



COOLAMON SHIRE COUNCIL

ASSET MANAGEMENT POLICY

Date Adopted	15/10/2020		
Council Minute	2012/10/2020		
Version	Version 3		
Policy Responsibility	Corporate & Community Services		
Review Timeframe	Every 4 Years		
Last Review Date	15/10/2020	Next Scheduled Review Date	September 2025

OBJECTIVE

To provide the framework for Council to ensure that assets are provided, maintained and renewed so that they continue to meet the service delivery needs of the community in a way which assist in the achievement of Council's visions and providing the best balance of community expectation with available resources.

By the implementation of long-term management of its assets, Council will achieve significant benefits including:

- More informed decision making
- Improved efficiency
- Ability to plan for the present and future generations
- Improved long term financial forecasting and management

Council needs to ensure that asset management is an integral part of its business cycle and will:

- Be consistent with its goals and objectives
- Help Council to manage business risk
- Provide tangible benefits
- Be integrated with other components of the business
- Balance communities expectation with sustainable asset management

BACKGROUND AND CONTEXT

Council's assets consist of a wide range of different asset types all of which are fundamental in meeting the needs of the community.

Council assets may be physical (i.e. tangible eg plant, buildings) or non-physical (i.e. intangible eg intellectual property, good will). This policy only considers physical assets.

Council's physical assets are as follows:

Asset Class	Includes Assets such as:
Roadworks, Bridges & Footpaths, Kerb & Gutter	Sealed roads, unsealed roads, bulk earthworks, bridges, footpaths, kerb & guttering, bike paths.
Drainage, Stormwater	Drains (underground), pipes, culverts, pits, litter traps, retarding basins, table drains.
Buildings ,Facilities & Other Structures, Open Spaces	Libraries, Community Halls, Community Facilities, Public Toilets, Houses, Museums, Council offices, Preschools, Childcare Centres, Aged Care Facilities Swimming Pools, Waste Facilities, Emergency Service Buildings, Parks, Gardens, Swimming Pools, Playground Equipment, Irrigation systems, Skate Park, pump track mobile.
Plant & Equipment	Motor vehicles, Trucks, Construction equipment, Gardening equipment,
Office Equipment	Office furniture, fittings & equipment, Computer systems/equipment.
Wastewater	Sewer Mains, Pump Stations & Treatment Works, storage dams and ponds
Land	Community and Operational Land
Restoration Assets	Gravel Pits

A physical asset has value, enables services to be provided, and has an economic life of greater than 12 months.

The standard to which these assets are provided and maintained impacts on residents, the business community and visitors, as well as the amenity, safety and livability of the community.

The long-lived nature of many assets and the need for their ongoing renewal means that planning must be based on an understanding of the full costs throughout each asset's lifecycle and address both short and long term planning needs.

GOALS

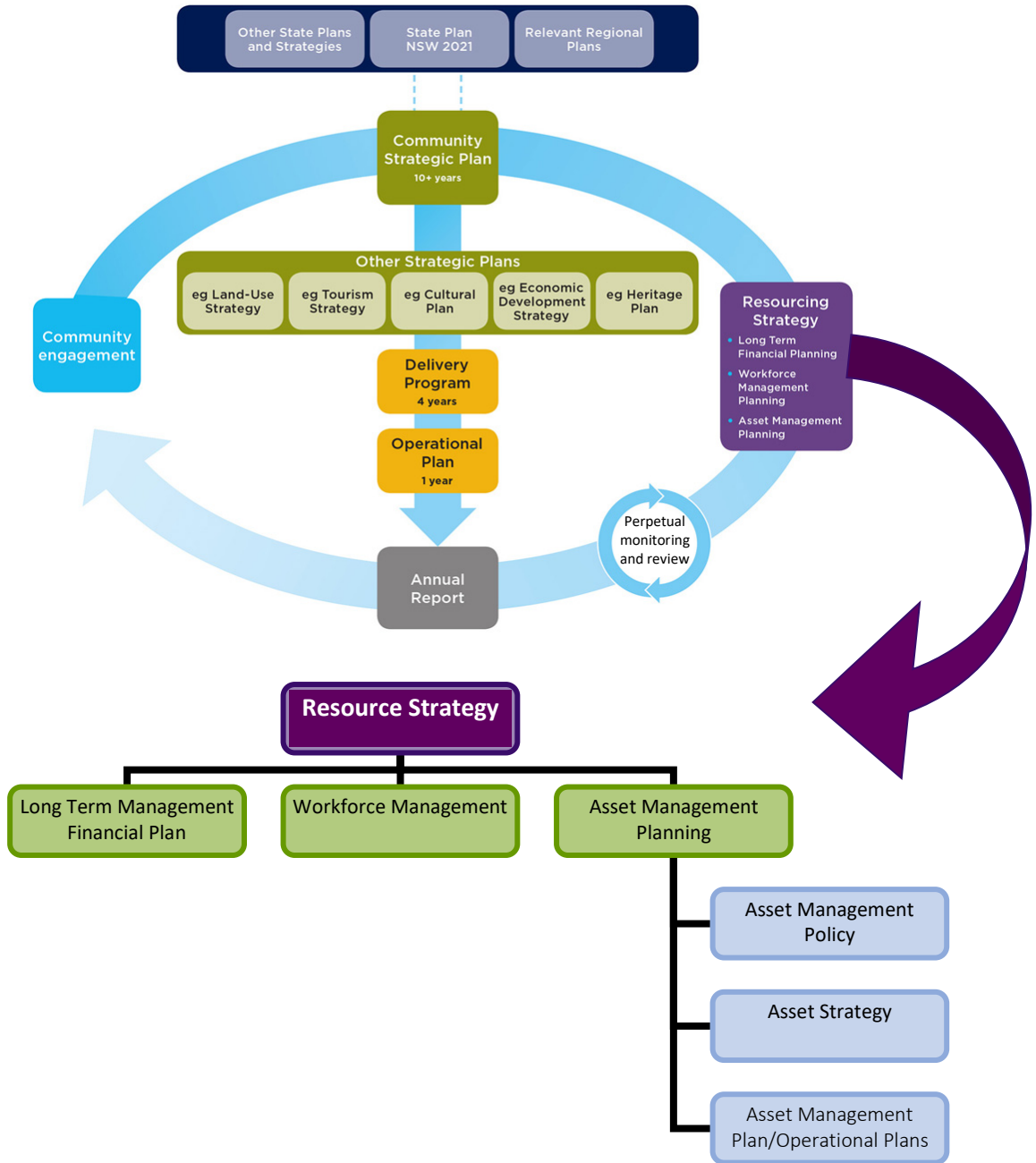
The goals of this policy are:

1. To maintain an accurate, consistent asset register, which records all of Council's assets including depleted or redundant assets.
2. To regularly maintain and renew assets to assist in the delivery of the required level of service and to ensure assets continue to function as built, for their full life.
3. To prioritise funding for the maintenance, operation and renewal of existing assets above the funding of new assets.
4. To develop and implement guidelines for the allocation of financial resources, both Capital and Recurrent, over short and long term timelines to meet projected growth due to new development.
5. Commit to reviewing assets regularly to ensure they meet needs and expectations.

FRAMEWORK

Council's asset management framework as illustrated below shows the relationship between the Council plan, this policy, the asset management strategy, asset management plans and operational plans. This framework will ensure a strategic approach to asset management.

Integrated Planning and Reporting Framework



ROLES & RESPONSIBILITIES

Councillors adopt the policy to ensure sufficient resources are applied to manage the assets.

The **General Manager** has overall responsibility for developing asset management systems, policies and procedures and reporting on the status and effectiveness of asset management within Council.

Executive Managers are responsible for implementing asset management systems, policies and procedures.

Employees with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plans.

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

DEFINITIONS

Asset Management

The process applied to assets from their planning, acquisition by Council, operation, maintenance, renewal and disposal, to ensure that the assets meet Council's priorities for service delivery.

Appropriate Best Practice

The application of best practice processes in asset management, taking into account the costs and systems that are appropriate to meet the required service levels.

Related Documents

This Asset Management Policy is supported by Council's Asset Management Strategy and Asset Management Plans.

ASSET MANAGEMENT WITHIN THE ORGANISATION

This policy reflects the key directions of the Council Integrated Planning and Reporting, and is adaptable to the changing direction of Council and the environment of the time. The vision and goals set by Council are adaptable to the changing expectations of the community.

This policy applies to Council, Executive Management, staff and the community involved in the operation, maintenance, renewal, upgrading and development of Council's existing and new assets.

KEY OUTPUTS

Council will set realistic and achievable timeframes for Asset Management development and implementation, which will be detailed in Council's Asset Management Strategy.

The timeframes will be based on Council's desired outcomes. The key outputs include:

Asset Management Strategy

- Review Asset Management Strategy

Integration of Asset Management into Council's Business Processes

- Integration of Asset Management Policy, Asset Management Strategy and Asset Management Plans into the Corporate Governance Framework.

Asset Management Plan Development

- Completion of Asset Management Plans for each significant asset class to an appropriate degree of accuracy and reliability.

ASSOCIATIONS & RELATIONSHIPS

Legislation	<i>Local Government Act 1993</i>
Policies	
Procedures/Protocols, Statements, Documents	<i>Coolamon Shire Council Asset Management Strategy</i>

REVIEW

This policy may be reviewed at any time or as required in the event of legislative changes. Unless otherwise required the policy will be reviewed at least once during a term of Council.

Version 3 Adopted:

Version 2 Adopted: *Council Meeting held 21 September 2017 (Minute No 175/09/2017)*

Version 1 Adopted: *Council Meeting held 18 February 2010 (Minute No. 28/02/2010)*



Coolamon shire
council

big enough to serve small enough to care

Asset Management Strategy

2020



Strategy...

Document Control

Document ID : G:\ASSET MANAGEMENT\ ASSET_MANAGEMENT_STRATEGY.docx					
Date Adopted		15/10/2020			
Council Minute		2012/10/2020			
Department Responsible		Executive Manager Strategizing and Environmental Services			
Review Time Frame		Every 5 Years			
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	15/10/2020	Asset Management Strategy Creation	RM	TK/TD	TK

REVIEW

This document may be reviewed at any time or as required in the event of legislative changes. Unless otherwise required the policy will be reviewed at least every 5 years.

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INTRODUCTION

1.1 Scope of this Asset Management Strategy

This Asset Management Strategy has been developed to provide the framework to ensure that Council's infrastructure assets are operated, maintained, renewed and upgraded to ensure that the Levels of Service are achieved in the most appropriate and sustainable way.

Those engaged for this asset management strategy is Council staff, the Council Executive Management team, elected representatives (Councillors), interest groups, stakeholders and other interested members of the general community.

The specific objectives of this Strategy are to:

- demonstrate responsible and sustainable stewardship of the community assets
- define how Council assets are and will be managed to achieve the Levels of Service
- assist the management of the environmental, financial and public risks related to the infrastructure assets
- provide the basis for forward works programs
- provide the basis for optimising whole of life costs
- support long term financial strategizing.

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

- Levels of Service
- Forecast demand for infrastructure and services
- Current asset performance
- Funding constraints

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

This is a core Asset Management Strategy, where analysis is applied at the "system" or "network" level. The focus is on current Levels of Service and current practices. It includes expenditure forecasts for asset maintenance, rehabilitation and replacement based on industry expertise of assets and options for meeting current Levels of Service.

This Strategy is based generally on the guidelines outlined in the International Infrastructure Management Manual 2011 incorporating the Sections defined in Table 1.1.

Table 0-1 Asset management strategy sections

Sections	Guidelines
1 Introduction	Outline of the purpose and scope of the Strategy and how the Strategy relates to other key policies and strategies.
2 Levels Of Service	Outline of Levels of Service and asset performance standards and customer/community expectations and feedback regarding Levels of Service.
3 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 strategizing.
4 Asset Management Practices	Provision of a comprehensive strategic asset management gap analysis process for asset management.
5 Risk Management Strategy	Provision of an asset based risk management strategy.
6 Overarching Asset Management Strategy	Provision of a summary of Council’s Overall Asset Strategy including Asset Management Policy and identification of Critical Assets.
Appendices – Individual Asset Data, AM Improvement strategy and compliance checklist	Outline of asset information, operations and maintenance and capital strategizing information and processes, and future directions for the physical management of the assets.

1.2 Asset Strategizing: Background

Coolamon Shire Council is following the guidelines that accompany the Local Government Amendment (Strategizing and Reporting) Act 2009 in the development of asset management strategies and strategy. Given the size of the Council, the Strategy is included as part of an overall asset management documentation. The Act makes the development of asset management strategies a mandatory requirement for NSW local governments.

The primary role of assets is to support the delivery of services that deliver Council’s long term objectives. As Council’s assets age there are increased maintenance, refurbishment and disposal costs which increase the cost of the services that they support. It is currently estimated that Coolamon Shire Council has approximately \$92 million of depreciating physical assets.

The current council Asset framework has been revised, to align with the legislated framework in the Local Government Amendment (Planning and Reporting) Act 2009 and the Integrated Planning and Reporting Guidelines for Local Government in NSW. This strategy has been developed, in line with the legislated framework and guidelines.

The legislated framework addresses the balance between the resources available against the long-term aspiration objectives of Council to ensure that there is not an over-commitment to resources (particularly assets) in the short term.

The long-term community strategic strategy for the Coolamon Shire is outlined in “Our Communities 2030” which provides a series of themes for the community with each driver having a number of strategic outcomes and strategies to achieve the desired outcomes.

The key strategic priorities have been developed and linked to a strategy in the long-term community strategic strategy. These priorities also guide the four year delivery program. As both the long-term community strategic strategy and the four year delivery program require community consultation, a strategy has been implemented to ensure that the priorities align with community requirements. Figure 1-1 shows the relationship between the various plans and resourcing strategies.

Figure 0-1 Integrated Planning and Reporting Framework

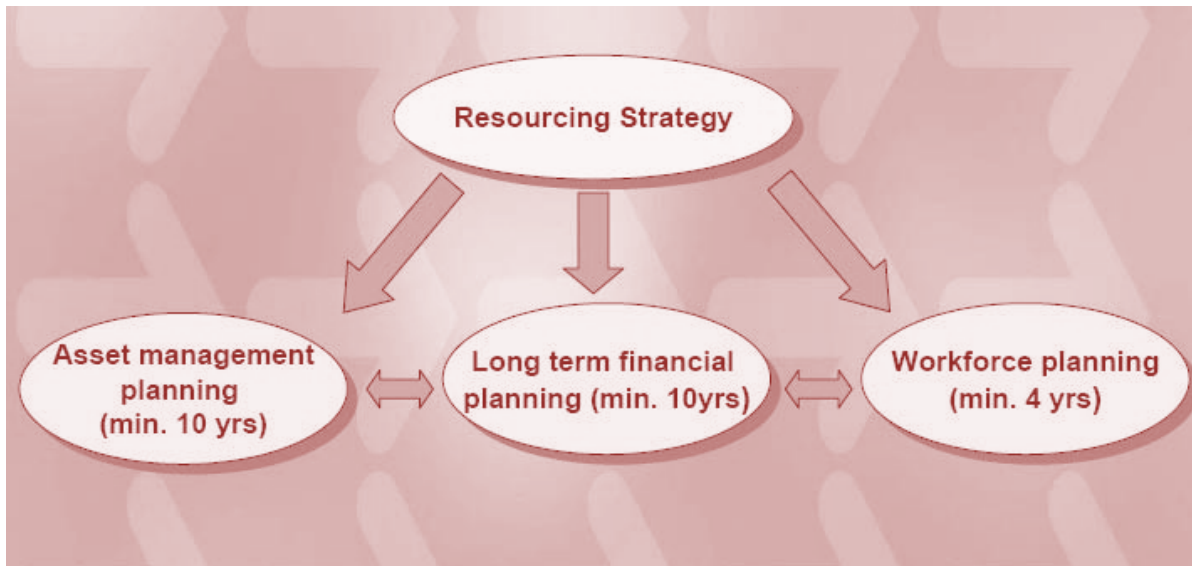


This figure above can be explained simply as follows:

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

As part of this Planning process, Council has also prepared a resourcing plan which, includes a long term financial strategy and asset management policy. The asset management plan and strategy form part of the overall resourcing plan for Council. The Coolamon Shire Community Strategic Plan - “Our Communities 2030”, the Delivery Program and Operational Strategy have informed and been informed by the Resourcing Plan. Figure 1.2 shows the relationship between the various resourcing strategies.

Figure 0-2 Resourcing strategy framework



This asset management strategy establishes a framework to guide the planning, construction, maintenance and operation of the infrastructure necessary to achieve the goals and objectives as set out in “Our Community 2030 and the Current Delivery Program.

Underpinning the asset management policy is a combined asset management plan and overarching asset management strategy, which covers all Council’s infrastructure assets.

1.3 Asset Management Policy

The purpose of that policy is to guide the strategic management of Council’s assets to ensure the sustainability, equity and affordability of Council’s service delivery for present and future Coolamon communities.

This policy applies to all infrastructure assets owned or controlled by Council and forms part of the resourcing plan, which supports the Community Strategic Plan whilst meeting the outcomes of the integrated planning and reporting framework in accordance with the Local Government Act and Division of Local Government’s Integrated Planning and Reporting Guidelines.

The objective of the policy is to provide the framework for Council to ensure that assets are provided, maintained and renewed so that they continue to meet the service delivery needs of the community in a way which assists in the achievement of Council’s visions and provides the best value to the Community.

By the implementation of long term management of its assets, Council will achieve significant benefits including:

- more informed decision making
- improved efficiency
- ability to strategy for the present and future generations
- improved long term financial forecasting and management.

Council needs to ensure that asset management is an integral part of its business cycle, and will:

- be consistent with its goals and objectives
- help to manage business risk
- provide tangible benefits

- be integrated with other components of the business
- be sustainable.

The Goal of the policy is to:

- maintain an accurate, consistent asset register, which records all of Council's assets, including depleted or redundant assets
- regularly maintain and renew assets to assist in the delivery of the required level of service and to ensure assets continue to function as built, for their full life
- prioritise funding for the maintenance, operation and renewal of existing assets above the funding of new assets
- develop and implement guidelines for the allocation of financial resources, both capital and recurrent, over short and long term timelines to meet projected growth due to new development.

1.4 About Asset Management

Asset management includes the creation, acquisition, maintenance, operation, renewal or rehabilitation and disposal of assets.

The key elements of infrastructure asset management are:

- taking a lifecycle approach
- developing cost-effective management strategies for the long term
- providing a defined level of service and monitoring performance
- understanding and meeting the demands of growth through management and infrastructure investment
- managing risks associated with asset failures
- sustainable use of physical resources
- continuous improvement in asset management practices.

The Asset Management Strategy is a tool combining management, financial, engineering and technical practices to ensure that assets are managed and the Levels of Service desired by customers are provided at the most appropriate economical cost to the community.

There are four broad asset management plans inputs and outputs. See Figure 1-3.

- Processes: The processes, analysis and evaluation techniques needed to support effective lifecycle asset management
- Information Systems: The information systems to support asset management processes and manipulate data
- Data: Appropriate, accessible and reliable data for manipulation by information systems to produce the outputs required
- Implementation Practices: Including organisation, commercial, contractual and people issues.

Figure 0-3 Asset management strategy inputs and outputs



An organisation with solid asset management practices in place will:

- know what assets it owns or has responsibility or legal liability for
- have these assets recorded in an asset register down to an identifiable level
- understand asset values and depreciation
- know the physical condition and rate of deterioration and remaining life of its assets
- know the likely types of failure modes and predict when they may occur
- know the right time to maintain, rehabilitate and reconstruct assets and implement relevant maintenance and renewal strategies
- have the ability to analyse alternative treatment options and have the ability to rank the treatment options available
- have the ability to determine the likelihood and consequence (risk) associated with the different failure modes
- have knowledge of asset performance and reliability
- have knowledge of asset utilisation and capacity
- understand and have recorded the current Levels of Service in terms of quantity and quality of service
- understand the future Levels of Service required by customers based on community expectations and consultation and in the context of changing demand
- understand and calculate the long term capital and recurrent expenditure and funding needs to sustain assets and provide future Levels of Service for at least 10 years into the future
- develop and approve necessary asset renewal programs and funding to sustain Council assets and required Levels of Service

The organisation should have uniform processes across the whole organisation for the evaluation of any investment in, and forecasts of, operations and maintenance, renewals and new works. Such processes involve:

- monitoring and reporting on the condition and performance of Council assets against Levels of Service and regulatory requirements

- understanding the demand for new assets and services through planning analysis and customer/community surveys
- linking Council corporate goals to asset investments and works programs by:
 - applying best appropriate life cycle processes and practices
 - acquiring and maintaining necessary data and knowledge
 - storing this data and knowledge in appropriate asset management information systems
 - preparing asset management plans so that the plan is known to all
 - adopting appropriate and “best value” commercial tactics.

1.5 Coolamon Shire

Coolamon Shire enjoys the best of both worlds – the friendly, relaxed atmosphere of rural living, with the services and facilities normally found only in much larger centres.

Although wheat has been cultivated in the area since 1850, the town of Coolamon - which the Shire is centred on - was established about the time the railway arrived in 1881. The Shire was proclaimed on 3 March 1906.

Today, Coolamon Shire has an area of approximately 2,494 square kilometres and a population of 4,315, comprising the three larger towns of Coolamon, Ganmain and Ardlethan and the smaller villages of Marrar, Matong and Beckom. Whilst the area has grown since its establishment, the value of past effort is nevertheless appreciated, with many heritage buildings and items receiving protection and being maintained under Council’s Local Environmental Strategy. Chief amongst these is the Up-to-Date Store – incorporating the Mavis Furner Collection and Garth Jones Agricultural Collection, which are of state heritage value.

The Coolamon Shire is one of the richest agricultural and pastoral districts in the Riverina. Surrounded by Bland, Narrandera, Junee and Temora Shires and the City of Wagga Wagga the district is renowned for its production of wheat, canola, barley, oats and other cereal crops, as well as hay and chaff. Wool, lamb and beef are also important products from the area, with emerging agricultural enterprises.

There are employment opportunities in the service areas of health, aged care and local government and in rural based small business. Coolamon Shire’s proximity to Wagga Wagga and advances in information technology, broadband and satellite communication systems have established positive opportunities for home-based business, business support and consultancies.



1.6 Assets Covered by this Strategy

The following asset groups are covered by this Asset Management Strategy and Strategy

- Road Transport Assets including:
 - Roads
 - K&G
 - Footpaths
 - Bridges & Major Culverts

- Sewer Assets including:
 - Coolamon Sewerage
 - Ganmain Sewerage
 - Ardlethan Sewerage
- Open Spaces:
 - Other Structures
 - Swimming Pools
 - Irrigation
- Building & Land Assets
- Wastewater Assets
- Stormwater

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

1.7 Responsibilities for Management of Assets within Council

The responsibilities relating to Infrastructure assets within Council are as follows:

Councillors adopt the policy to ensure sufficient resources are applied to manage the assets.

- The **General Manager** has overall responsibility for developing asset management systems, policies and procedures and reporting on the status and effectiveness of asset management within Council.
- **Executive Managers** are responsible for implementing asset management systems, policies and procedures.
- **Employees** with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plan.

In the short term, employees will be tasked under implementation procedures, and will be responsible for the timely completion of the activities contained within those procedures.

1.8 Key Stakeholders

Key stakeholders are those groups of people who have an interest in the responsible management of assets. The following list identifies key stakeholders and a description of their role in the management of Council’s assets.

Table 0-2 Key stakeholders

Stakeholders	Role
Council Officers	Managing assets to ensure that they provide the required Levels of Service that meet the needs of both residents and visitors to the area. Council officers implement the Asset Management Plan and Strategy.
Council Representatives	Includes Councillors and the Mayor. They are primarily responsible to ensure that their decisions represent and reflect the needs of the wider community.
Residents	Residents are the main users of assets. Their requirements and expectations are conveyed to Council. They should be reflected in the Levels of Service.

Stakeholders	Role
Visitors/community groups	The requirements of visitors and community groups should be reflected in the Levels of Service.
Insurers	Insurers have an interest to ensure that systems are in place to enable Council to understand the condition and risks associated with insured assets.

1.9 Links to Council Plans and Strategies

The Asset Management Plan and Strategy have been prepared having regard to the vision, guiding principles and strategic objectives as outlined in “Our Communities 2030” the Community Plan Strategy and is detailed as:

“A resilient rural community, with innovative and sustainable enterprises, taking advantage of our strategic location and respecting our town and village heritage.”

Infrastructure assets will play both a direct and an indirect role in the delivery of a number of the key community drivers and Council actions. The table below indicates how Council’s assets play a role in the delivery of the key strategies linked to the community strategy themes and goals.

Table 0-3 Asset linkages to the Community Strategic Plan

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
Sustaining Our Close-Knit Shire Communities	Objective 1.1 A maintenance of community values with any growth in population.	Develop and implement initiatives to welcome new residents and make them aware of the Shire’s opportunities.	✓		✓		
	Objective 1.2 A high standard of services, facilities and infrastructure for all age groups.	Provide access to facilities, services and information to support families, youth and seniors including the provision of child care facilities and respite services.	✓	✓	✓	✓	
		Provide and maintain safe and serviceable public facilities and infrastructure including roads, footpaths, and stormwater drains.	✓	✓	✓	✓	✓
		Provide and maintain efficient sewerage systems that allow for required expansion.					✓

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
		Investigate implementation of new cost effective sewerage systems where required by environmental pressures and/or by community desire.					✓
	Objective 1.3 A lifestyle with diverse entertainment, recreation and cultural opportunities.	Provide innovative and enhanced library services that encourage lifelong learning.	✓				
		Provide attractive, accessible and safe parks, recreational and other public places.	✓		✓	✓	
		Provide appropriate guidance for sports clubs in writing grant applications.	✓		✓		
		Encourage cycling and walking, through developing tracks and paths.		✓	✓		

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
Sustaining the Environmental Qualities of the Shire	Objective 2.1 Adaptation to climate variability.	Monitor and strategically manage environmental risks and impacts of climate variability.	✓	✓	✓	✓	✓
	Objective 2.2 Our rich heritage and natural environment character conserved.	Encourage and ensure high quality planning and urban design outcomes.	✓	✓	✓	✓	
		Reduce our waste to landfill through effective waste management and recycling.	✓	✓	✓		

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
Sustaining our Strong Rural-based Economy	Objective 3.1 A sustainable economy amid a changing regional, national and global environment.	Promote and support existing and new business investment within the Shire to take advantage of the Shire's access to Wagga Wagga, the Bomen Industrial Estate, Junee, and Temora.	✓			✓	✓
		Focus development within the Shire to avoid unnecessary duplication of public services and facilities.	✓	✓	✓		✓
	Objective 3.2 Increased awareness within prospective businesses, tourists and residents of the appeal of the Coolamon Shire.	Develop a Coolamon Shire image focusing on the unique identity of the Shire and its towns and villages.	✓		✓		
		Develop and implement initiatives to attract tourists such as improving Shire signage, access to and knowledge of Shire caravan parks, etc. to make Coolamon the No 1 day trip for Wagga Wagga residents.	✓	✓	✓		

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
Working Together to Achieve the Our Communities 2030 Vision	Objective 4.2 Council as an organisation is consultative, participatory, encouraging and well managed.	Maintain two-way communication with the community and increase awareness of Council's activities.	✓	✓	✓	✓	✓

Theme	Outcomes	Strategy	Buildings & Land	Transport	Open Spaces	Stormwater	Sewerage
		Deliver high quality services that meet customer expectations.	✓	✓	✓	✓	✓
		Minimise risk for Council and the community.	✓	✓	✓	✓	✓

This Asset Management Strategy also has links with other Council Plans and documents including:

- Operational Strategy – detailed action strategy on projects and finances for each particular year. The works identified in the Asset Management Strategy form the basis on which operational Plans are prepared
- Standards and Policies
- Direct Contributions Plans
- State of the Environment Report
- Plans of Management
- Delivery Program

1.10 Legislative Requirements

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

- Local Government Act 1993
- Local Government (General) Regulation 1999
- Environmental Planning and Assessment Act 1979
- Environmental Planning Legislation Amendment Act 2006
- Protection of the Environment Administration Act 1991
- Protection of the Environment Operation Act 1991
- Civil Liability Act 2002
- Environmental Protection Act 1970
- Work, Health and Safety Act and Regulations
- Disability Discrimination legislation including:
- Commonwealth Disability Discrimination Act 1992 (DDA)
- NSW Anti-Discrimination Act 1997
- AS 1428 (Set) – 2003 Design for Access and Mobility
- AS/NZS 4360 – 2004 Risk Management
- Australian Accounting Standards
- Environmentally Hazardous Chemicals Act 1985
- Water Management Act 2000
- Crown Land Management Act 2016
- Heritage Act 1977
- Crown Lands Act
- Building Code of Australia
- Plus other legislation relating to:
 - Working at Heights
 - Confined Spaces
 - Plant Regulations
 - Manual Handling
 - Noise Regulations

- Planning Controls
- Various other Australian Standards.

LEVELS OF SERVICE

1.11 Introduction

Level of Service can be defined as the service quality for a given activity. Levels of Service are often documented as a commitment to carry out a given action or actions within a specified time frame in response to an event or asset condition data.

Levels of service are categorised as the following;

- Customer Level of Service
 - Quality of Service
 - Function of Service
 - Capacity/Use of Service
- Technical Level of service
 - Operations of Asset
 - Maintenance of Asset
 - Renewal of assets
 - Upgrade/new assets

The objective of asset management is to enable assets to be managed such that agreed Levels of Service are consistently achieved in the most cost effective way.

The current Levels of Service are governed by available funding.

Levels of Service that are based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the Levels of Service are required in the future.

1.12 Customer Research and Expectations

Council has undertaken a number of community surveys (the last one being 2016) on which to draw conclusions about Council's services and service delivery. In 2007 and 2012 Council engaged IRIS Research to conduct community surveys. The survey considered the importance and satisfaction of 19 services provided by the Council and utilised this information in the development of "Our Communities 2030". Council undertakes community surveys every 4 years.

The overall analysis results reflected the key services that were most important to the community members, along with their satisfaction of each of these services. A quadrant analysis of the results highlights the service areas where Council could improve and those areas where it is performing well.

It is important to note that the survey assesses relative importance. If a theme has a lower importance ranking, it does not mean this theme is unimportant, it is just a lower priority to the community when compared with other themes. All these services are vital in ensuring a cohesive and vibrant community in 2030.

The table below indicates the performance gap between importance and satisfaction in relation to the range of services provide by the Council. The table also highlights the priority areas for improvement based on the IRIS report parameters.

Table 0-1 Council services ranked by priority

Service	Priority
Maintaining unsealed rural roads	1
Services and facilities for young people	1
Maintaining sealed rural roads	1
Maintaining town roads	1
Environmental activities	1
Promotion of business and tourism	1
Provision of sewerage and management of septic systems	1
Enforcement of by-laws	1
Town strategyning and timely processing of building applications	1
Garbage collection	1
Management of waste depot and recycling	2
Recreation services	2
Provision of aged care services	2
Services for older people	3
Culture and heritage development and promotion	3
Culture and arts facilities	3
Child care facilities	3
Appearance of public areas	3
Library services	3

The areas where customer satisfaction can be improved or where community value the service higher is unsurprisingly in the road maintenance area with half of the top priority service areas directly relating to road assets. Other priority areas relate directly to the building areas of Council’s asset portfolio.

1.13 Service Level Outcomes

This asset management strategy specifically defines Levels of Service that are relevant for each asset class. These service levels are defined for the individual asset classes in the relevant asset procedure documents,

These Levels of Service have been combined to deliver asset related service level outcomes. The service level outcomes are:

- Accessibility
- Quality / condition
- Responsiveness
- Customer satisfaction

- Affordability
- Sustainability

Each of the service level outcomes is related, directly to the Community Strategic Strategy, “Our Communities 2030” 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. The service level outcomes are related to all assets and Council’s strategies.

1.13.1 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.

1.13.2 Quality/Condition

Asset quality is also very important. In this regard, Council should determine the quality of the assets required for the Shire area. 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, due to the asset still meeting the needs of the Community.

1.13.3 Responsiveness

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

1.13.4 Customer satisfaction

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

1.13.5 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 or are still relevant to the assets needs ie buildings.

1.13.6 Sustainability

Council will ensure that its assets are maintained, in a manner that will ensure the long-term financial sustainability of the Shire 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 appropriate infrastructure assets

1.14 Condition

Condition is a measure of an assets physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 0 - 100, where 0-5 = new and 85-100 = totally failed. A copy of a typical condition rating matrix is detailed below.

Condition Rating	Condition	Descriptor	Guide	Residual Life as a % of Total Life	Mean %age residual life
5	Excellent	Sound physical condition. Asset likely to perform adequately without major work.	Normal maintenance required	>86	95
25	Good	Acceptable physical condition, minimal short-term risk of failure.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
45	Satisfactory	Deterioration evident, failure in the short term unlikely. Minor components need replacement or repair now but asset still functions safely.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
65	Worn	Deterioration of the asset is evident and failure is possible in the short term. No immediate risk to health and safety.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
85	Poor	Failed or failure is imminent or there is significant deterioration of the asset. Health and safety hazards exist which present a possible risk to public safety.	Over 50% of the asset requires renewal	<10	5

1.15 Current Levels of Service

The Levels of Service for each asset class have been developed based on current work practices and performance. They take into account current data collection and monitoring practices and reflect the service level outcome categories. Current service levels are detailed in the individual asset sections.

Future Demand

1.16 Demand Forecast

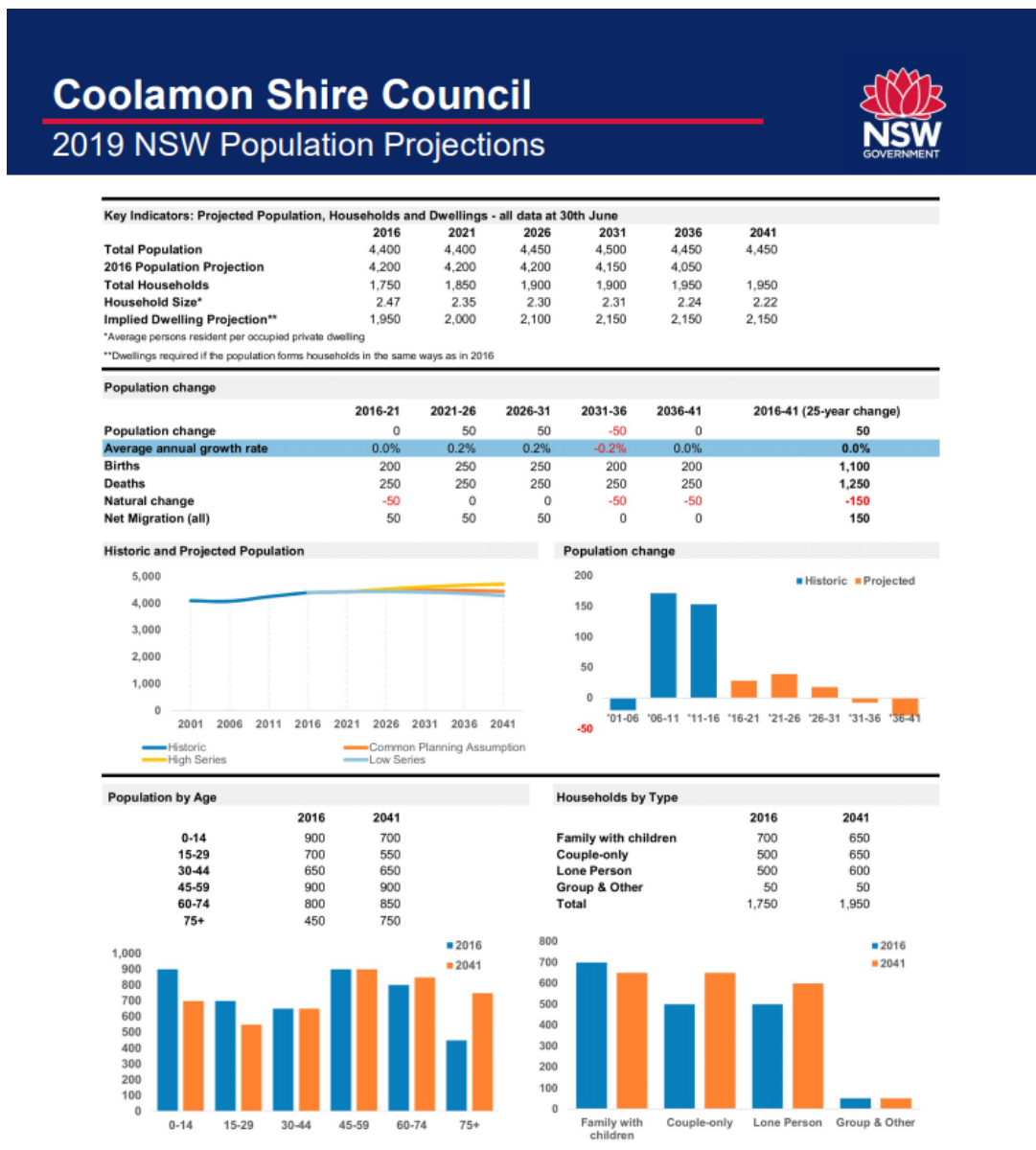
The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

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

1.17 Population Forecasts

The estimated current and forecast resident population of Coolamon LGA from the New South Wales Local Area Population Projections are below.

Figure 0-1 Population projections



Information is rounded to the nearest 50, which can introduce discrepancies in totals and differences.

The population of the Coolamon Shire is expected to grow slowly over the next twenty years.

1.18 Changes in Technology

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

1.19 Demand Management Strategy

The following general implications and impacts are predicted on the Council assets, based upon changes and trends are shown in Table 3.2.

Table 0-2 Future demand impact on assets

Demand Factor	Impact on Services
Population	Population growth will place an increased demand on assets, especially libraries, parkes and community centres.
Demographics	The trend towards an increasing and older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets.
Social/Economic	Change in social structure may mean different asset needs, requiring additional funding where appropriate.
Transportation Changes	Possible increase to road demands.
Increasing Costs	Requirement to continue to maximise service delivery within the funding limitations.
Environment and Climate	Some assets may be impacted by change such as more severe weather events.
Lifestyle	Will impact on the type and size of facilities provided into the future.
Technology	May require improved environmental management of facilities., changes to lifespan of asset and replacement costs.

1.20 Demand Management Strategies

A formal demand management strategy does not currently exist and is not required. Increases in demand for asset based services will not be driven by population increases but more by changing demographics of the population. Council will continue to monitor the changing population and adapt and modify services as appropriate to the existing community needs.

Council has a strategy for the development and expansion for the towns of Coolamon & townships, with plans to take advantage of the proximity to Wagga Wagga to drive growth.

ASSET MANAGEMENT PRACTICES

1.21 Asset Management Systems

Council has utilised a new Asset management system called AssetFinda. All asset data for depreciation purposes, replacement costs, and work request/defects is stored in AssetFinda. Along with the new system, Council has employed a new employee to manage council's Asset system.

1.22 Data Collection and Validation

Council has used the most current, and up to date information, that it has available to develop the AssetFinda system. This information will be required to be updated, on a regular basis. Council currently have a formal approach to the collection of asset condition data. In some asset classes such as sewerage there is a process for ongoing CCTV pipe inspections, in other asset classes data is updated on a regular basis.

As part of the asset management improvement plan, it is proposed that these matters be addressed on an ongoing basis.

1.23 Asset Management Gap Analysis

An asset management gap analysis process has been undertaken for Councils assets as part of the NSW Division of Local Government Infrastructure Audit.

The gap analysis process has included an:

- assessment of current asset management practice against various desired asset management criteria and elements (generally assessment made considering frequency, emphasis, formality, systems and results)
- assessment of desired/target asset management practice to be achieved within the target timeframe against various best practice asset management criteria and elements (generally assessment made considering frequency, emphasis, formality, systems and results)
- identification of the gap between current asset management practice and desired/target asset management practice.

The audit results for Coolamon Shire Council indicate a required level of improvement of compliance with asset management practices within the organisation. This result is typically of the small size of the organisation that has adopted a practical day-to-day approach to the management of its assets, with a consistent long-term workforce. Typically, Coolamon Shire has many of the core aspects of Asset management. Since Council has installed the new Asset Management system, Council feel they have covered all required levels of compliance.

1.24 Improvement Strategy

As part of an ongoing commitment to asset management within the organisation each asset class has a number of improvement tasks, which have been prioritised and, as each task is actioned, Council's capability and capacity for improved management of assets will be enhanced. Below are the high priority actions, which will lead to improved management of Council's assets as a whole. The full AM improvement program is detailed in Appendix 5.

Table 0-1 Asset management improvement strategy

Task	Deliverable	Priority
Identify activity types so that costs can be allocated against individual assets in all asset classes.	List of maintenance and operational activity types.	High
Document the process and assumptions around the valuation and depreciation of all assets classes.	Ongoing as part of valuation exercise.	High
Review, develop and implement data capture strategy, guidelines and processes including collection frequency and guidelines/ processes for data collection/ asset representation in spatial format.	Procedure for data capture for all asset classes and types and all types of data.	High
Ensure all Levels of Service are measurable and monitored.	Measurable service levels	High
Develop lifecycle planning/costing guidelines and processes. Ensure clear understanding of lifecycle activities and applications. Undertake lifecycle planning for all major assets and develop robust long-term financial forecasts.	Funding projections and life cycle costing models.	High
Develop robust long-term financial strategy/ forecasts for all assets including funding/ revenue forecasts.	Long term financial forecast.	High
Long-term financial forecasts for assets to be reviewed on an annual basis.	Long term financial forecast.	High
Asset management strategy to be reviewed for all major asset classes on a 4 yearly basis.	Asset management strategy covering all key infrastructure asset groups.	Low
Asset management strategy to undergo a minor review every two years and a major review every four years with the development of Council's Delivery Strategy.	Plans reviewed and adopted.	High
Undertake risk analysis/assessment for all assets and implement risk management systems and processes including condition monitoring/ inspection systems for critical/ major assets.	Risk register.	High
Review depreciation and capitalisation processes to ensure full reconciliation between the asset management systems and the corporate finance system.	Documented processes for valuation and capitalisation of all assets.	High
Develop AM status reporting processes for reporting to management, corporate team and Council.	Reporting and monitoring strategy developed.	High

1.25 Monitoring and Review Procedures

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

Risk management Strategy

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

A high level risk assessment process to identify risks and to outline a strategy to address the risks relating to assets was undertaken in November 2013. The risk assessment process was carried out generally in accordance with Australian Standard for Risk Management AS/NZS 4360:2004.

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

Critical assets have been identified by utilising the day-to-day operational knowledge and technical skills of Council staff to identify critical assets in each asset category. Critical assets have been highlighted in the overarching asset management plan.

In addition to the community and service risks identified in the Risk Register, there are a number of risks associated with the management of the assets. These strategic risks are identified in Table 0-1

Table 0-1 Risk register for Council’s assets

Risk Categories: VH = very high, H = high, M = medium, L = low

Risk Details / Event	Likelihood	Consequence	Risk	Asset Group Affected				Existing Controls	Controls Adequate	Actions Needed
				Transport	Sewage & Stormwater	Open Spaces	Buildings & Land			
Poor design / construction causes damage or injury	Possible	Major	H	✓	✓	✓	✓	Designs prepared and construction projects supervised by suitably qualified and experienced people.	Y	Adopt more rigorous “Design Office Approach” to ensure standards are achieved for design and documentation. Implement improved “Project Management Approach” and establish mechanisms for better liaison between designers and constructors. Recorded communications between design and construction staff required.
Damage caused by vandalism including graffiti	Possible	Low	M	✓	✓	✓	✓	Efforts are made to design and construct works to reduce susceptibility to damage. Council arranges removal of graffiti from its assets	Y	

Risk Details / Event	Likelihood	Consequence	Risk	Asset Group Affected				Existing Controls	Controls Adequate	Actions Needed
				Transport	Sewage & Stormwater	Open Spaces	Buildings & Land			
Overall condition of assets decreases due to inadequate renewal and maintenance programs	Likely	Moderate	M	✓	✓	✓	✓	Programs controlled by budget availability.	N	Establish clear management plan, with forecast costs, to maintain Levels of Service and debate with Council.
Changes in legislation affect the responsibilities of Council	Unlikely	Moderate	L	✓	✓	✓	✓	Monitor legislative changes.	Y	Continue to monitor legislative changes.
Resource constraints affect the management of the assets	Possible	Major	M	✓	✓	✓	✓	None.	N	Monitor staff turnover and maximise staff retention.
Unforeseen increases in fuel, plant and materials costs	Likely	Moderate	M	✓	✓	✓	✓	Costs are monitored	Y	Continue to monitor costs.
Failure of materials supplies	Possible	Moderate	M	✓	✓	✓	✓	None.	N	Ensure alternative supply arrangements are in place for critical materials.
Flooding	Possible	Major	M	✓	✓	✓	✓	Flood management plan being prepared.	Y	Implement flood management program.
Impact of climate change on assets	Possible	Major	L	✓	✓	✓	✓	Identified in AM Plan	Y	Continue monitored

1.26 Critical Assets

Council has identified the following assets as critical to its operation:

- Council administration building
- Council depot facilities
- Telecommunications tower
- Coolamon Shire waste water treatment plant

Overarching Asset Management Strategy

The Asset Management Strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future
- Asset Management Policy is to be achieved
- How the integration of Council's asset management with its Long Term Strategic Strategy.

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

No	Strategy	Desired Outcome
1	Co-ordinate the annual budgeting and long term financial planning.	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long Term Financial Strategy covering 10 years incorporating asset management strategy expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Incorporate Year 1 of Long Term Financial Strategy revenue and expenditure projections into annual budgets.	Long-term financial planning informs budget deliberations. Council need to discuss the reality and practicality between annual budgets being approved for the year and the required changes to the long-term (10 year) plans.
4	Review and update asset management strategy 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.
5	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
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.
7	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.
8	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
9	Implement an Improvement Strategy to realise 'core' maturity for the financial and asset management competencies.	Improved financial and asset management capacity within Council.

No	Strategy	Desired Outcome
10	Report annually to Council on development and implementation of Asset Management Plan and Strategy and Long Term Financial Plans.	Oversight of resource allocation and performance.

Appendix 1 - Road Transport Assets

The Councils Road transport assets consist of the following assets according to the 2019 Valuation Figures:

1.27 Asset Inventory

Sub Group	Asset Class	No	Unit
Regional Roads	Regional	146.7	km
	Culverts	155	No
Roads Sealed	Class A	65.6	km
	Class B	118.2	km
	Class C	75.2	km
	Culverts	330	No
	Urban Roads Sealed	74.5	km
	Urban Lanes Sealed	9.1	km
Roads Un-Sealed	Urban Roads Un-Sealed	9.3	km
	Urban Lanes Un-Sealed	8.9	km
	Rural unsealed 1	28.4	km
	Rural unsealed 2	244.6	km
	Rural unsealed 3	237.4	km
	Rural unsealed 4	85.1	km
	Rural unsealed 5	99.2	km
	Rural unsealed 6	60.9	km
	Crown	136.5	km
K&G		56.9	Km
Footpaths and Bike Paths		29.5	Km
Bridges & Major Culverts		17	No

1.28 Asset Values

Sub Group	Year	Current Replacement Cost
Regional Roads	2019	\$34,456,144.14
Rural/Local Roads - Sealed	2019	\$41,907,968.24
Rural/Local Road - Unsealed	2019	\$28,183,488.79
Urban Laneway - Sealed	2019	\$472,669.57
Urban Laneway – Unsealed	2019	\$255,147.67
Urban Road - Pavers	2019	\$84,645.00
Urban Road – Sealed	2019	\$16,588,436.92
Urban Road - Unsealed	2019	\$407,609.15
K&G	2019	\$8,933,101.06
Footpaths & Bike paths	2019	\$2,606,232.61
Bridges & Major Culverts	2019	\$2,717,750.32
Stormwater	2019	\$3,699,585.15
TOTAL		\$140,312,773.62

1.29 Asset Condition

Sub Group	Class	Condition Data (% by Value)				
		1	2	3	4	5
Regional Roads	Regional	74%	20%	6%		
Roads Sealed	Class A	52%	36%	7%	5%	
	Class B	59%	34%	7%		
	Class C	70%	26%	4%		
Roads Un-Sealed	Urban Roads Sealed	49%	48%	3%		
	Urban Lanes Sealed		100%			
	Urban Roads Un-Sealed	67%	33%			
	Urban Lanes Un-Sealed		100%			
	Rural unsealed 1	38%	53%	9%		
	Rural unsealed 2	47%	47%	4%		
	Rural unsealed 3	55%	38%	7%		
	Rural unsealed 4	43%	48%	9%		
	Rural unsealed 5	56%	42%	2%		
	Rural unsealed 6	56%	40%	4%		
	Crown	Not Rated				
K&G		41%	56%	2%	1%	
Footpaths & Bike Paths		56%	40%	2%	2%	
Bridges & Major Culverts		30%	70%			

1.30 Asset Based Service Levels

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Quality / condition	% of Assets in condition 3 or better	Condition assessment	99%	97%
Reliability / responsiveness	% Compliance with Council's documented response time	CRMS data	90%	Change of System for 2019 Valuation
Customer Service	% Satisfaction with service provision	IRIS Community satisfaction report	Maintain	Current Survey Put out to public
Sustainability	Consumption ratio	Annual depreciation figures and expenditure details	Between 50% and 75%	TBD
	Renewal Funding Ratio		Between 90% and 110%	TBD
	Long term funding ratio		Between 95% and 105%	TBD
Safety	% reduction in total crashes accidents in a three year rolling average	RMS Accident statistics	TBD	TBD
Affordability	Maintenance and operational cost per km of road	Annual budget expenditure	Increase by 1% lower than CPI	TBD

Appendix 2 - Building Assets

The Councils Building assets consist of the following assets according to the 2018 Valuation Figures:

1.31 Asset Inventory

Asset Class	No
Camping Areas & Caravan Parks	1
Children's Services	4
Community Centres & Halls	6
Fire Service Levy, Fire Protection, Emergency Services	6
Medical centre, Council Admin, Works Depot sheds	13
Museums	1
Other Community Amenities – Carpathia, Centenary Kindra, council dwellings	24
Other Cultural Services – Up-to-date	1
Other Economic Affairs - Allawah Lodge , Ganmain aged units, Allawah Village	29
Other Economic Affairs – General – Commercial buildings	5
Parks & Gardens- Clock Tower	1
Public Conveniences	6
Public Libraries	1
Solid Waste Management	2
Sporting Grounds & Venues	19
Swimming Pool	7

1.32 Asset Values

	Current Replacement Cost
Camping Areas & Caravan Parks	\$ 250,248.00
Children's Services	\$ 2,132,700.00
Community Centres & Halls	\$ 6,301,500.00
Fire Service Levy, Fire Protection, Emergency Services	\$ 875,900.00
Medical centre, Council Admin, Works Depot sheds	\$ 4,414,100.00
Museums	\$ 1,198,900.00
Other Community Amenities – Carpathia, Centenary Kindra. council dwellings	\$ 4,352,202.00
Other Cultural Services – Up-to-date	\$ 2,493,600.00
Other Economic Affairs - Allawah Lodge , Ganmain aged units, Allawah Village	\$ 13,875,700.00
Other Economic Affairs – General – Commercial buildings	\$ 1,825,400.00
Parks & Gardens- Clock Tower	\$ 110,000.00

Public Conveniences	\$ 605,000.00
Public Libraries	\$ 564,300.00
Solid Waste Management	\$ 330,000.00
Sporting Grounds & Venues	\$ 1,770,600.00
Swimming Pool	\$ 1,934,294.00
Total	\$ 43,034,444.00

1.33 Asset Condition

Class	Condition Data (% by Value)				
	1	2	3	4	5
Camping Areas & Caravan Parks	100%				
Children's Services			70%	30%	
Community Centres & Halls	17%	17%	35%	23%	8%
Fire Service Levy, Fire Protection, Emergency Services		33%	67%		
Medical centre, Council Admin, Works Depot sheds		21%	71%	8%	
Museums		52%	0.5%	47.5%	
Other Community Amenities – Carpathia, Centenary Kindra, council dwellings		10%	35%	55%	
Other Cultural Services – Up-to-date			100%		
Other Economic Affairs - Allawah Lodge , Ganmain aged units, Allawah Village	93%		7%		
Other Economic Affairs – General – Commercial buildings		4%	30%	66%	
Parks & Gardens- Clock Tower			100%		
Public Conveniences		83%		17%	
Public Libraries		100%			
Solid Waste Management	50%			50%	
Sporting Grounds & Venues		2%	27%	51%	20%
Swimming Pool	52%	48%			

1.34 Asset Based Service Levels

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
	% of Assets in Condition 3 or better	Condition Assessment	90%	76%
Reliability / responsiveness	% Compliance with Councils documented response	CRMS data	90%	79%

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
	time/Reduction in number of defects			
Customer Service	% Satisfaction with service provision	IRIS Community satisfaction report	Maintain	New Survey Currently underway
Sustainability	Occupation rate for residential and aged care units	Council records	90%	Not currently recorded
	Reduction of power and water usage	To be considered in the future	80% of network on renewable resources	Systems currently being installed
Safety	Compliance with Fire Safety regulation.	Annual Inspection	100% compliance	80%
	Electrical isolation switches operational	Annual Inspections of all residential properties	100% compliance	80%
Affordability	% by value of properties not managed by Council	Annual reports	Maintain	TBA

Appendix 3 - Sewerage/effluent Assets

1.35 Asset Inventory

Sub Group	Asset Class	Unit
Coolamon	Line	471
	Plant	26
	Point	470
Ganmain	Line	198
	Plant	12
	Point	199
Ardlethan	Line	17
	Point	18

1.36 Asset Values

		Current Replacement Cost
Coolamon	Line	\$2,525,860.82
	Plant	\$3,516,071.83
	Point	\$1,426,411.06
Ganmain	Line	\$2,754,296.30
	Plant	\$2,057,356.40
	Point	\$760,087.80
Ardlethan	Line	\$178,973.83
	Point	\$29,978.50

1.37 Asset Condition

Sub Group	Class	Condition Data (% by Value)				
		1	2	3	4	5
Coolamon	Line	Not Currently rated, worked out by 5% of the network being inspection on rotation in conjunction with date of construction				
	Plant					
	Point					
Ganmain	Line					
	Plant					
	Point					
Ardlethan	Line					
	Point					

1.38 Asset Based Service Levels

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Quality / Condition	Effluent reuse water quality	Monthly quality testing for licence Conditions	100% compliance	TBA

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
	% of network inspected by CCTV	CCTV monitoring	5% per yr. (within 5yrs)	10% (approximately) of Coolamon.
	% of Assets in Condition 3 or better	Condition assessment	95%	Not Currently rated, worked out by 5% of the network being inspection on rotation in conjunction with date of construction
Reliability / responsiveness	% Compliance with Councils documented response time	CRMS data	90%	100%
Customer Service	% Satisfaction with service provision	IRIS Community satisfaction report	Maintain	
Sustainability	Satisfactory operational performance on Coolamon STP	6 mthly report from OEH	To Maintain Satisfactory Performance	Satisfactory
Accessibility	No of properties that are charged sewerage rates not connected to the sewerage system	Connection and rates records	Reduction of X	25 (CHECK)

Appendix 4 - Parks and recreation assets

1.39 Asset Inventory

Asset	Quantity
Parks and Gardens – Irrigation, heads, lines, regions	2964
Open Spaces – All other Areas/Structures	281
Pools (3 public pools)	6

1.40 Asset Values

	Current Replacement Cost
Parks and Gardens – Irrigation, heads, lines, regions	\$285,182.75
Open Spaces – All other Areas/Structures	\$4,397,257.67
Pools	\$4,300,530.00
Total	\$8,982,970.42

1.41 Asset Condition

Asset Class	Condition Data (% by Value)				
	1	2	3	4	5
Parks and Gardens – Irrigation, heads, lines, regions	6%	86%	7%	1%	
Open Spaces – All other Areas/Structures	51%	30%	15%	2%	2%
Recreation Pools		84%	16%		

1.42 Asset Based Service Levels

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
Quality / Condition	Reduction in priority 1 defects for playground equipment	Annual Inspection Program, Playground equipment is 3 monthly inspection, and skate park is weekly, Pools twice per season	100% inspection completed on time	TBA
	Reduction in parks defects	1/4ly inspection program in reflect	98%	97%
	% of Assets in condition 3 or better	Condition Assessment	95%	98%
Reliability / responsiveness	% Compliance with Councils documented response time	CRMS data	90%	97%
Customer Service	% Satisfaction with service provision	IRIS Community satisfaction report	Maintain	Survey Currently being undertaken
Sustainability	Average weekly attendance at aquatic centre.	Contractor admission records	Pool 1 Pool 2 Pool 3	Pool 1 Pool 2 Pool 3

Key Performance Indicator	Level of Service	Performance Measurement Process	Target Performance	Current Performance
	3 yr. rolling average potable water consumption on parks and gardens	Water records	Reduction of 3% per yr.	TBA
Affordability	Cost /ha to maintain open space assets	Annual Budget expenditure	Increase by 1% lower than CPI	TBA

Appendix 5 - IP&R Compliance Checklist

	Requirement	Yes	Partial	No	N/A	Link to evidence/examples
	Asset Management Strategizing (AM)					
2.16	Council has accounted for and strategized for all existing assets and any new asset solutions proposed in CSP and Delivery Program.	✓				All assets are accounted for in the 'Report of Infrastructure Assets' of Council's Annual Statements of Accounts.
2.17	AM exists to support the CSP and Delivery Program.	✓				See Individual Documents
2.18	AM strategy/s exist to support the CSP and Delivery Program.	✓				A combined asset management strategy and strategy has been developed for all major infrastructure assets and take into account the objectives and strategies defined in the Community Strategic strategy and Council's Delivery Strategy.
2.19	Asset management strategy and strategy/s have a minimum 10 year timeframe.	✓				The AM strategy AMPs and LTFP cover a period of 10yrs.
2.20	AM strategy includes a council endorsed AM policy.	✓				The Council's AM Policy is detailed in section 2.3 of this report and the AM Policy.
2.21	AM strategy identifies assets critical to Council's operations, and outlines risk management strategies for these assets.	✓				Critical assets have been identified in the asset management strategy at section 5.1.
2.22	AM strategy includes specific actions required to improve AM capability and projected resource requirements and timeframes.	✓				Asset management improvement strategy is included as part of this strategy (section 4.4 and Appendix 5).
2.23	AM strategy/s encompass all assets under council's control.	✓				Asset management strategy encompasses for all major infrastructure assets. Asset management strategys for minor assets will be completed as required.
2.24	AM strategy/s identify asset service standards.	✓				Levels of Service for all assets have been included in the asset management strategy in appendices 1 – 4 for each individual asset class).
2.25	AM strategy/s contain long-term projections of asset maintenance, rehabilitation and replacement costs.	✓				Long term asset expenditure requirements are included in the individual asset sections of the strategy and outstanding maintenance requirements.
2.26	Condition of assets is reported in annual financial statements.	✓				Asset condition for each asset class is detailed in the individual asset data sections at Appendices 1 – 4 of this strategy. Where condition is unknown a strategy exists to fill the gaps in

	Requirement	Yes	Partial	No	N/A	Link to evidence/examples
						knowledge as part of the asset management improvement strategy.



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Asset Management Plan

Document Control

Document ID : G:\ASSET MANAGEMENT\Policy, Procedure and Plans\Asset Management Plan - All Assets.docx					
Date Adopted		15/10/2020			
Council Minute		2012/10/2020			
Department Responsible		Executive Manager, Engineering and Technical Services			
Review Time Frame		Every 4 Years			
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	15/10/2020	Draft Combining of Documents	RM	TD/TK	Council

REVIEW

This document may be reviewed at any time or as required in the event of legislative changes. Unless otherwise required the policy will be reviewed at least every two years.

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Asset Management Plan

1. EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Coolamon Shire Council is custodian of an extensive range of assets that it provides to facilitate the delivery of its services to the community. These assets consist of Roads, Bridges, Culverts, Footpaths, Kerb & Gutter, Stormwater, Wastewater, Buildings and Open spaces (i.e. pools, shades, lighting, parks, equipment etc).

Council needs to ensure that there is an appropriate level of funding to enable assets to be maintained and renewed to an acceptable standard.

Council will use this Asset Management Plan to balance levels of service, community expectations and affordability of its assets and services. This plan defines services to be provided, how the services are provided and what funds are required to provide the services over a 10 year planning period in a sustainably approved manner.

1.2 Asset Description

A full list of Asset descriptions and replacements costs can be located in AssetFinda and in the Valuation folder.

Council's Road and transport network is recognised as Council's largest asset class across the shire, and is part of a larger network.

- The stormwater infrastructure protects both private and Council Assets.
- Footpaths and bike trails are used from a large age group across the community, which requires paths to be kept to a high standard to avoid hazards and risks.
- Open spaces and buildings require different levels of management and level of care as some assets are Council managed versus volunteer managed.
- The Wastewater networks allow for recycling effluent to be treated for reuse on the sporting fields, providing significant water and cost saving while maintaining sporting fields.

1.3 Levels of Service

Our present funding levels are sufficient to continue to provide existing services at current levels in the interim.

The main services consequences are:

- Affordability of repairs and upkeep, and sustainable maintenance of Assets.
- Failure to maintain asset data, particularly the condition and remaining life assets. This could potentially lead to poor decision making and lack of funding for maintenance and renewals.
- Insufficient resources including funding and staff to replace/renew assets in accordance with renewal forecasts maintenance standards.
- Poor Asset Quality, leading to increases in risks and hazards both to the Community through accidents/incidents that may occur and financially to Council creating an increase in cost to bring the asset back to standard.
- Deterioration of service capability resulting in possible reduced service ability and higher costs of the Asset services and repairs.

- Deterioration of asset condition thereby increasing the likelihood of accidents, claims against Council and reputational damage.
- Resident/Consumer dissatisfaction resulting in consumer backlash.

1.4 Future Demand

Drivers affecting demand include population change, changes in demographics, consumer preferences and expectations, technological changes, economic factors, environmental awareness, etc.

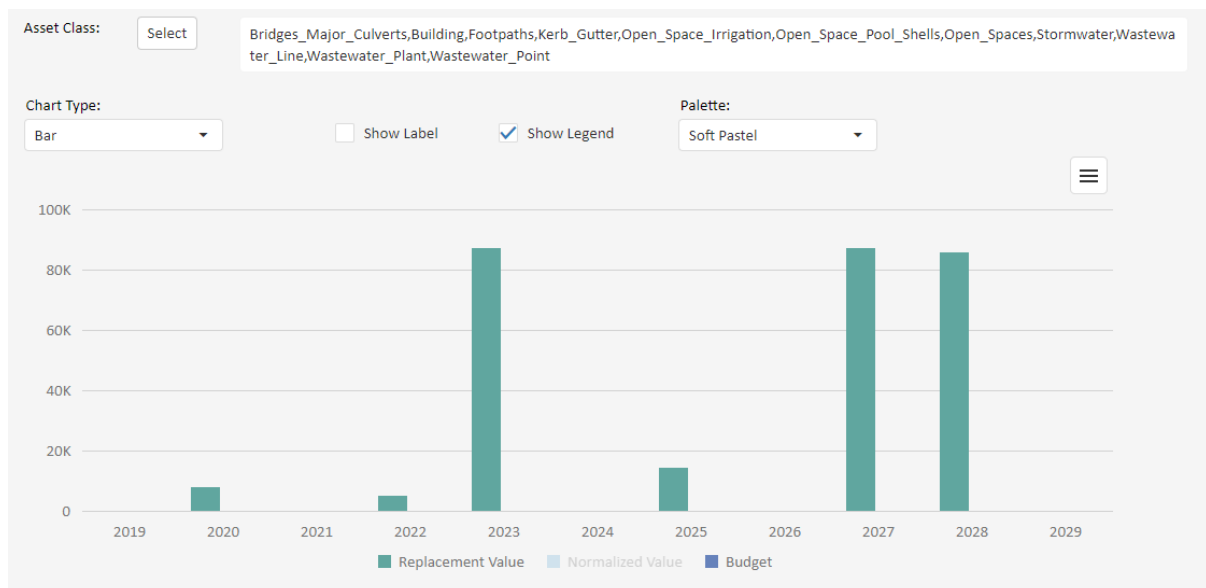
These will be managed through a combination of managing existing assets, disposing of unwanted assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

The budget for all assets are located in the Operational Plan and Delivery Program document. This document outlines Operational Programs including grants and Capital Programs.

The 5 year summaries of the asset classes are located in the Asset Management Procedures, service dashboards documents, and in AssetFinda.

The following graph shows what the cost of replacement to all assets excluding roads over a 10 year period if the Assets are not maintained at high condition rate.



The following is a potential list of assets to be upgraded or extended according to the Council's Strategic plan;

- Extension to footpath network – Coolamon & Ganmain
- Extension to Sewerage network - Coolamon & Ganmain
- Extension to Kerb & Gutter Network – Ardlethan, Coolamon & Ganmain
- Extension to Stormwater Assets – Ardlethan, Coolamon & Ganmain

1.6 Financial Summary

Council has a maintenance management system in place to identify and respond to defects to keep the network at a sustainable level. As continued maintenance and upgrades are provided at the time through our maintenance system, there is an increased risk to future funding being required, with the risk to increase in aging networks.

There is currently no shortfall for the allocated funding, the projected expenditure required to provide services in the AM Plan compared with planned expenditure currently are included in the Long Term Financial Plan.

We plan to provide Asset services for the following:

- Operation, maintenance, renewal and upgrade of all network to meet service levels set by annual budgets.
- Any areas of concern are outlined in the Delivery Program and Operational Plan.
- Future renewals and major projects are outlined in Councils strategic plan.
- Where identified by Community and Environmental needs.

Managing the Risks

Our present funding levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Deterioration to Assets cause risk hazards to consumers resulting in Assets being used less or cause injury or harm to person/s.
- Maintenance of Assets becomes neglected.

We will endeavour to manage these risks within available funding by:

- Maintaining Council's inspection procedure for assets and following through with repairs according to their allocated response time. All is outlined in AssetFinda and individual asset procedures.
- Develop maintenance procedures to ensure that activities meet the best cost effective for practice maintenance.
- Commence planning for changes in operations regimes based on initially deteriorating assets that will require intensive intervention to maintain service levels until such time as renewals eliminate the backlog.

1.7 Asset Management Systems

Our systems to manage assets include:

- Authority CRM System
- AssetFinda

1.8 Monitoring and Improvement Program

The next steps resulting from this asset management plan to improve asset management practices are:

- Monitor and maintain new Asset management system, to improve capture of data.
- Inspections are outlined in the individual asset procedures.
- Monitor allocated budgets against asset maintenance expenditure
- Proactive approach to property managements

2. INTRODUCTION

2.1 Background

This asset management plan communicates the actions required for the responsive management of assets (and services provided from assets), compliance with regulatory requirements, and funding needed to provide the required levels of service over a 10-year planning period.

The asset management plan is to be read with the Coolamon Shire Council Asset Management planning documents. This should include the Asset Management Policy and Asset Management Strategy where these have been developed, along with other key planning documents:

- Delivery Program and Operational Plan
- Asset Service Dashboards

2.2 Goals and Objectives of Asset Ownership

Our goal in managing assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a long-term financial plan which, identifies required, affordable expenditure and how it will be allocated.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015
- ISO 550002
- IPWEA

2.3 Core and Advanced Asset Management

This asset management plan is prepared as an 'advanced' asset management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual.

3. LEVELS OF SERVICE

The levels of service are the required performance standard for an asset. Levels of service determine an asset’s development, operation, maintenance, replacement and disposal. Factors that determine the level of service are primarily:

- Strategic and Corporate Goals - Council’s goals and values as stated in policies, strategies, and the Council Plan
- Community and User safety
- Economic development potential
- Community Strategic Plan
- Environmental Protection
- Community Use of Asset

3.1 Customer Research and Expectations

Community satisfaction information is used in developing the Strategic Plan and in the allocation of resources in the budget. Community satisfaction results are maintained in the Service dashboards;

[Groups\(\cssvr1\)\(G:>ASSETMANAGEMENT>ServiceDashboards](#)

All assets were satisfactory according to the previous community services. Council’s community satisfaction results show a continued trend of satisfactory level of Council Assets and the services they provide to the community. Council is currently preparing to conduct a new Community survey for 2021, these surveys are conducted every 4 years.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of the Coolamon Shire Council’s vision, mission, goals and objectives.

Whilst leading the Community, council will ensure that it adopts a consultative role that allows all community needs to be identified and properly considered in Council’s Forward Planning Processes.

The Coolamon Shire Council will exercise its duty of care to ensure public safety in accordance with the Councils risk management plans.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. These include:

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of long term financial plan supported by asset management plans for sustainable service delivery.
Protection of the Environment Operations Act 1997	Council holds environmental protection licences for the operation of Coolamon, Ganmain and Ardlethan Sewage Systems
The Environmental Planning and Assessment Act 1979	An Act to provide for planning and regulate development in the State; to regulate the use and management of land and buildings, and the design and construction of buildings; to make provision for the maintenance and conservation of land and buildings where appropriate
Work, Health and Safety Act 2012	Council is required to comply with Work, Health and Safety in its sewerage service operations
Public Health Act 2010	Effluent disposal methods to protect public health, Prevention of the spread of disease

National Asset management Framework Legislation 2010	Focus on long term financial sustainability and provides a mandate to have long term strategy, financial statements and annual reporting mechanisms. Asset management plans are likely to be audited.
Dangerous Substances Act 1979	An Act to regulate the keeping, handling, transporting, conveyance, use and disposal, and the quality, of dangerous substances; and for other purposes.
Australian Accounting Standards	Sets out the financial reporting standards relating to infrastructure assets.
Disability Discrimination Act 1992	To eliminate as far as possible, discrimination against persons on the grounds of disability in the areas of the provision of goods, facilities, services and land
Civil Liability Act 2002 and Civil Liability Amendment (Personal Responsibility) Act 2002	Protects the Council from civil action by requiring the courts to take into account the financial resources, the general responsibilities of the authority and the compliance with general practices and applicable standards
Threatened Species Conservation Act 1995	An Act to conserve threatened species, populations and ecological communities of animals and plants.
Road Transport (Safety and Traffic Management) Act 1999	Facilitates the adoption of nationally consistent road rules in NSW, the Australian Road Rules. It also makes provision for safety and traffic management on roads and road related areas including alcohol and other drug use, speeding and other dangerous driving, traffic control devices and vehicle safety accidents.
Road Transport (General) Act 2005	Provides for the administration and enforcement of road transport legislation. It provides for the review of decisions made under road transport legislation. It makes provision for the use of vehicles on roads and road related areas and also with respect to written off and wrecked vehicles.
Roads Act 1993	Sets out rights of members of the public to pass along public roads, establishes procedures for opening and closing a public road, and provides for the classification of roads. It also provides for declaration of the RMS and other public authorities as roads authorities for both classified and unclassified roads, and confers certain functions (in particular, the function of carrying out roadwork) on the RMS and other roads authorities. Finally it provides for distribution of functions conferred by this Act between the RMS and other roads authorities, and regulates the carrying out of various activities on public roads
Native Vegetation Act 2003	This Act regulates the clearing of native vegetation on all land in NSW, except for excluded land listed in Schedule 1 of the Act. The Act outlines what landowners can and cannot do in clearing native vegetation.
AS 1742	Australian Standard 1742 which refers to a variety of road and traffic issues.
NSW Road Rules 2008	A provision of road rules that are based on the Australian Road Rules so as to ensure that the road rules applicable in this State are substantially uniform with road rules applicable elsewhere in Australia.
Road and Rail Transport (Dangerous Goods) 1997 No 113	The purpose of this Act is to regulate the transport of dangerous goods by road and rail in order to promote public safety and protect property and the environment.
NSW Government Flood Prone Land Policy – Floodplain Development Manual	Council’s obligations in relation to the management of flood liable land in accordance with Section 733 of the Local Government Act, 1993.
Development Act 1993	An Act to provide planning and regulate development in the state; to regulate the use and management of land and Stormwater, and the design and construction of Stormwater; to make provisions for the maintenance and conservation of land and Stormwater where appropriate.
Stormwater Code of Australia	A code to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural

	safety and safety from fire), amenity and sustainability objectives efficiently.
Retirement Villages Act 1999	An Act to regulate retirement villages and the rights of residents of such villages; and for other purposes
Heritage Places Act 1993	An Act to make provision for the identification, recording and conservation of places and objects of non-Aboriginal heritage significance; to establish the South Australian Heritage Council; and for other purposes.
Residential Tenancies Act 1995	An Act to regulate the relationship of landlord and tenant under residential tenancy agreements; and for other purposes
Retail and Commercial Leases Act 1995	An Act regulating the leasing of retail shops; to amend the Landlord and Tenant Act 1936; and for other purposes.
Protection of the Environment Administration Act, 1993	This Plan has been prepared to comply with the requirements of a Notice issued to Coolamon Shire Council by the Environment Protection Authority (EPA) under Section 12
National Construction Code (Building Code of Australia)	A code to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), amenity and sustainability objectives efficiently.
Aged Care Act 1997	Is the main law that covers government-funded aged care. It sets out rules for things like funding, regulation, approval of providers, quality of care and the rights of people receiving care. Laws on diversity and discrimination also apply to aged care.

3.4 Customer Levels of Service

Service levels are defined in two terms, customer levels of service and technical levels of service. These are supplemented by organisational measures.

Customer Levels of Service measure how the customer receives the service and whether value to the customer is provided.

Customer levels of service measures used in the asset management plan are:

Quality How good is the service ... *what is the condition or quality of the service?*

Function Is it suitable for its intended purpose *Is it the right service?*

Capacity/Use Is the service over or under used ... *do we need more or less of these assets?*

Organisational measures are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very good.

These Organisational measures provide a balance in comparison to the customer perception that may be more subjective.

Each Asset class's customer level of services are located in their procedure manuals.

3.5 Technical Levels of Service

Technical Levels of Service - Supporting the customer service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- Operations – the regular activities to provide services (e.g. opening hours, cleaning, lock of facility, energy, inspections, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (eg carpet repairs, wall patching, gutter cleaning, painting, Roads and structure repairs)

- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg Roads component replacement)
- Upgrade/New – the activities to provide a higher level of service (eg clubroom extensions) or a new service that did not exist previously (eg a new library).
- Licensing – regulations that Council abide by to operate services

Service and asset managers plan, implement and control technical service levels to influence the customer service levels.

Each Asset class’s technical level of services are located in their procedure manuals.

4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, community expectation, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets were identified and are documented in Table 4.3.

4.3 Demand Impact on Assets

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Table 4.3: Demand Drivers, projections and impact on services

Demand Drivers	Present position	Projection	Impact on Services
Climate Change	Climate change will see an increase risk of extreme weather events including storm events, flooding, sea level rise and fire events	It is expected that climate change will intensify in the medium to long term resulting in an increased number of extreme weather events	There will be an increase in structural damage caused by extreme events and an increase in deterioration rates of the network
Changes to Design Standard/Codes	Council currently constructs and maintains its infrastructure assets in accordance with all adopted standards.	It is expected that ongoing changes and developments in standards will result in higher construction and maintenance costs	As changes occur Council may need to re-appraise unit costs to ensure budgets are sufficient to meet adopted standards
Vehicle automation	There is currently little to no use of vehicle automation on the road network across the municipality	It is expected that by 2050 that automated vehicles may account for a significant proportion of the traffic across the network	This may require upgrades to existing infrastructure to accommodate autonomous vehicles

Changing Freight Needs	Currently many trucks on the road	Talk of changing to inland rail system	Less heavy vehicles on the roads, means less wear and tear of surfaces
Community Expectation	Increasing community expectation for improved services	Continued pressure from community for improved services	No current impact on services
Growing population and by the same token – a declining population will also affect this	New sub divisions being developed	Increased pressure from community for new services	Requirement for new services to be built
Legislative requirements	Assets constructed and maintained according to current legislation	Assets constructed and maintained according to current legislation	Unknown
Environmental Impacts	Assets are constructed to withstand today's known environmental conditions and to meet today's environmental standards	Greater requirement related to constructing of assets that are environmentally sustainable	Higher costs associated with constructing assets that are environmentally sustainable, eg water retention/recycling, solar energy etc.
Aging population	Increasing aging population consistent with nationwide trends	Percentage of people over the age of 65 expected to increase	Requirement for improved accessibility and mobility areas

4.4 Demand Management Plan

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

Opportunities identified to date for demand management are shown in Table 4.4. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.4: Demand Management Plan Summary

Demand Drivers	Present position	Projection
Climate Change	There will be an increase of structural damage caused by extreme events and an increase in deterioration rates of the network	Investigate the development of a Climate Change Adaptation Policy/Strategy

Changes to Design Standard/Codes	As changes occur Council may need to re-appraise unit costs to ensure budgets are sufficient to meet adopted standards.	Monitor and assess proposed changes for impacts on construction and maintenance costs.
Vehicle automation	This may require upgrades to existing infrastructure to accommodate autonomous vehicles	Monitor ongoing developments in this area and identify opportunities for Council to respond to changes as and where necessary
Changing Freight Needs	No current change	Inland rail will create less traffic on the roads, which will reduce wear and tear of roads and possible change in hierarchy.
Community Expectation	Increasing community expectation for improved services	No current impact on services. Constant review of services and infrastructure to ensure adequate community needs.
Growing population and by the same token – a declining population will also affect this	Require more assets as sub divisions develop	Spare funding will be obtained from develops as they happen, grant funding, community consultation will be held to discuss for further assets/services.
Legislative requirements	Assets constructed and maintained according to current legislation	Rise in cost when renewing/create new assets, funding will be sourced from develop of new sup divisions, grants, budgets for appropriate asset area
Environmental Impacts	Assets are constructed to withstand today's known environmental conditions and to meet today's environmental standards	Higher costs associated with constructing assets that are environmentally sustainable, to be allocated for in future budgets and development of new sub divisions.
Aging population	Require improved accessibility and mobility network	Improve assets during renewal and development

4.5 Asset Programs to meet Demand

The new assets required to meet demand can be acquired, donated or constructed. These programs and plans are outlined in the Delivery & Operational Plans, the Coolamon Shire Strategic Plan and the Individual Asset Procedures/Plans.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Coolamon Shire Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown in AssetFinda.

Age profile information is not currently available. An age profile will be developed in future revisions of the asset management plan.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available.

5.1.3 Asset condition

Condition is monitored during routine inspections, and new condition ratings reviewed on a yearly basis, unless otherwise stated in individual Asset Management Procedures.

As AssetFinda uses a 0-100 grading system, the following table has been developed to show the comparison of the traditional 1 to 5 system commonly used by IPWEA to how we use the Condition grading in AssetFinda to show the 1 to 5 standard of condition grading.

Condition is detailed in Table 5.1.3.

Table 5.1.3: Simple Condition Grading Model

Condition Grading	Asset Finda Rating	Description of Condition
1	5	Excellent: only planned maintenance required
2	25	Good: minor maintenance required plus planned maintenance
3	45	Average: significant maintenance required
4	65	Poor: significant renewal/rehabilitation required
5	85	Very Poor: physically unsound and/or beyond rehabilitation

Condition is monitored through a rolling program of condition inspections. However not all asset types covered by this plan are included in this program. The condition profile of our assets are shown in AssetFinda.

Currently Councils Assets are generally in fair to good condition with the majority of assets ranked as either condition 1, 2 or 3, with a relatively smaller number of assets approaching end of life. Land, Road Formation and Kerb & Gutter Formation (earthworks) are not currently assessed for condition as this asset type is generally considered not to deteriorate significantly over time. It will be important to monitor the deterioration of the network asset condition as the assets in condition 3 continue to deteriorate. Those assets rated at condition 5 will need to be assessed for either renewal or disposal should they no longer be required.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services such as pest and vegetation control, public health, safety and amenity, e.g. cleaning, street sweeping, utilities costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Maintenance may be classified into reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. Planned maintenance is repair work that is identified and managed through Councils maintenance management system, AssetFinda.

AssetFinda activities include inspection, assessing the record against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, servicing air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Maintenance expenditure is outlined in detail in Council's Delivery Program and Operational Plan document.

5.3 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an upgrade/expansion or new work expenditure resulting in additional future operations and maintenance costs.

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 2 and 3 have been used for this asset management plan. Council use Inspections and condition ratings instead of creation date to organize maintenance and renewals.

5.3.1 Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be greatest,
- Have the highest average age relative to their expected lives,
- Have high operational or maintenance costs, and

- Have replacement with a modern equivalent asset that would provide the equivalent service at a savings.

Weighted renewal and prioritisation criteria have been developed for upgrade projects i.e. sealing of rural roads however this methodology of ranking projects has not been extended to renewal at this stage.

5.3.2 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time when the asset stock increases.

Council through updated Asset Management systems will be able to better observe and capture replacement expenditure and budget for renewal and replacements.

5.4 Creation/Acquisition/Upgrade Plan

New works are those that create a new asset that did not previously exist, or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs.

5.4.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

5.4.2 Summary of future upgrade/new assets expenditure

Expenditure on new assets and services in the capital works program will be accommodated in the long term financial plan but only to the extent of the available funds. Council take a holistic view of new assets so maintenance can be marked. The Council and community should be determining in such a scenario that if we take on a new asset – how do we fund it, and what to do with old or unused assets - Sell/dispose of. This needs to be considered so Council do not have a massive infrastructure maintenance budget/backlog.

Council has considered the impact of the current budgeted Asset works and has identified that the current long term financial plan budget is able to cover the maintenance and renewal costs of assets over the next 10 years, this is continued to be reviewed annually.

5.4.3 Summary of asset expenditure requirements

The financial projections from assets are shown in the Budget (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

Council's current long-term financial model is adequate for the capital improvements, renewals, maintenance and operational costs associated with the planned management of the Asset network.

Council should understand that past 2029, renewals will continue to ramp up as time goes by. In the next few asset management plans, Council will need to consider whether it would prefer to fund renewals in a manner that follows the peaks and troughs of the historical and condition based renewal requirements, or fund renewals in a consistent manner, smoothing out the costs associated with renewing this asset.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets are only disposed of, in the case where an asset is considered to be no longer required.

6. Risk Management Plan

The purpose of infrastructure risk management is to document the results and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2009 Risk management – Principles and guidelines. Risk Management is defined in ISO 31000:2009 as: ‘coordinated activities to direct and control with regard to risk’.

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

6.1 Critical Assets

Critical assets are defined as those, which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure are those, which have the highest consequences.

By identifying critical assets and failures modes investigative activities, condition inspection programs, maintenance and capital expenditure plans can be, targeted at the critical areas. Council have identified the wastewater network in Coolamon as a critical Assets that needs to be addressed over the next 5 to 10 years.

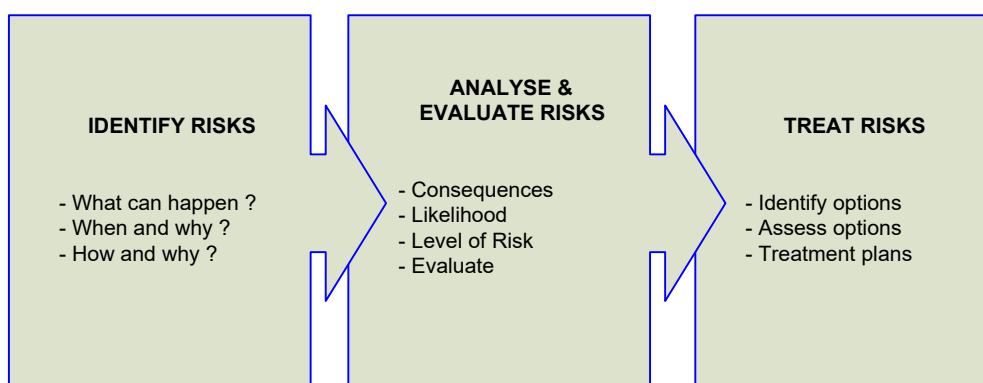
6.2 Risk Assessment

The risk management process used in this project is shown in Figure 6.2 below.

It is an analysis and problem solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of the ISO risk assessment standard ISO 31000:2009.

Fig 6.2 Risk Management Process – Abridged



The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery from infrastructure assets has identified the critical risks that will result in significant loss, ‘financial shock’ or a reduction in service.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to our customers and the services we provide. To adapt to changing conditions and grow over time we need to understand our capacity to respond to possible disruptions and be positioned to absorb disturbance and act effectively in a crisis to ensure continuity of service. Resilience is built on aspects such as response and recovery planning, financial capacity and crisis leadership.

Our current measure of resilience is shown in Table 6.3, which includes the type of threats and hazards, resilience assessment and identified improvements and/or interventions.

Table 6.3: Resilience

Threat / Hazard	Resilience (L, M or H)	Improvements / Interventions
Extreme Weather Event	Medium	Ensure Council’s Emergency Management Plan remains current and covers all reasonably foreseeable potential emergency situations.
Climate Change	Low	No specific strategic documents (Policy, Strategy or Plan) have been developed to address the effects of climate change on the Council’s.
Lack of capacity with the wastewater system to handle peak flows	System is approaching limit of capacity to handle peak loads in Coolamon	Larger transpiration bed allowed for in budget at Ganmain Pump station allowed for in the budget for Coolamon industrial estate growth New System being installed in Ardlethan

6.4 Service and Risk Trade-Offs

The decisions made in adopting this Asset Management Plan are based on the objective to achieve the optimum benefits from the available resources meeting the community strategic plan.

6.4.1 What we cannot do

At this point in time Council see that there is no operations or maintenance activities and capital projects that are unable to be undertaken within the next 10 years.

6.4.2 Service trade-off

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Unplanned increases in the Asset network
- Requirement of emergency work

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences. These include:

- Decline in the overall condition of the Assets.

These actions and expenditures are considered in the projected expenditures, and where developed are included in the Risk Management Plan.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The accurate estimate of the value of assets included in this Asset Management Plan are located in AssetFinda.

7.1.1 Sustainability of service delivery

Two key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the:

- asset renewal funding ratio, and
- medium term budgeted expenditures/projected expenditure (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio 100%

The Asset Renewal Funding Ratio is the most important indicator and indicates that over the next 10 years of the forecasting that we expect to have 100% of the funds required for the optimal renewal and replacement of assets.

Medium term – 10 year financial planning period

This asset management plan identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core asset management plan, a gap is generally due to increasing asset renewals for ageing assets.

Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10-year life of the Long Term Financial Plan.

7.1.2 Projected expenditures for long term financial plan

Are available to view in the Delivery Program and Operational Plan, which is reviewed annually.

7.2 Funding Strategy

Funding for assets is provided from the budget and long term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the asset management plan communicates how and when this will be spent, along with the service and risk consequences of differing options.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term, as well as the need for future renewal. Additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

Table 7.4: Key Assumptions made in AM Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Forecasted on “today’s” dollars, CPI is added in the financial budgeting cycle	If CPI is not added, forecast will be inaccurate
Staffing needs are resourced adequately	Unable to resource planned asset management activities
No significant changes in Legislation	Changes may demand unplanned/unbudgeted asset management activities
Growth as forecast	Forecasted growth may demand unplanned/unbudgeted asset management activities
Community Expectations remain consistent	Unable to resource required renewals to satisfy increase demands.
Experienced staff and Contractors	Lose of knowledge on assets and current standards or future plans

7.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

Table 7.5: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is considered to be B – Reliable.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

8.1.1 Accounting and financial data sources

Council currently utilise Civica Authority to manage its finances

8.1.2 Asset management data sources

- Authority
- AssetFinda
- Council Delivery Program and Operational Plan
- CM9

8.2 Improvement Plan

Council currently have no further future improvements in mind as AssetFinda is newly installed and utilised. Council will however continue to review/ monitor and test software for accuracy and future improvements or requirements. Council will continue to develop and improve on a link between financial systems Authority, Intramap and AssetFinda.

8.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The AM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long term financial plan. The AM Plan has a life of 4 years and is due for complete revision and updating within 1 year of each valuation. Assuming Valuations maintain on a 5 year rotation.

8.4 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into the long term financial plan
- The degree to which 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the asset management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.
- Staff managing assets
- State of assets/records

9. REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
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- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2012 LTFP Practice Note 6 PN Long Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney
- AssetFinda
- Delivery Program 2019/2023 and Operational Plan 2019/2020

Appendix A Projected 10-year Capital Renewal and Replacement Works Program

The Asset database is held in the AssetFinda system.

Appendix B Projected Upgrade/Exp/New 10-year Capital Works Program

Is maintained in the Delivery Program 2019/2023 and Operational Plan 2019/2020

Appendix C Budgeted Expenditures Accommodated in LTFP

Is maintained in the Delivery Program 2019/2023 and Operational Plan 2019/2020