes (plus valves, etc.) at the end of their useful life, prioritised by criticality (e.g., number of customers). There is a relatively low incidence of failures for the network overall, but the older AC pipes in all 4 water supply networks need replacing.
<b>WS2. MAINS – GROWTH:</b>	program is to increase size of pipelines to service development areas of Corowa, Howlong and Mulwala to ensure minimum supply and pressure is provided.
<b>WS3. PUMP STATIONS:</b>	ongoing investment in renewal of pumps, switchboards, electricals, etc. to ensure reliability plus periodic work on structures (i.e. Pump wells).
<b>WS4. RESERVOIRS AND TOWERS:</b>	second reservoir in Howlong to enable maintenance of old one, then ongoing investment in short life assets (ladders, roof, fence, mech/elec).
<b>WS5. MULWALA WTP:</b>	\$36M project to renew old facility, address problems with intake and cater for growth. New plant on new site. Financial plan assumes \$18M grant.
<b>WS6. HOWLONG WTP:</b>	\$14M project to renew existing plant and upgrade to cater for growth. Financial plan assumes no grants.
<b>WS7. COROWA WTP:</b>	short term work to keep operating, then needs \$6M augmentation around 2038 to cater for growth. Financial plan assumes no grants.
<b>WS8. OTHER:</b>	minor allocation for small plant and equipment, telemetry, etc. \$1.3M in 2026 is to replace ageing meter fleet and electronic tags (Council will lose revenue if not done).

SEWERAGE	
<b>S1. GRAVITY PIPELINES (RELINING):</b>	relining of pipelines assessed as being at end of life. 15km of reinforced concrete pipe (Corowa) + 26km of vitreous clay pipe (Corowa and Mulwala) are top priorities over next 10-15 years. This program relies on ≈ \$100k p.a. plus CCTV inspections in operational budget to identify problem areas.
<b>S2. VENT STACKS:</b>	removal of existing concrete vent stacks at end of life and replacement with aerated carbon units. Should be done in 2033.
<b>S3. MANHOLES:</b>	ongoing program to refurbish / reline / replace / raise manholes alongside the relining of pipelines.
<b>S4. RISING MAINS:</b>	ongoing program to renew old rising mains (pressure pipes from pump stations). 4km AC is top priority next 10 years.
<b>S5. SEWER PUMP STATION RENEWALS:</b>	mechanical and electrical renewal works have been completed in recent years, but there are civil and structural works to do at several stations.
<b>S6. SEWER PUMP STATION MULWALA EFFICIENCIES:</b>	\$10M program to eliminate ‘chains’ of small pumping stations with insufficient capacity, high energy requirements and poor reliability with few but larger capacity SPS and connecting pipework.
<b>S7. STP AUGMENTATION, SPS + MAINS FOR GROWTH:</b>	includes holding tank Corowa Sewerage Treatment Plant and SPS, plus works at Mulwala and Howlong.

<b>S8. COROWA STP:</b> \$29M project to renew existing plant in poor condition and not meeting environmental requirements (\$21M) + upgrade to cater for development (\$8M). Financial plan assumes \$14M grant.
<b>S9. HOWLONG STP:</b> \$10M project to renew and upgrade plant. If \$5M grant (assumed) is not secured, only the upgrade portion will be done (but renewal will be needed within 15 years).
<b>S10. MULWALA STP:</b> \$13M augmentation to cater for growth. No grants anticipated.
<b>S11. PLANT RENEWALS:</b> switchboard program + other minor plant.
<b>S12. PLANT UPGRADES:</b> program to provide connections for backup generators all sites.

## Schedule of Changes & Amendments

Version	Date	Changes / Amendments
1.0	9 Nov 2022	Draft for public exhibition for Council consideration

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