Strategic Asset Management Plan

Junee Shire Council

May 2022

Plan No: IPR-EXE-002
Adopted: 28 June 2022
Minute Number: 03.06.22

Document status

Job #	Version	Approving Director	Date
7609	1	G Smith	May 2022

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1 Executive summary

This Strategic Asset Management Plan (SAMP) states the approach to implementing the principles and the objectives set out in the Asset Management Policy. It includes specific requirements to outline the processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management system. The asset groups covered by this SAMP are buildings and open space assets, transport infrastructure and sewer network assets.

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

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

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

1.1 Asset values

In preparing this SAMP, it has been identified that Junee Shire Council has an infrastructure and asset portfolio with a current replacement cost of approximately $189.3 million. The asset values are estimates of the value of assets, as at 30 June 2021, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 1 Asset classes and values

Asset class	Gross replacement cost (CRC)	Written down value (WDV)	Annual depreciation expense
Transport	$114,532	$78,457	-$1,635
Buildings	$22,705	$11,109	-$419
Stormwater	$17,244	$10,055	-$159
Parks, Recreation and Other	$5,643	$3,593	-$193
Sewerage Network	$29,211	$18,517	-$278
Combined	**$189,335**	**$121,731**	**-$2,684**

1.2 Asset backlog

As per the 2020/21 Special Schedule 7, Council has a combined asset backlog of $5.3 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2021 is shown in the following table.

Table 2 Asset backlog summary

Estimated cost to satisfactory	Backlog ($)	Backlog ratio % (Backlog / WDV)
Transport	$1,694	2.16%
Buildings	$643	5.79%
Stormwater	$189	1.10%
Parks, Recreation and Other	$173	4.81%
Sewerage Network	$2,647	23.33%
Combined Assets	$5,346	4.39%

1.3 Asset condition

Reviewing asset condition data shows that the most of Council's assets are in a satisfactory or better condition. The reliability of Council's condition data varies between the asset classes with most data being acceptable or reliable. Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets.

Table 3 Asset condition

Asset class	Asset condition (% of CRC)				
	1	2	3	4	5
Transport	6.44%	64.67%	25.27%	3.62%	0.00%
Buildings	12.16%	23.76%	36.38%	26.25%	1.45%
Stormwater	6.56%	83.85%	7.77%	1.82%	0.00%
Parks, Recreation and Other	42.40%	30.60%	12.90%	11.70%	2.40%
Sewerage Network	38.29%	4.84%	52.27%	4.60%	0.01%
Combined	**11.37%**	**55.63%**	**26.35%**	**6.41%**	**0.25%**

1.4 Expenditure and reporting

Table 4 Combined asset expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	3,809	3,803	2,023	2,247	2,242	2,485	2,166	2,266	2,305	2,473
	New and expanded assets	969	1,272	479	572	571	597	567	579	584	599
	Maintenance and operational	2,353	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812
	Total expenditure	**7,132**	**7,475**	**4,950**	**5,315**	**5,360**	**5,679**	**5,383**	**5,548**	**5,645**	**5,885**
Required	Required renewal (depreciation)	3,809	2,901	2,992	3,074	3,159	3,246	3,336	3,428	3,522	3,618
	New and expanded assets	969	1,272	479	572	571	597	567	579	584	599
	Required O&M	2,761	2,848	2,926	3,007	3,090	3,176	3,263	3,353	3,445	3,540
	Total	**7,540**	**7,021**	**6,397**	**6,652**	**6,820**	**7,019**	**7,166**	**7,359**	**7,551**	**7,757**
Maintenance Gap		-408	-448	-478	-510	-543	-578	-614	-650	-688	-728
Renewals Gap		0	901	-969	-827	-917	-762	-1,170	-1,161	-1,217	-1,145
Overall Gap		**-408**	**454**	**-1,447**	**-1,337**	**-1,461**	**-1,340**	**-1,784**	**-1,812**	**-1,905**	**-1,873**

1.5 Levels of service

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

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

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

1.6 High level strategic actions

Table 5 High level strategic actions

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

No	Strategy	Desired outcome
10	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.

2 Introduction

2.1 Asset planning

Development of AMPs for Council's infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments. As such, Junee Shire Council has developed the following SAMP to cover the period 2021/22 – 2030/31. The key findings for each asset class are included in the asset management plans section of this strategy and are covered in a concise but detailed manner.

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

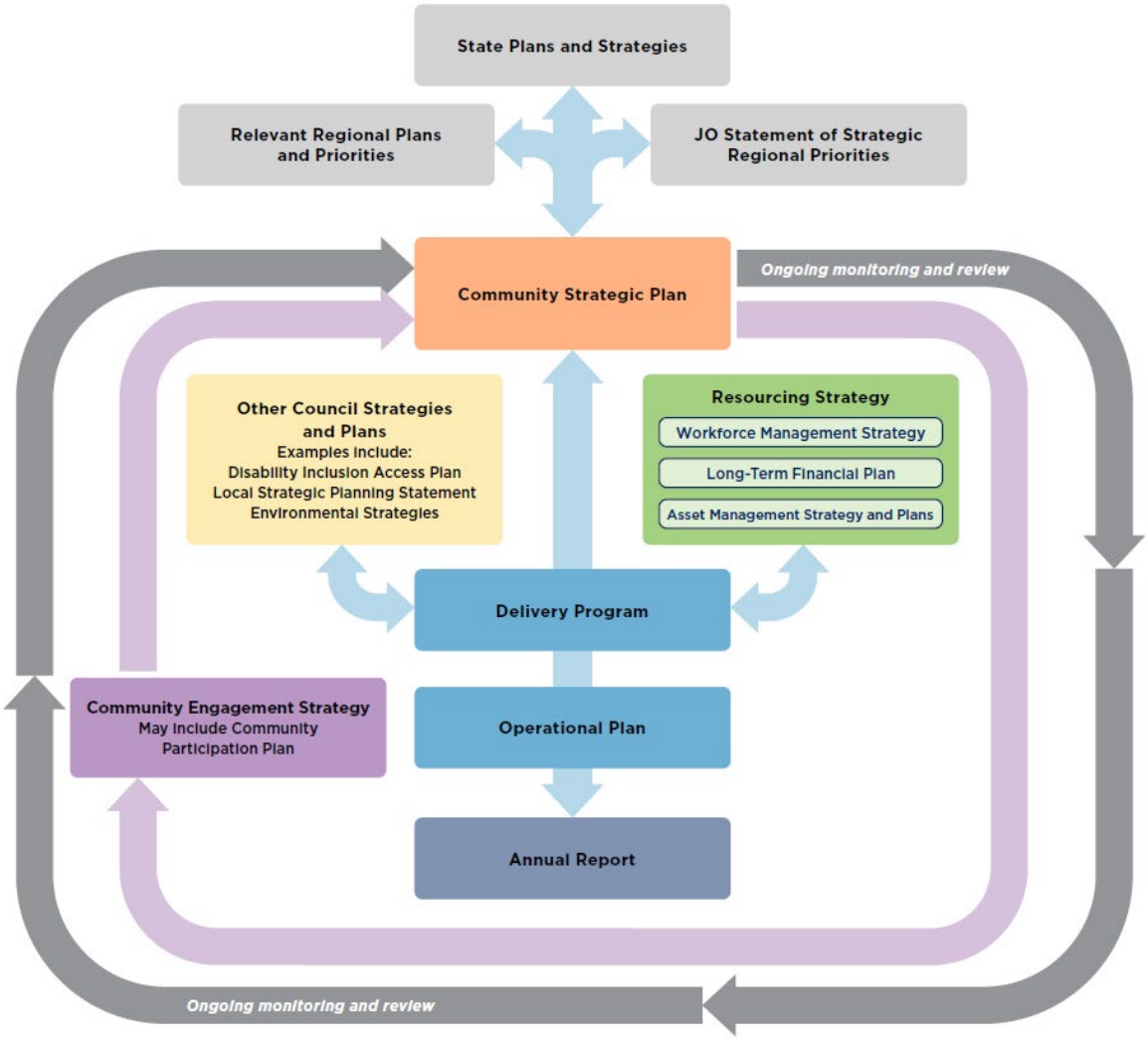
Council's current planning framework is based on the 'Local Government Financial Asset Sustainability Framework'.

Figure 1 Junee Shire Council asset management planning framework

Council has adopted a 'whole of council' approach, beyond just a 'lifecycle' approach, and is committed to delivering value for money to the current and future generations of the community. The Strategic Asset Management Plan is underpinned by Council's Community Strategic Plan which was developed using the guiding principles of:

1. A liveable community is an inclusive place which provides for everyone - a place where we can be involved, healthy and active - a place of which we are proud - a place where others want to be - a great place to live.
    - To be healthy and active.
    - To be a great place to live.
2. A prosperous community provides people with choices and opportunities for investment, employment and learning - it focuses on the things that will attract visitors and new residents which in turn generate wealth and vibrancy in the community - it extracts more from what it already has - it is mindful of change and prepares itself to adapt for the future.
    - To grow our local economy.
    - To be a resilient community able to adapt for the future.
3. A sustainable community is characterised by an appreciation of its natural surroundings and biodiversity - this is supported by responsible planning and management practices which reduce the community's impact on the natural environment - a sustainable community also recognises the limited resources it has in terms of human, financial and built assets and puts practices in place to get the best from what it has.
    - For our community to be in harmony with its built and natural environment.
    - To use and manage our resources wisely (human, financial and built assets).
4. A collaborative community is an informed and involved community which recognises the need for shared responsibility to achieve outcomes - it recognises the need for and the importance of volunteers - capable leaders within Council and the community working together guided by plans made for the future and within a framework of good governance.
    - To be a socially, physically and culturally engaged and connected community.
    - To work together to achieve our goals.

Figure 2 Relationship between Council's plans and resourcing strategies



- **Community Strategic Plan** - outlines what the community wants; the objectives of the community and strategies to achieve those objectives.
- **Resourcing Strategy** - details the resources available to Council to deliver the Community Strategic Plan.
- **Delivery Program/Operational Plan** - details how Council will use the resources that it has, to meet the objectives in the Community Strategic Plan, specifically where Council has been identified as responsible or as a supporting partner in the identified strategies.
- **Annual Report** - is the reporting mechanism used by Council to report on those activities and actions that Council proposed in its Delivery Program and Operational Plan.

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

- Junee Shire Council – Making Tracks 2035
- Junee Shire Council's Resourcing Strategy

- NSW State Plan and Premier Priorities
- Eastern Riverina Regional Economic Development Strategy.

2.2 Scope of this Strategic Asset Management Plan

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

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

The specific objectives of this strategy are:

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

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

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

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

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

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

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

Table 6 Asset Management Strategy structure

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

2.3 Council's assets

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

Table 7 Range of infrastructure assets and services

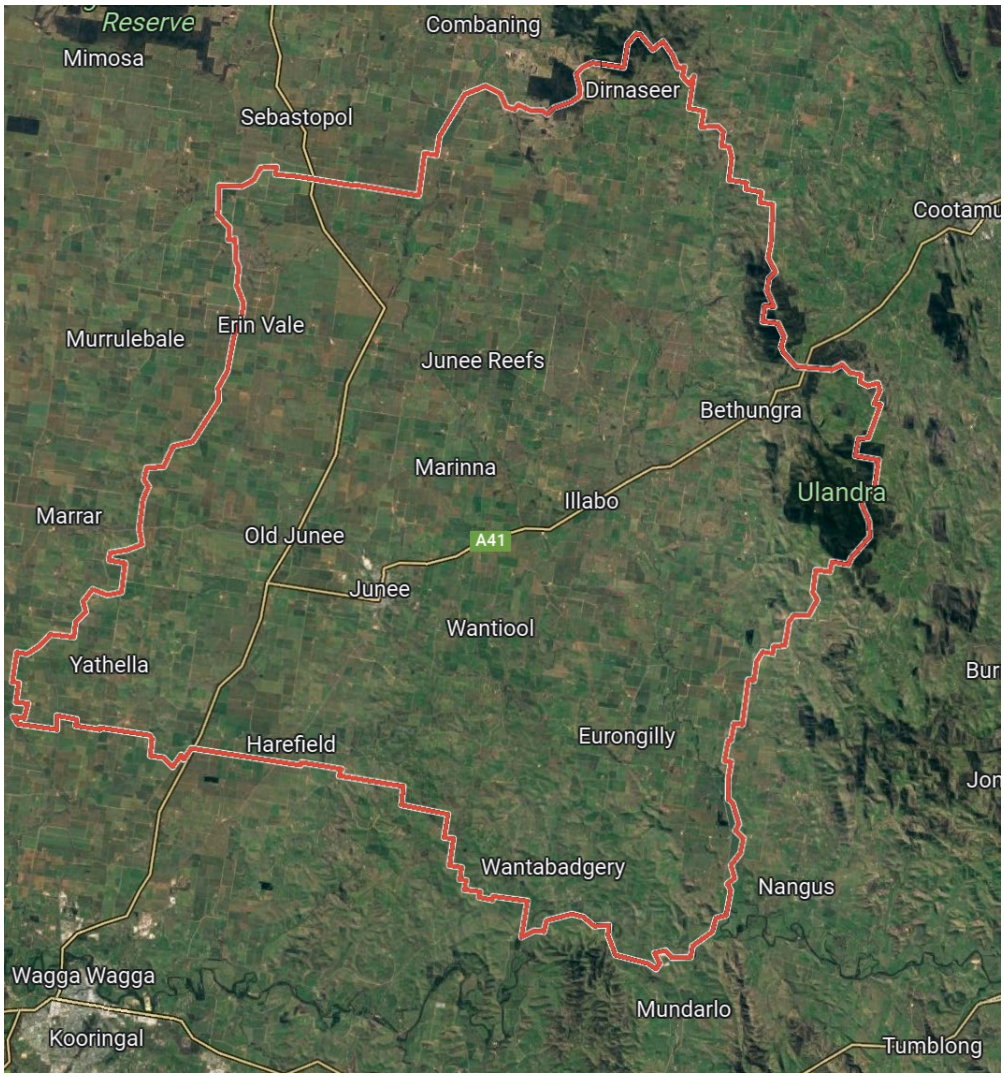
Asset Plan	Description
Transport	This includes roads, kerb and guttering, bridges, footpaths and cycleways and stormwater drainage assets.
Buildings and Recreation Assets	This includes office/administration centres, libraries, community centres, halls, sheds, public toilets and other miscellaneous structures. This asset plan also includes councils' recreation assets such as playgrounds, ovals, swimming pools, etc.
Sewerage Network	This includes the sewerage pipelines, pumping stations, storage and treatment plants

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

2.4 About Junee Shire Council

Junee Shire is a rural council located in the Riverina region and covers an area of 2,000 square kilometres. The Shire comprises of Junee township (located 41km from Wagga Wagga) as well as the villages of Bethungra, Illabo, Old Junee and Wantabadgery. The area has a rich heritage and history dating back to the late 19th century whereby the wealth in the region at the time can be seen in the preserved historic buildings seen throughout the townships today. The region has rich agricultural land and allows for a country living with easy access to a city lifestyle.

Figure 3 Junee Shire Council LGA



2.5 Links to Council plans and strategies

The Strategic Asset Management Plan and Asset Management Plans have been prepared in line with the vision and strategy outlined in the 'Junee Shire Community Strategic Plan Making Tracks 2035' (CSP).

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

Table 8 Linkages to the Corporate Strategic Plan

Strategy	Buildings	Transport	Sewer
Liveable			
To be healthy and active			
Have in place the right health services			
Encourage and enable access to healthy food and healthy, inclusive lifestyle choices			
Provide the right places, spaces and activities	x		
A great place to live			
Enable viable localities and villages	x	x	x
Build on our heritage, creativity and cultural expression	x		
Cater for our ageing population	x	x	
Create opportunities for and value people with a disability	x		
Support and create opportunities for our youth	x		
Prosperous			
To grow our local economy			
Plan for, develop and maintain the right assets and infrastructure	x	x	x
Support our business sector			
Grow our tourism sector			
Promote our community as a place to visit and stay for longer	x		
Plan our land resources for the future			
Grow our population throughout our Shire			
To be a resilient community able to adapt for the future			
Build the capacity and skills of our community and workforce to meet, innovate and lead change			
Prepare and transition to the economy of the future			

Strategy	Buildings	Transport	Sewer
Sustainable			
For our community to be in harmony with its built and natural environment			
Encourage respectful planning, balanced growth and good design	x	x	x
Plan for and respond to our changing environment		x	x
Protect, conserve and maintain our natural assets		x	x
To use and manage our resources wisely (human, financial and built assets)			
Council is accountable and financially sustainable	x	x	x
Embrace energy efficiency and industrial ecology principles	x	x	x
Manage our built assets with asset management planning strategy	x	x	x
Reduce, reuse and recover waste	x	x	x
Collaborative			
To be a socially, physically and culturally engaged and connected community			
Encourage an informed and involved community	x	x	x
Support volunteers to contribute to the community's sustainability Strategy			
Build on our sense of community			
To work together to achieve our goals			
Build strong relationships and shared responsibilities			
Work in partnership to plan for the future			
Provide representative, responsive and accountable community governance and leadership			

3 Asset Management Policy

3.1 Purpose

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

3.2 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 an 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.

3.3 Scope

This policy applies to all Council activities.

3.4 Policy

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.

As at 1 December 2011, Council owned or controlled, and uses approximately $137.94 million of non-current infrastructure assets to support its core business of delivery of service to the community.

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

Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and long-term financial objectives.

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

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

3.5 Principles

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Legislation

Local Government Act 1993 Regulations under the Act

3.7 Related documents

Asset Management Strategy and associated Asset Management Plans.

3.8 Responsibilities

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

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

3.9 Review date

This policy has a life of four years. It will be reviewed within four years of the date of adoption below.

4 Asset management practices

4.1 Asset management information systems

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

- financial - Authority V7 - Civica
- assets - Chartis AMS
- pavement management system for roads - Reflect
- spatial – Intramaps.

4.2 Data collection and validation

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

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

4.3 Monitoring and review procedures

Council utilises a performance management framework to track the achievement of the CSP, Delivery Program, Operational Plan and asset management improvement plan outcomes. This will be reviewed and reported on annually by the executive team.

4.4 Confidence in data

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

Table 9 Asset data confidence scale

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

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

Table 10 Asset data confidence rating

Asset Plan	Inventory	Condition	Age	Overall
Buildings and Recreation	Reliable	Acceptable	Acceptable	**Acceptable**
Transport	Reliable	Acceptable	Reliable	**Reliable**
Sewer	Reliable	Acceptable/uncertain	Reliable	**Acceptable**

4.5 Funding strategy

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

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

- planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- undertaking project scoping for all capital upgrade/new projects to identify:
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
  - the project objectives to rectify the deficiency including value management for major projects

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

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

5 Levels of service

5.1 Defining levels of service

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

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

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

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

5.2 Performance measures

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

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

5.3 Service level outcomes

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

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

5.3.1 Condition

Accessibility

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

Quality/condition

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

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of one to five, where one equals new, and five equals totally failed. A copy of a typical condition rating matrix is detailed on the following page.

Table 11 Asset condition rating matrix

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition, however, is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

5.3.2 Function

Responsiveness

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

Customer satisfaction

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

Sustainability

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

5.3.3 Capacity

Affordability

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

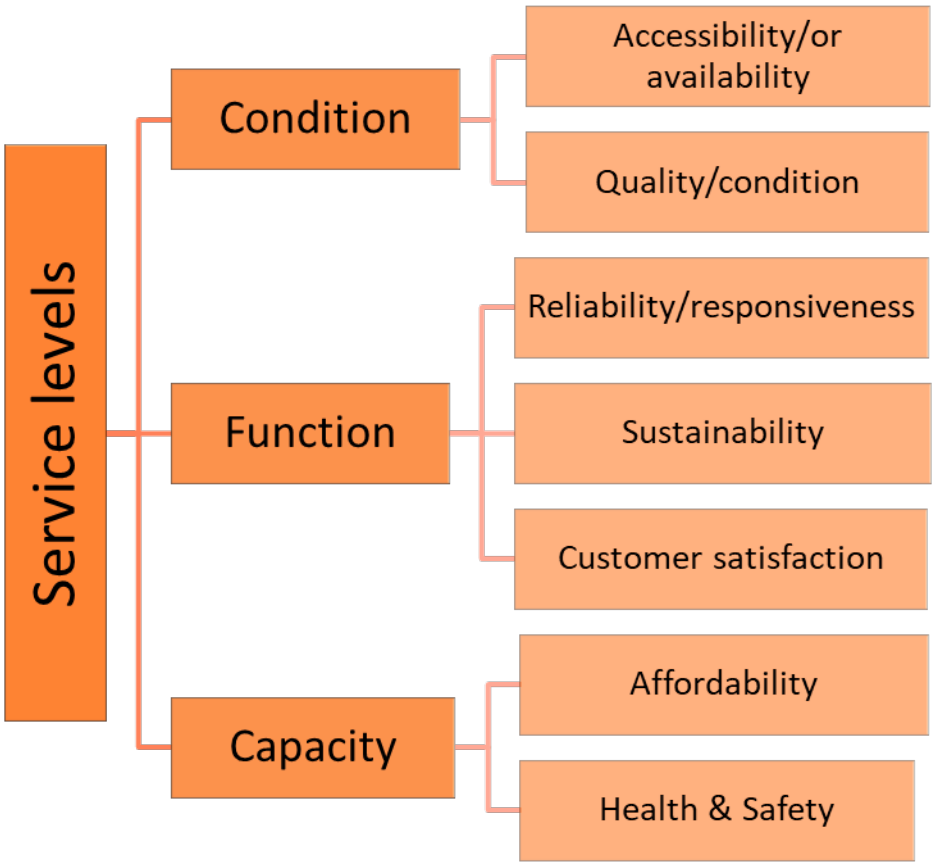
Health and safety

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

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

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

Figure 4 Service level framework



5.4 Financial based service levels

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

5.4.1 Asset backlog ratio

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

5.4.2 Asset consumption ratio

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

5.4.3 Asset sustainability ratio

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

5.4.4 Asset renewal and renewals funding ratio

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

5.4.5 Asset maintenance ratio

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

Table 12 Service levels

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

6 Future demand

6.1 Demand forecast

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

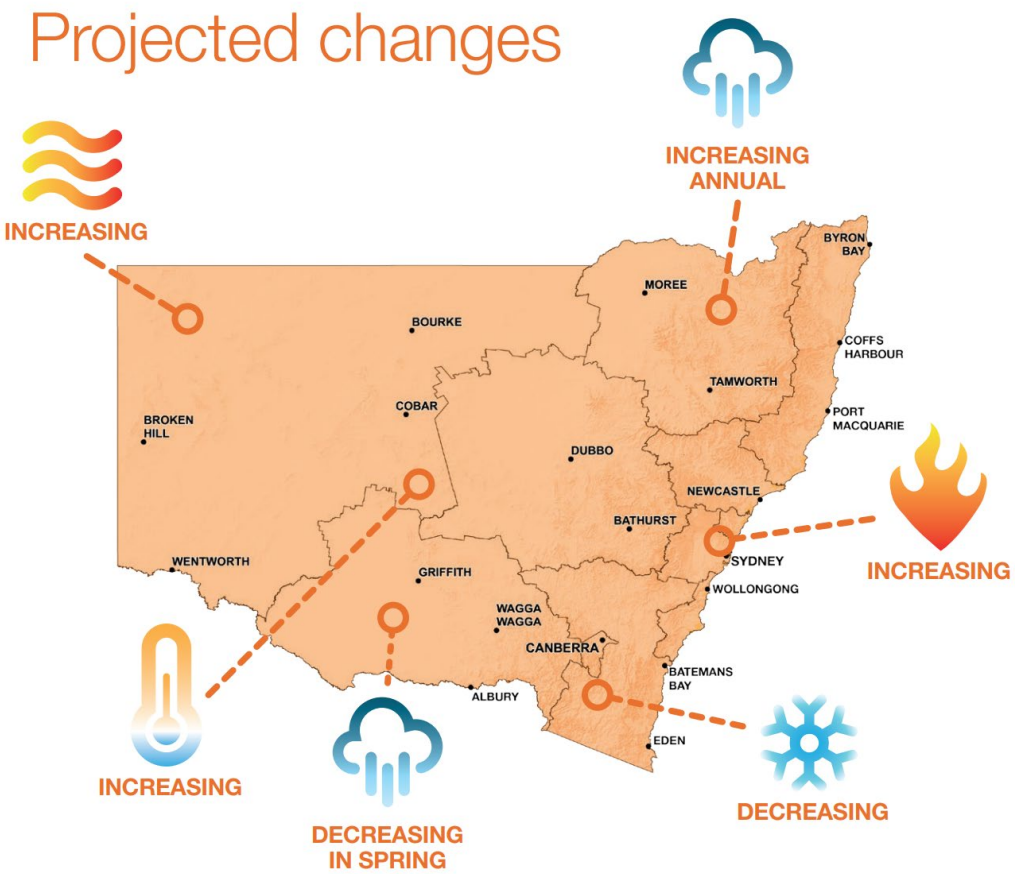
- population growth
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

Table 13 Future demand impacts

Demand drivers	Present position	Projection	Impact on services
Population growth and residential development	Current estimated population is 6,738 (Profile ID)	2019 NSW government estimates expect population to remain relatively stable until 2041.	Population growth will have limited impact on demand for assets. Council could expect a natural demand for increased services as community expectations and demands change over time particularly due to the proximity of Wagga Wagga.
Demographics	Around 15% of the population was over the age of 60 in the 2016 Census	The population is expected to continue to age with around 25% of the population expected to be over the age of 60 by 2040.	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Lifestyle	Predominantly rural lifestyle	Proximity to Wagga Wagga may raise community expectations with respect to community facilities.	Increase in the level of service for Council's assets demanded by the community.

Demand drivers	Present position	Projection	Impact on services
Environment	The NSW and ACT Regional Climate Modelling (NARCliM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079	Expected climatic changes can be found in figure five. This includes: • overall increased temperatures • increased risk and intensity of natural disaster (fire) events. • reduced rainfall.	Assets may be impacted by changes such as more severe weather events.

Figure 5 NARClim modelling and expectations



6.2 Demand management strategies

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

Table 14 Demand management strategies

Demand factor	Impact on services
Population	Population is expected to remain stable and will not increase the burden on Council's assets.
Demographics	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Road utilisation changes	Smart, multi-modal road solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of road transport. Further changing patterns in road utilisation will require council to review service levels and service prioritisation throughout Council's road hierarchy.
Increasing costs	Requirement to continue to maximise service delivery within the funding limitations.
Environment and climate	Assets may be impacted by changes such as increased severity of natural disasters and weather events.
Technology	May require improved environmental/economical management of assets.

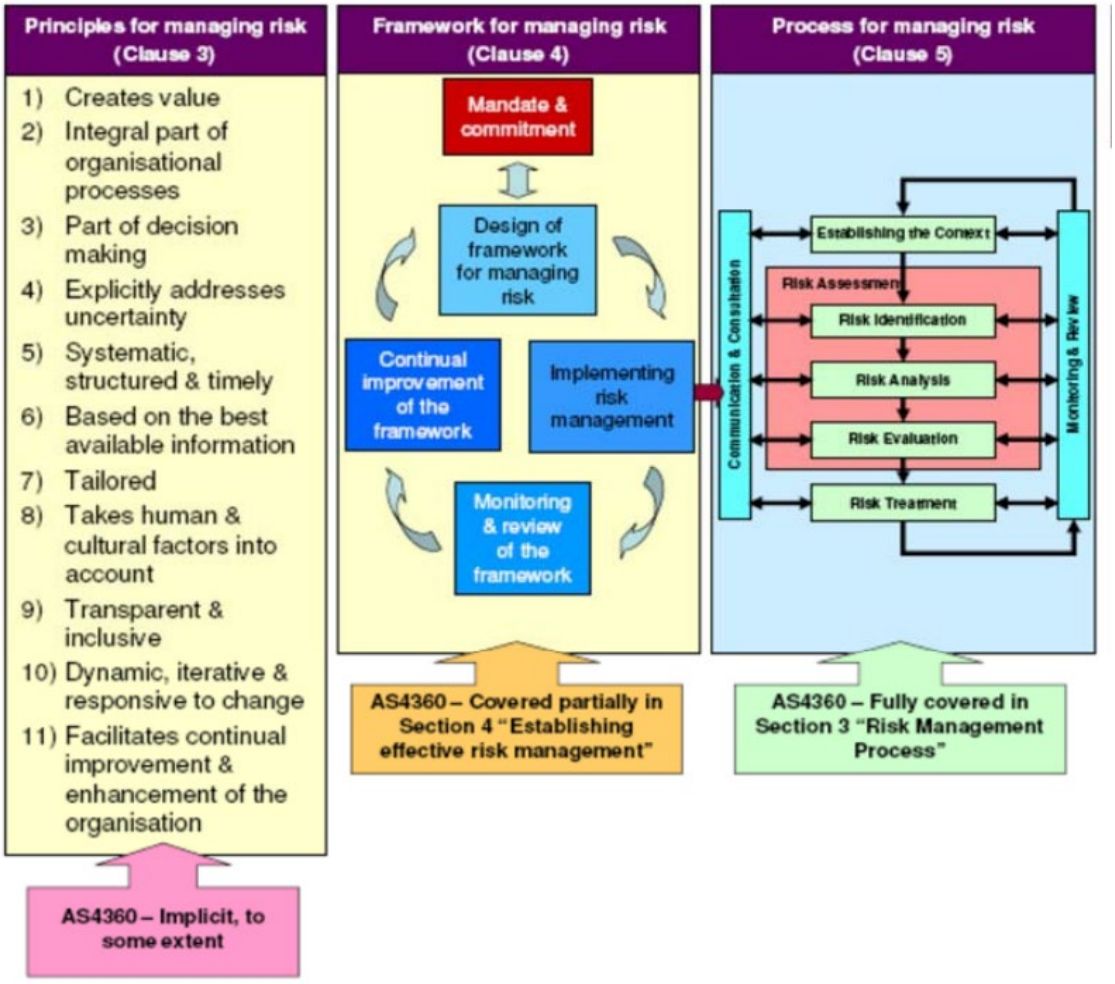
7 Risk management

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

Junee Shire Council is committed to a structured and systematic approach to the management of risk with Council's enterprise risk management framework aligned with ISO 31000:2018. This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

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

Figure 6 ISO 31000 Framework



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

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

7.1 Infrastructure risk management framework

Council is currently developing 'infrastructure risk management plans' for each of its asset classes. These plans provide greater detail on Council's risk management approach for each of its infrastructure assets, including the risk analysis (likelihood and consequence) and treatment criteria specific to each asset class.

In general, risks are evaluated in the following way in Council's asset risk registers:

- risk identification
  - which asset is at risk?
  - what can happen?
  - when can it occur?
  - what are the possible causes?
  - what are the existing controls?
  - is the risk credible?
- risk analysis
  - what is the likelihood of occurrence?
  - what are the consequences of occurrence?
  - risk rating
  - what action is required?
  - is the risk acceptable?
- risk treatment
  - what treatment options are available?
  - what is the plan to treat the risk?
  - what is the residual risk?
- risk treatment plan
  - actions
  - responsibility
  - resource
  - budget
  - due date.

7.2 Strategic infrastructure risks

Council is currently in the process of identifying its high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework. A summary of these risks will be available in the next draft iteration of this strategic asset management plan.

7.3 Critical assets

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

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

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

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

8 Expenditure projections

8.1 Asset values

In preparing this SAMP, it has been identified that Junee Shire Council has an infrastructure and asset portfolio with a current replacement cost of approximately $189 million. The asset values are estimates of the value of assets, as at 30 June 2021, based on our best estimate of asset values, taking into account recent asset revaluations. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 15 Asset Classes and Values

Asset Class	Gross replacement cost (CRC)	Written down value (WDV)	Annual depreciation expense
Transport	$114,532	$78,457	-$1,635
Buildings	$22,705	$11,109	-$419
Stormwater	$17,244	$10,055	-$159
Parks, Recreation and Other	$5,643	$3,593	-$193
Sewerage Network	$29,211	$18,517	-$278
Combined	**$189,335**	**$121,731**	**-$2,684**

8.2 Asset backlog

As per the 2020/21 Special Schedule 7, Council has a combined asset backlog of $5.3 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2021 is shown in the following table.

Table 16 Asset backlog summary

Estimated cost to satisfactory	Backlog ($)	Backlog ratio % (Backlog / WDV)
Transport	$1,694	2.16%
Buildings	$643	5.79%
Stormwater	$189	1.10%
Parks, Recreation and Other	$173	4.81%
Sewerage Network	$2,647	23.33%
Combined Assets	**$5,346**	**4.39%**

8.3 Asset condition

Reviewing asset condition data shows that the most of Council's assets are in a satisfactory or better condition. The reliability of Council's condition data varies between the asset classes with most data being acceptable or reliable. Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets.

Table 17 Asset condition data

Asset class	Asset condition (% of CRC)				
	1	2	3	4	5
Transport	6.44%	64.67%	25.27%	3.62%	0.00%
Buildings	12.16%	23.76%	36.38%	26.25%	1.45%
Stormwater	6.56%	83.85%	7.77%	1.82%	0.00%
Parks, Recreation and Other	42.40%	30.60%	12.90%	11.70%	2.40%
Sewerage Network	38.29%	4.84%	52.27%	4.60%	0.01%
Combined	11.37%	55.63%	26.35%	6.41%	0.25%

8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $5.7 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $7.2 million per year.

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

Table 18 Combined asset expenditure projections

Expenditure projections ($,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	3,809	3,803	2,023	2,247	2,242	2,485	2,166	2,266	2,305	2,473
	New and expanded assets	969	1,272	479	572	571	597	567	579	584	599
	Maintenance and operational	2,353	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812
	Total expenditure	7,132	7,475	4,950	5,315	5,360	5,679	5,383	5,548	5,645	5,885
Required	Required renewal (depreciation)	2,817	2,901	2,992	3,074	3,159	3,246	3,336	3,428	3,522	3,618
	New and expanded assets	969	1,272	479	572	571	597	567	579	584	599
	Required O&M	2,761	2,848	2,926	3,007	3,090	3,176	3,263	3,353	3,445	3,540
	Total	6,547	7,021	6,397	6,652	6,820	7,019	7,166	7,359	7,551	7,757
Maintenance (Gap)		-408	-448	-478	-510	-543	-578	-614	-650	-688	-728
Renewal (Gap)		993	901	-969	-827	-917	-762	-1,170	-1,161	-1,217	-1,145
Overall (Gap)		**585**	**454**	**-1,447**	**-1,337**	**-1,461**	**-1,340**	**-1,784**	**-1,812**	**-1,905**	**-1,873**

Table 19 General Fund expenditure projection

Expenditure projections ($,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	3,538	3,683	1,889	2,113	2,041	2,137	2,046	2,023	2,109	2,088
	New and expanded assets	955	1,266	472	565	561	579	561	566	573	579
	Maintenance and operational	1,968	2,007	2,048	2,089	2,130	2,173	2,216	2,261	2,306	2,352
	Total expenditure	**6,461**	**6,956**	**4,409**	**4,766**	**4,732**	**4,888**	**4,823**	**4,850**	**4,988**	**5,019**
Required	Required renewal (depreciation)	2,466	2,541	2,623	2,695	2,770	2,847	2,927	3,008	3,091	3,176
	New and expanded assets	955	1,266	472	565	561	579	561	566	573	579
	Required O&M	2,508	2,589	2,661	2,735	2,812	2,890	2,970	3,053	3,137	3,224
	Total	**5,930**	**6,397**	**5,756**	**5,995**	**6,142**	**6,316**	**6,458**	**6,626**	**6,801**	**6,979**
Maintenance (Gap)		-540	-582	-613	-647	-681	-717	-754	-792	-831	-872
Renewal (Gap)		1,072	1,142	-733	-582	-729	-710	-880	-984	-982	-1,088
Overall (Gap)		**531**	**560**	**-1,347**	**-1,229**	**-1,410**	**-1,428**	**-1,634**	**-1,776**	**-1,813**	**-1,960**

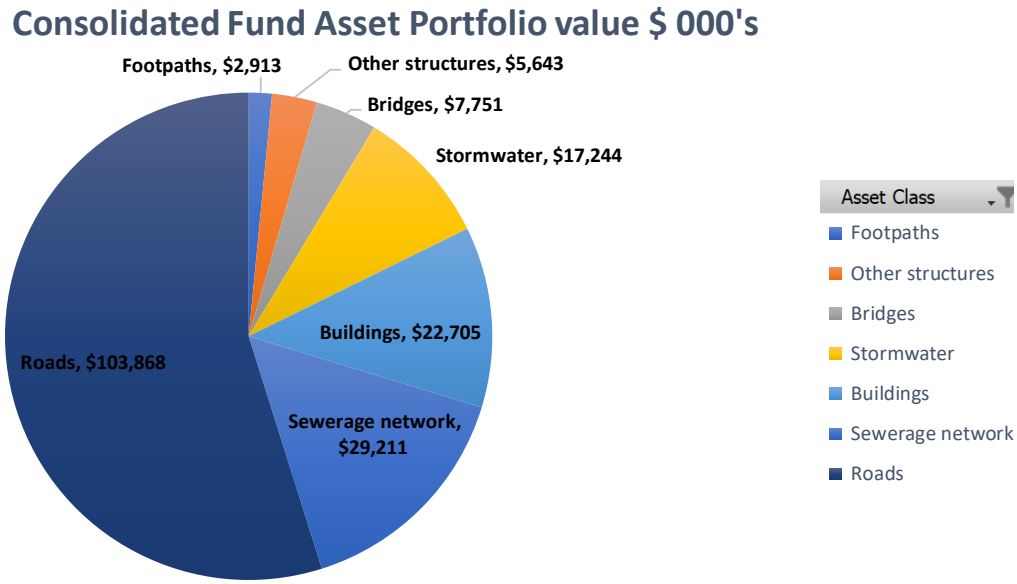
Table 20 Sewer Fund expenditure projection

Expenditure projections ($,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	272	120	134	134	200	348	120	243	196	386
	New and expanded assets	14	6	7	7	11	18	6	13	10	20
	Maintenance and operational	385	392	400	408	417	425	433	442	451	460
	Total expenditure	**671**	**518**	**541**	**549**	**628**	**791**	**559**	**698**	**657**	**866**
Required	Required renewal (depreciation)	285	292	300	307	315	323	331	340	349	357
	New and expanded assets	14	6	7	7	11	18	6	13	10	20
	Required O&M	252	259	265	272	279	286	293	301	309	317
	Total	**552**	**557**	**572**	**586**	**605**	**628**	**631**	**654**	**667**	**694**
Maintenance (Gap)		132	134	135	136	138	139	140	141	142	143
Renewal (Gap)		-13	-173	-166	-173	-115	25	-212	-97	-153	28
Overall (Gap)		**119**	**-39**	**-31**	**-37**	**23**	**163**	**-72**	**44**	**-11**	**172**

8.5 Financial performance

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

Figure 7 Consolidated portfolio



Infrastructure Ratios	Actual 2021/22	Estimated 2030/31	Funding gap	
Infrastructure Renewals ratio	135.24%	68.36%	Yr 1	$993
			5 Yr Average	(-$164)
			10 Yr Average	(-$627)
Infrastructure Backlog Ratio	4.15%	4.28%	Yr 1	(-$2,680)
			5 Yr Average	(-$2,631)
			10 Yr Average	(-$2,888)
Infrastructure Maintenance Ratio	85.23%	79.44%	Yr 1	(-$408)
			5 Yr Average	(-$477)
			10 Yr Average	(-$565)
Total Infrastructure Funding Gap			Yr 1	(-$2,095)
			5 Yr Average	(-$3,272)
			10 Yr Average	(-$4,080)

Figure 8 Consolidated portfolio expenditure

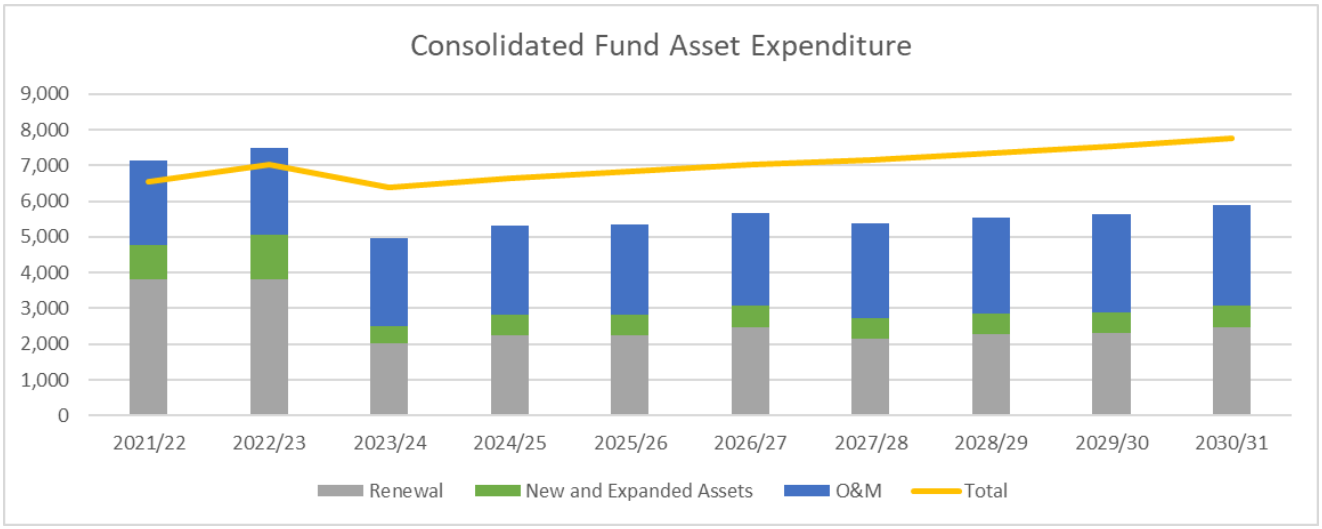


Figure 9 Consolidated OLG asset expenditure ratios

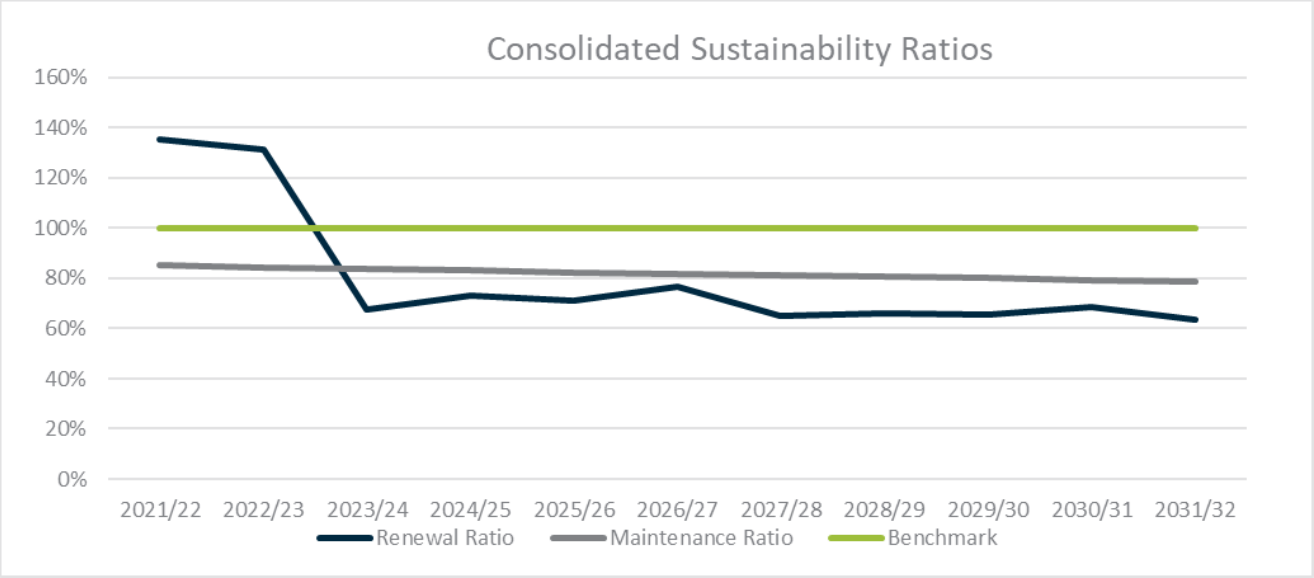


Figure 10 Consolidated OLG backlog ratio

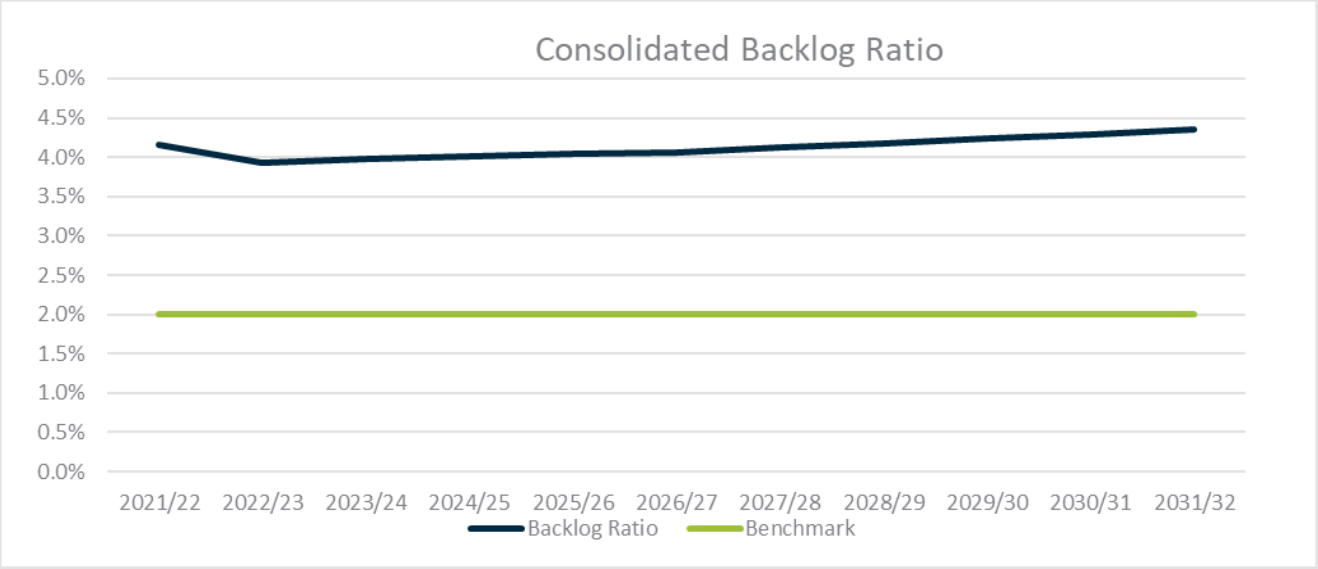
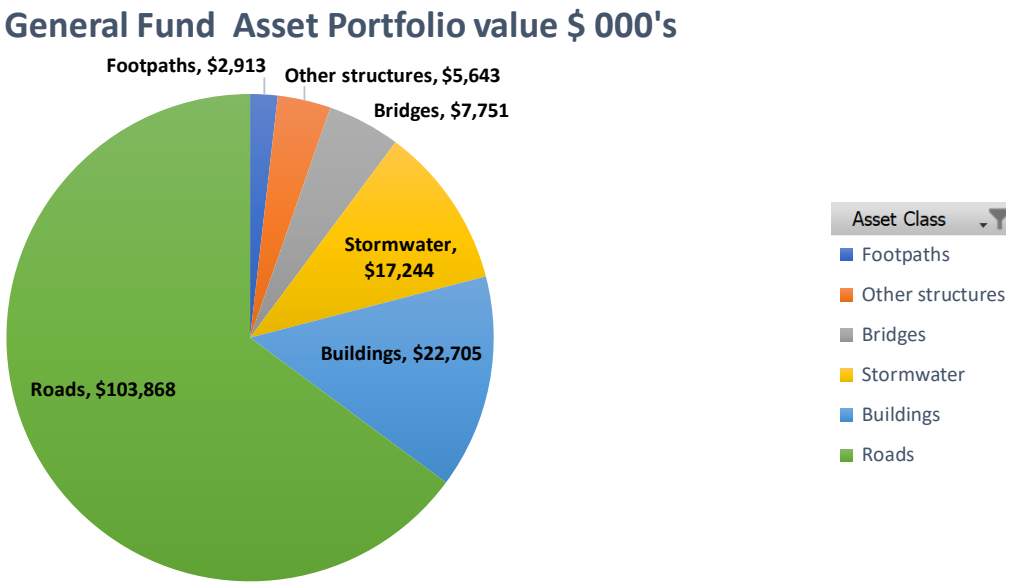


Figure 11 General Fund Pportfolio



Infrastructure Ratios	Actual 2021/22	Estimated 2030/31	Funding gap	
Infrastructure Renewals ratio	143.45%	65.60%	Yr 1	$1,072
			5 Yr Average	$32
			10 Yr Average	(-$451)
Infrastructure Backlog Ratio	2.38%	2.74%	Yr 1	(-$397)
			5 Yr Average	(-$283)
			10 Yr Average	(-$483)
Infrastructure Maintenance Ratio	78.43%	72.79%	Yr 1	(-$541)
			5 Yr Average	(-$615)
			10 Yr Average	(-$707)
Total Infrastructure Funding Gap			Yr 1	$133
			5 Yr Average	(-$867)
			10 Yr Average	(-$1,641)

Figure 12 General Fund portfolio expenditure

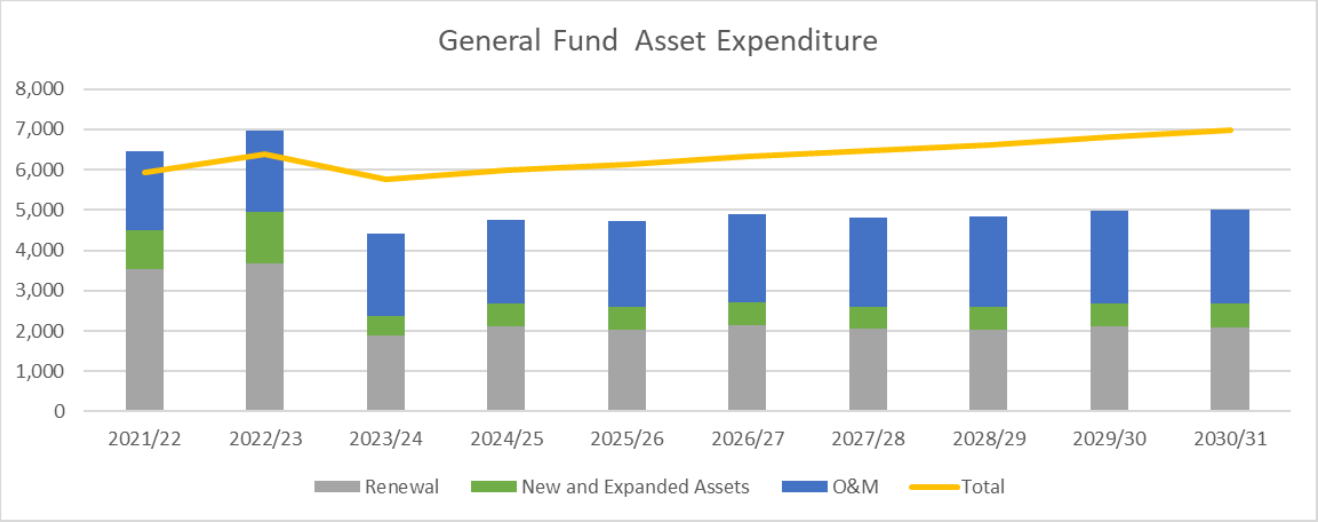


Figure 13 General Fund OLG asset expenditure ratios

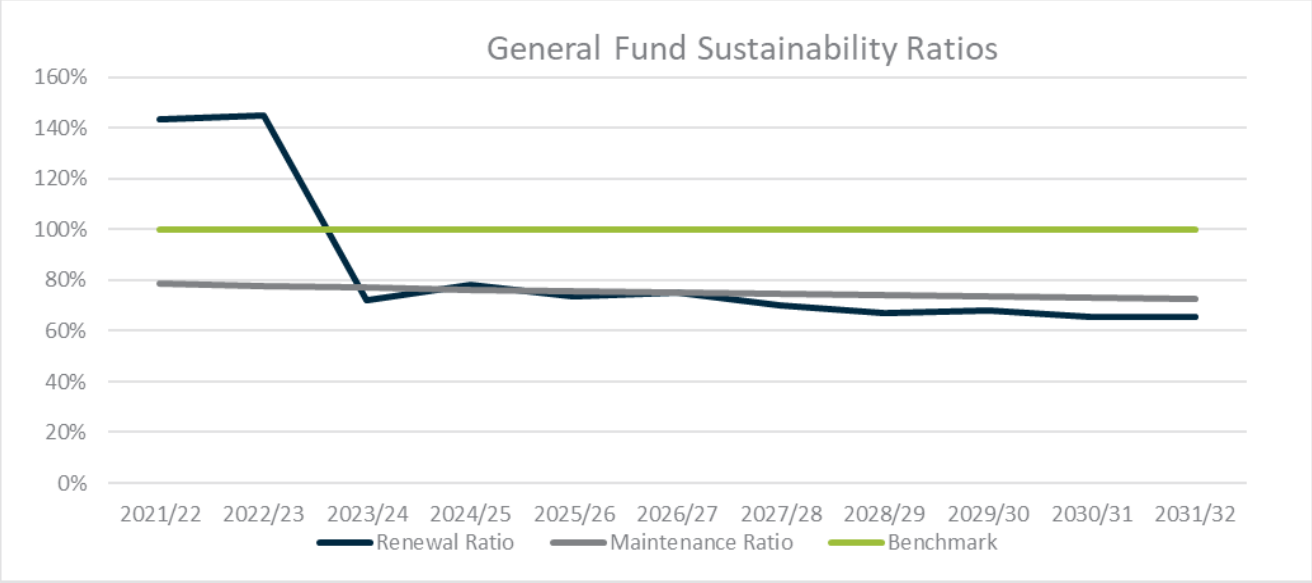


Figure 14 General Fund OLG backlog ratio

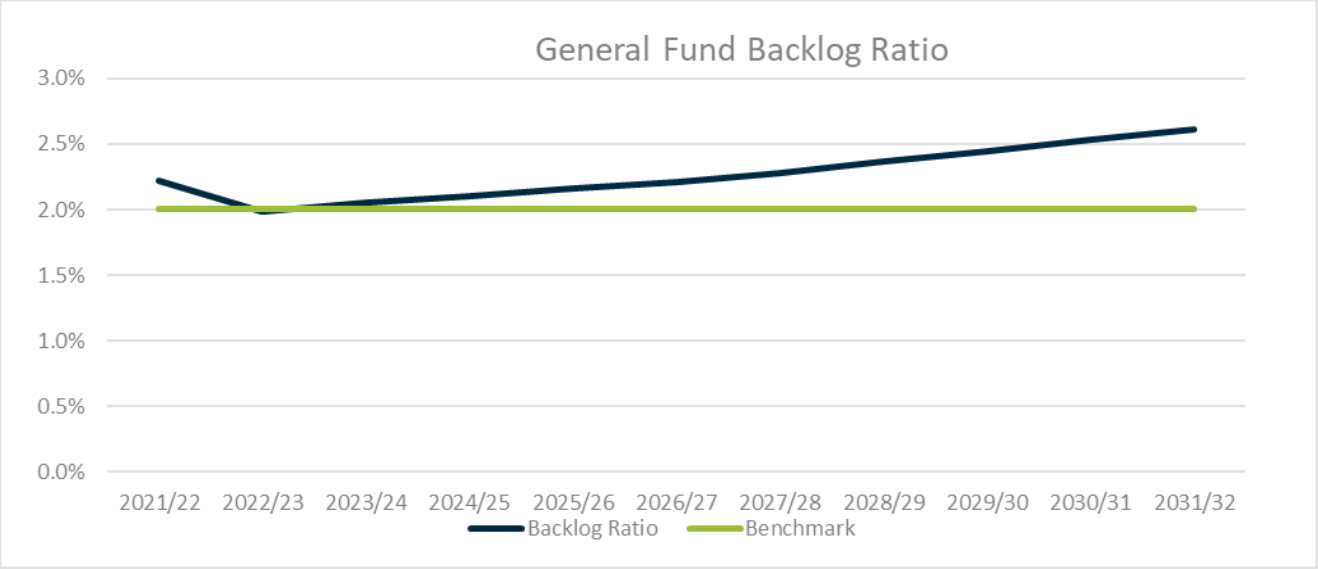
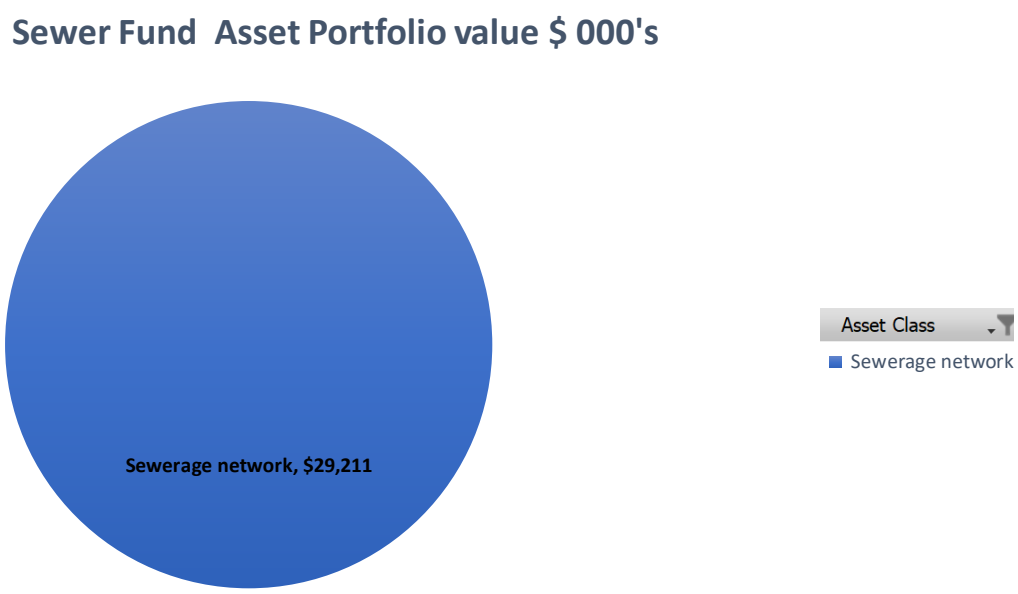


Figure 15 Sewer Fund portfolio



Infrastructure Ratios	Actual 2021/22	Estimated 2030/31	Funding gap	
Infrastructure Renewals ratio	95.35%	108.09%	Yr 1	(-$13)
			5 Yr Average	(-$128)
			10 Yr Average	(-$105)
Infrastructure Backlog Ratio	13.96%	11.98%	Yr 1	(-$2,270)
			5 Yr Average	(-$2,308)
			10 Yr Average	(-$2,331)
Infrastructure Maintenance Ratio	152.54%	145.55%	Yr 1	$133
			5 Yr Average	$135
			10 Yr Average	$138
Total Infrastructure Funding Gap			Yr 1	(-$2,151)
			5 Yr Average	(-$2,301)
			10 Yr Average	(-$2,297)

Figure 16 Sewer Fund portfolio expenditure

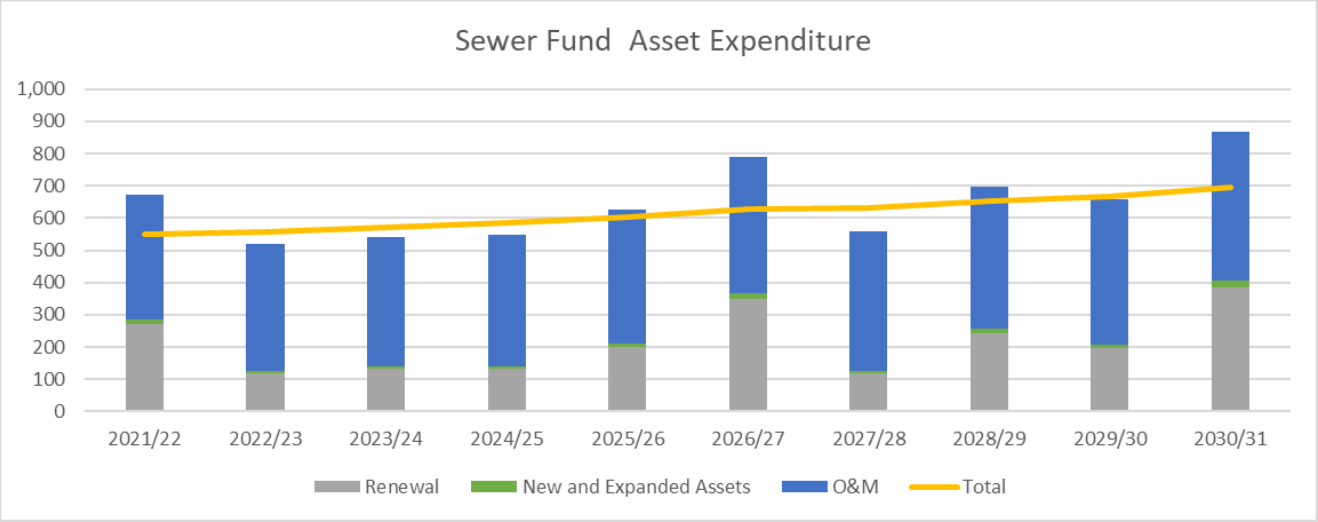


Figure 17 Sewer Fund OLG asset expenditure ratios

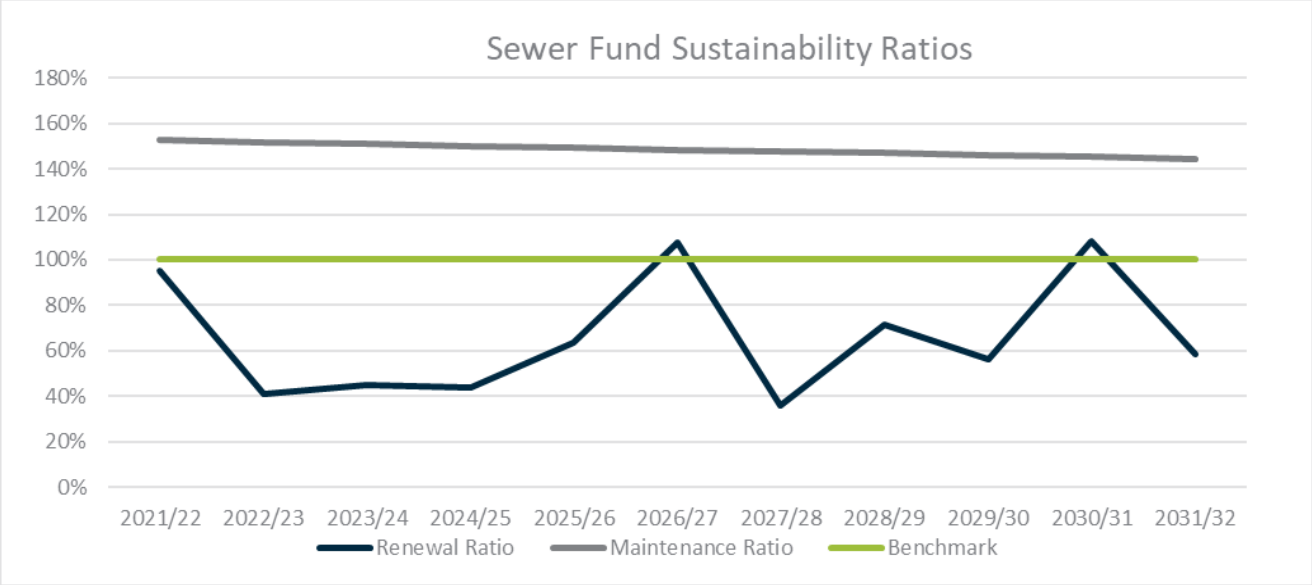
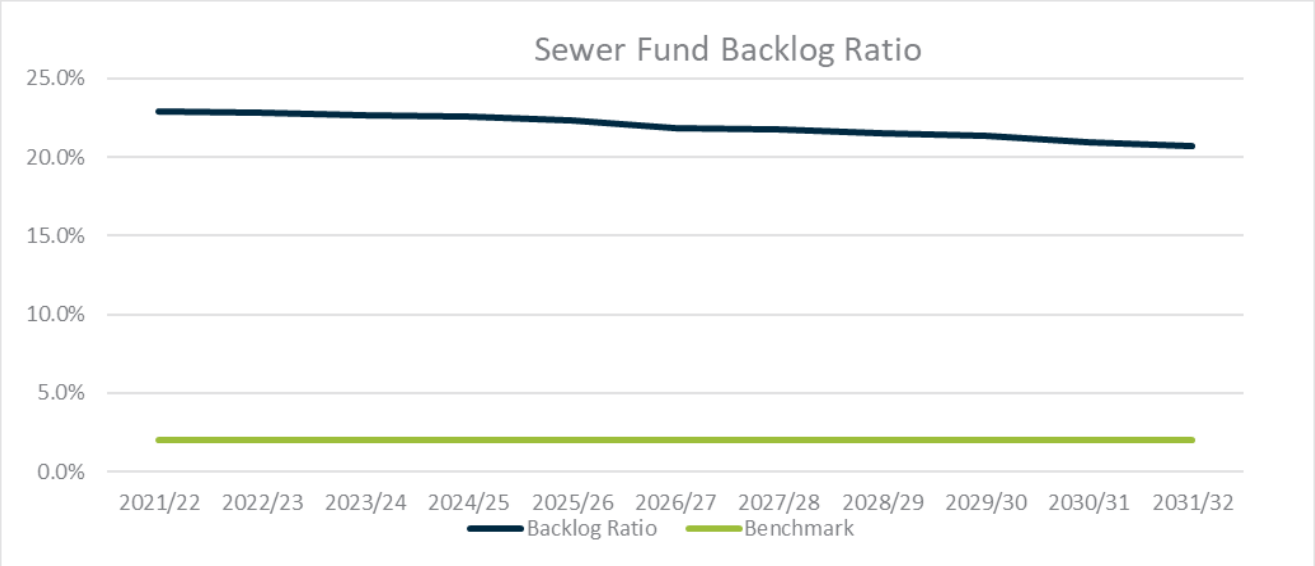


Figure 18 Sewer Fund OLG backlog ratio



9 Overarching improvement plan

The Strategic Asset Management Plan is to enable Council to:

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

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

Table 21 Asset management strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes.	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long-Term Financial Plan covering ten years, incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Develop and implement an asset condition inspection strategy which ensures all assets are inspected and condition assessed the year prior to the asset class revaluation.	Asset condition inspection strategy.
10	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.

Table 22 Improvement plan tasks

Ref no.	Improvement plan tasks	Priority	Suggested timeframe
1	**Asset management maturity**		
1.1	Council is to achieve a core level of asset management.	High	2023
2	**Asset data and knowledge**		
2.1	Clean asset data to ensure that asset condition is measured consistently across the various asset classes and sub classes.	High	
2.2	Develop an asset condition inspection strategy that ensures all assets are inspected on a regular basis.	High	
2.3	Clearly identify maintenance and operational activities as part of a maintenance management system, and clearly identify capital works projects as renewal, expansion or new asset expenditure.	Medium	
2.4	Develop and implement asset lifecycle strategy and processes for operations, maintenance, renewal, development and disposal of assets.	Low	
3	**Asset knowledge processes**		
3.1	Valuation methodology and assumptions must be fully documented and applied.	High	
3.2	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	
3.3	Ensure that the asset data in the asset management system is the true record of Council's assets and is up to date.	High	
3.4	Adopt consistent reporting methodology across all asset classes informed by current asset data.	Medium	
4	**Strategic asset planning processes**		
4.1	Determine the long-term expenditure requirements for Council's assets based on a sustainable asset approach and incorporate findings into the Council's LTFP.	High	
4.2	Review and readopt the Asset Management Policy to ensure that it is up to date and remains relevant.	High	
4.4	Revise Asset Management Plans to include: • refined level of service statements and clearly defined community and technical level of service targets • forward programs identifying forecasts for renewals, new assets, upgrades, maintenance, operations and depreciation expenditure • asset performance and utilisation measures with associated links to levels of service • identify critical assets for each asset class.	Medium	
4.5	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.	Medium	
4.6	Review the Asset Management Strategy to ensure that it incorporates the most up to date and relevant information on each asset class.	Medium	
5	**Operations and maintenance work practices**		
5.1	Implement a maintenance management system for maintenance planning and ensure that operational and maintenance requirements are specified against asset performance and service level expectations for all asset classes.	Medium	
5.2	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	Medium	

Ref no.	Improvement plan tasks	Priority	Suggested timeframe
5.3	Ensure that all works are costed correctly to either operational, maintenance, renewal, or new asset expenditure.	High	
6	**Information systems**		
6.2	Develop an operational process to ensure that the asset register integrates with the maintenance system, financial system and the spatial system. Ensure that that these are reconciled and aligned on a regular basis.	Medium	2024
7	**Organisational context**		
7.1	Implement a process for reporting on asset management progress and improvement plan status and create a process for annual reporting to senior management.	Medium	
7.2	Ensure that asset reporting in the financial statements is up to date and consistent across each asset class.	Medium	
7.3	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Review current asset management capacity and capability for all asset classes to ensure council can undertake strategic planning for all asset classes.	High	

Appendix 1 Sewer Asset Management Plan

Appendix 2 Transport and Stormwater Asset Management Plan

Appendix 3 Buildings and Open Space Asset Management Plan