Narrandera Shire Council

Strategic Asset Management Plan (SAMP)

April 2025

1.1.1 Acknowledgement to Country

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

Document credit

Document status

Job #	Version	Written by	Reviewed by	Approving Director	Date
7861	Draft	C. Scanlon	GS	A. Grant	28/4/25
7861	Draft 2	C. Scanlon		A. Grant	29/4/25
7861	Final	C. Scanlon		A. Grant	30/4/25

Contents

1 Executive summary

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

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

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

The SAMP has been prepared based on best information available to Council at the time of development. The financial analysis is based on Council's current and most recent (2023/24) Financial Statements. The SAMP improvement plan identifies asset improvement strategies to improve the organisation's capability and to provide more confidence in the reliability of the asset data that informs our decisions, including the need to undertake inspections to collect reliable asset condition data. As Council's asset data and asset management maturity improves, the financial impacts including depreciation, maintenance, operational costs will be updated in future annual updates of Council's SAMP, AMPs and Long Term Financial Plan (LTFP).

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

Whilst the SAMP is based on the values and activity up to 30 June 2024, it is recognised that the Special Variation that was commenced in part in 2024/25 with a further stage in 2025/26 will provide the Council with the ability to reduce the current backlogs within the Buildings, Open Space, Transport infrastructure and Stormwater asset groups. These improvements will be identified within the next version of the SAMP.

1.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $365.0 million. The asset values are estimates of the value of assets, as at 30 June 2024, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 1: Asset classes and values

Asset Class	Gross Replacement Cost (CRC) $ (000's)	Written Down Value (WDV) $ (000's)	Annual Depreciation Expense $ (000's)	Asset Management Plan
Buildings	$55,033	$23,658	-$1,316	Buildings and Open Space Assets
Other Structures	$25,531	$14,787	-$672	Buildings and Open Space Assets
Roads	$83,112	$48,969	-$1,900	Transport Assets
Bridges	$25,178	$16,010	-$147	Transport Assets
Footpaths	$2,943	$1,885	-$20	Transport Assets
Bulk Earthworks	$77,412	$77,412	$0	Transport Assets
Stormwater	$13,808	$6,687	-$82	Stormwater Assets
Water supply network	$47,432	$23,471	-$725	Water and Sewer Assets
Sewer network	$26,912	$16,855	-$394	Water and Sewer Assets
Swimming pools	$4,600	$3,110	-$119	Buildings and Open Space Assets
Open Space and Recreation (inc. Land Improvements)	$2,993	$2,218	-$78	Buildings and Open Space Assets
Total	**$364,954**	**$235,062**	**-$5,453**	

Figure 1: Council Asset Portfolio

Consolidated Fund Asset Portfolio value $ 000's

Open Space and Recreation $2,993
Other Structures $25,531
Bridges $25,178
Swimming pools $4,600
Stormwater $13,808
Buildings $55,033
Roads $83,112
Bulk Earthworks $77,412
Footpaths $2,943

Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding gap $000's	
Infrastructure Renewals ratio	127.86%	59.00%	Yr 1	$1,557
Benchmark 100%			5 Yr Average	$788
			10 Yr Average	(-$203)
Infrastructure Backlog Ratio	6.77%	4.88%	Yr 1	(-$11,675)
Benchmark 2%			5 Yr Average	(-$10,668)
			10 Yr Average	(-$10,065)
Infrastructure Maintenance Ratio	132.95%	114.53%	Yr 1	$1,173
Benchmark 100%			5 Yr Average	$1,009
			10 Yr Average	$874
Total Infrastructure Funding Gap			Yr 1	(-$8,945)
			5 Yr Average	(-$8,872)
			10 Yr Average	(-$9,393)

Consolidated Fund Asset Expenditure $ 000's

Renewal — New and Expanded Assets — Maintenance — Required Expenditure

1.2 Asset Backlog

In 2023/24, Council had a combined asset backlog of $16.845 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 2024 is shown in the following table.

Table 2: Asset backlog summary

Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio 2024
Buildings	$4,057	17.1%
Other Structures	$1,503	10.2%
Roads	$4,980	10.2%
Bridges	$586	3.7%
Footpaths	$40	2.1%
Bulk Earthworks	$0	0.0%
Stormwater	$531	7.9%
Water Assets	$4,150	17.7%
Sewerage Assets	$668	4.0%
Swimming Pools	$195	6.3%
Recreation Assets (Incl. Land Improvements)	$135	6.1%
Total	$16,845	7.2%

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

- Council Chambers
- Aerodrome
- Grong Grong Public Hall
- Barellan Pool
- Sealed road surfaces
- Water Treatment Plant
- Water Bores
- DICL Water Trunk Mains

These assets have a significant Cost to Satisfactory and have resulted in a backlog level well beyond the OLG 2% benchmark (see Figure 2). It is worth noting that the 2022 flood events impacted Council's sealed road surfaces and water supply assets, and should partially be restored through disaster recovery funding received from 2023/24 onwards. As Council receives clarity with respect to this funding and works are undertaken, it will incorporate the findings into future iterations of this SAMP and Council's LTFP.

Consolidated Backlog Ratios
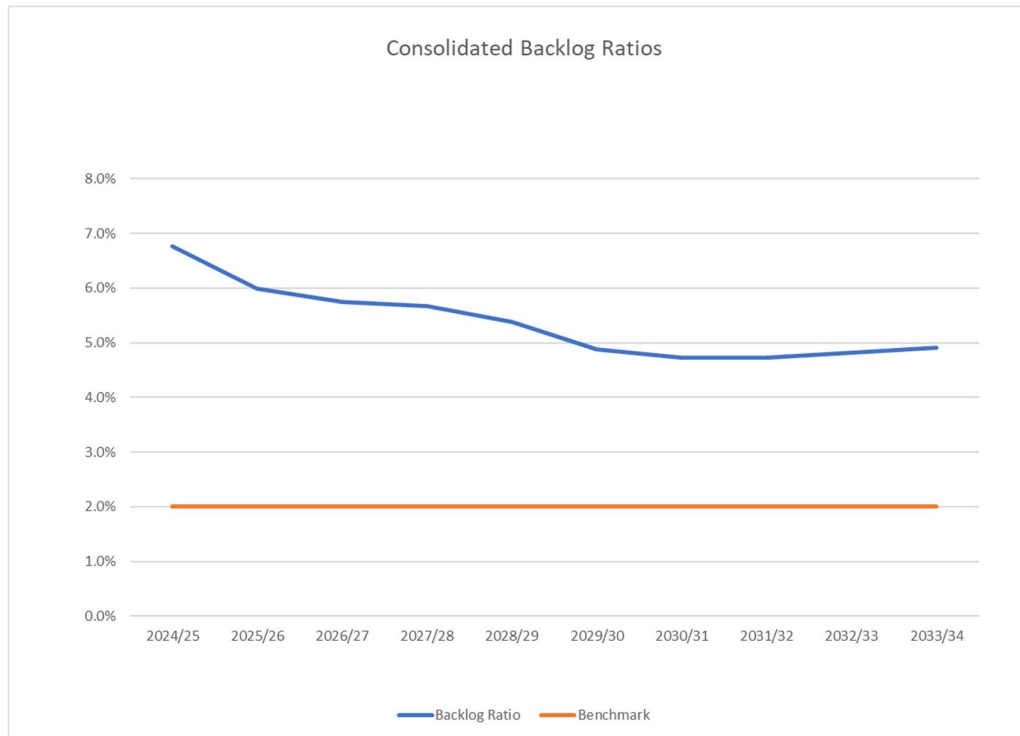
1.3 Asset condition

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

Table 3: Asset condition

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	20%	8%	36%	35%	2%
Other Structures	53%	5%	17%	22%	3%
Roads	11%	26%	43%	13%	7%
Bridges	17%	62%	7%	14%	0%
Footpaths	20%	23%	49%	8%	0%
Bulk Earthworks	100%	0%	0%	0%	0%
Stormwater	1%	13%	64%	22%	0%
Water supply network	19%	6%	41%	27%	7%
Sewerage network	48%	29%	14%	6%	3%
Swimming pools	76%	0%	0%	24%	0%
Open Space	58%	22%	10%	4%	6%
Combined	**39%**	**16%**	**26%**	**16%**	**3%**

Figure 3: Asset condition summary
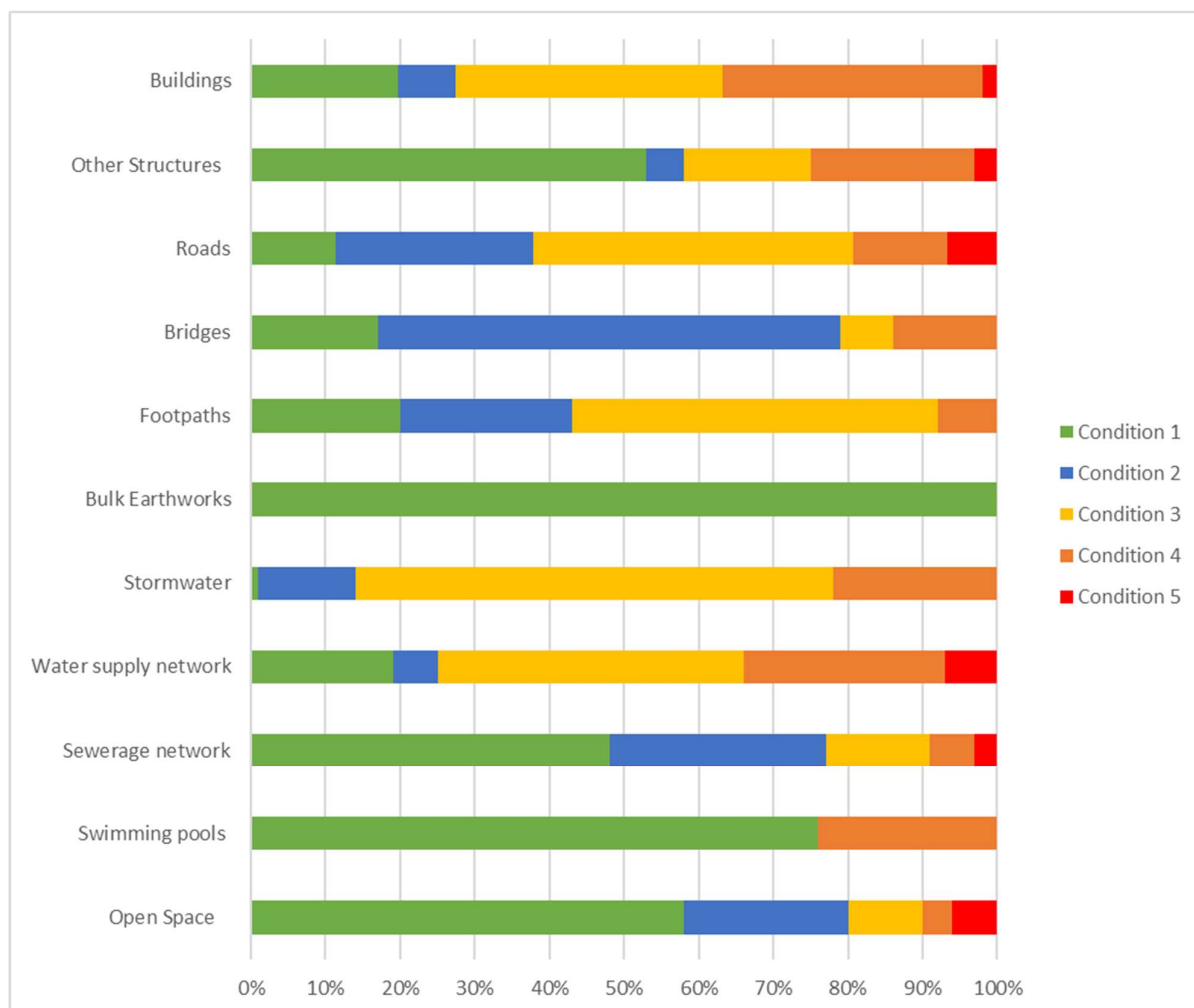
1.4 Expenditure and reporting

Table 4: Combined asset expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	7,146	7,616	8,244	5,860	5,972	10,493	6,065	6,247	4,823	4,826
	New and expanded assets	6,256	23,209	1,981	1,806	13,855	13,856	10,800	358	359	352
	Maintenance and operational	4,734	4,853	4,974	5,099	5,226	5,357	5,491	5,628	5,768	5,913
	Total expenditure	18,136	35,677	15,200	12,764	25,053	29,705	22,355	12,232	10,951	11,090
Required	Required renewal (depreciation)	5,589	5,823	6,309	6,495	6,684	7,057	7,433	7,775	7,975	8,179
	New and expanded assets	6,256	23,209	1,981	1,806	13,855	13,856	10,800	358	359	352
	Required maintenance and operational	3,561	3,867	3,983	4,099	4,331	4,569	4,785	4,908	5,034	5,163
	Total	15,406	32,899	12,273	12,399	24,870	25,482	23,017	13,040	13,367	13,694
Maintenance gap		1,173	986	992	999	895	787	706	720	735	750
Renewals gap		1,557	1,793	1,935	-635	-712	3,436	-1,368	-1,528	-3,151	-3,354
Overall gap		2,730	2,779	2,926	365	183	4,224	-662	-808	-2,416	-2,604

Figure 4: Council Expenditure Overview
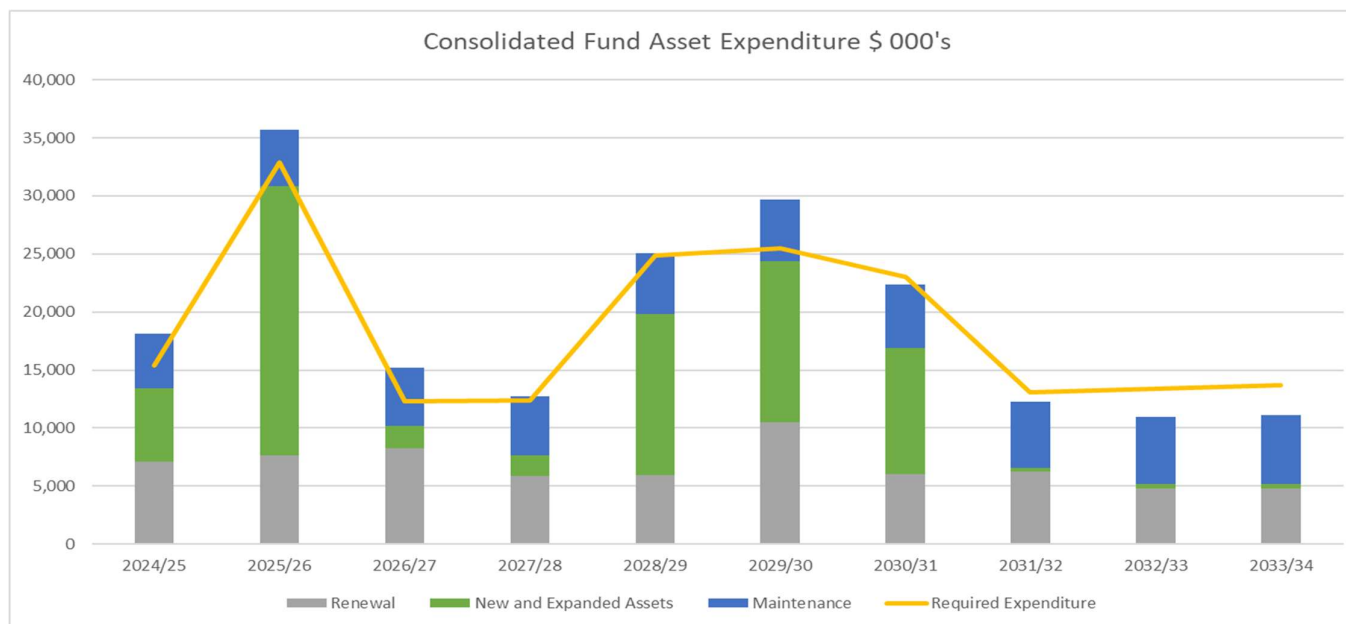
The projections indicate that Council has adequate funds to maintain and renew its portfolio of assets. Over the 10 year period there is a surplus in the operational and maintenance expenditure (average of $0.87m annually) and a slight shortfall in the capital renewal expenditure relative to council's depreciation (average of $0.2m annually). However, it should be noted that Council currently still has a significant backlog, in part due to the 2022 flood events. Council's expenditure in the last three years and the additional renewal revenue from emergency repair funding have reduced the backlog ratio from 8.2% in 2021/22 to 7.2% in 2023/24 (refer to section 8 Asset Expenditure for more detail).

Forecasts in this SAMP include stage 1 of the Special Variation in 2024/25 and Stage 2 from 2025/26 to 2033/34.

Whilst the SAMP is based on the values and activity up to 30 June 2024, it is recognised that the Special Variation that was commenced in part in 2024/25 with a further stage in 2025/26 will provide the Council with the ability to reduce the current backlogs within the Buildings, Open Space, Transport infrastructure and Stormwater asset groups. These improvements will be identified within the next version of the SAMP.

1.5 Levels of service

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

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

These have been developed for all asset classes and are detailed in the respective AMPs and address the adopted lifecycle management of assets. The overarching SAMP establishes a basic framework to measure service level outcomes. It is important to note that while service levels have been developed and are informed by Council's Community Strategic Plan, Council is yet to undertake community and stakeholder consultation to 'accept' the service levels. The service review schedule is detailed in the Delivery Program 2025 – 29.

1.6 Strategic actions

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

Table 5: High level strategic actions

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

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

2   Introduction

2.1 Asset planning

Development of AMPs for Council's infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments. As such, Council has developed the following SAMP to cover the period 2024/25 to 2033/34. The key findings for each asset class are included in the asset management plans section of this strategy (Appendices) and are covered in a concise but detailed manner.

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

Council's current planning framework is based on the 'Local Government Financial Asset Sustainability Framework'.
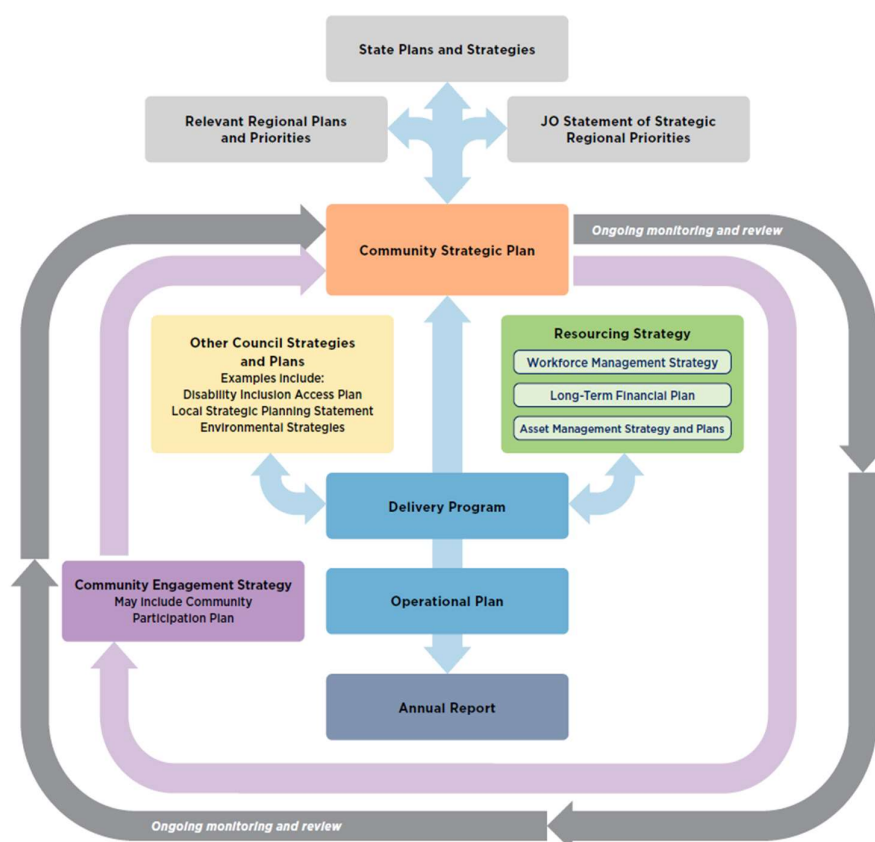
Figure 5 Council asset management planning framework

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

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

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

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

- Our Shire 2034 - Community Strategic Plan
- Narrandera Council Resourcing Strategy:
    - Long Term Financial Plan 2024 – 2034
    - Workforce Management Plan 2022 – 2026 (under review)
- NSW State Plan and Premier Priorities
- Riverina and Murray Joint Organisation Strategic Regional Priorities
- Riverina Murray Regional Plan 2041
- Draft Integrated Water Cycle Management Plan

2.2 Scope of this Strategic Asset Management Plan

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

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

The specific objectives of this strategy are:

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

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

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

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

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

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

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

Table 6: Asset Management Strategy structure

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

2.3 Council's assets

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

Table 7: Range of infrastructure assets and services

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

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

2.4 About Narrandera Shire Council

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

Figure 7: Narrandera Shire Council LGA

2.5 Links to Council plans and strategies

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

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

Table 8 Linkages to CSP themes and strategies

Theme	Buildings	Other Structures, Open Space	Transport	Stormwater	Water	Sewer
Our Leadership						
1.1 Model bold and transparent leadership						
1.1.1 Provide open and transparent decision-making and undertake the civic duties of Council with professionalism and integrity						
1.1.2 Foster quality partnerships and provide strong representation for Narrandera Shire at the regional, state and federal levels						
1.1.3 Effectively communicate with our customers and community in a direct, timely and accessible manner.						
1.2 Engage diverse voices to plan for the future						
1.2.1 Provide effective long-term direction for the community via the Integrated Planning and Reporting framework.	X	X	X	X	X	X
1.2.2 Actively engage with our community to understand their aspirations and inform our decision-making.						
1.3 Demonstrate good governance						
1.3.1 Build strong financial sustainability and prudently manage our expenditure.						
1.3.2 Develop and embed a robust governance and integrity framework.						
1.3.3 Develop and embed a robust risk management and internal audit framework.						
1.4 Deliver efficient and responsive civic services						
1.4.1 Provide professional, timely and consistent customer service and continuously improve our customer experience.						
1.4.2 Strive for continuous improvement and improved efficiency across our organisation, operations and services						
1.4.3 Attract, develop and retain a skilled, capable and engaged workforce						
1.4.4 Foster a safe, inclusive and respectful workplace						
Our Community						
2.1 Champion respect and wellbeing so everyone feels safe						

Theme	Buildings	Other Structures, Open Space	Transport	Stormwater	Water	Sewer
2.1.1 Promote safety across the Narrandera Shire						
2.2 Promote active and healthy living						
2.2.1 Provide sport, recreation and play space facilities that promote active and healthy living	X	X				
2.3 Strengthen social connections, cultural identity and inclusion						
2.3.1 Celebrate the history, heritage and culture of the Wiradjuri People and provide opportunities for reconciliation, interpretation and understanding	X	X				
2.3.2 Deliver and support events, festivals and celebrations that foster community pride and a sense of belonging						
2.3.3 Encourage, support and recognise volunteerism and community participation						
2.3.4 Foster a safe and inclusive community for people with disability	X		X			
2.4 Deliver accessible and quality health and community services						
2.4.1 Provide accessible and quality community transport and home support programs	X					
2.4.2 Provide accessible and quality library services and programs	X					
2.4.3 Support the delivery of quality health services in Narrandera Shire	X					
Our Environment						
3.1 Protect and enhance our natural environment, biodiversity and waterways						
3.1.1 Support healthy ecosystems and identify and manage threats to local flora, fauna and ecology		X		X		
3.1.2 Preserve and maintain areas of high natural value, heritage objects and places of interest		X				
3.1.3 Effectively manage and maintain our cemeteries, public lands and reserves	X	X				
3.2 Plan and develop a functional built environment						
3.2.1 Deliver efficient and effective development planning services						
3.2.2 Ensure land is suitably zoned, sized and located to facilitate and variety of housing types and densities						
3.2.3 Provide and deliver effective regulatory, compliance and enforcement services						
3.3 Manage water and waste wisely for long-term sustainability						
3.3.1 Provide and deliver regular and efficient waste and recycling services						
3.3.2 Promote sustainable housing design, energy efficiency and water efficiency						
3.3.3 Promote recycling, reusing and waste reduction						
3.4 Build resilience to climate change, natural shocks and disasters						
3.4.1 Plan for and respond to climate change and disasters	X	X	X	X	X	X
3.4.2 Identify and implement improvements to our services, facilities and operations to reduce emissions	X	X	X	X	X	X
3.4.3 Support the delivery of emergency services	X		X			

Theme	Buildings	Other Structures, Open Space	Transport	Stormwater	Water	Sewer
Our Economy						
4.1 Enhance Narrandera Shire's appeal as a great place to live, learn, work and invest						
4.1.1 Activate and beautify our town centres and public spaces	X	X	X			
4.1.2 Facilitate and incentivise residential development and housing growth						
4.2 Grow tourism by showcasing Narrandera Shire's attractions, events and experiences						
4.2.1 Provide welcoming and engaging visitor information services	x	x				
4.2.2 Develop a strong destination brand and effectively promote local visitor experiences, attributes and offerings						
4.2.3 Ensure appropriate wayfinding and consistent signage throughout Narrandera Shire		X	X			
4.3 Support local businesses and industry to enable innovation and economic expansion						
4.3.1 Support economic growth and employment diversification through new and existing businesses						
4.4 Attract strategic investment and partnerships to create local jobs and business opportunities						
4.4.1 Foster an environment that is conductive to public and private investment	X	X	X	X	X	X
Our Infrastructure						
5.1 Improve our road network and transport infrastructure to ensure safety and connectivity						
5.1.1 Construct, maintain and deliver a road transport network that meets current and future needs			X			
5.1.2 Ensure effective operation and maintenance of Narrandera-Leeton Airport	X	X	X		x	
5.2 Provide reliable waste, water, sewerage and stormwater infrastructure						
5.2.1 Construct, maintain and deliver essential infrastructure and services that meet current and future needs				x	X	X
5.3 Improve public and community transport options to enhance access to regional centres						
5.3.1 Advocate for continued secured funding for the community transport service also advocate for improved regional public transport.						
5.4 Improve our internet and telecommunications infrastructure						
5.4.1 Advocate for improved internet and telecommunications infrastructure and services.						

3   Asset   Management   Policy

3.1 Purpose

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

3.2 Objectives

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

1. Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.

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

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

4. Meeting legislative requirements for asset management.

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

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

3.3 Scope

This policy applies to Council's infrastructure assets – Buildings, Open Space and Recreation, Transport, Stormwater, Water Supply, and Sewerage, and to all Council asset and infrastructure-related activities.

3.4 Policy Background

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

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

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

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

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

3.5 Principles

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

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

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

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

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

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

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

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

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

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

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

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

3.6 Legislation

Local Government Act 1993.

Local Government Amendment (Planning and Reporting) Act 2009.

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

3.7 Related Documents

- Asset Management Strategy
- Asset Management Plans

3.8 Responsibility

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

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

3.9 Review Date

This policy has a life of 4 years. It will be reviewed in October 2028

4   Asset   management   practices

4.1   Asset management information systems

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

- Asset – Valuation and Technical Spreadsheets
- Asset Management System - Assetic
- Financial Register –MAGIQ
- Maintenance Management (Roads) – Reflect.
- Spatial – MapInfo, Spectrum Spatial

4.2   Data collection and validation

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

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

4.3   Monitoring and review procedures

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

4.4   Confidence in data

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

Table 9: Asset data confidence scale

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

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

Table 10: Asset data confidence rating

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

4.5 Funding strategy

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

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

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

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

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

4.6 Asset management roles and functions

Council has mapped out its asset management roles and responsibilities to ensure that there is clarity throughout the organisation and that all asset management functions are identified, allocated and being completed.

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

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

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

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

Figure 8: Asset management roles

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

Roles are defined as:

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

A summary of current Asset Management Roles and Responsibilities is included in each asset plan.

5 Levels of service

5.1 Defining levels of service

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

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

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

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

5.2 Performance measures

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

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

5.3 Service level outcomes

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

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

5.3.1   Condition

Accessibility

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

Quality/condition

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

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

Table 11: Asset condition rating matrix

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

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

5.3.2 Function

Responsiveness

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

Customer satisfaction

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

Sustainability

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

5.3.3   Capacity

Affordability

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

Health and safety

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

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

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

Figure 9: Service level framework
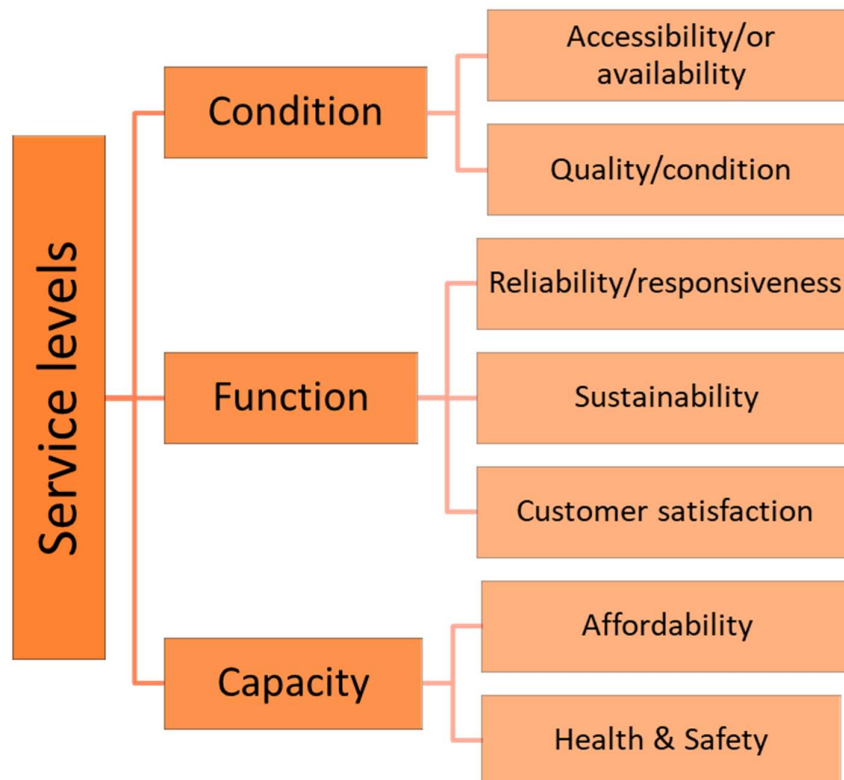
5.4 Financial based service levels

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

5.4.1 Asset backlog ratio

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

5.4.2 Asset consumption ratio

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

5.4.3 Asset sustainability ratio

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

5.4.4 Asset renewal and renewals funding ratio

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

5.4.5 Asset maintenance ratio

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

Table 12: Service levels

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

6 Future demand

6.1 Demand forecast

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

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

Table 13: Future demand impacts

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

Figure 10: NARClim Modelling and Expectations

Projected changes

Temperature projected changes

Maximum temperatures are projected to **increase**:

- Near future by 0.4 - 1.0℃
- Far future by 1.5 - 2.5℃

Minimum temperatures are projected to **increase**:

- Near future by 0.4 - 0.8℃
- Far future by 1.3 - 2.4℃

The amount of **hot** days will **increase** and **cold** days will **decrease**

Rainfall projected changes

Rainfall is projected to **decrease** in spring and to **increase** in summer and autumn

Forest Fire Danger Index (FFDI) projected changes

Average fire weather is projected to **increase** in summer and autumn. Severe fire weather is projected to **increase** in summer and spring

6.2 Demand management strategies

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

Table 14: Demand management strategies

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

7 Risk management

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

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

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

Figure 11: ISO 31000 Framework
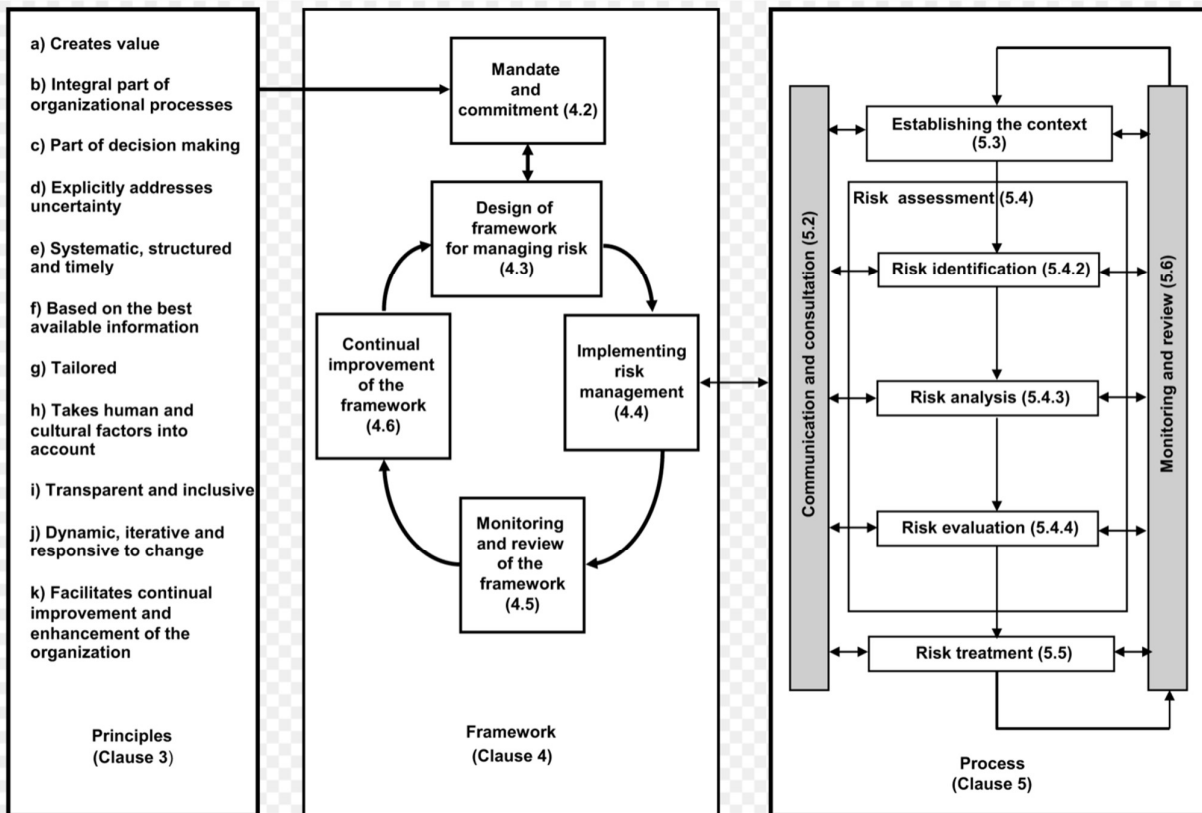
This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory, and other risk. Under this approach, there are five key stages to the risk management process:

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

Council

7.1 Infrastructure risk management framework

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

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

7.2 Strategic infrastructure risks

Council is currently in the process of identifying its high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework

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 has included guidance for identifying critical assets for each asset class in their respective asset management plans. Identified critical assets are noted in the asset management plan.

8 Expenditure projections

8.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $365.0 million. The asset values are estimates of the value of assets, as at 30 June 2024, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 15: Asset classes and values

Asset Class	Gross Replacement Cost (CRC) $ (000's)	Written Down Value (WDV) $ (000's)	Annual Depreciation Expense $ (000's)	Asset Management Plan
Buildings	$55,033	$23,658	-$1,316	Buildings and Open Space Assets
Other Structures	$25,531	$14,787	-$672	Buildings and Open Space Assets
Roads	$83,112	$48,969	-$1,900	Transport Assets
Bridges	$25,178	$16,010	-$147	Transport Assets
Footpaths	$2,943	$1,885	-$20	Transport Assets
Bulk Earthworks	$77,412	$77,412	$0	Transport Assets
Stormwater	$13,808	$6,687	-$82	Stormwater Assets
Water supply network	$47,432	$23,471	-$725	Water and Sewer Assets
Sewer network	$26,912	$16,855	-$394	Water and Sewer Assets
Swimming pools	$4,600	$3,110	-$119	Buildings and Open Space Assets
Open Space and Recreation (inc. Land Improvements)	$2,993	$2,218	-$78	Buildings and Open Space Assets
Total	**$364,954**	**$235,062**	**-$5,453**	

8.2 Asset backlog

In 2023/24, Council had a combined asset backlog of $16.845 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 2024 is shown in the following table.

Table 16: Asset backlog summary

Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio 2024
Buildings	$4,057	17.1%
Other Structures	$1,503	10.2%
Roads	$4,980	10.2%
Bridges	$586	3.7%
Footpaths	$40	2.1%
Bulk Earthworks	$0	0.0%
Stormwater	$531	7.9%
Water Assets	$4,150	17.7%
Sewerage Assets	$668	4.0%
Swimming Pools	$195	6.3%
Recreation Assets (Inc. Land Improvements)	$135	6.1%
Total	$16,845	7.2%

These assets have a significant Cost to Satisfactory and have resulted in a backlog level well beyond the OLG 2% benchmark (see Figure 2). It is worth noting that the 2022 flood events impacted Council's sealed road surfaces and water supply assets and should partially be restored through disaster recovery funding received from 2023/24 onwards. As Council receives clarity with respect to this funding and works are undertaken, it will incorporate the findings into future iterations of this SAMP and Council's LTFP.

8.3 Asset condition

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

Table 17: Confidence in condition data

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

Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets. Of particular concern is the significant portion of assets in Poor and Very Poor condition for councils' Buildings (37%), Other Structures (25%), Roads 20%), Water Supply (34%) and Swimming Pools (24%).

Table 18: Asset Condition Data

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	20%	8%	36%	35%	2%
Other Structures	53%	5%	17%	22%	3%
Roads	11%	26%	43%	13%	7%
Bridges	17%	62%	7%	14%	0%
Footpaths	20%	23%	49%	8%	0%
Bulk Earthworks	100%	0%	0%	0%	0%
Stormwater	1%	13%	64%	22%	0%
Water supply network	19%	6%	41%	27%	7%
Sewerage network	48%	29%	14%	6%	3%
Swimming pools	76%	0%	0%	24%	0%
Open Space	58%	22%	10%	4%	6%
Combined	39%	16%	26%	16%	3%

Figure 12: Condition summary
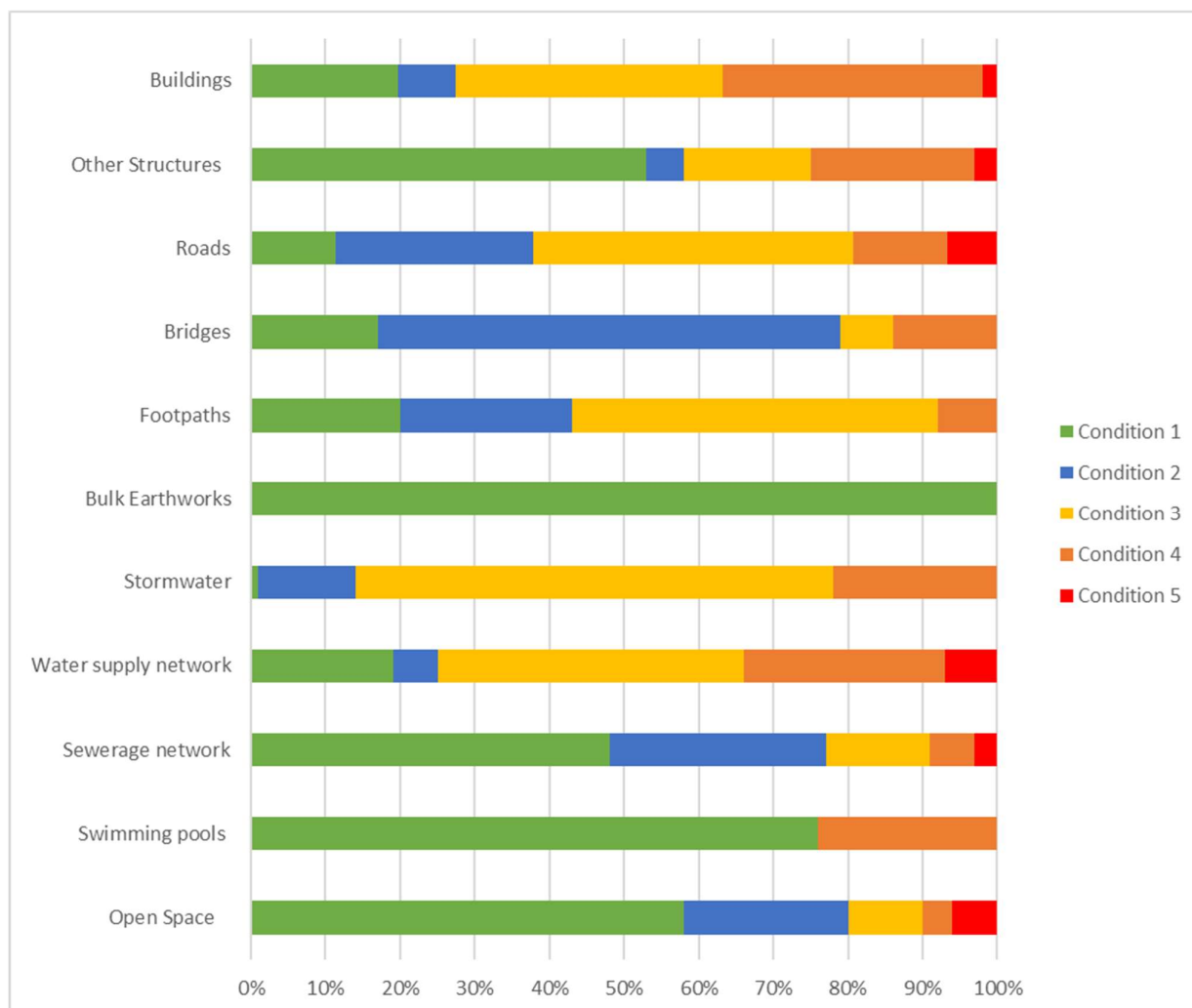
8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $12.0 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $11.3 million per year.

The projections indicate that Council currently has adequate funds to maintain the status quo and fund its assets over the 10 year forecasting horizon. However, there is currently a significant backlog which is unfunded and Council's assets are expected to remain in poor condition. There is a surplus for Council's operations and maintenance activities (average annual surplus of $0.874m) expenditure, and a minor shortfall in asset renewal funding (average annual deficit of $0.203m).

The projections, including Stage 2 of the special variation, indicate the Council currently has adequate funds to reduce the backlog ratio towards 5% and reduce the percentage of assets in condition 4 or 5. Additional expenditure would be needed to reduce the backlog ratio to 2%, however this may not represent best value to ratepayers.

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

Table 19: Combined asset expenditure projections

Budget Gap by Asset Group ($,000s)			2024/25 Budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Consolidated	**Actual**											
		Renewal	7,146	7,616	8,244	5,860	5,972	10,493	6,065	6,247	4,823	4,826
		New and Expanded Assets	6,256	23,209	1,981	1,806	13,855	13,856	10,800	358	359	352
		Maintenance and Operations	4,734	4,853	4,974	5,099	5,226	5,357	5,491	5,628	5,768	5,913
		Total Expenditure	18,136	35,677	15,200	12,764	25,053	29,705	22,355	12,232	10,951	11,090
	Required											
		Required Renewal (Depreciation)	5,589	5,823	6,309	6,495	6,684	7,057	7,433	7,775	7,975	8,179
		New and Expanded Assets	6,256	23,209	1,981	1,806	13,855	13,856	10,800	358	359	352
		Required O&M	3,561	3,867	3,983	4,099	4,331	4,569	4,785	4,908	5,034	5,163
		Total	15,406	32,899	12,273	12,399	24,870	25,482	23,017	13,040	13,367	13,694
		Maintenance Overall (GAP)	1,173	986	992	999	895	787	706	720	735	750
		Renewals Overall (GAP)	1,557	1,793	1,935	-635	-712	3,436	-1,368	-1,528	-3,151	-3,354
		Overall (GAP)	2,730	2,779	2,926	365	183	4,224	-662	-808	-2,416	-2,604
		Comparison Group – Depreciation	4,156	4,329	4,691	4,829	4,970	5,247	5,527	5,781	5,929	6,082
		Comparison Group – O&M	3,114	3,382	3,483	3,585	3,788	3,996	4,184	4,292	4,402	4,515
		Comparison Total (Inc. New and Expanded)	13,972	31,405	10,655	10,734	23,156	23,672	21,111	11,046	11,322	11,596
		Comparison Overall (GAP)	**4,164**	4,272	4,545	2,030	1,897	6,033	1,244	1,186	-371	-506

Figure 13: Consolidated Fund asset expenditure projections

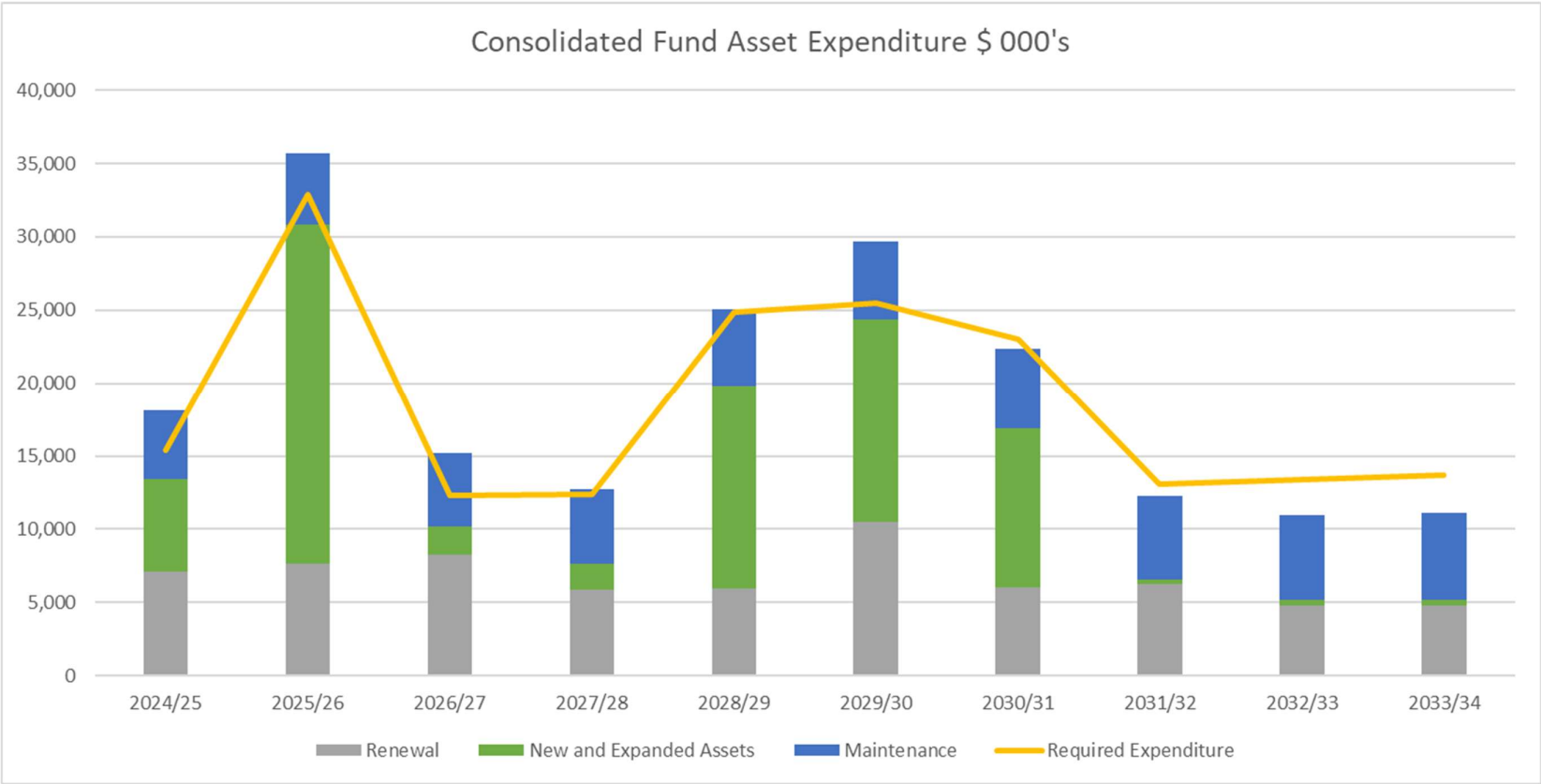Consolidated Fund Asset Expenditure $ 000's

Table 20: General Fund expenditure projections

Budget Gap by Asset Group ($,000s)			2024/25 Budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
General Fund	Actual											
		Renewal	6,015	6,431	6,509	5,125	5,587	7,408	4,230	4,012	3,938	3,941
		New and Expanded Assets	4,566	19,437	678	854	355	356	607	358	359	352
		Maintenance and Operations	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
		Total Expenditure	13,810	29,178	10,580	9,457	9,507	11,418	8,582	8,209	8,232	8,326
	Required											
		Required Renewal (Depreciation)	4,442	4,621	5,023	5,158	5,299	5,437	5,578	5,727	5,875	6,027
		New and Expanded Assets	4,566	19,437	678	854	355	356	607	358	359	352
		Required O&M	2,691	2,932	3,011	3,094	3,174	3,257	3,344	3,430	3,519	3,610
		Total	11,699	26,990	8,711	9,105	8,828	9,049	9,528	9,515	9,753	9,990
		Maintenance Overall (GAP)	538	379	382	384	391	397	402	409	416	423
		Renewals Overall (GAP)	1,573	1,809	1,487	-33	288	1,971	-1,348	-1,715	-1,937	-2,087
		Overall (GAP)	2,111	2,188	1,869	352	679	2,368	-946	-1,306	-1,521	-1,664
		Comparison Group – Depreciation	3,505	3,647	3,963	4,070	4,182	4,290	4,402	4,519	4,636	4,756
		Comparison Group – O&M	2,477	2,698	2,771	2,847	2,922	2,998	3,077	3,157	3,239	3,323
		Comparison Total (Inc. New and Expanded)	10,762	26,015	7,652	8,017	7,711	7,903	8,352	8,307	8,514	8,719
		Comparison Overall (GAP)	3,048	3,163	2,928	1,440	1,796	3,515	230	-98	-282	-392

Figure 14: General Fund asset expenditure projections

General Fund Asset Expenditure $ 000's

Legend: Renewal | New and Expanded Assets | Maintenance | Required Expenditure
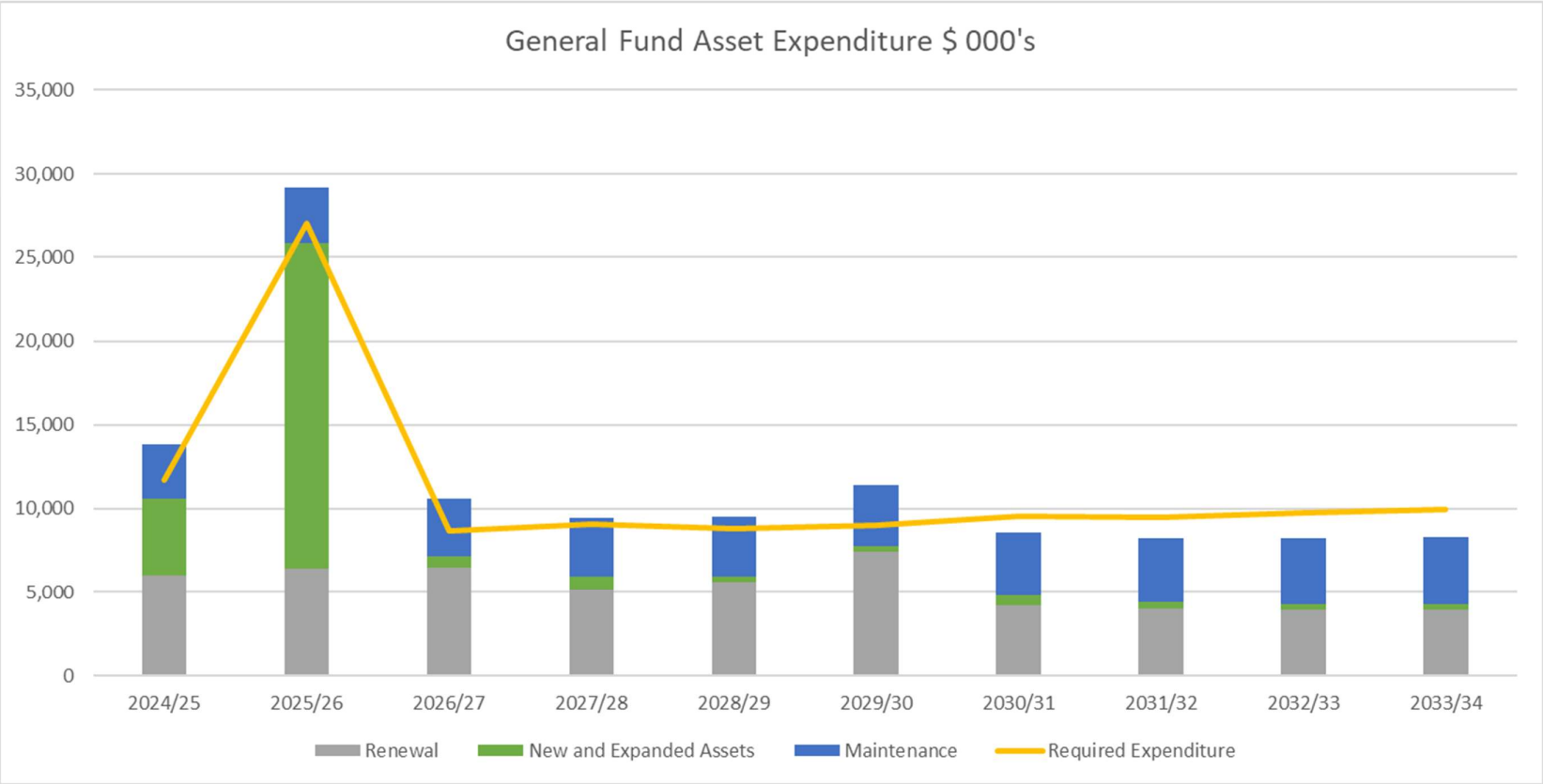
Table 21: Water and Sewer Fund expenditure projection

Budget Gap by Asset Group ($,000s)			2024/25 Budget	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Water and Sewer	Actual											
		Renewal	1,131	1,185	1,735	735	385	3,085	1,835	2,235	885	885
		New and Expanded Assets	1,690	3,772	1,304	952	13,500	13,500	10,193	0	0	0
		Maintenance and Operations	1,505	1,542	1,581	1,620	1,661	1,702	1,745	1,789	1,833	1,879
		Total Expenditure	4,326	6,499	4,619	3,307	15,546	18,287	13,773	4,024	2,718	2,764
	Required											
		Required Renewal (Depreciation)	1,147	1,201	1,287	1,338	1,385	1,620	1,837	2,018	2,069	2,121
		New and Expanded Assets	$3,050	1,690	3,772	1,304	952	13,500	13,500	10,193	0	0
		Required O&M	871	935	973	1,007	1,184	1,364	1,512	1,550	1,589	1,628
		Total	3,708	5,907	3,563	3,297	16,069	16,484	13,542	3,568	3,657	3,749
		Maintenance Overall (GAP)	634	608	608	613	477	338	233	239	245	251
		Renewals Overall (GAP)	-16	-16	448	-603	-1,000	1,465	-2	217	-1,184	-1,236
		Overall (GAP)	618	592	1,057	10	-523	1,803	231	455	-939	-985
		Comparison Group – Depreciation	1,023	1,071	1,147	1,193	1,235	1,445	1,638	1,800	1,845	1,891
		Comparison Group (O&M)	993	1,065	1,109	1,149	1,349	1,555	1,724	1,767	1,811	1,856
		Comparison Total (Inc. New and Expanded)	3,583	5,777	3,423	3,152	15,919	16,309	13,343	3,350	3,433	3,519
		Comparison Overall (GAP)	743	722	1,196	155	-373	1,979	430	674	-715	-755

Figure 15: Water and Sewer Fund asset expenditure projections
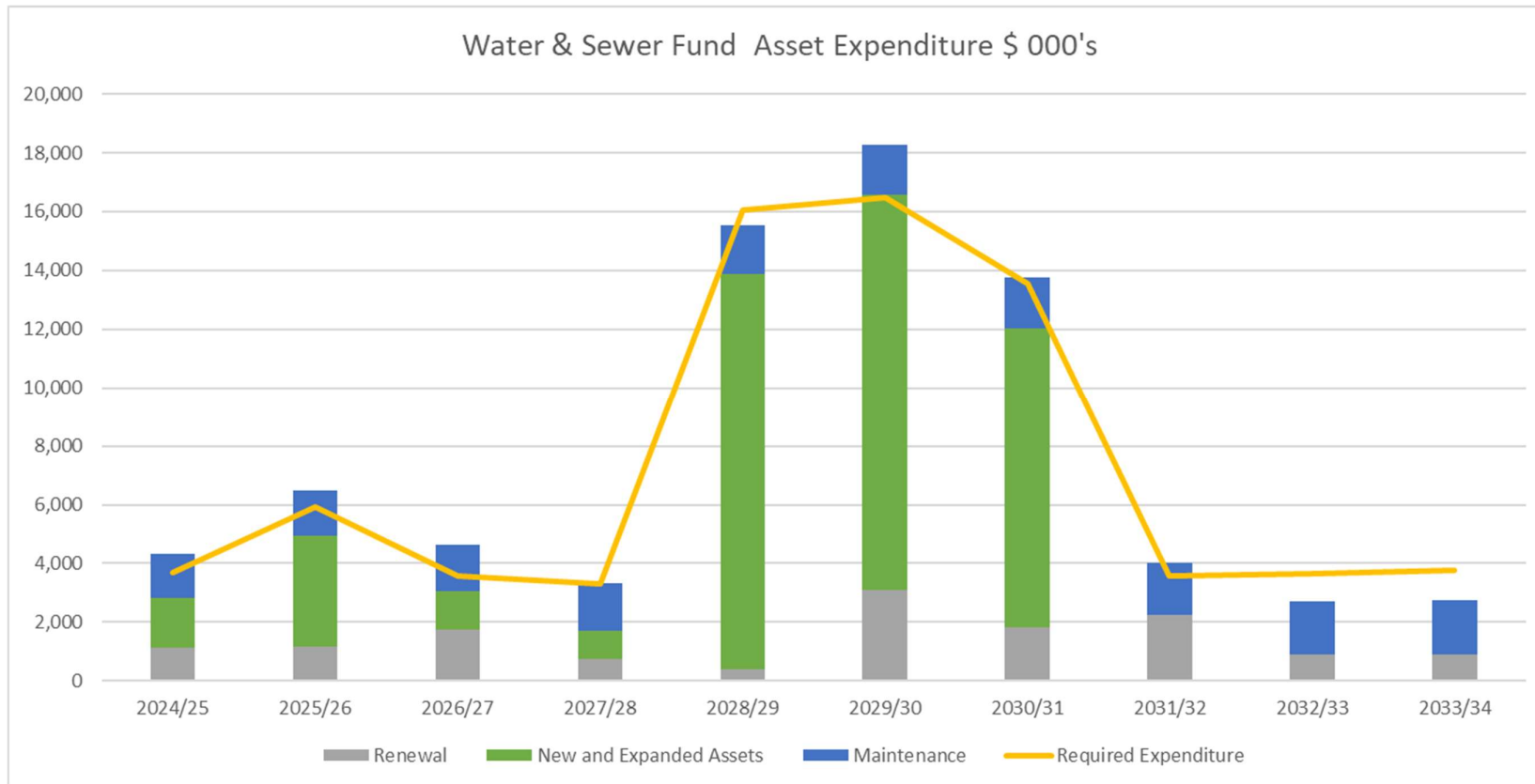
8.5 Financial performance

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

8.5.1   Consolidated portfolio

Figure 16: Consolidated Portfolio

Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding gap $000's	
Infrastructure Renewals ratio	127.86%	59.00%	Yr 1	$1,557
Benchmark 100%			5 Yr Average	$788
			10 Yr Average	(-$203)
Infrastructure Backlog Ratio	6.77%	4.88%	Yr 1	(-$11,675)
Benchmark 2%			5 Yr Average	(-$10,668)
			10 Yr Average	(-$10,065)
Infrastructure Maintenance Ratio	132.95%	114.53%	Yr 1	$1,173
Benchmark 100%			5 Yr Average	$1,009
			10 Yr Average	$874
Total Infrastructure Funding Gap			Yr 1	(-$8,945)
			5 Yr Average	(-$8,872)
			10 Yr Average	(-$9,393)

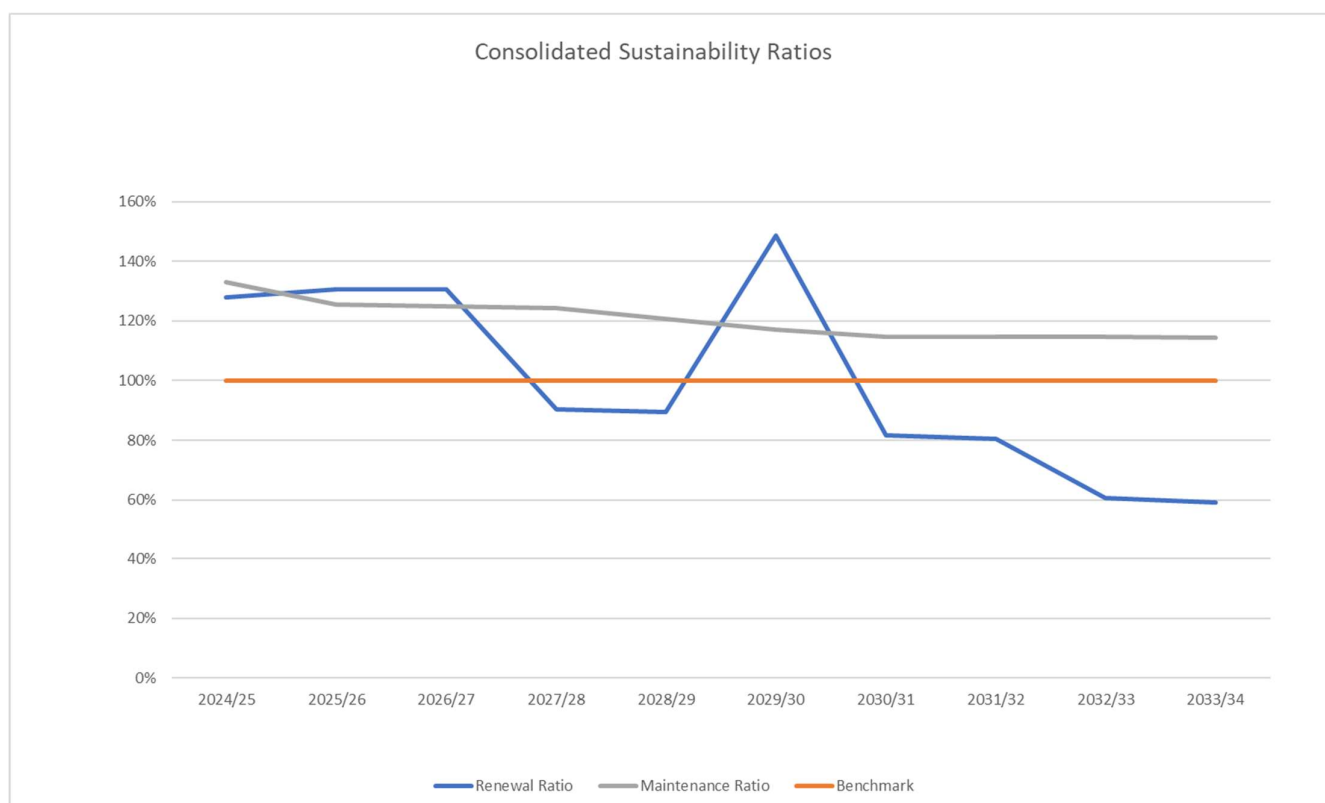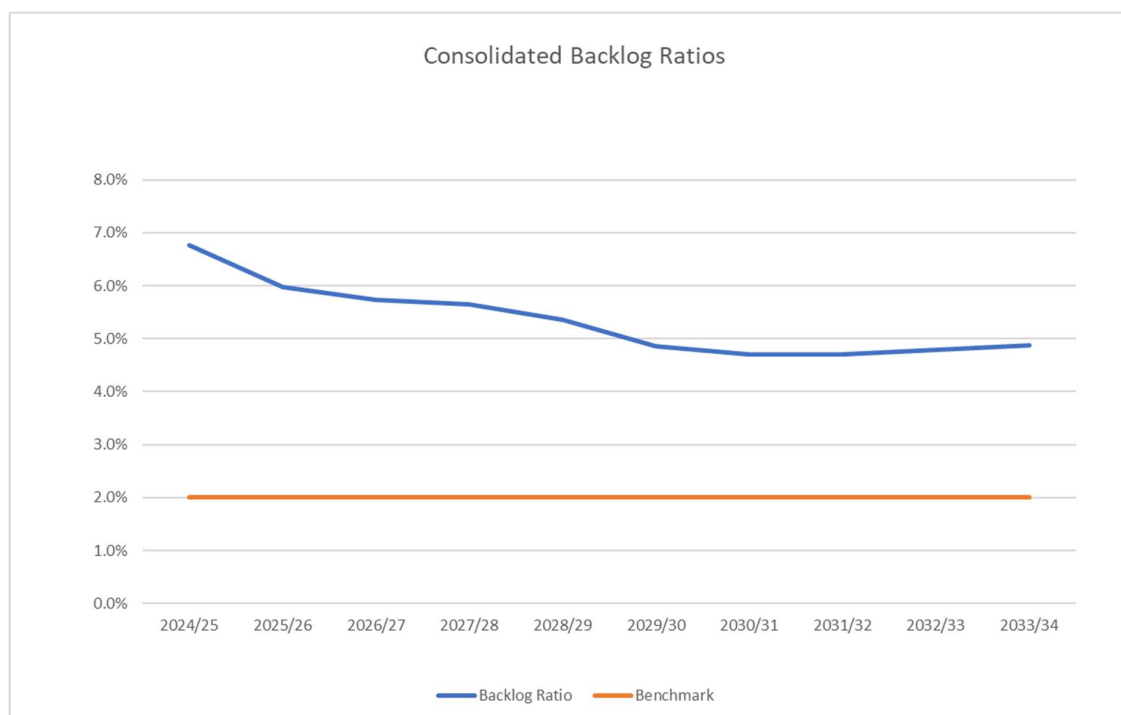*Figure 17: Consolidated OLG asset sustainability ratios*

Figure 18: Consolidated OLG backlog ratio

Overall, over the forecasting period, we observe that Council's backlog declines to just below 5% which, although above the OLG benchmark, is considered reasonable. Council's maintenance ratio exceeds the OLG benchmark for the forecasting period and Council's renewal ratio varies across the forecasting period with the slight funding deficit suggesting an average renewal ratio very close to the benchmark. However the renewal ratio in the general fund averages above 100% while the water and sewer fund dips to below 40% suggesting that funding is likely to be "lumpy" over the ten years.

8.5.2   General portfolio

Figure 19: General Fund Portfolio

Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding gap $000's	
Infrastructure Renewals ratio	135.40%	65.38%	Yr 1	$1,573
Benchmark 100%			5 Yr Average	$1,025
			10 Yr Average	$1
Infrastructure Backlog Ratio	5.81%	4.69%	Yr 1	(-$7,709)
Benchmark 2%			5 Yr Average	(-$6,839)
			10 Yr Average	(-$6,617)
Infrastructure Maintenance Ratio	120.01%	111.72%	Yr 1	$538
Benchmark 100%			5 Yr Average	$415
			10 Yr Average	$412
Total Infrastructure Funding Gap			Yr 1	(-$5,598)
			5 Yr Average	(-$5,399)
			10 Yr Average	(-$6,204)

Figure 20: General Fund OLG asset sustainability ratios

General Fund Sustainability Ratios
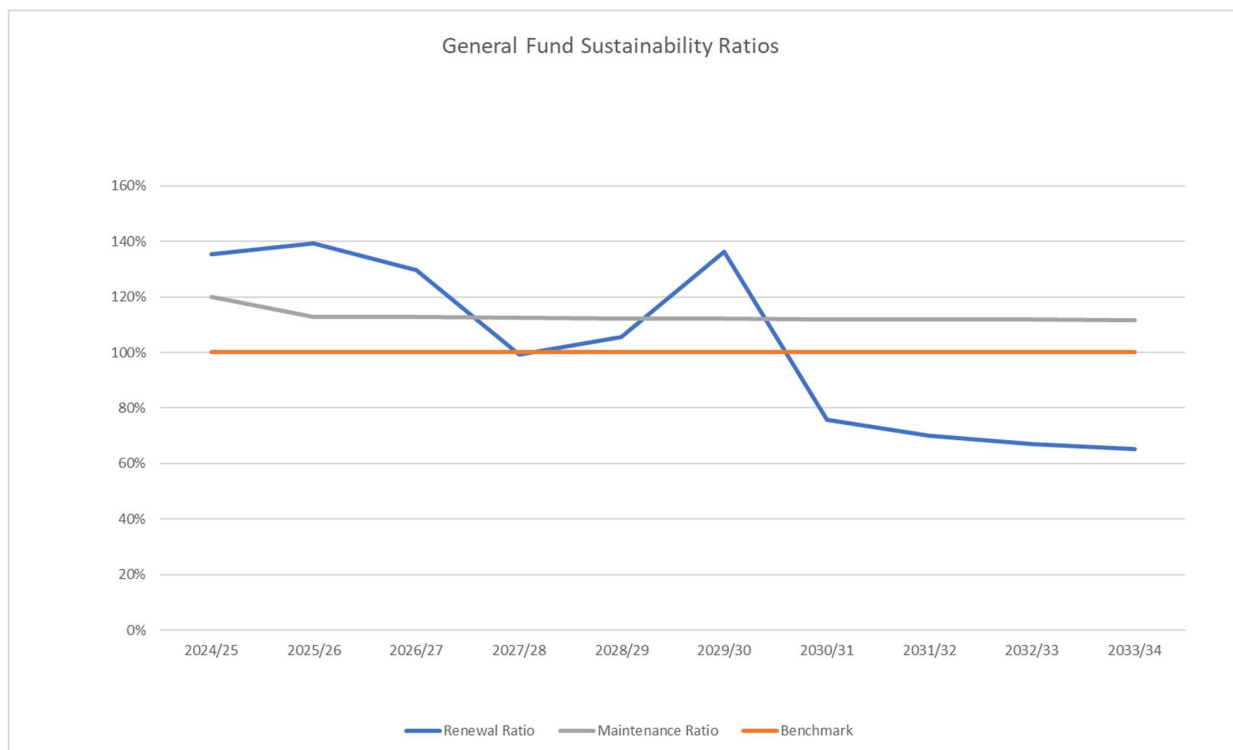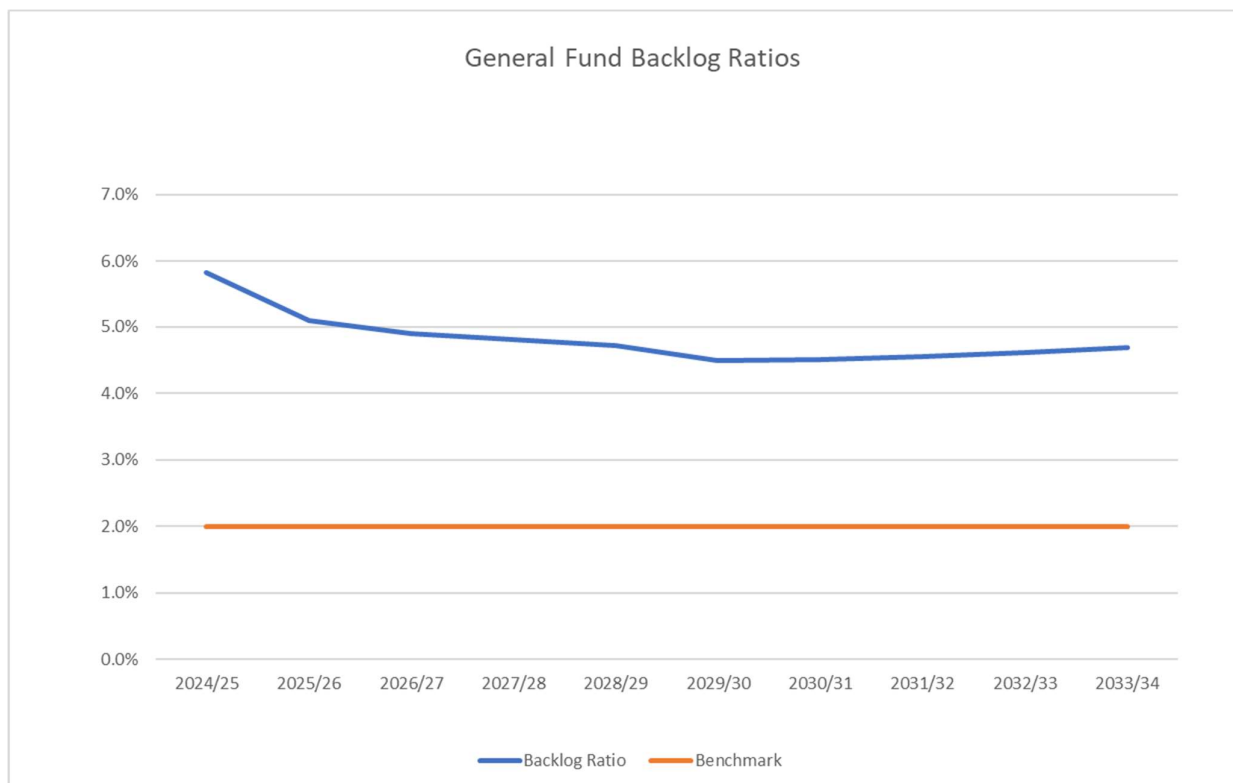
Figure 21: General Fund OLG backlog ratio

General Fund Backlog Ratios

8.5.3 Water and sewer fund portfolio

Figure 22: Water and Sewer Fund Portfolio

Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding gap $000's	
Infrastructure Renewals ratio	98.63%	41.73%	Yr 1	(-$16)
Benchmark 100%			5 Yr Average	(-$237)
			10 Yr Average	(-$193)
Infrastructure Backlog Ratio	11.28%	5.39%	Yr 1	(-$3,966)
Benchmark 2%			5 Yr Average	(-$3,829)
			10 Yr Average	(-$3,443)
Infrastructure Maintenance Ratio	172.82%	115.40%	Yr 1	$634
Benchmark 100%			5 Yr Average	$588
			10 Yr Average	$425
Total Infrastructure Funding Gap			Yr 1	(-$3,348)
			5 Yr Average	(-$3,478)
			10 Yr Average	(-$3,211)

Figure 23: Water and Sewer Fund OLG asset sustainability ratios

Figure 24: Water and Sewer Fund OLG backlog ratio
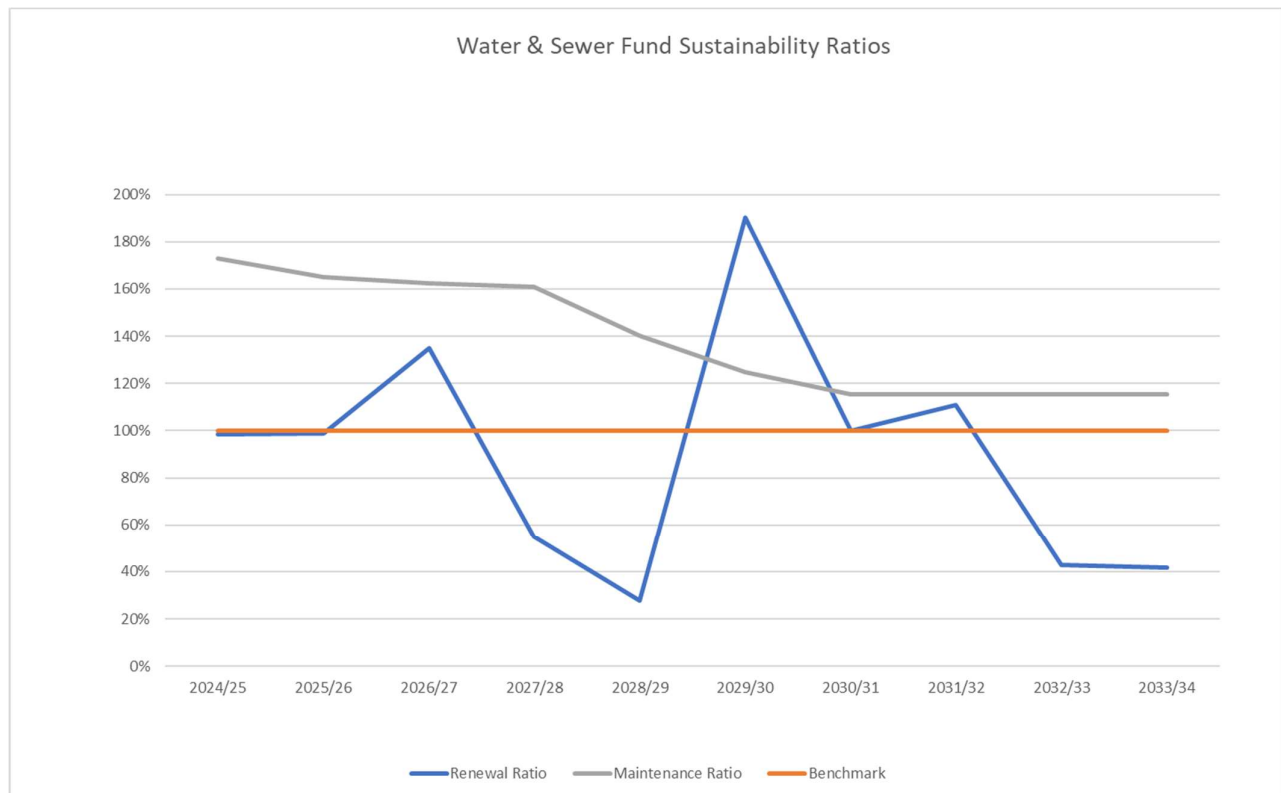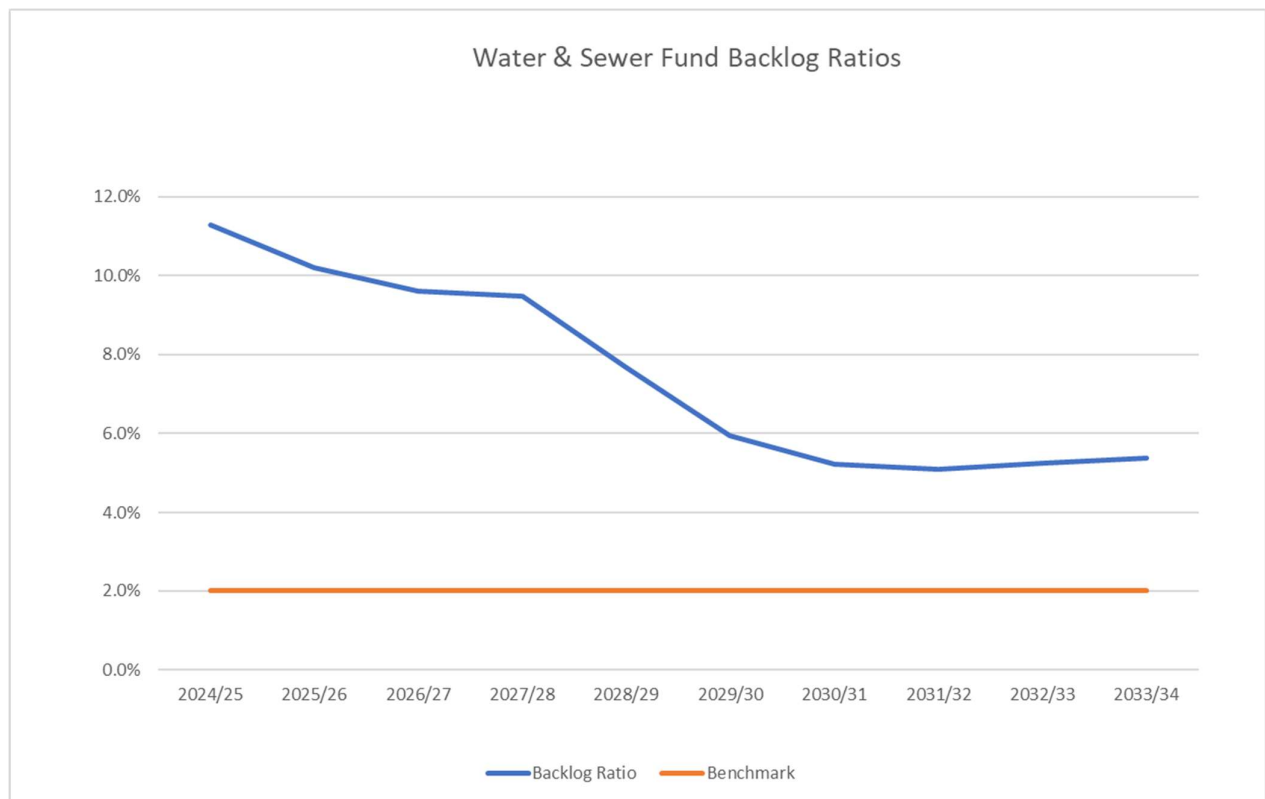

Water & Sewer Fund Backlog Ratios

9 Overarching improvement Plan

The Strategic Asset Management Plan is to enable Council to:

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

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

Table 22: Asset management strategic actions

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

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

Table 23: Improvement plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop guidelines and adopt a consistent approach for condition assessment for all asset classes to ensure consistency with historical data.	M	Assets	30//6/26
Council to develop processes for extracting and reporting on lifecycle data which is to be fed back into asset management planning.	H	Operations Assets Systems	30/6/26
Council to review asset hierarchy on all systems and undertake asset data reconciliation to ensure alignment between systems and identify gaps in asset data.	M	Operations Assets Systems	30/9/25
Council to document spatial mapping templates, guidelines and procedures.	M	Assets	30/6/26
Asset knowledge processes			
Council to document process and develop guidelines for asset valuation, including clear documentation of responsibilities and data validation and auditing processes and procedures.	M	Assets Finance	30/6/26

Strategic asset planning processes

Council to continue to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX for each asset class.	H	Assets Finance	Ongoing
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/11/25
Council to engage community on developed service levels.	H	Assets	30/06/26

Operations and maintenance work practices

Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/06/25
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/06/26

Information systems

Council to review IT system framework including the use of and linkage to ancillary systems.	H	IT	30/06/25

[Back Cover]