



ASSET
MANAGEMENT
STRATEGY
2017 - 2027



TENTERFIELD

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Version Control



Version	Date	Modified by	Details
V1.0	10/02/2017	GM	Construction of initial Asset Management Strategy (draft)
V1.1	12/04/2017	Council	Adoption of Asset Management Strategy (Res No. 40/17)

INTRODUCTION

We are pleased to present this Tenterfield Shire Council **Asset Management Strategy** following a review of Council's entire asset management framework. This is the first full version of the Strategy prepared by Tenterfield Shire Council in accordance with the State Government's Integrated Planning and Reporting Framework requirements, however, previously Council had developed a number of asset plans for individual asset classes.

Council is required to plan and account for all existing assets under its control, as well as any new asset initiatives detailed in its Community Strategic Plan. Council is currently the custodian for approximately \$500 million of community assets, which enable us to provide services to the community.

These assets include roads, bridges, footpaths, cycle-ways, drainage, public halls and community facilities, sport and recreation facilities, public amenities, parks and reserves, water and sewerage infrastructure, waste management facilities, plant, fleet and equipment.

Council has invested substantial resources into the maintenance and renewal of these assets over many years in order to service the needs and enhance the quality of life across the Tenterfield Shire Council community.

Council's original asset planning had a primary focus on raising the maturity of Council's asset management data and practices to a basic or 'entry' level. This subsequent Asset Management Strategy has taken a more holistic and longer-term view through a focus on integration and sustainable decision making, with the intention that the Strategy will also be reviewed and re-adopted every four years to coincide with the commencement of each new Council and the construction of its new Delivery Program.

This initial Asset Management Strategy recognises and builds on the asset planning and management work that has been undertaken over the past 4 years, and identifies specific actions and targets for managing Council's assets over the forward period.

This Strategy is a living document that helps to guide the functions and decision making of the organisation into the future. The initiatives and actions identified in the strategy will be reviewed annually to ensure applicability in the evolving environment.

OVERVIEW

Asset management is an essential component of good governance in the local government sector and should be aligned to and integrated with the entity's strategic, corporate, financial and workforce planning.

Council exists to provide services to the community and many of these services are supported and provided by infrastructure assets. The provision of assets operated and maintained to meet community needs and expectations is fundamental to the economic, environmental and social strength of the Tenterfield Shire community.

Council's overall goal in managing infrastructure assets is to provide the required level of community service, as determined in consultation with the community, in a sustainable manner for both current and future generations.

A well-structured, practical asset management framework will assist in providing clarity to the local community and other stakeholders as to the linkages between asset portfolios, their condition, maintenance and renewal, and the outcomes expected to be delivered by the Council. This in turn aides decisions on service levels, financing and workforce management.

INTEGRATED PLANNING & REPORTING FRAMEWORK

This Asset Management Strategy (AMS) is designed to provide a plan to manage Council’s physical assets, including establishment of a framework to guide planning, construction, operation, maintenance, renewal and replacement of infrastructure essential for Tenterfield Shire Council to provide services to the community.

The Asset Management Strategy makes up one of three parts of Council’s **Resourcing Strategy** as required under the NSW Local Government **Integrated Planning and Reporting framework**:



Figure 1: Integrated Planning & Reporting Framework

The Integrated Planning Framework encourages and supports the implementation and review of plans relating to the Financial, Asset and Workforce contributions to Tenterfield Shire Council. Through sound financial planning, strategic asset management and the development of a strong and diverse workforce, the Council can continue to address and improve its long term sustainability and deliver the outcomes desired by the community.

Asset Management Planning incorporates an Asset Management Framework, Asset Management Policy, Asset Management Strategy and Asset Management Plans. These documents provide an approach and guidance for improving Council's asset management systems and practices.

ASSET MANAGEMENT FRAMEWORK

A strategic asset management framework brings together the inter-relationships between key strategic and corporate planning activities and operational asset management, allowing the entity's strategic goals to be integrated with the asset portfolio to meet the organisation's program delivery requirements and established community service levels.

This framework that underpins all asset management operational and decision-making processes within an entity is detailed in **Figure 2**.

STRATEGIC ASSET MANAGEMENT

The primary objective of strategic asset management is to create and maintain an asset portfolio that contains an optimal mix of assets to efficiently meet program delivery requirements. The program delivery requirements of Council are outlined in its strategic (Community Strategic Plan and Operational Plan) and operational service business plans, which will reflect the community's goals and desired service levels.

Strategic asset management covers all phases of the asset life-cycle, including management of the related risks, and considers:

- program delivery requirements;
- the scope, standard and level of service to be provided (defines the optimal mix of assets);
- capital funding available for new asset acquisitions;
- cost effectiveness, competing priorities and value-for-money considerations when considering asset acquisition, construction or replacement;
- the regulatory environment; and
- standards and codes of practice.

In order to achieve the primary objectives of strategic asset management, better practice entities have a sound understanding of their asset portfolio and how these assets are used in producing and sustaining service delivery at an optimal level.

PRINCIPLES OF ASSET MANAGEMENT

Council assets exist in order to either directly or indirectly support community service delivery. This underpins the below broad principles of asset management for Tenterfield Shire Council:

1. Asset acquisition, disposal and lifecycle management decisions are **integrated** into the Council's Community Strategic Plan, resourcing strategy and corporate planning;
2. Asset planning decisions are based on a **thorough analysis**, (including the evaluation of alternatives), which assesses risks, benefits and overall serviceability and value for money across the asset's entire lifecycle;

3. An effective data capture and **control structure** is established for asset management and other inter-related functions;
4. An **accountability structure** is established and understood for all asset responsibilities, including maintenance, operation, data capture, condition, performance and reporting; and
5. Asset replacement, renewal, disposal and expansion decisions are based on an analysis of the holistic impacts, benefits and opportunities of such and should ultimately achieve the best possible **intergenerational outcomes** and net return.

ASSET MANAGEMENT OBJECTIVES

1. Establish a comprehensive Asset Management Framework that outlines the entire asset management environment and highlights the inter-dependencies within such;
2. Establish and routinely reviewing an Asset Management Strategy, (minimum 10 year period), as the overarching strategy to provide and maintain asset services to current and future generations;
3. Manage assets through the development and continuous updating of individual Asset Management Plans in accordance with relevant legislation and recognised best practice for each major asset group;
4. Through the Community Strategic Plan and long-term financial modelling, ensure that future funding needs are identified, affordable, agreed upon, and allocated, so that assets can meet their defined levels of service in consultation with the community;
5. Ensure that the impact of Council's decisions with regard to desired social, economic and environmental outcomes on both existing assets and new assets is clearly understood and communicated prior to decisions being made;
6. Develop and report annually on established sustainability indicators relevant to asset management;
7. Record assets and collect data in accordance with the requirements of the appropriate asset accounting standards, local government financial reporting requirements and internal asset management information protocols and procedures;
8. Maintain an asset management information system with comprehensive knowledge of all physical assets, including lifecycle data, condition, behaviour and unit costings;
9. Foster asset management awareness throughout the Council, supported at a whole of organisation level through the formation of an asset management oversight group.

BACKGROUND

LEGISLATION

Under the Local Government Amendment (Planning and Reporting) Act 2009 No 67 Council must have a long-term Resourcing Strategy covering the provision of the resources required to implement its ten year Community Strategic Plan. The Resourcing Strategy is to include asset management planning amongst other areas.

Asset management planning requirements of this legislation include the development of an Asset Management Policy endorsed by Council for inclusion in an Asset Management Strategy. The Asset Management Strategy is required to support the Community Strategic Plan, Delivery Program and Operational Plan and provide for a minimum timeframe of ten years.

Council also has a number of statutory responsibilities in relation to asset management under the Local Government Act 1993, which outlines Council's functions, responsibilities, and powers, including providing and maintaining community infrastructure. Under this legislation, Section 8 of the Local Government Act 1993, states in part, that Council shall:

- have regard to the long term and cumulative effects of its decisions;
- bear in mind that it is the custodian and trustee of public assets; and to
- effectively account for and manage the assets for which it is responsible.

The Civil Liability Act 2002 also requires Council to minimise the risk to Council from public liability and address the reasonable expectations of the community in managing the risk to the public through the prudent management of Council's assets.

STANDARDS, REFERENCES & RELATED DOCUMENTS

In addition to complying with all relevant legislation in the implementation, monitoring and review of the Tenterfield Shire Council (TSC) asset management framework and strategy, Council will also have regard to all relevant standards, guidelines and documents, including but not limited to:

- IPWEA International Infrastructure Management Manual;
- The International Standard for Asset Management - ISO 55001:2014;
- The International Standard for Project Management - ISO 21500:2012;
- Australian Accounting Standard AASB116 – Property, Plant & Equipment;
- Australian Accounting Standard AASB136 – Asset Impairment;
- NSW Local Government Capital Expenditure Guidelines 2010;
- TSC Asset Management Policy;
- TSC Asset Management Plans;
- TSC Community Strategic Plan;
- TSC Long Term Financial Plan;
- TSC Workforce Management Strategy;
- TSC Services Business Plans;
- TSC Operational Plan;
- TSC Asset Management Protocols and Procedures;
- TSC Business Continuity Plan – Critical Assets;
- TSC Risk Management Policy;
- TSC Audit & Risk Committee Charter.

COMMUNITY STRATEGIC PLAN LINKAGE

Council's assets are summarized below and are categorized by the themes set out in the **Community Strategic Plan**. This illustrates how these assets help meet the objectives and strategies as set out in the Community Strategic Plan and how they facilitate the delivery of a range of services to the Community.

TRANSPORT

- Roads
- Bridges, Culverts & Causeways
- Footpaths and Cycle-ways
- Parking Facilities
- Aerodrome

COMMUNITY

- Community Halls and Buildings
- Swimming Pool
- Cemeteries
- Library
- Parks & Reserves
- Sporting Fields & Facilities
- Street-scaping
- Public Amenities

ECONOMIC

- Livestock Saleyards
- Visitor Information Centre
- CBD Assets
- Commercial Property

ENVIRONMENTAL

- Waste Management Facilities
- Stormwater & Drainage Network
- Kerb and Gutter
- Water Supply Network
- Sewerage Service Network

LEADERSHIP

- Administration Buildings
- Works Depots
- Plant and Fleet
- Communications & Technology
- Equipment and Furniture

Note: The majority of asset categories provide services in more than one quadrant of the quadruple bottom line structure of Councils CSP (i.e. Roads addresses Transport and Social and Economic).

DELIVERY PROGRAM OBJECTIVES

Our current Delivery Program (2017 - 2021) outlines the following specific goals and strategies targeted at the effective management of Council assets:

Community Goals and Strategies

COMM 2 Health and quality of life are supported by a wide range of recreation and leisure opportunities.

- 2.1 Provide a wide range of high quality and well maintained active and passive recreation facilities.
- 2.2 Relevant community services, sporting facilities, open spaces and cultural infrastructure are maintained and improved.
- 2.3 Sporting facilities are modern, provide choice and cater for the diverse needs of the community.

COMM 3 Our range of services and facilities support accessibility for all in our community.

- 3.1 Ensure that public places and spaces are clean and well maintained.
- 3.3 Recognise and plan for the needs of our ageing population.
- 3.4 Lobby government to maintain and improve community and public transport services and infrastructure particularly to provide access to services not available in our Shire.

COMM 4 The community is welcoming, friendly, and inclusive where diverse backgrounds are respected and celebrated.

- 4.3 The individual unique qualities and strong sense of local identity of Tenterfield Shires towns and villages is respected, recognised and promoted.

Economic Goals and Strategies

ECON 6 Tenterfield Shires economic base is robust, growing and supports the creation of a variety of employment and business opportunities.

- 6.2 Lobby for a range of affordable transport options to allow movement of people and services within and to and from the Shire.

Leadership Goals and Strategies

LEAD 12 We are a well engaged community that is actively involved in decision making processes and informed about services and activities.

- 12.1 Council’s decision making processes are open, accountable and based on sound integrated planning.
- 12.2 We partner with the community, business and Federal and State Government in the achievement of our goals.
- 12.3 Contemporary models of community engagement are used to support local decision-making processes that meet the community expectations.

LEAD 14 Resources and advocacy of Council are aligned and support the delivery of the Community vision outlined in the Community Strategic Plan.

- 14.1 Services to our community are provided in a professional, friendly and timely manner consistent with our corporate values.
- 14.2 Council maintains sound safety and risk management practices to protect the community and our employees.
- 14.3 Council is an employer of choice in the region, providing sound leadership and supported by a committed workforce.
- 14.4 Council fosters a strong organisational culture which strives for best practice in all operations with a supportive corporate governance framework.
- 14.5 Council is a financially sustainable organisation, delivering value services to the Community.
- 14.6 Council continually reviews its service provision to ensure best possible outcomes for the community.
- 14.7 Council has in place and adheres to a robust asset project management framework, that ensure existing and future infrastructure is affordable, funded and maintained to service the existing community and future generations.

Transport Goals and Strategies

TRSP 15 We have an effective interconnected transport system that is safe, efficient and affordable for us as a community.

- 15.1 We have a well-designed and functioning road network suitable for all users now and take into consideration future network consumption and demand.
- 15.2 Tenterfield township and villages have pedestrian and cycle ways we can safely and conveniently walk or ride on, that connect us to our community facilities and homes.
- 15.3 The management of Council’s assets will be long term and focused on meeting the needs of the community now, and into the future.

- 15.4 Ensure that Developer Contribution Plans require appropriate contributions towards each developments taking into consideration holistic impact and consumption of infrastructure.
- 15.5 Ensure adequate stormwater and drainage infrastructure is provided, maintained and renewed.
- 15.6 Reduce the impact of traffic and improve pedestrian and cyclist safety, particularly around schools and town centres through traffic management design measures and diversions.
- 15.7 Ensure Council's streets and public spaces are clean, well maintained and planned in partnership with the community.

TRSP 16 Our quality of life is enhanced by transport options to access services that are not available in our community and enable us to connect with people visiting and accessing the services we provide.

- 16.1 Provide advocacy and advice on transport issues to stakeholder groups and government.
- 16.2 Ensure we can conveniently access parking near transport hubs and our town centre.
- 16.3 Provide the required public transport infrastructure and work with key partners to expand the provision of cost effective public transport.

ASSET MANAGEMENT FRAMEWORK

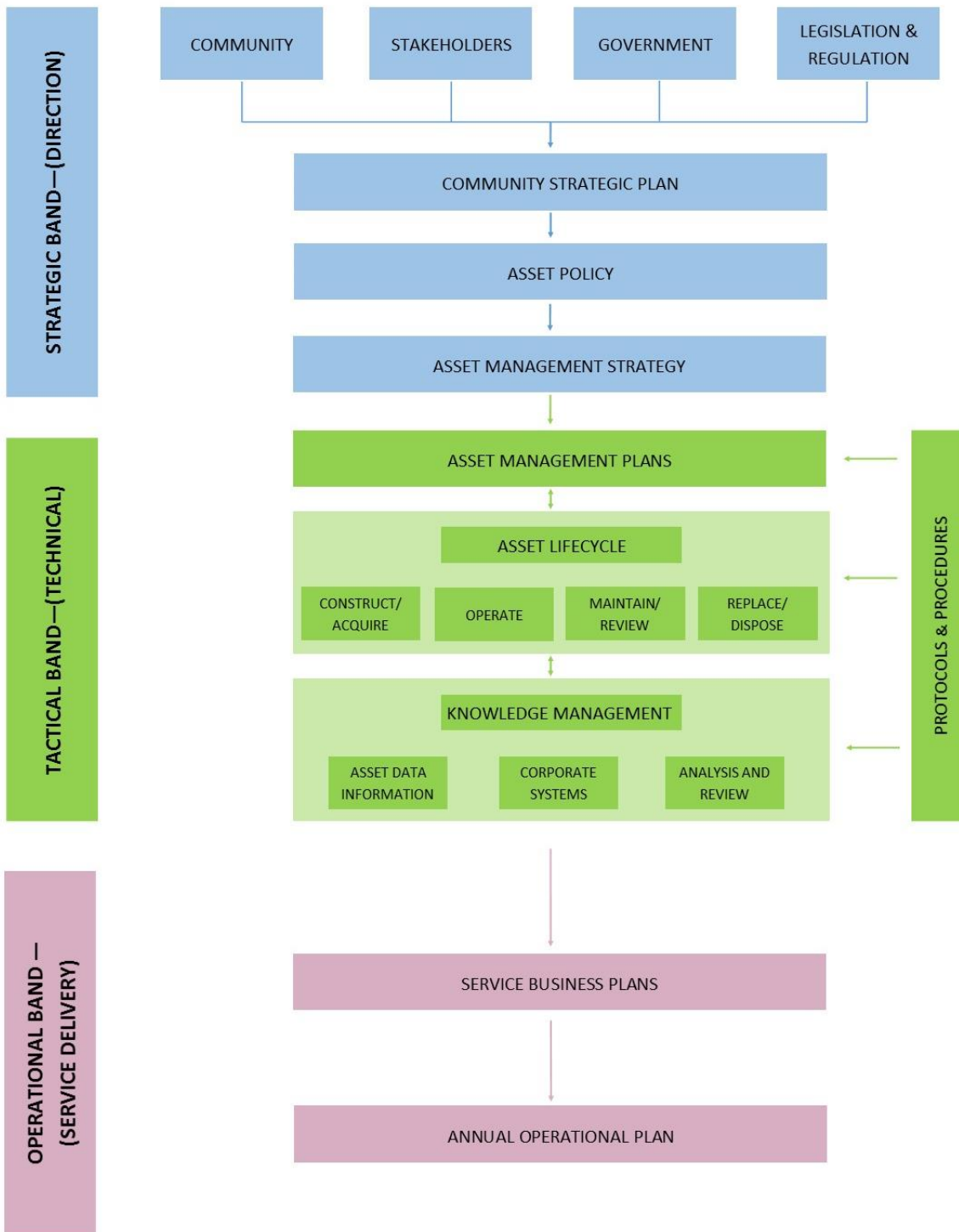


Figure 2: TSC Asset Management Framework

ASSET MANAGEMENT POLICY

Council's Asset Management Policy sets the strategic direction for the management of Council controlled assets and to ensure that Council is able to best deal with the delivery of services and infrastructure to meet community needs in accordance with legislation under the Local Government Amendment (Planning and Reporting) Act 2009.

The policy forms a key part of Council's asset management framework, which provides guidelines to ensure that sound asset management practices and procedures are fully integrated into Council's strategic and operational planning, community consultation and decision making processes.

The Policy refers to all fixed assets owned or managed by Council, regardless of their purpose or source of acquisition.

Council's adopted Asset Management Policy can be viewed in full at **Appendix A**.

ASSET MANAGEMENT STRATEGY

This Asset Management Strategy provides a high level strategic plan from which Council's strategic asset management can be integrated with finance and workforce plans to ensure the efficient acquisition/construction and effective management, maintenance and use of Council's assets to deliver the community's strategic goals and agreed service level outcomes.

This includes the development and implementation of asset performance indicators, accountability structures, control structures, decision making procedures and capacity and capability building programs. Guidance is also given on risk management, project management and the information and management systems utilised to capture, consider and manage life-cycle information effectively.

The ultimate goal of this Asset Management Strategy is to ensure that community services are provided:

- In the most cost effective manner;
- To the agreed level of services, for current and future generations;
- Through the acquisition/construction, operation, maintenance, renewal, replacement and disposal of assets.

In order to develop and maintain a robust asset management strategy a number of key elements need to be present, including:

- Sound information and management systems;
- Comprehensive asset management planning and modelling;
- Rigour in financial modelling and assumptions;
- Accurate workforce planning;
- SMART¹ performance indicators and reporting mechanisms;
- Clear accountability and control structures;
- Established decision making processes;
- Community involvement in establishing service standards; and
- A detailed Improvement Program focussing on capacity, capability and information maturity.

¹ (SMART) - *Specific, Measurable, Achievable, Relevant, Timed.*

Historically, insufficient analysis was done to understand the cumulative consequences of decisions to build capital infrastructure projects or acquire new capital assets. The acquisition/construction of infrastructure has often been driven by short term objectives with little consideration given to the recurrent whole of life (strategic) impacts of the decisions.

Council's improving asset management capabilities and maturing asset information will assist robust strategic decision making in future periods.

ASSET MANAGEMENT PLANS

Asset Management Plans (AMP's) are designed to provide a clear direction for both the strategic integration and day-to-day management of the Council's asset base in an operational context.

Asset Management Plans are long term plans that outline the asset activities for each major asset category. An AMP has been developed for each major asset category illustrated in Council's Asset Management Category diagram, in **Figure 3 below**.

Council's operational Asset Management Plans historically have utilised the templates from IPWEA NAMS.PLUS3 and contain, as a minimum, the following items:

- The objective or purpose of the asset and its components in providing service/s;
- The service levels Council currently delivers and any future challenges;
- Forecasted future demand requirements for service delivery;
- A description of the assets and details of the current asset inventory;
- Identification of assets critical to the Council in service provision;
- Strategic risks associated with assets and their management;
- Financial projections for operation, maintenance, renewal and replacement including any gaps or backlogs;
- Assumptions, exclusions and observations on the maturity of data presented;
- Acquisition/construction, maintenance, renewal, replacement and disposal programs;
- Key performance measures and reporting mechanisms;
- A specific asset management improvement plan.

Council subscribes to NAMSPLUS3 which is an Institute of Public Works Engineering Australasia initiative for Local Government, to assist in the development of asset management planning.

The NAMSPLUS3 suite of templates have been used for development of the Asset Management Plans, which are the practical, core operating documents for the management of the specific asset classes. They are designed to be easily used and managed by individual asset managers. The level of detail within each individual plan is dependent upon the maturity of data held and the scope and size of the asset category contained in the plan.

Annual review of the individual Asset Management Plans is required to ensure they are the most useful and up-to-date management tool and reference document. The review of the Plans may include changes in objectives, service levels, systems,

technology and any other relevant amendments including changes to community expectations.

Tenterfield Shire Council has previously undertaken asset management planning initially to meet legislative requirement and also to provide an entry level for developing integration with the Long Term Financial Plan, Workforce Plan, and the Community Strategic Plan, as is the requirement under the Integrated Planning and Reporting Framework.

Council is now working from standard or ‘entry level’ asset management towards more ‘core’ asset management and over time will strive to reach ‘advanced’ and then better practice in asset management. We will do this by implementing the initiatives outlined in the asset management improvement program. This in turn will further support the changing needs of the local economy, Council and the community.

Asset Management Plan Summaries have been constructed from the detailed Asset Management Plans for all of Council’s major asset classes and make up a considerable amount of the detail in this Strategy. The summaries for all major asset categories are included in this Strategy in a later section.

AMP CATEGORIES

ASSET MANAGEMENT POLICY					
ASSET MANAGEMENT STRATEGY					
ASSET MANAGEMENT PLANS	TRANSPORT	COMMUNITY	ENVIRONMENT	ECONOMY	CORPORATE
	ROADS	SPORT & RECREATION FACILITIES	WATER SUPPLY	LIVESTOCK SALEYARDS	PLANT FLEET & EQUIPMENT
	BRIDGES & CULVERTS	PARKS & OPEN SPACE	SEWERAGE SERVICES	STRATEGIC/INVESTMENT ASSETS	TECHNOLOGY
	FOOTPATHS & CYCLEWAYS	BUILDINGS & AMMENITIES	STORMWATER & DRAINAGE		
	AERODROME	SWIMMING POOL	WASTE MANAGEMENT FACILITIES		

Figure 3: TSC Asset Management Plan (AMP) Categories

OUR ASSETS

CURRENT ASSET BASE

Asset Class	Fair Value (\$000)	Accumulated Depreciation (\$000)	Written Down Value (\$000)
Buildings	\$ 35,232.00	\$ 19,164.00	\$ 16,068.00
Roads	\$ 356,070.00	\$ 77,204.00	\$ 277,426.00
Water Supply	\$ 44,140.00	\$ 27,793.00	\$ 16,437.00
Sewerage Network	\$ 34,250.00	\$ 11,424.00	\$ 22,826.00
Waste	\$ 902.00	\$ 686.00	\$ 216.00
Stormwater & Drainage	\$ 9,114.00	\$ 4,499.00	\$ 4,615.00
Open Spaces & Recreational Assets	\$ 3,200.00	\$ 561.00	\$ 2,666.00
Plant, Fleet & Equipment	\$ 11,720.00	\$ 5,114.00	\$ 6,606.00

Table 1: TSC Asset Values

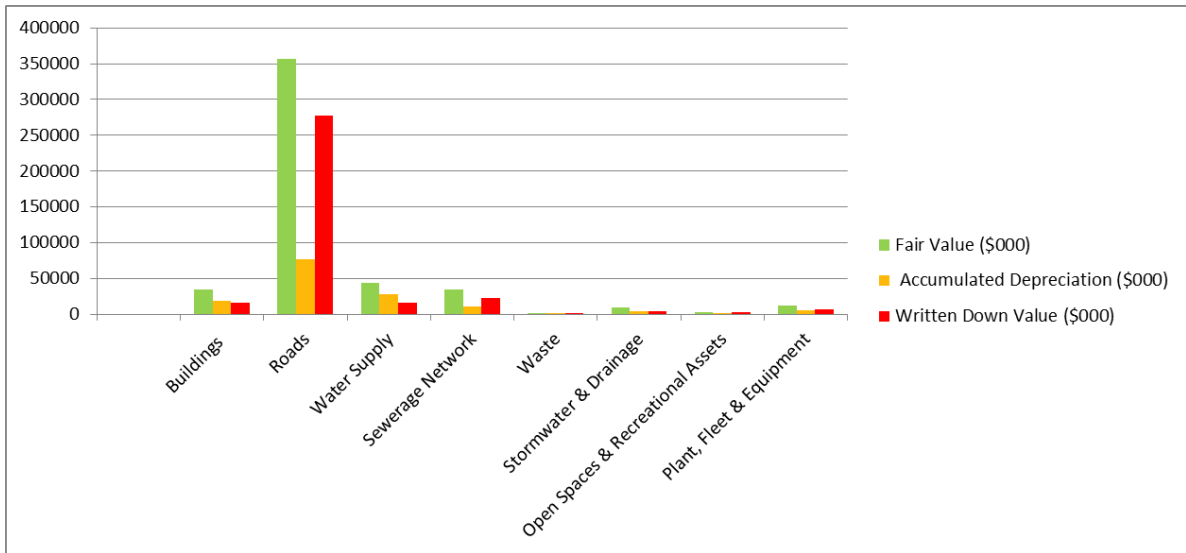


Figure 4: Asset Values and Consumption Graph

ASSET CONDITIONS

Condition assessments for assets are undertaken using the International Infrastructure Management Manual's recommended 5-point scale:

- Condition 1 - Excellent Condition - No renewal work required, very minor maintenance if any;
- Condition 2 - Good Condition - Only minor preventative maintenance work required;
- Condition 3 - Average Condition - Preventative maintenance work required;
- Condition 4 - Poor Condition - Renewal/Replacement due, increasing reactive maintenance;
- Condition 5 - Very Poor Condition - Urgent Renewal/Replacement required, considerable reactive maintenance.

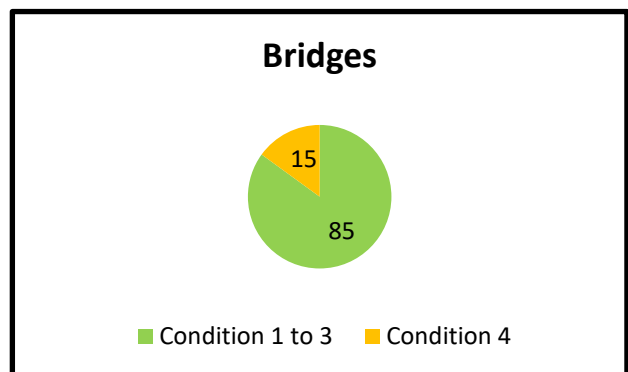
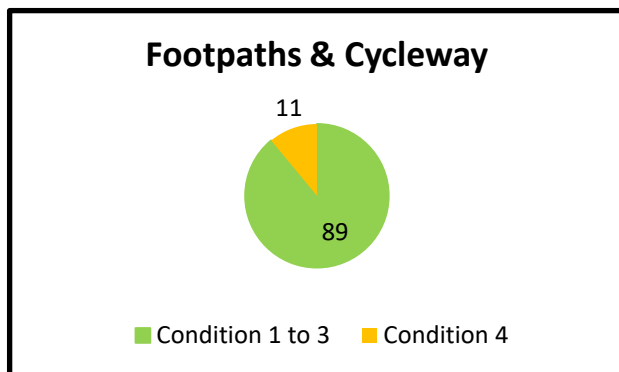
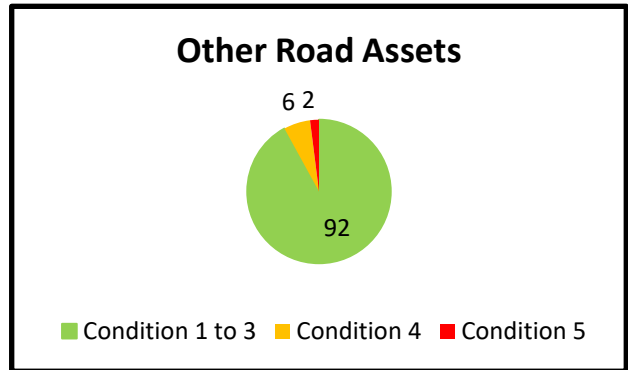
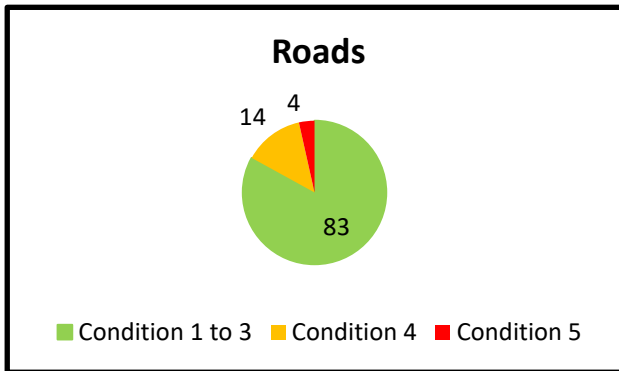
Asset Class	Asset Category	% Condition Rating				
		1	2	3	4	5
Transport	Roads	26	20	37	14	4
	Bridges	27	23	35	15	
	Footpaths & Cycleways	5	42	42	11	
	Other Road Assets	23	56	13	6	2
	Sub Total	20	35	32	11	1
Water Supply		29	55	1	15	0
	Sub Total	29	55	1	15	0
Sewerage		6	77	15	2	0
	Sub Total	6	77	15	2	0
Stormwater & Drainage		29	33	7	22	9
	Sub Total	29	33	7	22	9
Waste Management		0	84	16	0	0
	Sub Total	0	84	16	0	0
Buildings & Amenities	Community Halls	37	20	27	16	0
	Public Toilets	20	40	40	0	0
	Parks & Open Spaces	0	100	0	0	0
	Domestic Waste	0	50	25	0	25
	Swimming Pool	0	67	33	0	0
	Animal Control	0	100	0	0	0
	Sporting & Recreation	0	78	0	22	0
	Council Residences	0	0	100	0	0
	Council Buildings	0	82	0	18	0
	Community Centre	0	100	0	0	0
	Health	100	0	0	0	0
	Communication Facility	0	100	0	0	0
	Emergency Services	100	0	0	0	0
	Museum	0	100	0	0	0
	Works Depots	0	50	50	0	0
Tourism	100	0	0	0	0	
Sub Total	22	55	17	4	2	

Open Space and Recreation	Sporting Grounds & Facilities, Recreation Facilities, Parks & Gardens, Streetscapes and Open Space & Reserves	13	60	21	6	0
	Sub Total	13	60	21	6	0
Swimming Pool		0	8	92	0	0
	Sub Total	0	8	92	0	0
Saleyards		0	66	17	17	0
	Sub Total	0	66	17	17	0
Strategic/Investment Assets	Industrial Subdivision, Commercial Property	0	67	33	0	0
	Sub Total	0	67	33	0	0
Plant, Fleet & Equipment	Plant, Fleet, Equipment, Workshop, Fuel Facilities	18	35	22	18	7
	Sub Total	18	35	22	18	7

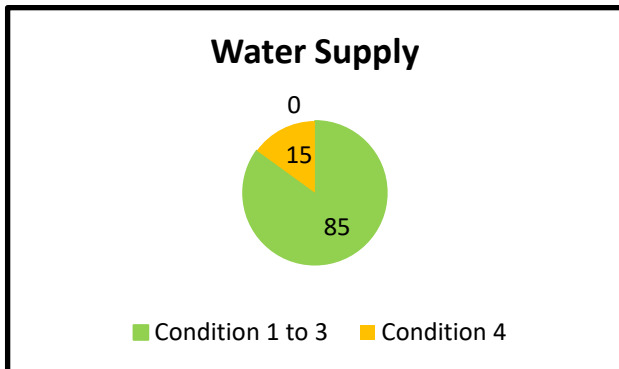
Table 2: Current Condition of Infrastructure Assets

EXISTING CONDITION GRAPHS FOR EACH ASSET CATEGORY

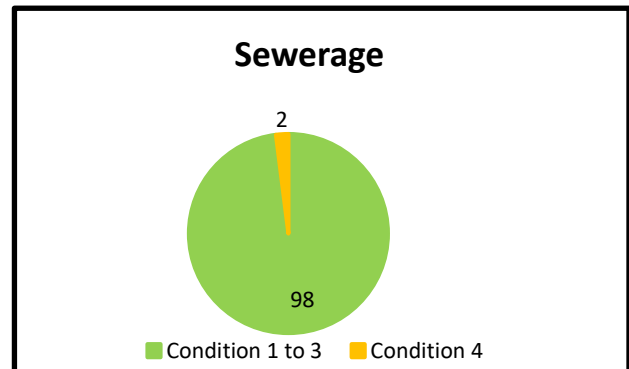
TRANSPORT



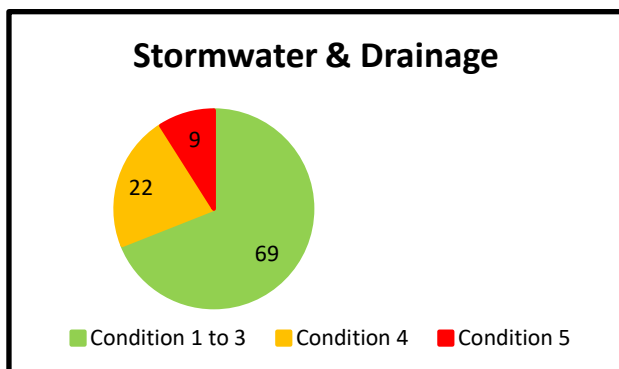
WATER SUPPLY



SEWERAGE



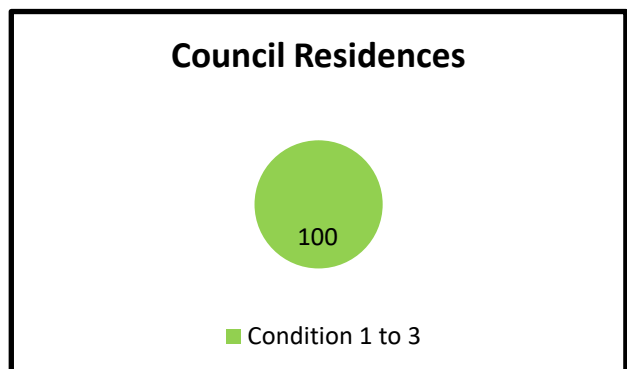
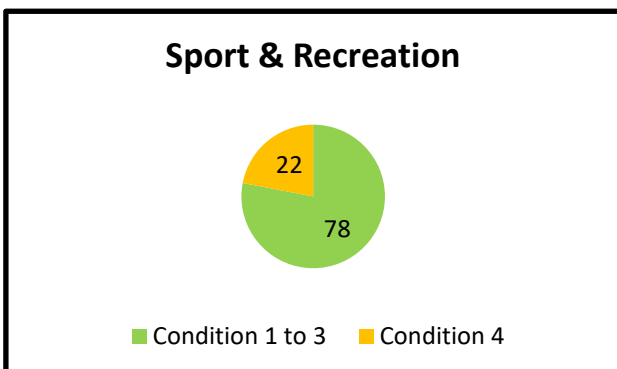
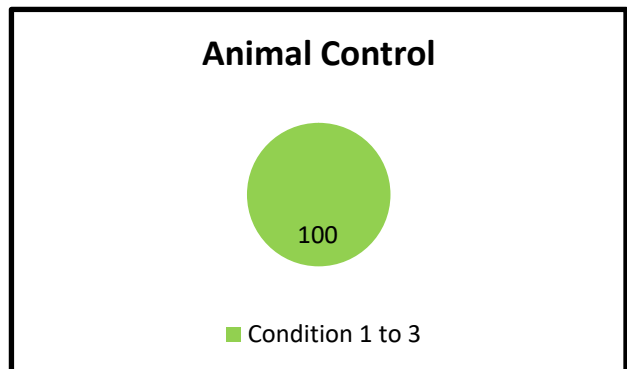
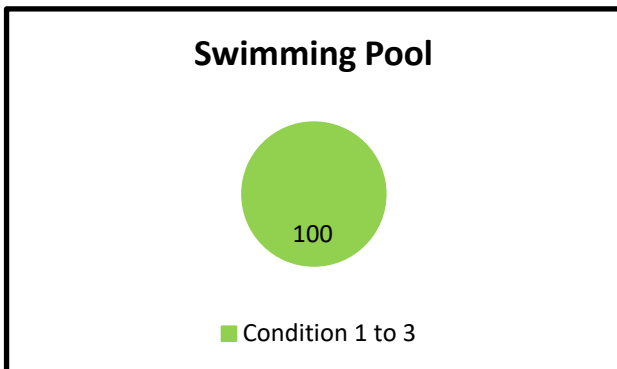
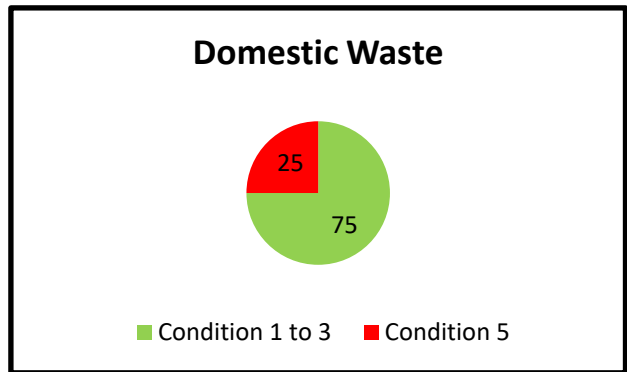
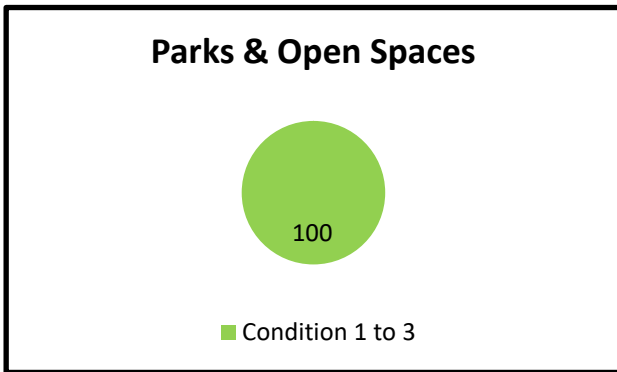
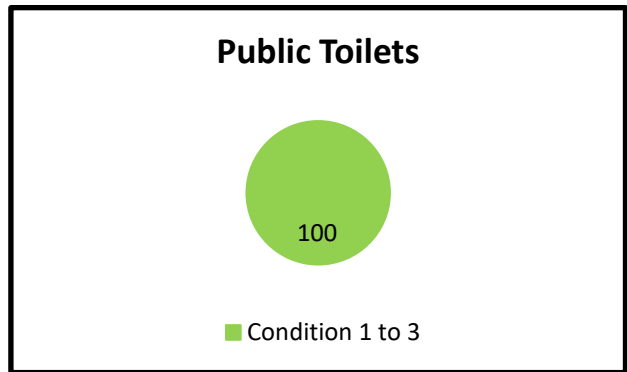
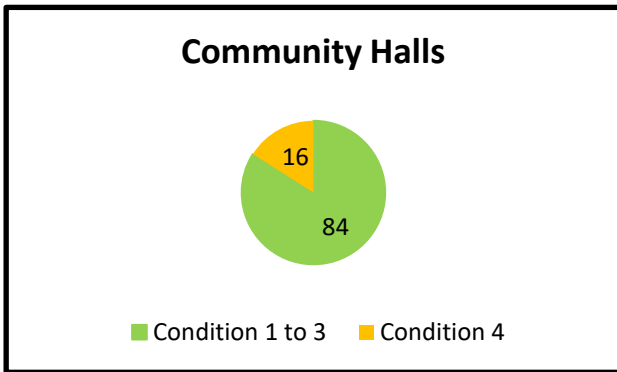
STORMWATER & DRAINAGE



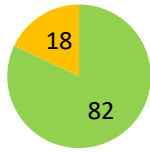
WASTE MANAGEMENT



BUILDINGS & AMENITIES

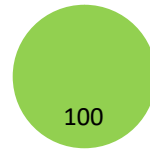


Council Buildings



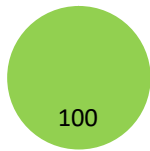
■ Condition 1 to 3 ■ Condition 4

Community Centre



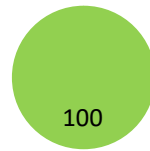
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Health



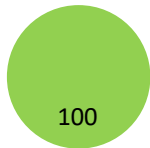
■ Condition 1 to 3

Communication Facility



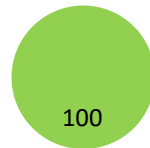
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Emergency Services



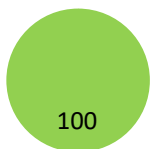
■ Condition 1 to 3

Museum



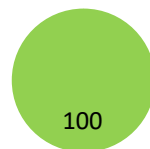
■ Condition 1 to 3

Works Depots



■ Condition 1 to 3

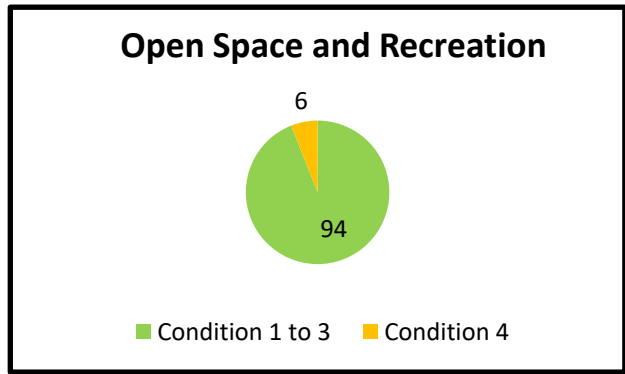
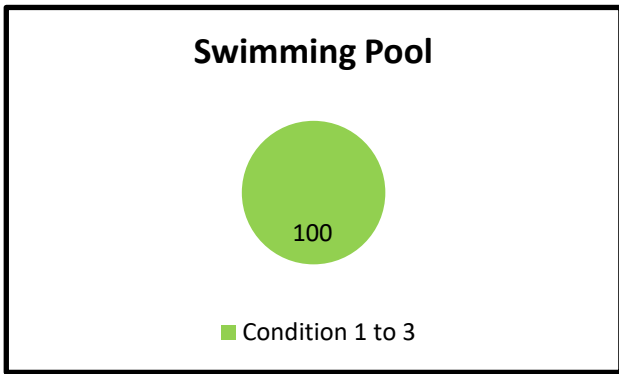
Tourism



■ Condition 1 to 3

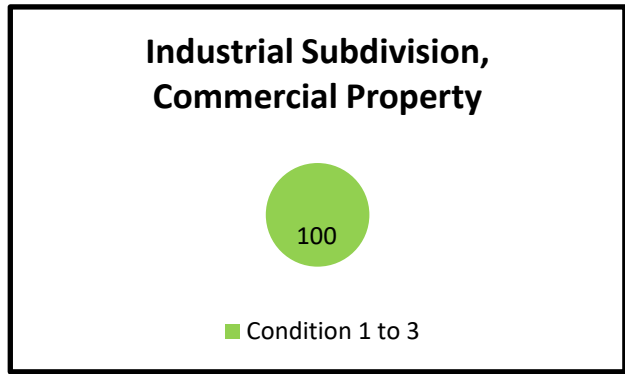
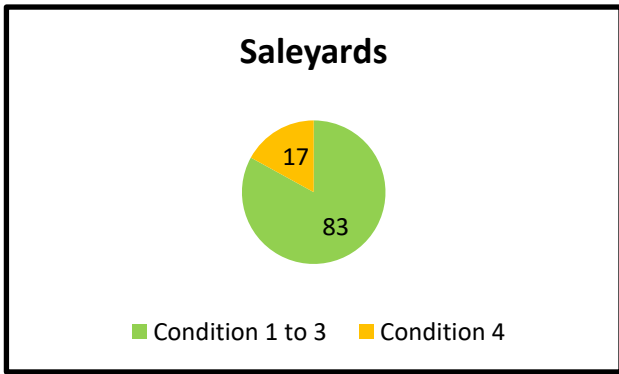
SWIMMING POOL

OPEN SPACE AND RECREATION



SALEYARDS

STRATEGIC / INVESTMENTS ASSETS



PLANT, FLEET & EQUIPMENT

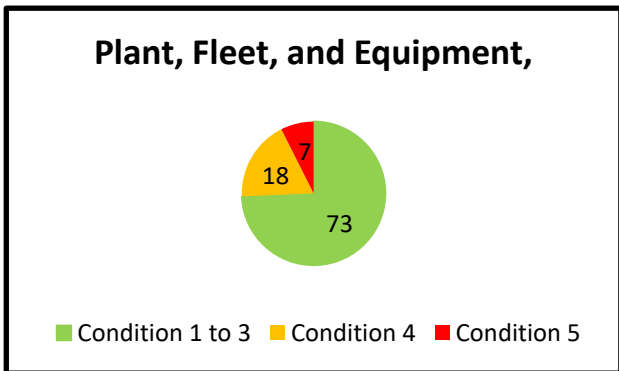


Figure 5: Assets Condition Rating Chart/Graph

EXPENDITURE BY ASSET CLASS

Asset Class		Expenditure Forecast		Years							
		17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	26/ 27
Transport	Maintenance & Operation	2,876,041	2,949,793	3,025,553	3,250,716	3,330,673	3,412,810	3,496,180	3,581,838	3,669,844	3,760,256
	Asset Renewal	11,635,638	10,286,375	11,456,494	3,917,007	3,983,078	4,130,571	4,094,885	4,129,949	3,985,337	3,232,128
	New Asset	552,116	643,138	654,400	665,888	597,606	609,558	621,750	634,186	646,870	659,808
Water Supply	Maintenance & Operation	766,290	853,822	805,280	825,378	911,921	875,314	888,370	910,398	1,005,904	964,603
	Asset Renewal	5,529,257	416,516	485,444	5,550,031	2,891,800	510,768	590,276	487,852	493,147	498,859
	New Asset	0	30,800	0	10,600	0	10,900	41,000	11,200	0	0
Sewerage	Maintenance & Operation	664,400	640,012	663,079	681,812	743,859	716,332	734,242	752,601	821,413	790,698
	Asset Renewal	554,389	555,045	494,012	476,369	535,767	502,437	621,874	555,747	542,658	536,985
	New Asset	241,500	216,800	351,600	265,600	257,000	263,400	519,900	276,700	283,600	283,600
Stormwater & Drainage	Maintenance & Operation	0	0	0	0	0	0	0	0	0	0
	Asset Renewal	240,000.00	230,000	30,000	100,000	30,000	30,000	110,000	30,000	30,000	110,000
	New Asset	5,000.00	0	0	0	0	0	0	45,000	0	0
Waste Management	Maintenance & Operation	1,193,481	1,223,323	1,253,906	1,285,253	1,317,385	1,350,323	1,384,076	1,418,678	1,454,148	1,490,501
	Asset Renewal	158,312	126,477	131,364	153,532	141,926	147,815	178,996	157,470	157,968	158,352
	New Asset	645,000	450,000	450,000	425,000	275,000	275,000	350,000	200,000	200,000	200,000
Buildings & Amenities	Maintenance & Operation	257,381	263,817	270,414	277,173	284,102	291,205	298,484	305,946	313,596	321,438
	Asset Renewal	338,829	68,906	99,705	46,872	24,731	94,140	142,052	0	0	0
	New Asset	0	0	0	82,027	0	0	0	0	0	0
Open Space & Recreation	Maintenance & Operation	470,773	482,624	494,837	507,163	520,095	533,362	546,968	560,924	575,240	589,807
	Asset Renewal	58,040	97,617	66,704	0	0	0	54,013	0	0	0
	New Asset	8,000	28,710	13,801	0	0	129,443	130,215	0	0	0
Swimming Pool	Maintenance & Operation	155,866	159,816	163,909	167,977	172,346	176,830	181,432	186,156	191,005	195,903
	Asset Renewal	0	0	0	0	0	0	0	0	0	0
	New Asset	22,934	0	0	0	0	0	23,676	0	0	0
Saleyards	Maintenance & Operation	114,108	116,987	119,959	172,943	176,099	179,336	182,657	186,064	189,560	193,108
	Asset Renewal	80,228	151,550	154,290	0	0	0	0	0	0	0
	New Asset	0	0	0	0	0	0	0	0	0	0
Strategic/Investment Assets	Maintenance & Operation	10,000	10,251	10,508	10,771	11,040	11,317	11,600	11,891	13,118	13,446
	Asset Renewal	0	0	0	0	0	0	0	0	0	0
	New Asset	0	0	0	0	0	0	0	0	0	0
Plant, Fleet & Equipment	Maintenance & Operation	1,628,000	1,668,700	1,710,417	1,753,178	1,797,007	1,841,932	1,887,980	1,935,180	1,983,559	2,033,149
	Asset Renewal	2,775,000	3,048,000	2,884,000	3,970,000	3,720,000	4,541,000	3,762,000	3,767,000	3,955,000	4,284,000
	New Asset	0	0	0	0	0	0	0	0	0	0

Table 3: Expenditure by Asset Class

ASSET RENEWAL AND BACKLOG

Asset Group	15/16 Cost to Bring to Satisfactory Standard	15/16 Required Annual Maintenance	15/16 Projected Maintenance	15/16 Asset Maintenance Gap
Buildings	954	384	434	50
Roads	6308	2534	2897	363
Water Supply	3195	635	593	-42
Sewerage Network	640	568	517	-51
Stormwater & Drainage	631	85	94	9
Open Spaces & Recreational Assets	nil	406	456	50
	11728	4612	4991	379

Table 4: TSC current Backlogs, Renewal and Maintenance gaps

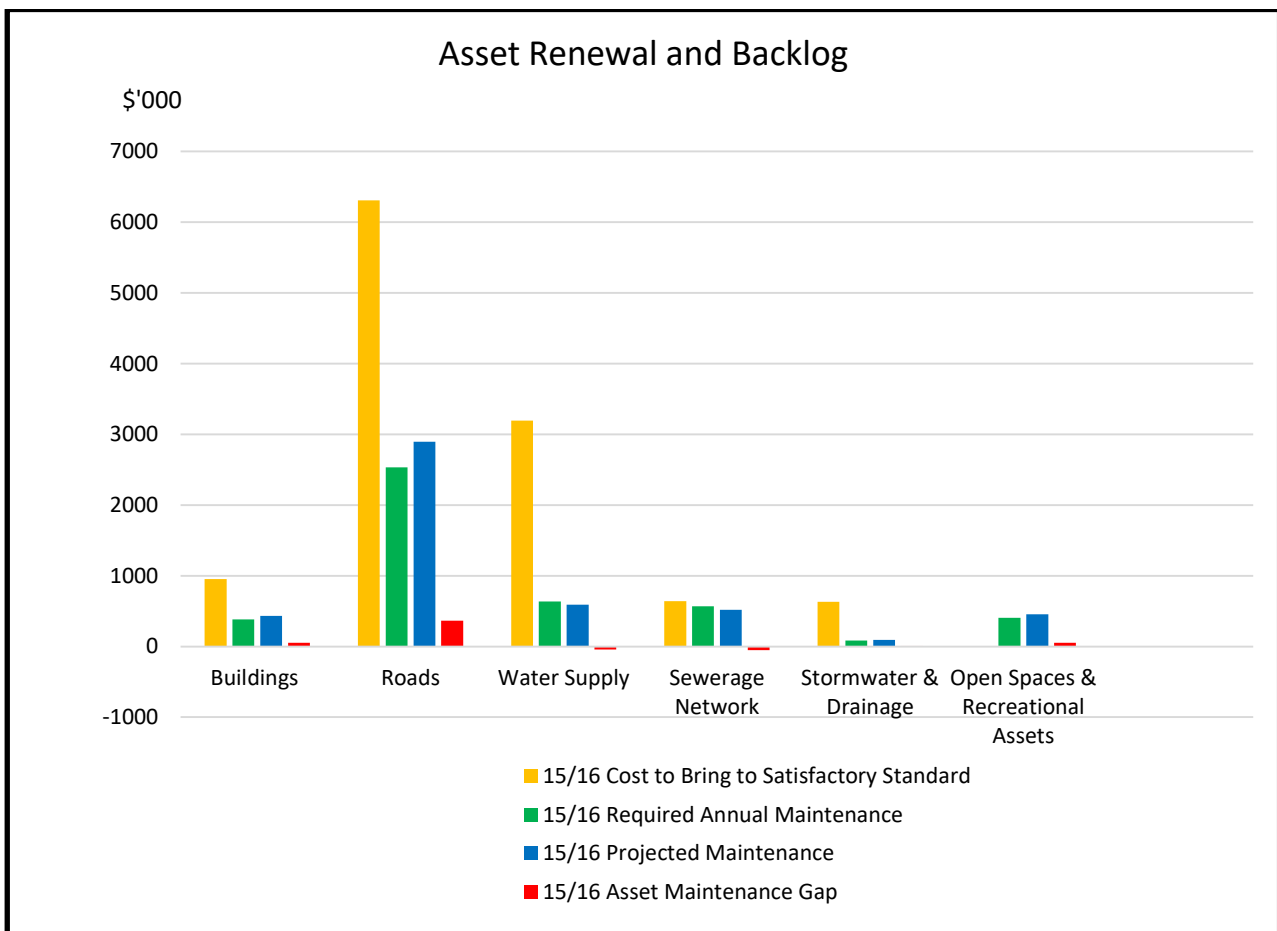
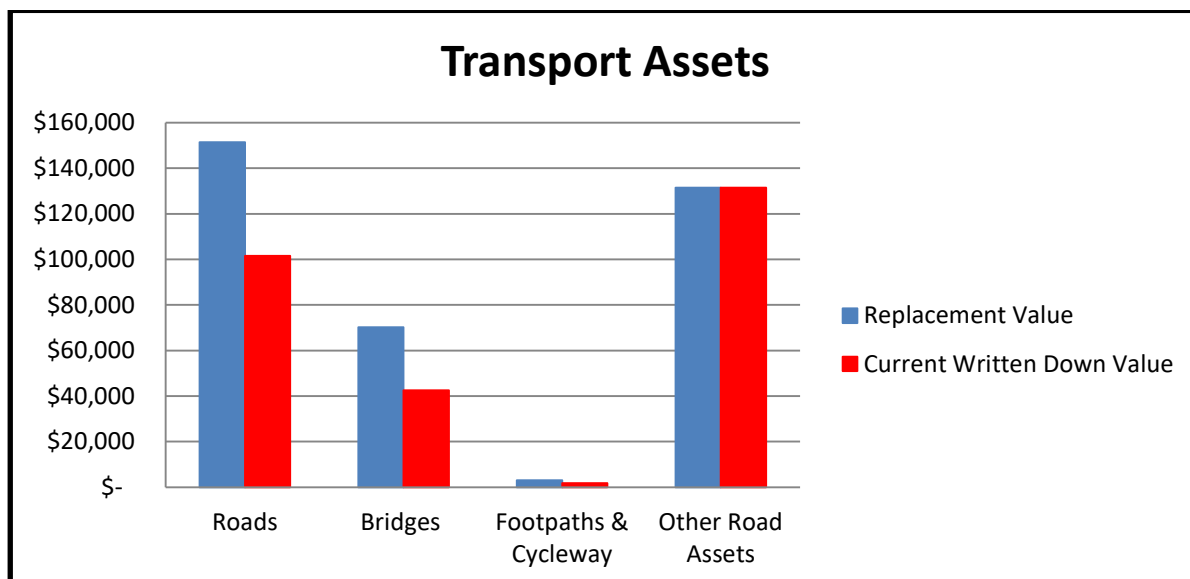


Figure 6: Assets Backlogs and Gaps Chart/Graph

ASSET MANAGEMENT PLAN (AMP) SUMMARIES

1. TRANSPORT



1.1 Key Data

Total value of current Transport Asset Class **\$277,426,000**

General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	50
2	Good condition	21
3	Moderate condition	21
4	Poor condition	7
5	Very poor condition	1

Current Asset Valuation dated June 2016.

Condition assessment has been undertaken by Tenterfield Shire Council with random data validation by external consultants and through Asset Management processes.

1.2 Main Findings

- Council maintains the following:

Approximately 570 km of Sealed Road Network and 1124 km of Unsealed Road Network;

- 150 Bridges (56 Timber Bridges);
- 32.947 km of Kerb and Gutter;
- 4597 Culverts;
- 390 Causeways.

- Major emphasis is to increase the level of maintenance and renewals in the following areas:
 - Sealed road resealing;
 - Unsealed road resurfacing (gravel sheeting);
 - Constructing and sealing the unsealed sections of Mt Lindesay Road and upgrading Mt Lindesay Road between Legume and Woodenbong.
 - Realignment and reconstruction of the Bruxner Way from the New England Highway to Sunnyside Loop Road;
 - Reconstructing Regional Roads - Amosfield, Mt Lindesay, Killarney Roads and the Bruxner Way.
 - Pursuing funding for the reconstruction of Tooloom Road.
- General focus will be on addressing the Transport Assets identified as condition 4 and 5 rated and maintaining a base condition rating of 3 or better as funding permits.
- Scrutinizing data of the unsealed network to best allocate priorities for the gravel resheeting of Class B & C roads.
- Tenterfield Shire has not had an emphasis on shoulder grading, drainage maintenance, replacement of road furniture, pavement repairs and other general asset maintenance. Further investigations are required to quantify what funding is needed to have our road network in a fair and sustainable standard.
- The age and deterioration of the timber bridges and the resulting increased maintenance requirements of those bridges presents a risk profile that will need to be addressed in the near term.
- Additional data is to be gathered on the timber bridges to permit a proactive (planned) maintenance program to be developed and annual funding requirements determined.
- Some of our Kerb and Gutter Assets have a Heritage Value and replacement of these areas will be more expensive than conventional concrete construction. This construction is unable to be staged in many instances given the disruption to the road network once works have commenced, hence future budget allocations will need to be based on completing specific sections identified.
- Half of Council's causeways are in poor to very poor condition. \$2.080m is currently allocated over the next ten years to address this issue.

1.3 Budget Implications

- Based on the existing proposed 10 year Asset Management Plan a funding shortfall has been identified for renewal and new/upgraded assets including roads, bridges, culverts, causeways, footpaths and kerb & gutter. At this time Council is collecting and reviewing our program to assess the validity of our high level assessment and

conduct more detailed analyses on data collected including detailed risk assessment. One example of the projected shortfall in the area of Roads is a result of projected renewal. The Highway to Sunnyside Loop Road renewal, is estimated to cost \$2.15m of which \$694K is funded and included in the Long Term Financial Plan. The balance of funds will need to be sourced prior to the commencement of the project.

- Upgrading of Mt Lindesay Road, between Legume and Woodenbong is funded by a \$24 million grant. The funds also allow for the replacement of Koorelah Creek bridge, with the completion of the project posing an increase to non-operational expenses in the coming years. This increase is included in the current Long Term Financial Plan.
- Council will also need to give consideration to pursuing external funding options for the upgrade of the Tooloom Road, currently estimated at approximately \$6.33m. This upgrade is not included in the current Long Term Financial Plan.
- A town street renewal program is currently under development to quantify the funding required to renew urban streets in Tenterfield, Urbenville, Legume, Liston, Torrington and Drake.
- \$15.9 million is the preliminary estimate needed to replace bridges over the next ten years;
- Current bridges in the Council identified for priority assessment include the following:
 - Emu Creek Bridge (Hootons Road);
 - Woodenbong Creek Bridge (White Swamp Road);
 - McLeods Creek Bridge (McLeods Creek Road);
 - Unnamed Creek (at Scrub Road);
 - Kangaroo Creek Bridge (Paddys Flat Road);
 - Five Mile Creek Bridge (Kia Ora);
 - Koorelah Creek Bridge (Mt Lindesay Road);
 - Carrolls Creek Bridge (Mt Lindesay Road)
 - Boonoo Boonoo Creek Bridge (Mt Lindesay Road).
- At this point specific budget allocation for maintenance of the kerb and gutter, causeway and culvert network has not been identified. Council maintains these assets utilising funds from the Rural Roads Maintenance Budget.

1.4 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints and given existing levels of asset data available.
- Council has a cycle program to maintain Road Assets at set intervals as outlined in the Road Network Management Plan (RNMP). Regular inspections allow Council to provide responsive intervention in areas when unforeseen events such as unforeseen damage occurs to the network. This works puts pressure on the maintenance budget and can cause the works program to lag with catch up

requiring additional resources that can have a negative impact on the maintenance budget.

- The maintenance budget is insufficient to meet the desired level of service based on existing requests at this point, however; more assessment is needed to quantify.
- Council aims to implement and refine existing maintenance programs which continue to move away from reactive maintenance, to a more proactive approach, especially those that pose a safety risk, in a timely and cost effective manner.
- Council is in the process of implementing a planned maintenance program for timber and concrete bridges.

Transport Assets	
Objective	To manage all Transport Assets in a safe, serviceable and sustainable manner.
Performance Measures	Target
a) Quality	<ul style="list-style-type: none"> • Ensure that maintenance works are undertaken effectively. • Review and monitor maintenance procedures to ensure effective practices are utilised. • Implement upgraded maintenance programs to move from reactive (unplanned) to proactive (planned) maintenance. • Develop detailed forward works programs. • Continue to collect detailed data, including updated condition data, on all assets.
b) Function	<ul style="list-style-type: none"> • Monitor the effectiveness of implemented programs through over-all road condition assessments. • Review and update the Road Network Asset Management Plan (RNAMP) in line with updated asset data and maintenance practices on an annual basis. • Review RNMP and implement revised maintenance standards and inspection timelines.
c) Safety	<ul style="list-style-type: none"> • Review maintenance, renewal and new/upgraded works programs targeting condition 4 and 5 rated

	<p>assets and safety issues aligned to available budgets and resource constraints.</p> <ul style="list-style-type: none"> • Seek additional sources of funding for capital and renewal works. • Develop technical standards to assess and prioritise future works (e.g. standards to assess risk based replacement program).
--	--

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
Ensure that maintenance works are undertaken effectively across all Transport Assets.	Manager of Works (MoW)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review and monitor detailed inspection system.	MoW	✓		✓		✓		✓		✓	
Review and monitor maintenance procedures upgrading where necessary.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Continue maintenance program as per cycle and standards in the RNMP	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Function:											
Develop detailed forward works programs.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Collect detailed data.	MoW	✓			✓			✓			✓
Prepare detailed maintenance, renewal, new works programs.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monitor effectiveness of implemented programs.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review and update the Pedestrian Access and Mobility Plan (PAMP) and implement the identified improvements as funding permits.			✓								

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Safety:											
Review Transport Asset Management Plans.	MoW			✓					✓		
Seek additional funding sources for identified high risk Assets.	DES & MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	2,876,041	2,949,793	3,025,553	3,250,716	3,330,673	3,412,810	3,496,180	3,581,838	3,669,844	3,760,256
Asset Renewal	11,635,638	10,286,375	11,456,494	3,917,007	3,983,078	4,130,571	4,094,885	4,129,949	3,985,337	3,232,128
Upgrade / New Asset	552,116	643,138	654,400	665,888	597,606	609,558	621,750	634,186	646,870	659,808
Total	15,063,795	13,879,305	15,136,447	7,833,611	7,911,357	8,152,939	8,212,815	8,345,973	8,302,051	7,652,192
Itemised inclusion of Upgrade/New Asset (above)										
Extending Bitumen Seal MR622	552,116		574,400	585,888	597,606	609,558	621,750	634,186	646,870	659,808
Extending Bitumen Seal MR290		643,138								
Construct Kerb & Gutter		80,000	80,000	80,000						
Total	552,116	723,138	654,400	665,888	597,606	609,558	621,750	634,186	646,870	659,808

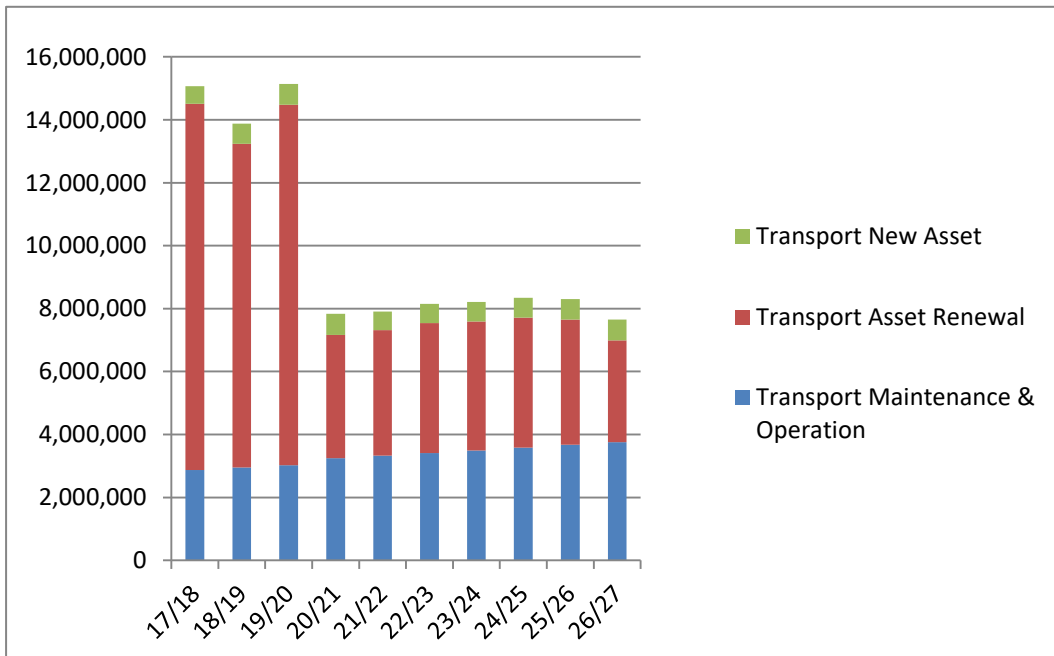
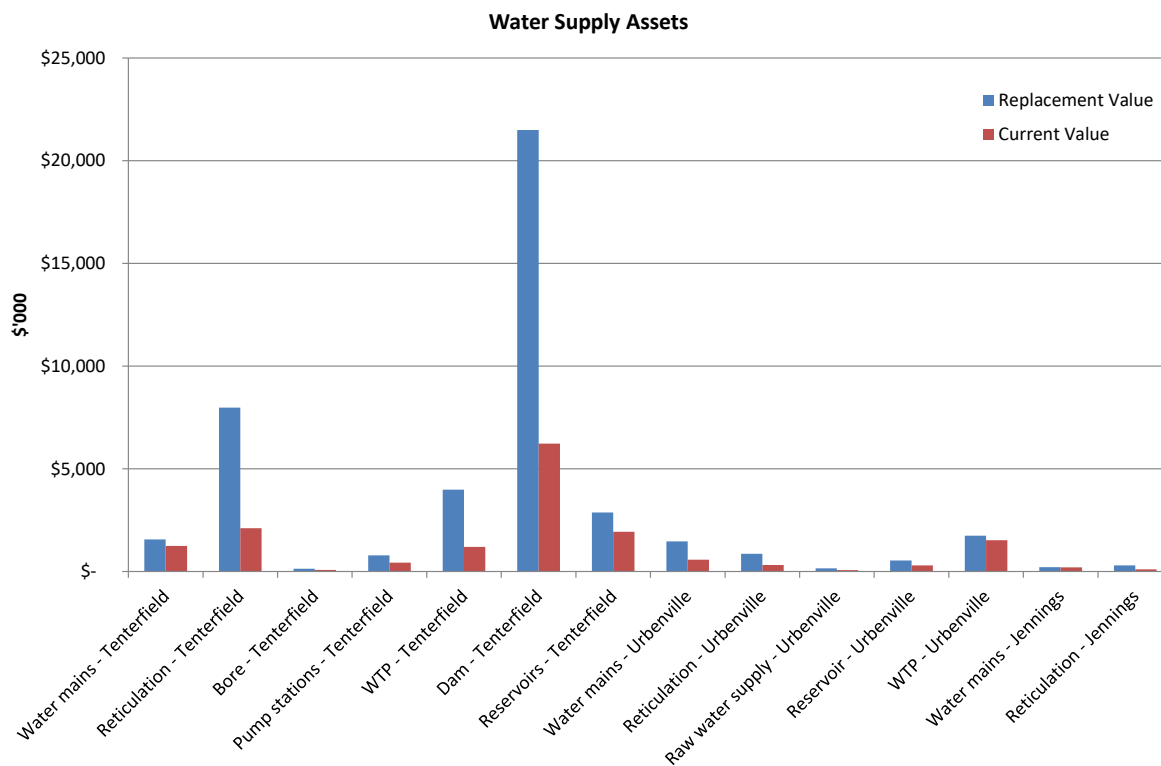


Figure 7: Transport Asset Forecast Expenditure

2. WATER SUPPLY



2.1 Key Data

- Replacement value of current holdings is \$44.1M;
- Total value of current holdings \$16.3M;
- Current depreciation (16/17) \$0.5M;
- Current water supply system budgets (16/17):
 - Operations Budget \$303,000;
 - Maintenance Budget \$378,000;
 - Renewal Budget \$367,000;
 - Planned Upgrade/New Budget \$1,180,000.

2.2 Last Conditional Survey

- Valuation dated – Oct 2012 (External Consultant)
- Condition assessment of all assets to be completed following the completion of asset mapping.

2.3 General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	29

2	Good condition	55
3	Moderate condition	1
4	Poor condition	15
5	Very poor condition	0

2.4 Main Findings

- The water supply network is comprised of the following assets:
 - Tenterfield Creek Dam;
 - Shirley Park Bore;
 - Water Treatment Plants (2);
 - Reservoirs;
 - Raw water, trunk and reticulation mains;
 - Reticulation network;
 - Pump stations; and
 - Valves, hydrants, manholes and meters.
- Significant gaps in documented asset conditions and locations have been identified;
- The AMP indicates funding gaps in the long term budget – more accurate information will be obtained following the collation of all asset condition data;
- Major projects in the coming years include:
 - Upgrading of Tenterfield Creek Dam to reduce the risk of catastrophic failure to town and continuity of potable supply (in progress);
 - Upgrade of Tenterfield Water Treatment Plant – design in progress and pending funding; and
 - Water mains replacement.

2.5 Budget Implications

- The water supply AMP projects a funding shortfall of \$193K per year (average) when considering the projected expenditure required to provide the operations, maintenance, renewal and upgrade of existing and new assets.
- Collating condition data on all assets will prove vital in understanding funding requirements to maintain the system at a 'satisfactory' standard.

2.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints;
- The maintenance programs will be updated following the condition and risk assessment of all water supply assets.

Water Services	
Objective	To provide a potable water supply in urban areas that is sustainable and cost effective to meet the current and future needs of our community that complies with the Australian Drinking Water Guidelines
Performance Measures	Target (each year)
(a) Quality	<ul style="list-style-type: none"> 100% compliance with Australian Drinking Water Guidelines Less than 10 customer complaints on taste and odour issues Being able to meet a normal demand of 2,000L/dwelling/day
(b) Function	<ul style="list-style-type: none"> Ensuring continuity of supply <ul style="list-style-type: none"> Minimum 1 weeks’ notice provided for planned interruptions Maximum duration of unplanned interruptions shall be less than 4 hours Number of total interruptions per 1,000 properties shall be less than 40 per annum Less than 25 mains breaks per 100km of main per annum Water pressure - minimum head of 12m (6L/min) and maximum static head of 90m 100% service availability to all residential and non-residential properties within the defined service area
(c) Safety	<ul style="list-style-type: none"> Zero public health incidents leading to NSW health notifications No downstream flooding due to dam wall failure

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
Comply with the NSW Office of Water Best Practice Management Guidelines	MWW	√	√	√	√	√	√	√	√	√	√
Meets the Australian Drinking Water Guidelines (ADWG)	MWW	√	√	√	√	√	√	√	√	√	√
Review and update the Strategic Business Plan (SBP) and Integrated Water Cycle	MWW					√		√			

Tenterfield Shire Council – Asset Management Strategy

Management Plan (IWCMP) for Water Supply Services											
Construction of a New Water Treatment Plant at Tenterfield	MWW				√*	√*					
Complete implementation of the IWCMP	MWW	√	√								
Tenterfield & Urbenville pipe air scouring programme	MWW			√			√				

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Function:											
Tenterfield & Jennings Mains Replacement Programme	MWW	√	√	√	√	√	√	√	√	√	√
Tenterfield Mains Augmentation	MWW		√		√		√		√		
Inspect and update all asset data into GIS and review capital works program accordingly	MWW	√	√	√	√	√	√	√	√	√	√
Review and update maintenance practices	MWW	√	√	√	√	√	√	√	√	√	√

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Safety:											
Review and update Standard Operating Procedures	MWW	√	√	√	√	√	√	√	√	√	√
Complete upgrade to Tenterfield Creek Dam Wall	MWW	√									

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	766,290	853,822	805,280	825,378	911,921	875,314	888,370	910,398	1,005,904	964,603
Asset Renewal	5,529,257	416,516	485,444	5,550,031	2,891,800	510,768	590,276	487,852	493,147	498,859
Upgrade / New Asset	0	30,800	0	10,600	0	10,900	41,000	11,200	0	0
Total	6,295,547	1,301,138	1,290,724	6,386,009	3,803,721	1,396,982	1,519,646	1,409,450	1,499,051	1,463,462
Itemised inclusion of Upgrade / New Asset (Above)										
Tenterfield Mains Extension		10,300		10,600		10,900		11,200		
Installation of UV Disinfection System		20,500					21,000			
Urbenville Mains Extension							20,000			
Total	0	30,800	0.00	10,600	0	10,900	41,000	11,200	0	0

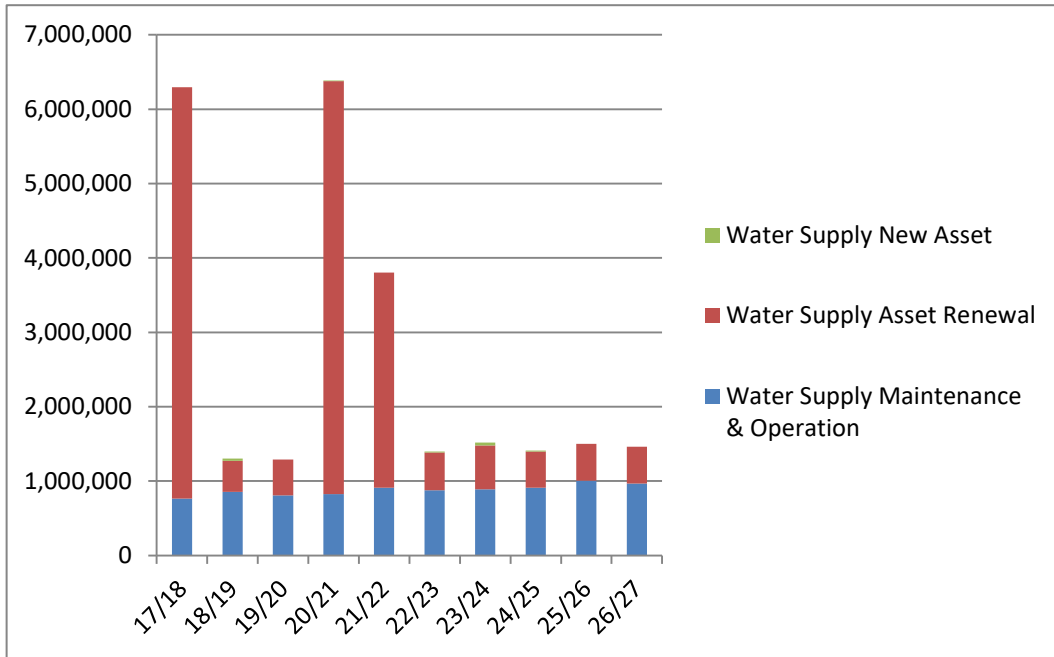
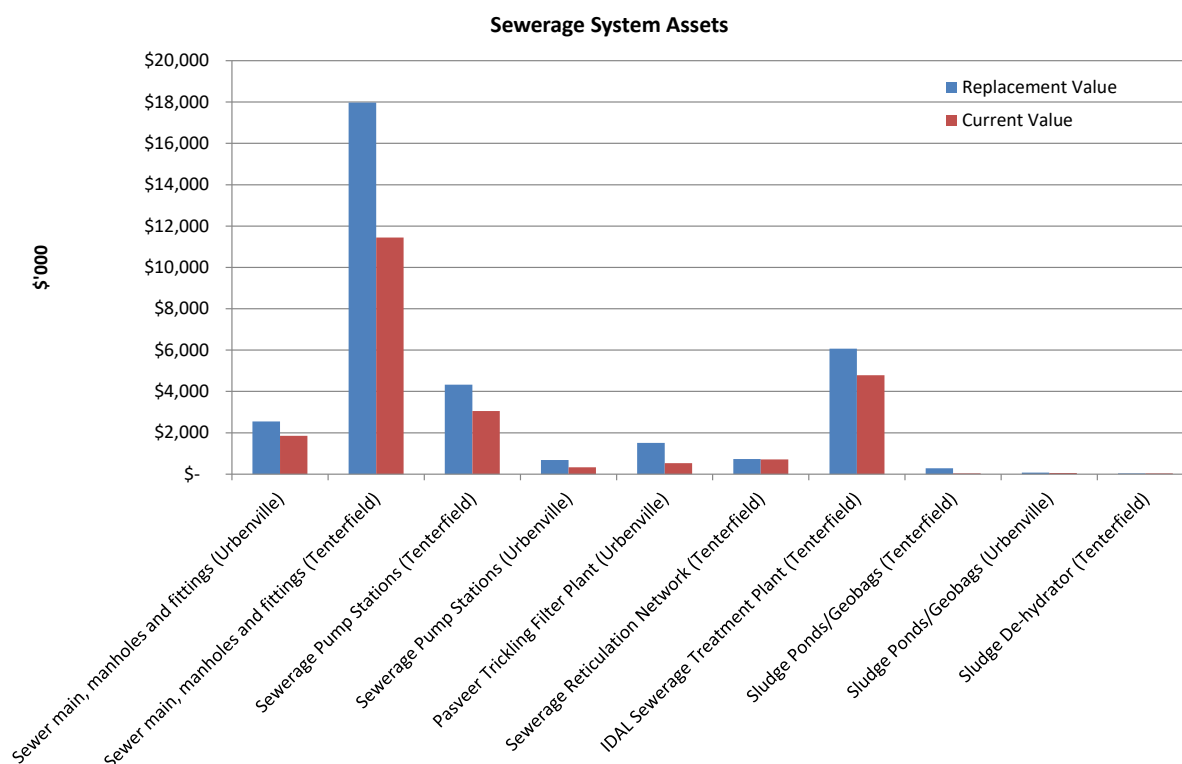


Figure 8: Water Supply Asset Forecast Expenditure

3 SEWERAGE



3.1 Key Data

- Replacement value of current holdings is \$34.2M;
- Total value of current holdings \$22.8M;
- Current depreciation (16/17) \$0.8M;
- Current sewerage system budgets (16/17):
 - Operations Budget \$260,100;
 - Maintenance Budget \$424,500;
 - Renewal Budget \$307,300;
 - Planned Upgrade/New Budget \$342,300.

3.2 Last Condition Survey

- Valuation dated – Oct 2012 (External Consultant)
- Condition assessment of all assets to be completed following the completion of asset mapping.

3.3 General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	6
2	Good condition	77
3	Moderate condition	15

4	Poor condition	2
5	Very poor condition	0

3.4 Main Findings

- The sewerage system network is comprised of the following assets:
 - Sewage Treatment Plants (Tenterfield and Urbenville)
 - Sewage Pump Stations
 - Sewer reticulation network, mains, manholes and fittings;
 - Sludge Ponds/Geobags, and;
 - Sludge De-hydrator.
- Significant gaps in documented asset conditions and locations have been identified;
- The AMP indicates funding gaps in the long term budget – more accurate information will be obtained following the collation of all asset condition data;
- Major projects in the coming years include:
 - Relining of Tenterfield sewer mains;
 - Level alterations of manholes within the Tenterfield network;
 - Network extension of the Tenterfield sewerage network;
 - Increasing the capacity of Tenterfield storage ponds, and;
 - Design and construction of the Jennings sewer reticulation network subject to funding availability.

3.5 Budget Implications

- The sewerage system AMP projects a funding shortfall of \$426K per year (average) when considering the projected expenditure required to provide the operations, maintenance, renewal and upgrade of existing assets.
- Collating condition data on all assets will prove vital in understanding future funding requirements to maintain the system at a 'satisfactory' standard.

3.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints;
- The maintenance programs will be reviewed and updated following the condition and risk assessment of all sewerage systems assets.
- There is a need to move from reactive to proactive (planned) maintenance.

Sewer Services	
Objective	To provide sewerage services in urban areas that is environmentally sustainable and cost effective to meet the demand of our community complying with relevant legislative requirements
Performance Measures	Target (each year)
(a) Quality	<ul style="list-style-type: none"> • 100% compliance with EPA license conditions • Zero complaints related to odour
(b) Function	<ul style="list-style-type: none"> • Less than 10 customer complaints on backup of sewage into properties • Zero overflows of sewage into public places • 100% availability of sewer within serviced boundaries • Response time to incidents <ul style="list-style-type: none"> ○ Less than 45 minutes for major incidents ○ Less than 12 hours for minor incidents
(c) Safety	<ul style="list-style-type: none"> • Zero incidents of untreated sewage being discharged to public places • Zero accidents, incidents or near misses

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
Comply with the NSW Office of Water Best Practice Management Guidelines	MWW	√	√	√	√	√	√	√	√	√	√
Treated effluent meets EPA license conditions	MWW	√	√	√	√	√	√	√	√	√	√
Review and update the Strategic Business Plan (SBP) and Integrated Water Cycle Management Plan (IWCMP) for Water Supply and Sewerage Services						√		√			
Complete implementation of the IWCMP		√	√								

Tenterfield Shire Council – Asset Management Strategy

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(b)											
Function:											
Sewer Mains Relining (reduces number of sewer chokes and overflows)	MWW	√	√	√	√	√	√	√	√	√	√
Sewer Mains Augmentation & Network Extensions	MWW	√	√	√	√	√	√	√	√	√	√
Inspect and update all asset data to GIS and review the capital, renewal and maintenance programs	MWW	√	√	√	√	√	√	√	√	√	√

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(c)											
Safety:											
Manhole improvements to reduce rain water infiltration (reducing the risk of treatment plant operating at storm mode, discharging untreated sewage)	MWW	√	√	√	√	√	√	√	√	√	√
Investigate design Jennings sewer reticulation network	MWW	√									
Construct Jennings sewer reticulation network	MWW			√							
Implementation of recycled water end user agreements and monitoring	MWW	√	√	√	√	√	√	√	√	√	√

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	664,400	640,012	663,079	681,812	743,859	716,332	734,242	752,601	821,413	790,698
Asset Renewal	554,389	555,045	494,012	476,369	535,767	502,437	621,874	555,747	542,658	536,985
Upgrade / New Asset	241,500	216,800	351,600	265,600	257,000	263,400	519,900	276,700	283,600	283,600
Total	1,460,289	1,411,857	1,508,691	1,423,781	1,536,626	1,482,169	1,876,016	1,585,048	1,647,671	1,611,283
Itemised inclusion in Upgrade / New Asset (above)										
Sewerage Network Extensions	241,500	216,800	249,100	255,300	257,000	263,400	269,900	276,700	283,600	283,600
Treatment Plant Upgrades				10,300						
Jennings Sewerage Scheme Construction			102,500							
Construction of Biosolids Processing Plant							250,000			
Total	241,500	216,800	351,600	265,600	257,000	263,400	519,900	276,700	283,600	283,600

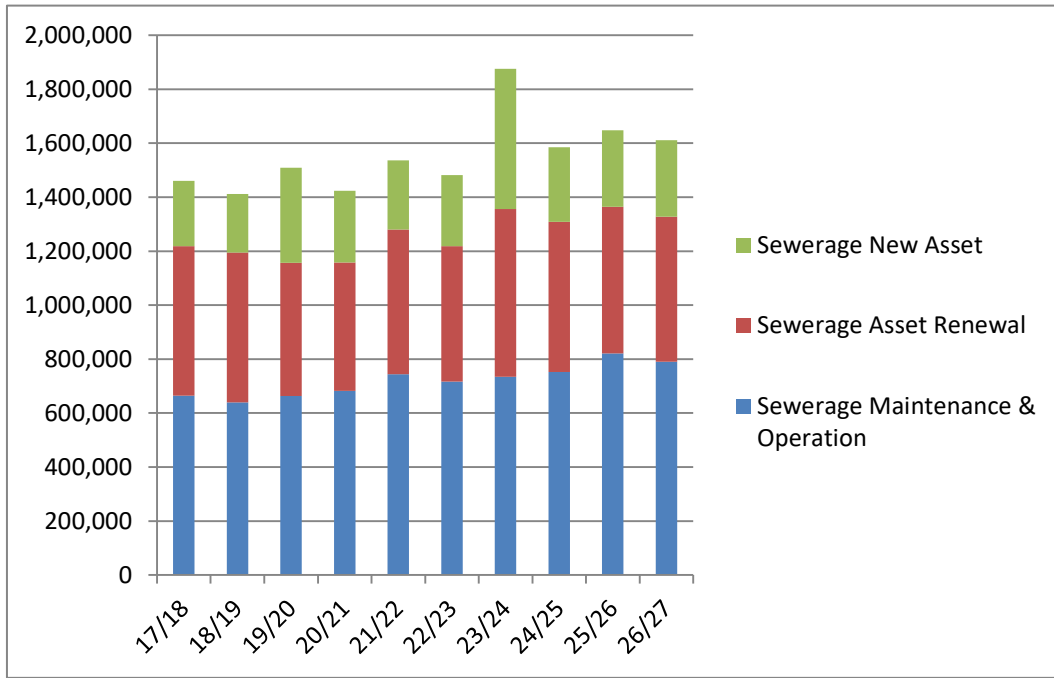
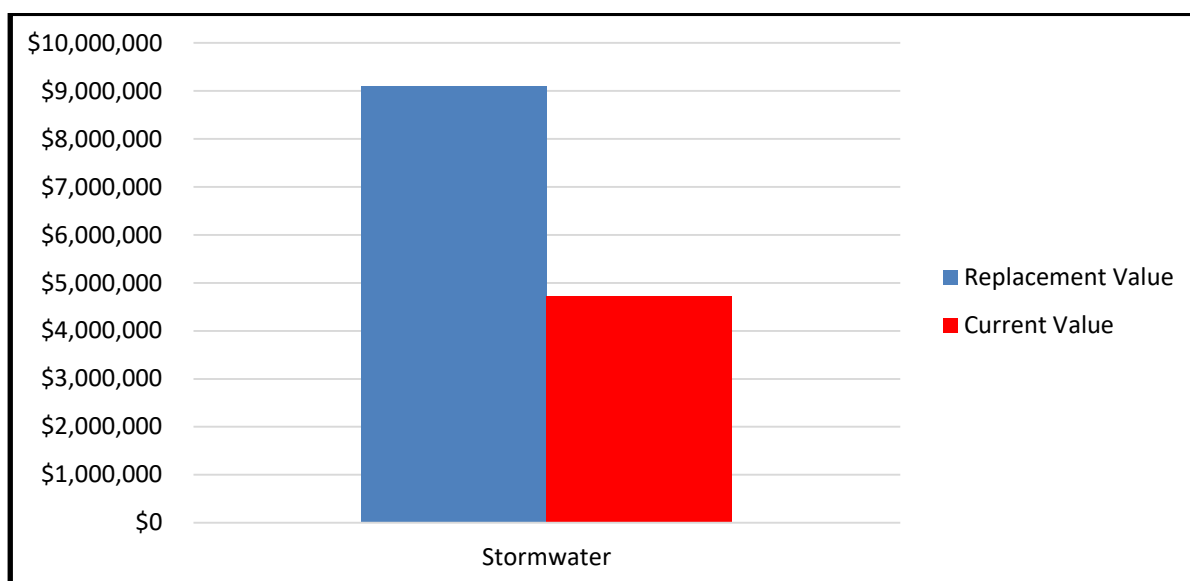


Figure 9: Sewerage Asset Forecast Expenditure

4. STORMWATER & DRAINAGE



4.1 Key Data

The stormwater network generally comprises:

- Pits and Headwalls (No. 825)
- Interconnecting pipes (11.4km)
- Intersection pipes connecting table drains and kerb & gutter
- Kerb & gutter
- Under road culverts connecting to natural water courses
- Gross pollution traps & trash traps / racks
- Kerb and gutter (valuation included with transport assets)

10 Year Forecast - Budget vs. Cost

	10 Year Budget	10 Year Cost
Operations	\$0	\$0
Maintenance	\$660,275	\$882,050
Capital Renewal	\$195,000	\$1,323,100
Capital Upgrade	\$668,000	\$1,615,000
	\$1,523,275	\$3,820,150
Average Annual	\$152,328	\$382,015

The estimated life for all assets is 80 years.

4.2 Last Valuation

The last valuation was completed in 2015 based on statistical sampling 170 condition rated drainage lines (represents approximately 30% of the asset base).

Component	Value
Pipe Culverts	\$6,781,258
Box Culverts	\$695,933
Open Channels	\$73,172
Headwalls	\$601,209
Manholes and Field Inlet Pits	\$896,745
Gross Pollutant Trap	\$48,585
Total Stormwater Asset	\$9,096,902

4.3 Condition Profile

The valuation undertaken in 2015 identified the following condition profile – note this represents small sample size of only 30% of the Tenterfield stormwater network.

	Condition Rating	% of Asset Value
1	Excellent Condition	29
2	Good Condition	33
3	Moderate Condition	7
4	Poor Condition	22
5	Very Poor Condition	9

4.4 Key Findings

The majority of the stormwater drainage network is old and, while functional, will require increasing levels of maintenance, renewal and improvement over the life of this Plan.

Most of the town of Tenterfield is generally well drained, however there remain some areas which are not, predominantly along Logan Street, Railway Street, and Pelham Street to name but a few examples.

Natural and man-made features, such as the Pin Oak trees and heritage stone kerbing mean that any resolution to long standing issues are complex and expensive. This probably explains why the drainage issues remain unresolved.

Under normal rainfall events, water is conveyed to Tenterfield Creek quickly and most of the water is directed through a combination of interconnected pits and pipes, open drains (water courses) and other drainage structures. There are however long standing issues with localised flood inundation in some areas of the catchment which will need to be addressed. This will require Council to undertake drainage studies to identify, prioritise and cost the required upgrades to address the localised flooding issues.

There is currently insufficient funding to support the planned capital upgrade and renewal programs. Current funding is nearly sufficient to complete forecast maintenance costs.

The last valuation was completed in 2015 based on statistical sampling of 170 condition rated drainage lines (represents approximately 30% of the asset base). As only a small section of the pipe network has been condition rated, there is a need to undertake further CCTV inspections and condition assessments. Consequently, a program to inspect the stormwater network through CCTV inspection on an on-going basis will be implemented to better determine the structural integrity and functioning of the network.

Council does not currently have an Asset Management System. As part of the management of all of Council's assets, an Asset Management System needs to be implemented to allow for better storage of data, modelling, and decisions making.

4.5 Budget Implications

The current revenue for the stormwater fund is insufficient to address maintenance of the stormwater network, and is unable to fund the capital works as detailed in the 10 year Capital Works program and 5 Year Renewal Program.

Funding issues are identified as follows:

- An additional \$22,200 pa (average) is required to meet the projected maintenance costs;
- Approximately \$120,000 pa needs to be assigned to renewals just to match the depreciation cost;
- On average, to deliver the required maintenance, renewals and upgrades to the stormwater drainage network, \$382,000 per annum (average) is required.

Grant funding will be sought, where possible, to allow for implementation of the capital programs. However, grant funding has not been included in this Plan given the uncertainty over grant funding opportunities and timing.

4.6 Maintenance Program

Maintenance is currently reactive due to the absence of a comprehensive condition survey and capacity assessments via drainage studies.

The priority for the limited available funds is to undertake a full assessment of the network via CCTV and identify priorities through drainage studies and more regular planned inspections.

Appropriate planned maintenance programs will be developed and implemented once the full assessment of the network via CCTV is completed.

4.7 Improvements Since Previous Plan

Railway Street – Railway Avenue to Pelham Street - Private property flooding from lack of street surface water collection and kerb & gutter. Works completed 2013.

Rouse Street & Manners Street intersection - road and footpath flooding due to insufficient pipe size. Works completed as part of the upgrade to the main street of Tenterfield.

Tenterfield Floodplain Risk Management Plan and Study – Flood Study adopted by Council in December 2014.

Stormwater & Drainage	
Objective	Manage the storm water network in a safe and serviceable condition so that the system operates efficiently under normal rainfall conditions
Performance Measures	Target
a) Stormwater drainage systems will be well designed, constructed and efficiently maintained	<ul style="list-style-type: none"> The Stormwater Asset Management Plan will be reviewed and updated as required to reflect completed projects and new priorities Subject to annual funding, undertake drainage studies for the various sub-catchments in Tenterfield to identify where stormwater drainage is required to eliminate nuisance or localised flooding Complete a comprehensive CCTV inspection and condition assessment of the stormwater drainage network Develop and implement a planned inspection program to target maintenance works to the stormwater drainage systems as required Actively pursue additional sources of funding for capital works when such funding becomes available
b) Effectively manage stormwater quality and protect Tenterfield Creek and other urban water courses	<ul style="list-style-type: none"> Keep plans current and implement annual recommendations subject to available funding Stormwater management devices (silt and rubbish pits) are maintained and cleaned as necessary
c) Ensure management of water quality in the catchments	<ul style="list-style-type: none"> Maintain and implement the Stormwater Quality Management Plan, the Drinking Water Management Strategy and the Water Asset Management Plan

Activities	Who	When	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(a)												
Quality:												
Collect data for the capital, renewal & maintenance programs	MWW		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Update the capital works & renewal program	MWW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Establish, implement and update planned maintenance program	MWW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Undertake CCTV inspections and condition assessments	MWW		✓	✓						✓	✓
Review SAMP	MWW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Update SAMP	DES/ MWW	✓				✓					✓
Revalue Assets	DES/ MWW				✓					✓	
Undertake drainage studies	DES/ MWW	✓									
Prepare forward designs for drainage projects	MWW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Create Town Maintenance Team	GM/ DES	✓									
AMS Software	DES	✓									

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	0	0	0	0	0	0	0	0	0	0
Asset Renewal	240,000	230,000	30,000	100,000	30,000	30,000	110,000	30,000	30,000	110,000
Upgrade / New Asset	5,000.00	0	0	0	0	0	0	45,000	0	0
Total	245,000	230,000	30,000	100,000	30,000	30,000	110,000	75,000	30,000	110,000
Itemised inclusion in Upgrade / New Asset (above)										
Child Proofing Culvert	5,000									
Construction of Concrete Base to Armco Culverts								45,000		
Total	5,000	0	0	0	0	0	0	45,000	0	0

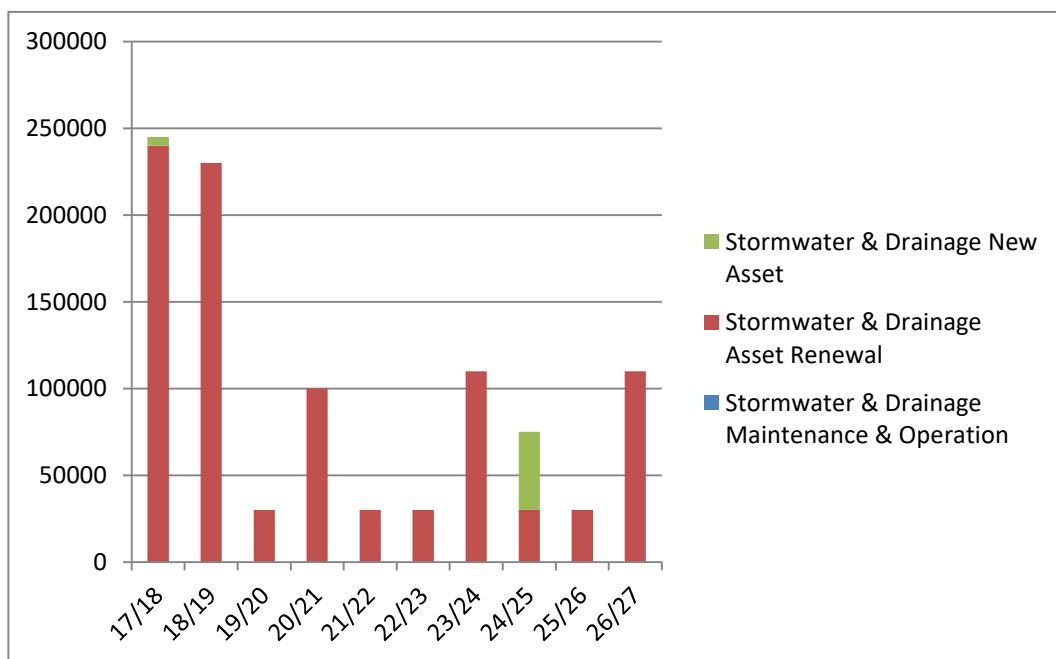
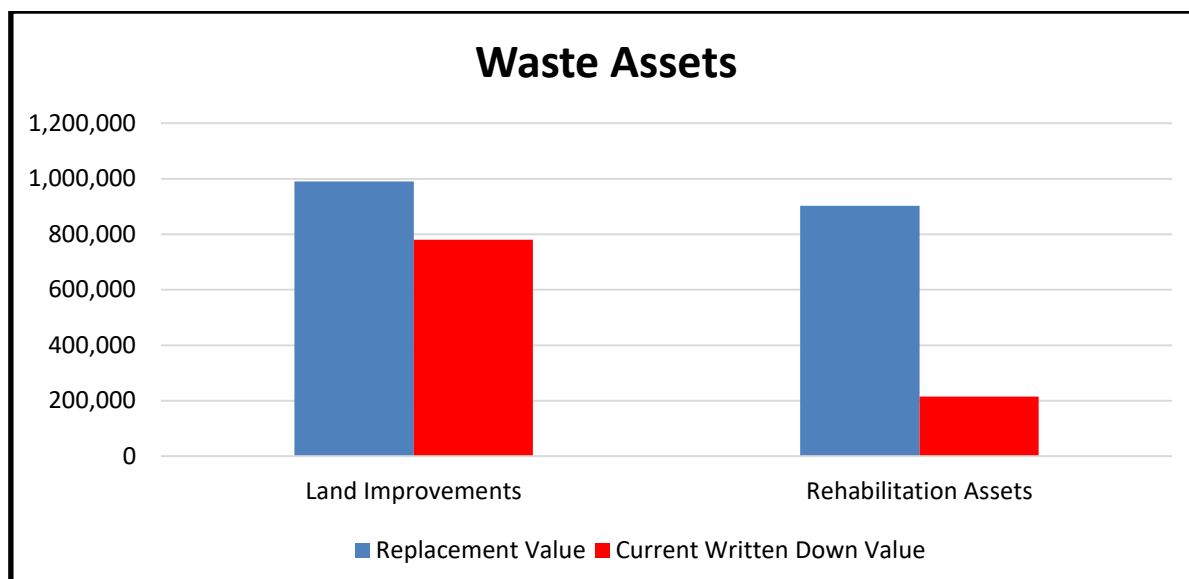


Figure 10: Stormwater Asset Forecast Expenditure

5. WASTE MANAGEMENT



5.1 Key Data

- Total value of current holdings \$995,919
- Current waste management budgets
 - Operations Budget \$1,578,184
 - Maintenance Budget \$265,554
 - Renewal Budget \$65,150
 - Planned Upgrade/ new Budget \$819,210
- Subject to funding being allocated, Boonoo Boonoo Landfill has approximately 50 years of total landfill space remaining following the completion of five staged extensions to the landfill cell.

5.2 Last Condition Survey

- Valuation – The last condition assessment and valuation for land improvements was done by external consultants in May 2016. The condition assessment only covers the land improvements not the remediation works.

5.3 General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	0
2	Good condition	84
3	Moderate condition	16
4	Poor condition	0
5	Very poor condition	0

5.4 Main Findings

The main finds of this Waste AMP are as follows:

- The assets in the AMP have been divided into Land Improvements and Rehabilitation Assets (i.e. landfill capping).
- The reliability of asset data needs to be improved through the capture and condition rating of landfill and transfer station assets.
- Condition assessment data is not available on rehabilitation assets (i.e. the landfill capping).
- There is a significant budget deficit of \$9.8M total over the next 10 years to deliver this Plan if the existing costings for the proposed Boonoo Boonoo Cell construction prove accurate. These projections are currently under review to assess validity.
- A revision of waste management charges is necessary to cover the budget deficit.
- Major projects in coming years include;
 - Boonoo Boonoo Landfill Stage 1 Cell Construction (2017/18 at a cost of \$5.3M)
 - Boonoo Boonoo Landfill Closure of Existing Cell (2017/18 at a cost of \$1.3M)
 - Boonoo Boonoo Landfill Stage 2 Cell Construction (2024/25 at a cost of \$5.1M)
 - Mingoola Transfer Station (2017/18 at a cost of \$70,000)
 - Torrington Landfill conversion into a Transfer Station (2017/18 at a cost of \$70,000)
- Given the major financial impact associated with the construction of a new cell at Boonoo Boonoo, a strategic assessment of waste management will be undertaken to determine where a new landfill should be located (i.e. Boonoo Boonoo or Sunnyside Loop Road).

5.5 Budget Implications

- There is an average annual deficit of \$980,000 for the next ten years if waste management charges were increased at the current rate.
- Financial data needs to be reviewed prior to the next iteration of the AMP to ensure it can be accurately linked to an asset management system.
- Budget includes 2.5% annual indexation increases over life of plan for maintenance and operations.
- Indicative modelling shows that an increase of 10% in 2017/18 and 5% there onwards is required to the rates charge to fund the extension to Boonoo Boonoo landfill.

5.6 Maintenance Programs

- Appropriate maintenance programs will be implemented to ensure all assets reach their maximum useful life within budgetary constraints.

Waste Management	
Objective	To provide equitable access to sustainable waste management services across the Tenterfield Shire in an efficient and environmentally responsible manner
Performance Measures	Target (per annum)
(a) Quality	<ul style="list-style-type: none"> Less than 10 customer complaints per annum on tidiness of Transfer Stations Less than 10 customer complaints on damages to property or people on bin collections Zero non-compliances with EPA license conditions
(b) Function	<ul style="list-style-type: none"> Less than 10 customer complaints related to kerbside collection schedule Less than 10 customer complaints on Transfer Stations not being opened on time 100% availability of waste collection in urban areas 100% availability of recycling to all town and village residents either kerbside or drop-off at Transfer Stations
(c) Safety	<ul style="list-style-type: none"> Zero public health incidents Zero accidents, incidents or near misses Zero environmental pollution incidents
(d) Condition	<ul style="list-style-type: none"> 100% availability of resources for repair and maintenance of the assets
(e) Financial Sustainability	<ul style="list-style-type: none"> The cost of performing the waste service shall be recovered from waste fees and charges

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(a)											
Quality:											
Install additional monitoring bores at former Tenterfield Landfill site (Sunnyside Loop Road)	MWW	√			√						
Tenterfield WTS* recycling infrastructure upgrade	MWW							√			
Urbenville WTS* recycling infrastructure upgrade	MWW							√			

*Waste Transfer Station

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Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(b)											
Function:											
Strategic assessment of Waste Management	MWW	√									
Boonoo Boonoo Landfill Closure of active cells to EPA standards	MWW	√				√	√	√			
Design, construction and approval of new landfill cell at Boonoo Boonoo	MWW	√	√						√		
Possible new waste transfer station at Mingoola	MWW	√									
Possible conversion of Torrington Landfill to a Waste Transfer Station	MWW	√									
Carryout refuse and recycling collection services	MWW	√	√	√	√	√	√	√	√	√	√

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(c)											
Safety:											
Carry out operations in accordance with WHS Policies and procedures	All Waste Staff	√	√	√	√	√	√	√	√	√	√

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	1,193,481	1,223,323	1,253,906	1,285,253	1,317,385	1,350,323	1,384,076	1,418,678	1,454,148	1,490,501
Asset Renewal	158,312	126,477	131,364	153,532	141,926	147,815	178,996	157,470	157,968	158,352
Upgrade / New Asset	645,000	450,000	450,000	425,000	275,000	275,000	350,000	200,000	200,000	200,000
Total	1,996,793	1,799,800	1,835,270	1,863,785	1,734,311	1,773,138	1,913,072	1,776,148	1,812,116	1,848,853
Itemised inclusion in Upgrade/ New Asset (above)										
Boonoo Boonoo Landfill Construction & Remediation Projects	300,000	200,000	200,000	325,000	275,000	275,000	200,000	200,000	200,000	200,000
Establishment of Mingoola Transfer Station	70,000									
Establishment of Torrington Transfer Station & Landfill Remediation	75,000									
Purchase Additional land for Tenterfield Waste Transfer Station	200,000									
Tenterfield Waste Transfer Station Remediation		250,000	250,000							
Construction of Groundwater Bores at Tenterfield				100,000						
Recycling Infrastructure at Urbenville							50,000			

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Recycling Infrastructure at Tenterfield							100,000			
Total	645,000	450,000	450,000	425,000	275,000	275,000	350,000	200,000	200,000	200,000

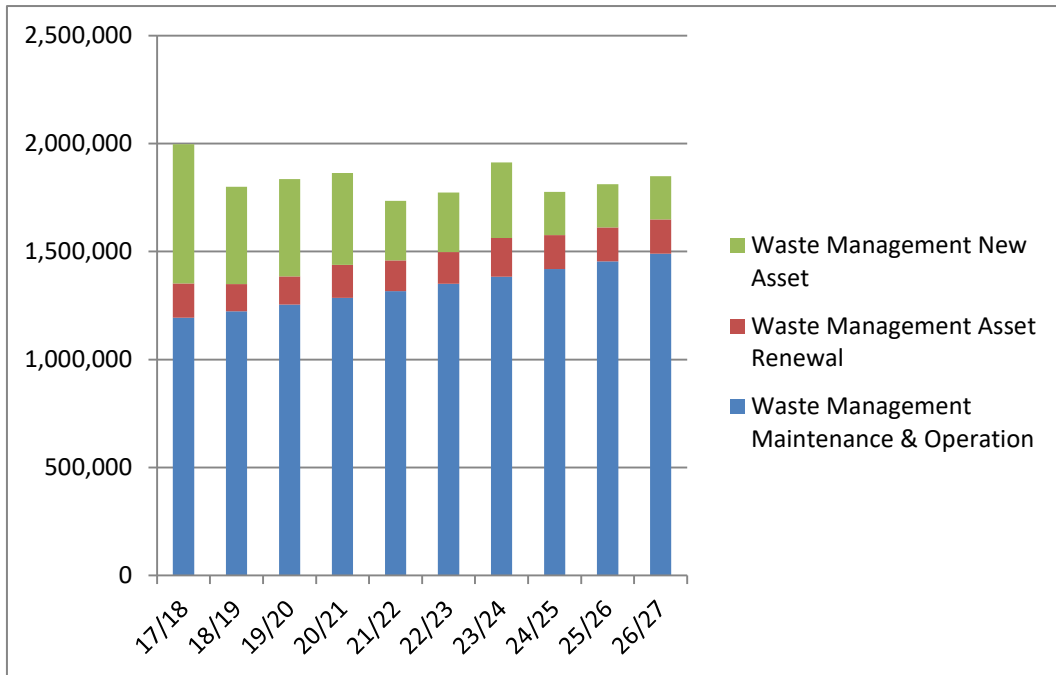
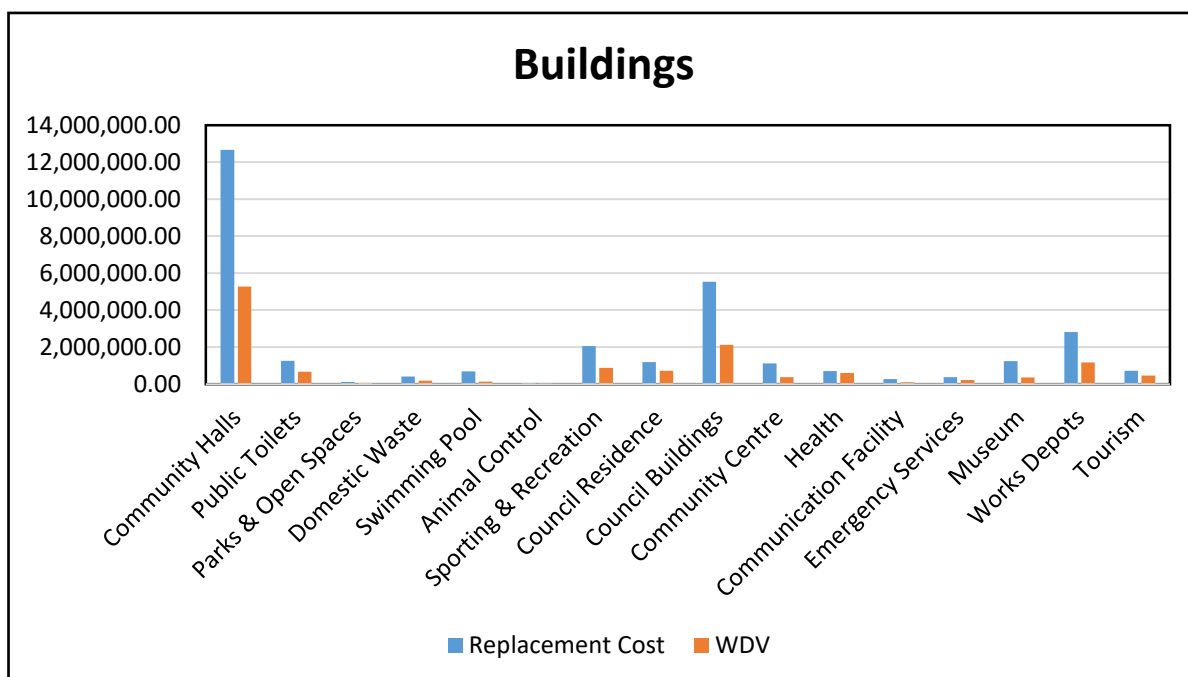


Figure 11: Waste Management Asset Forecast Expenditure

6. BUILDING & AMENITIES



6.1 Key Data

- Council currently has 115 Buildings and Amenities.
- Total value of current holdings \$31,187,075.57 does not include land value.
- FY 2017/2018 Building Maintenance \$208,381
- FY 2017/2018 Building Operations cost \$71,188
- FY 2017/2018 Building Renewal budget \$499,515
- Funding is from Council’s General Fund and Special Rates Variation (SRV).
- There is a total of 78 Buildings owned by Council.

6.2 Last Condition Survey

- Valuation dated – By AssetVal Valuers 30 June 2013.
- Buildings condition rating (1 to 5) is subjective (by Manager Property & Env Services) with Buildings to be Condition Rated by Qualified Valuer/Quantity Surveyor in June 2018.

6.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	4
2	Good condition	84

3	Moderate condition	10
4	Poor condition	2
5	Very poor condition	0

6.4 Main Findings

Detail the main findings on condition assessments, maintenance, renewals, upgrades and new projects. The buildings are classified as either specialised or non-specialised buildings:

Specialised

- Amenities; Cemeteries; Community; Community Halls/Centres; Depots; Parks and Reserves; RFS/SES; Sheds; Sporting.

Non-Specialised

- Community Health; Cultural; Museums; Office/Administration; Public Libraries; Residential.
- Buildings in the Saleyards Asset Management Plan do not form part of this AMP.
- Focus during the Four Delivery Plan FY 2017/18 to 2020/21 is the renewal/upgrade of existing facilities. Major projects include:
 - Council Chambers and Administration Refurbishment
 - Council Houses Renewals
 - Renewal of Shirley Park Amenities Building
 - Renewal of Driveway & Carpark Federation Park
 - Library - Repaint Interior
 - Library - Replace/Repair Carpet
 - School of Arts - Repaint Exterior & Repair Windows
 - School of Arts - Repaint Interior
 - School of Arts - Update Theatre Lighting
 - School of Arts - Update Security Cameras
 - Visitors Centre - Replace Entry Doors with Automatic Slide Doors
- Overall buildings are satisfactory however require active monitoring and an increase in resources for continued maintenance for assets in Condition 3 and 4.
- Focus will be on managing Condition 4 buildings with constant community use in the next two years with maintenance continuing to condition 3 building asset components.
- Asbestos management plans and their implementation for major buildings will be a key action. Priority to manage asbestos and its removal wherever practicable.
- A review of residential assets will be undertaken.
- Investigate options for energy/efficiency for major facilities to reduce maintenance costs associated with power use.

6.5 Budget Implications

- Appropriate funding is required to ensure maintenance programs are implemented so that assets reach end of useful life.

- Grant and community support funding is to be sought wherever possible to assist make up the funding shortfall when upgraded/new buildings are proposed.
- Budget includes 2.5% annual indexation increase over life of plan for maintenance and operations.

6.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints.
- Council regularly inspects buildings and undertakes maintenance programs to ensure as a priority that they are safe.
- Asbestos management safety is a priority for Council’s renewal, upgrade and disposal programs.

Buildings	
Objective	To provide sustainable building services that are in a safe and serviceable condition
Performance Measures	Target
a) Ensure good governance and administrative support for the Council and organisation	<ul style="list-style-type: none"> • Annually review Asset Management Plans to ensure assets remain in a safe and serviceable condition. • Asset conditions to be maintained at condition 3 or above. • Manage assets with Condition 4 within the next two (2) years. • Regularly (every five years) revaluation of property portfolio for current fair value & condition rating.
b) Sufficient number, type and location of assets to cater for community needs	<ul style="list-style-type: none"> • Review property portfolio for replacement/upgrade/disposal of assets • Conduct community surveys to ensure adequate provision of assets and type for the community.
c) Refine, Improve and Implement Buildings Asset Management Plan	<ul style="list-style-type: none"> • Implement Building asset program software e.g. Buildings.PLUS • Implement the building capital works program. • Investigate options for expanding the Council’s building/renewal program through grant applications. • Manage the Council’s property portfolio to maximise returns i.e. financial, community.

Tenterfield Shire Council – Asset Management Strategy

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
(a) Ensure good governance and administrative support for the Council and organisation	(MPES)										
Annually review Asset Management Plans to ensure assets remain in a safe and serviceable condition.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset condition to be maintained at Condition 3 or above		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manage assets with Condition 4 within the next two (2) years.		✓	✓	✓	✓	✓					
Regularly (every five (5) years) revaluation of property portfolio for current fair value & condition rating.			✓					✓			

*Manager Open Spaces and Facilities

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Function:											
Sufficient number, type and location of assets to cater for community needs	(MPES)										
Review property portfolio at the time of current fair value & condition rating valuations for replacement/ upgrade/ disposal of assets			✓					✓			
Conduct community surveys to ensure adequate provision of assets and type for the community.			✓					✓			

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Safety:											
Refine, Improve and Implement Buildings Asset Management Plan	(MPES)										
Implement Building asset program			✓								

Tenterfield Shire Council – Asset Management Strategy

software e.g. Buildings. <i>PLUS</i>											
Implement the building capital works program.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate options for expanding the Council's building/renewal and upgrade/new program through grant applications.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manage the Council's property portfolio to maximise returns i.e. financial, community.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	257,381	263,817	270,414	277,173	284,102	291,205	298,484	305,946	313,596	321,438
Asset Renewal	338,829	68,906	99,705	46,872	24,731	94,140	142,052	0	0	0
Upgrade / New Asset	0	0	0	82,027	0	0	0	0	0	0
Total	596,210	332,723	370,119	406,072	308,833	385,345	440,536	305,946	313,596	321,438
Itemised inclusion in Upgrade / New Asset (Above)										
Access Road to Mt McKenzie Radio Tower				82,027						
Total				82,027						

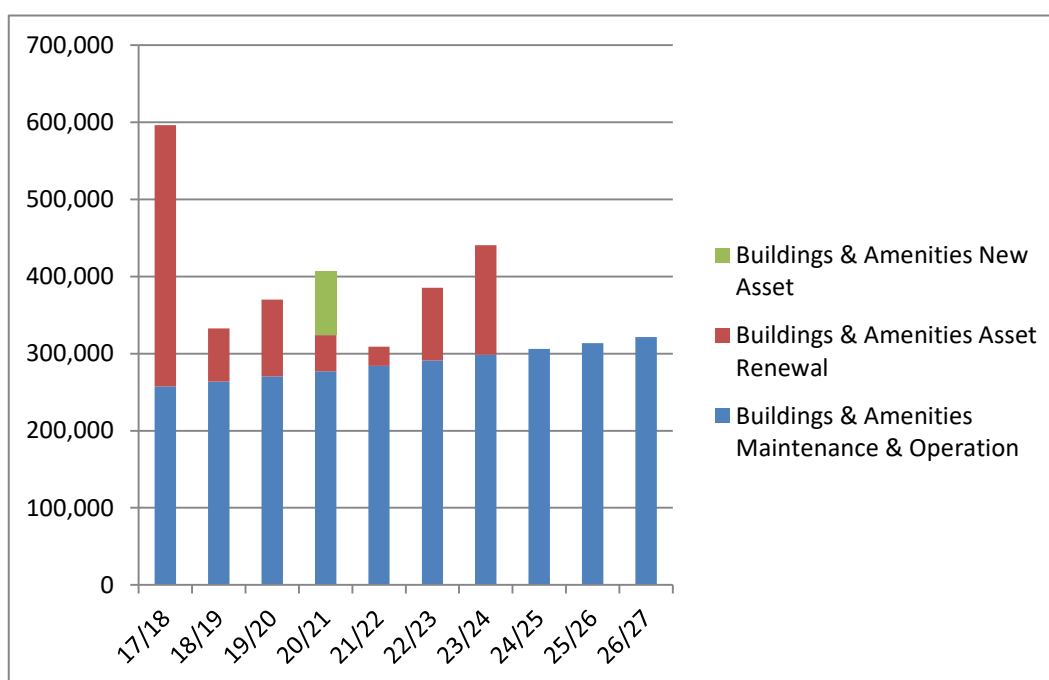
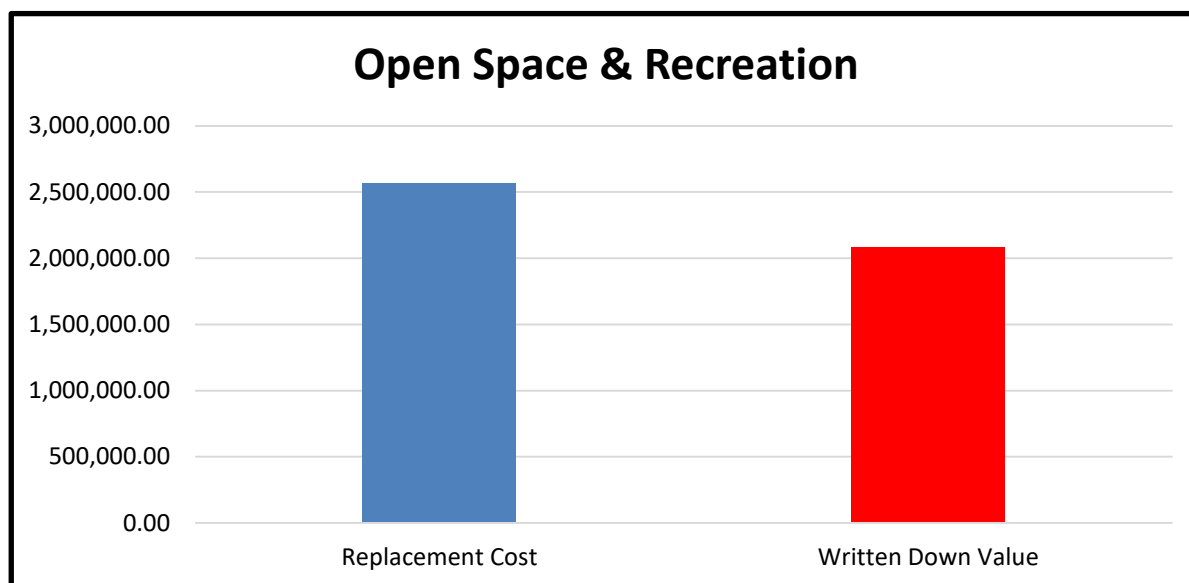


Figure 12: Buildings & Amenities Asset Forecast Expenditure

7. OPEN SPACES & RECREATION



Condition Profile	1 - Excellent	2 - Good	3 - Average	4 - Poor	5 - Very Poor
Parks & Recreation	6	28	12	6	
Sport & Recreation	1	6	4	2	
Cemeteries	1	5	4	1	
Aerodrome			1		
Engineering Supervision	1	1	1		
Parks & Open Spaces	1	2	2		
Tourism		1			
Public Halls		1	1		

7.1 Key Data

- Total value of current Holdings \$2,565,665
- Current maintenance budget \$470,373
- Current operations budget \$10,000
- Current renewal budget \$66,047

7.2 Last Condition Survey

- Valuation dated – APV Valuers and Asset Management 30 June 2016 – External (Other Structures).
- Infrastructure condition rating used a comparison of consumption score provided by the June 2016 valuation and the prescribed condition rating in the absence of formal condition rating by a Qualified Valuer/Quantity Surveyor. Other Condition assessment calculated by Council based on assumptions. Indicative only.

7.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	14
2	Good condition	59
3	Moderate condition	21
4	Poor condition	1
5	Very poor condition	0

7.4 Main Findings

- Open Spaces & Recreation assets include:
 - Access ways (access tracks, cycle ways, footpaths, internal roads & car parks)
 - Barriers (bollards, fences, gates)
 - Other Structures
 - Park Assets (BBQs, landscaping, lighting, park furniture)
 - Playgrounds & Skate Parks
 - Shelters & Sheds
 - Sports Assets (flood lighting, grandstands, irrigation, sporting structures)
 - Sports, parks and reserves buildings are within the Buildings Assets Management Plan
 - Swimming Pool & associated structures and plant are within the Swimming Pool Asset Management Plan
 - Cemeteries
 - Green assets such as sporting grounds and street trees are not currently valued.
- Council provides a diverse network and portfolio of open space assets of various ages, types, condition, function and location with a significant value and cost.
- This diversity has constrained the development of an accurate open space asset list, along with no conditional assessment leading to very low confidence.
- Open space assets require to be mapped in a digital Geographical Information System, thus creating an asset register.
- Assets are being externally valued and assessed to significantly increase confidence. This data needs to be used to update this Asset Management Strategy and improved over time.
- Council currently manages:
 - 15 X Parks (10.14ha)
 - 5 X Sportsgrounds (20.72ha)
 - 8 X Cemeteries (22.24ha)
 - 1 X General Community Uses (2.19ha)
- Levels of Service have been defined and documented for the majority of these areas.

- Community surveys need to be conducted so as to gain overall community satisfaction with current Open Spaces levels of service.

7.5 Budget Implications

- Need to value some green assets such as sporting grounds and street trees.
- Budget includes 2.5% CPI increases over life of plan for maintenance and operations.
- Natural disasters have an operational impact and disruption to Council services and costs.

7.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure assets meet community expectations and maximum useful life within budgetary constraints.
- Develop and / or review asset inspection programs for the various types of facilities.

Open Space & Recreation	
Objective	Target
Objective	To provide quality and sustainable sport and recreational opportunities at a standard to be safe, functional and of appropriate appearance and that meet our community’s needs.
Performance Measures	Target
(a) Ensure good governance and administrative support for the Council and community	<ul style="list-style-type: none"> • Support user groups through relevant committees / Council. • Continue to review fee structure and implement any changes.
(b) Ensure assets to cater for community needs	<ul style="list-style-type: none"> • Maintain open spaces in accordance with defined service levels, working towards industry standards and government regulations. • Appropriate community consultation integrated into project management. • Optimise level of service through regularly reviewing customer service requests and adjusting operational maintenance programs.
(c) Asset Management	<ul style="list-style-type: none"> • Re-evaluate AMP on annual basis. • Implement 10 Year Capital and Renewals Works Plan 2017 - 2026. • Review facility utilisation and costs of providing defined levels of service. • Identify funding opportunities to support upgrade and renewal programs.

Tenterfield Shire Council – Asset Management Strategy

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
Ensure good governance and administrative support for the Council and community	(MPES)										
Support user groups		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review fee structure		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Function:											
Ensure assets to cater for community needs	MPES										
Maintain open spaces		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community consultations		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Optimise level of service		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Safety:											
Asset Management	MPES										
Re-evaluate AMP		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Implement 10 Year Capital and Renewals Works Plan 2017 - 2026		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review facility utilisation and costs			✓			✓			✓		
Identify funding opportunities		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2017 /18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	470,773	482,624	494,837	507,163	520,095	533,362	546,968	560,924	575,240	589,807
Asset Renewal	58,040	97,617	66,704	0	0	0	54,013	0	0	0
Upgrade / New Asset	8,000	28,710	13,801	0	0	129,443	130,215	0	0	0
Total	536,813	608,951	575,342	507,163	520,095	662,805	731,196	560,924	575,240	589,807
Itemised inclusion in Upgrade / New Asset (Above)										
Earthworks for Cemetery Expansion at Tenterfield		28,710	13,801							
Construct Road Access & Car Park at Tenterfield						129,443	130,215			
Town Christmas Tree & Decorations	8,000									
Total	8,000	28,710	13,801	0	0	129,443	130,215	0	0	0

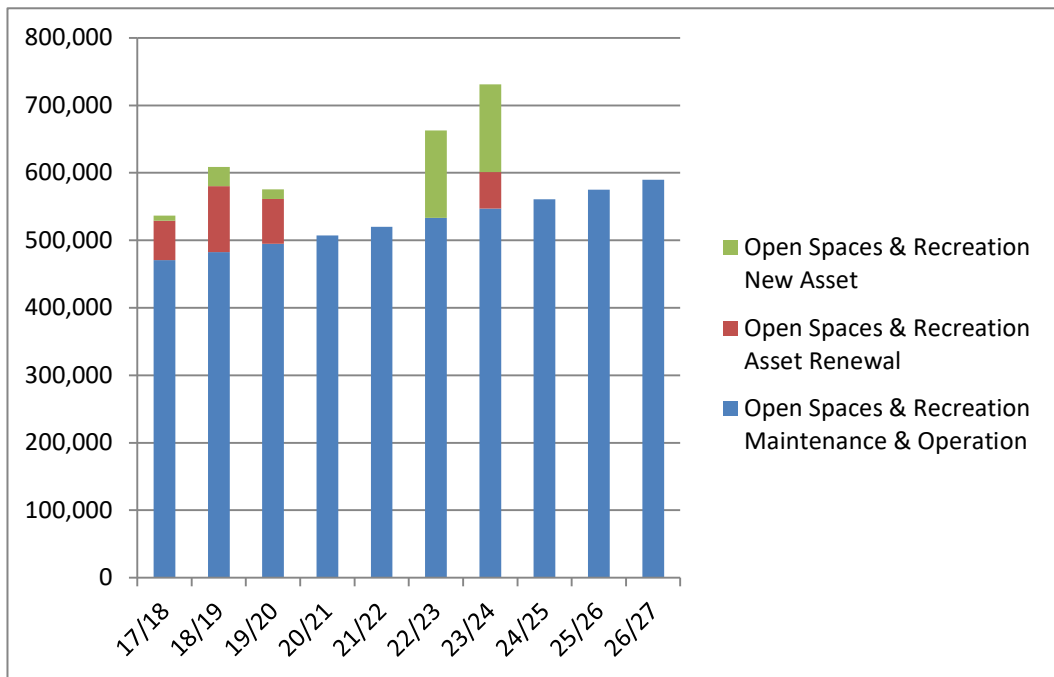
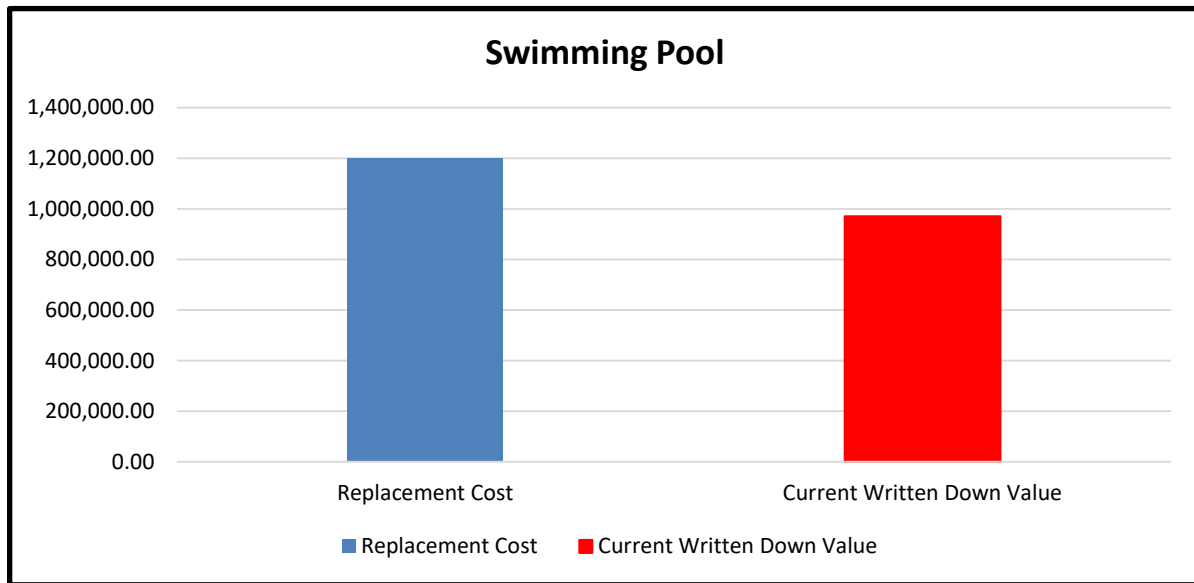


Figure 13: Open Spaces & Recreation Asset Forecast Expenditure

8. SWIMMING POOL



8.1 Key Data

- Total value of current Holdings \$1,197,965
- Current maintenance budget \$108,608
- Current operations budget \$95,018
- Current renewal budget \$20,000

8.2 Last Condition Survey

- Valuation dated – APV Valuers and Asset Management 30 June 2016 – External (Other Structures).
- Infrastructure condition rating used a comparison of consumption score provided by the June 2016 valuation and the prescribed condition rating in the absence of formal condition rating by a Qualified Valuer/Quantity Surveyor. Other Condition assessment calculated by Council based on assumptions. Indicative only.

8.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	0
2	Good condition	8
3	Moderate condition	92
4	Poor condition	0
5	Very poor condition	0

8.4 Main Findings

- Swimming Pool assets include -
 - Other Structures
 - BBQs, Flood lighting, Park furniture
 - Shade Sails
 - Swimming Pool buildings are within the Buildings Assets Management Plan
- Assets are being externally valued and assessed to significantly increase confidence. This data needs to be used to update this Asset Management Strategy and improved over time.
- Community surveys need to be conducted so as to gain overall community satisfaction with current Swimming Pool service.

8.5 Budget Implications

- Budget includes an annual 2.5% indexation increase over life of Plan for maintenance and operations.
- Natural disasters have an operational impact and disruption to Council services and costs.

8.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure assets meet community expectations and maximum useful life within budgetary constraints.
- Develop and / or review asset inspection programs for the various types of facilities.

Swimming pool	
Objective	To provide the public with safe aquatic facilities
Performance Measures	Target
(a) Ensure good governance and administrative support for the Council and community	<ul style="list-style-type: none"> • Support user groups through relevant committees / Council. • Continue to review fee structure and implement any changes.
(b) Ensure assets to cater for community needs	<ul style="list-style-type: none"> • Maintain Swimming Pool in accordance with defined service levels, working towards industry standards and government regulations. • Appropriate community consultations integrated into project management. • Optimise level of service through regularly reviewing customer service requests and adjusting operational maintenance programs. • Engage Consultant to develop a Masterplan for the Swimming Pool

	<ul style="list-style-type: none"> • Engineering Assessment of Pool Condition (SRV)
(c) Asset Management	<ul style="list-style-type: none"> • Re-evaluate AMP on annual basis. • Implement 10 Year Capital and Renewals Works Plan 2017 - 2026. • Review facility utilisation and costs of providing defined levels of service. • Identify funding opportunities to support upgrade and renewal programs.

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality:											
Ensure good governance and administrative support for the Council and community	(MPES)										
Support user groups		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review fee structure		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Function:											
Ensure assets to cater for community needs	MPES										
Maintain open spaces		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community consultations		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Optimise level of service		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Develop a Masterplan for the Swimming Pool		✓									
Engineering Assessment of Pool Condition (SRV)								✓			

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Safety:											
Asset Management	MPES										
Re-evaluate AMP		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Implement 10 Year Capital and Renewals Works Plan 2017 - 2026		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review facility utilisation and costs			✓			✓			✓		
Identify funding opportunities		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Tenterfield Shire Council – Asset Management Strategy

	2017 /18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Asset / Maintenance & Operations	155,866	159,816	163,909	167,977	172,346	176,830	181,432	186,156	191,005	195,903
Asset Renewal	0	0	0	0	0	0	0	0	0	0
Upgrade / New Asset	22,934	0	0	0	0	0	23,676	0	0	0
Total	178,800	159,816	163,909	167,977	172,346	176,830	205,108	186,156	191,005	195,903
Itemised Inclusion in Upgrade / New Asset (above)										
Pool Master Plan	22,934									
Engineering Assessment of Pool Condition							23,676			
Total	22,934	0	0	0	0	0	23,676	0	0	0

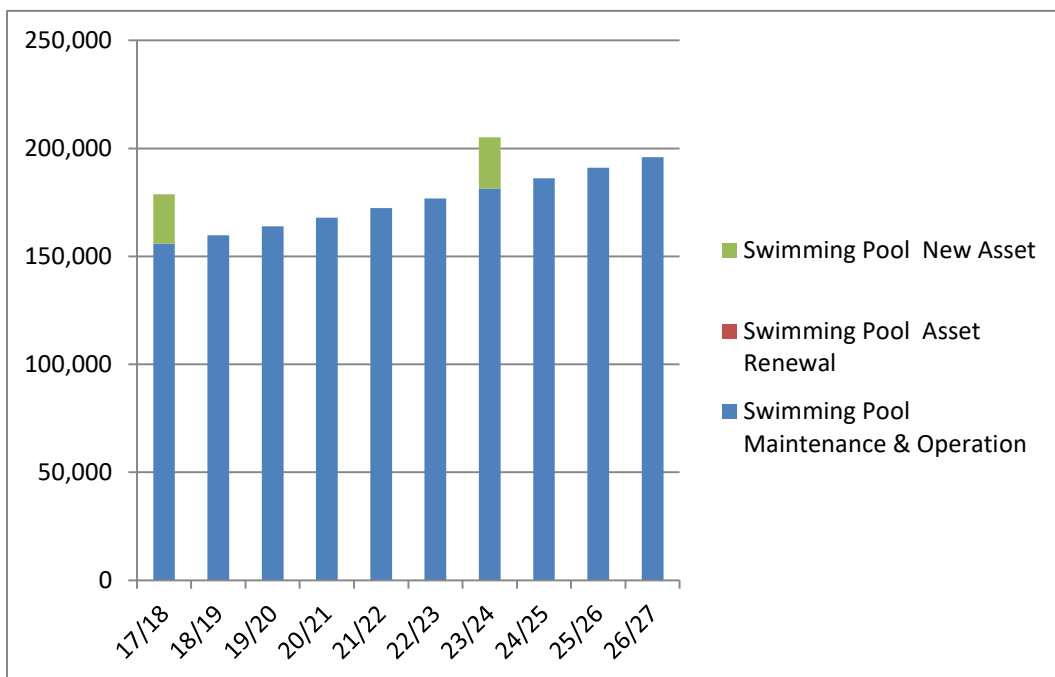
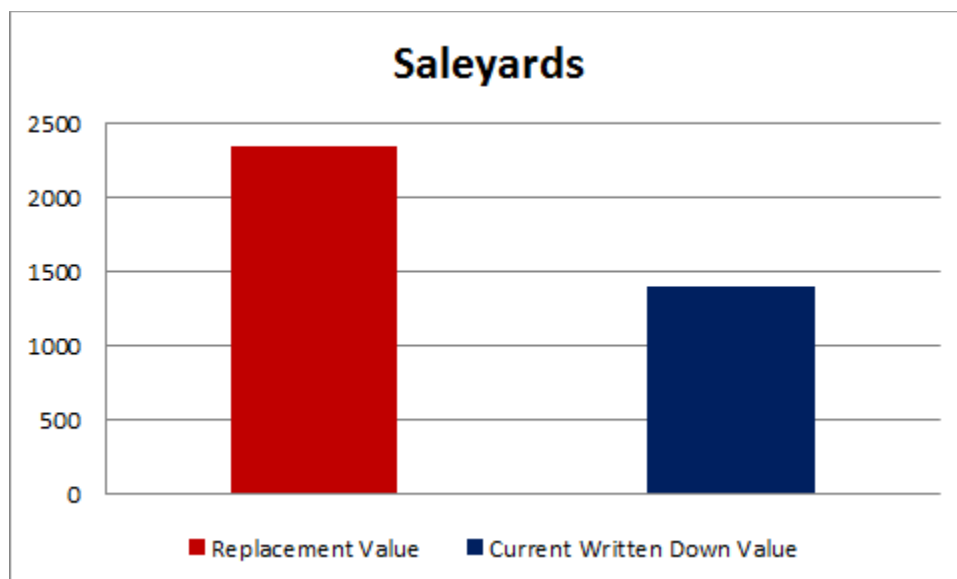


Figure 14: Swimming Pool Asset Forecast Expenditure

9. SALEYARDS



9.1 Key Data

- Value Buildings & Infrastructure \$2,332,684 plus Land Value of \$360,000 = **\$2,692,684**
- Operating profit of \$33,791.83 in 2014/15 and \$32,170.87 in 2015/16
- Stock throughput 26,474 head in 2013/14 – 23,907 in 2014/15 – 22,104 in 2015/16
- Capacity for up to 3,500 cattle on sale days
- 120 Selling Pens – 42 Holding Pens – 10 Drafting Pens
- Current operational (recurrent costs) \$83,000
- Current maintenance budget \$25,000
- Current renewal budget \$69,965
- No financial reserves

9.2 Last Condition Survey

- Valuation dated – AssetVal Pty Ltd – 30 June 2013 – External (Buildings)
- Valuation dated – APV Valuers and Asset Management 30 June 2016 – External (Other Structures)
- Building's condition rating (1 to 5) is subjective (by Manager Property & Env Services) with Buildings to be Condition Rated by Qualified Valuer/Quantity Surveyor in June 2018. Infrastructure condition rating used a comparison of consumption score provided by the June 2016 valuation and the prescribed

condition rating in the absence of formal condition rating by a Qualified Valuer/Quantity Surveyor.

9.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	0
2	Good condition	66
3	Average condition	17
4	Poor condition	17
5	Very poor condition	0

9.4 Main Findings

Detail the main findings on condition assessments, maintenance and renewals.

- Saleyards Strategic Plan - Reviewed and amended as per Council Resolution 88/16 of 27 April 2016.
- Council Committee appointed with input on an advisory capacity to Council on Capital Works, Work Health & Safety and Fees & Charges.
- Sales have remained steady over the past few years averaging 22,000 head.
- Overall pens are in moderate to good condition with renewal of rails to metal in progress.
- Risk from Saleyard operations includes animal welfare issues, animal/human WH&S contact; separation of yard staff from animal's required and active management in place with Work Health & Safety review conducted 1 March 2016.
- Major expenditure required on new double height ramp, renewal of existing ramps and installation of a truck wash and effluent management system. Note major grant funding has been submitted on 6 October 2016 currently awaiting notification as at 15 January 2017.
- AMP requires to be developed with new valuation data for Infrastructure now current as at 30 June 2016 with Buildings to be revalued in June 2017. This will enable an accurate financial position to be identified on assets renewals and clearly identify if there is an average gap in funding for maintenance, operations, renewals and upgrades over the 10 year period.

9.5 Budget Implications

- The Saleyards are a separate business unit which has a positive budget outcome each year.
- Condition profile may change when a formal condition rating is conducted by a Qualified Valuer/Quantity Surveyor.
- Forecasted budget expenditure for renewals beyond 2017.

- Recommend a Restricted Reserve for future upgrades and renewals beyond Financial Year 2019/2020.
- Budget includes 2.5% CPI increases over life of Plan for maintenance and operations.

9.6 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints.
- Asset inspection programs for Saleyard.
- The Saleyard Operations Supervisor is implementing effective maintenance programs – well run and operated.
- Ensure appropriate maintenance programs are implemented to ensure assets reach end of useful life.

Saleyards	
Objective	Target
Objective	The prime objective of Council in the management of the saleyards is to provide and plan for infrastructure that allows safe, convenient and viable transactions of stock in the local area.
Performance Measures	Target
(a) Manage Risk and Safety	<ul style="list-style-type: none"> • Ensure maximum separation between yard staff and animals • Coordinate WHS with yard users through the Saleyards Advisory Committee • Improve security by implementing a new yard locking regime • Regular review of Saleyard Operations Manual and Safe Work Method Statements
(b) Commercial Performance	<ul style="list-style-type: none"> • Review of saleyards operations by May 2018 • Develop Service Plan for saleyard • Annual review of Service Plan • Seek opportunities to promote saleyard
(c) Environmental performance	<ul style="list-style-type: none"> • Zero reportable EPA incidents • Zero reportable Bio Security incidents

Activities	Who	When									
(a)		2017 /18	2018/ 19	2019 /20	2020 /21	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28
Quality:											
Manage risk and safety											
Implement yard changes to maintain separation	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Keep WHS as an agenda item on Saleyards Committee meetings	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Restrict access to yards	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Manager Property and Environmental Services

Activities	Who	When									
(b)		2017 /18	2018 /19	2019 /20	2020 /21	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28
Function:											
Commercial performance	MPES										
Present review to June 2018 Council meeting			✓								
Develop Service Plan		✓									
Review Service Plan			✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(c)		2017 /18	2018 /19	2019 /20	2020 /21	2022 /23	2023 /24	2024/ 25	2025 /26	2026 /27	2027 /28
Safety:											
Environmental Performance	MPES										
Zero reportable EPA incidents		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zero reportable Bio Security incidents		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2017/18	2018/19	2019/20	2020/21	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Asset / Maintenance & Operations	114,108	116,987	119,959	172,943	176,099	179,336	182,657	186,064	189,560	193,108
Asset Renewal	80,228	151,550	154,290	0	0	0	0	0	0	0
Upgrade / New Asset	0	0	0	0	0	0	0	0	0	0
Total	194,336	268,537	274,249	172,943	176,099	179,336	182,657	186,064	189,560	193,108

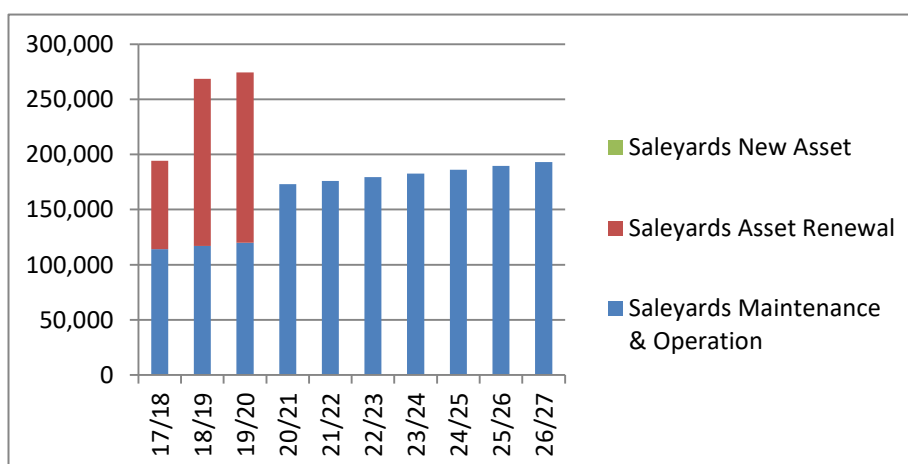
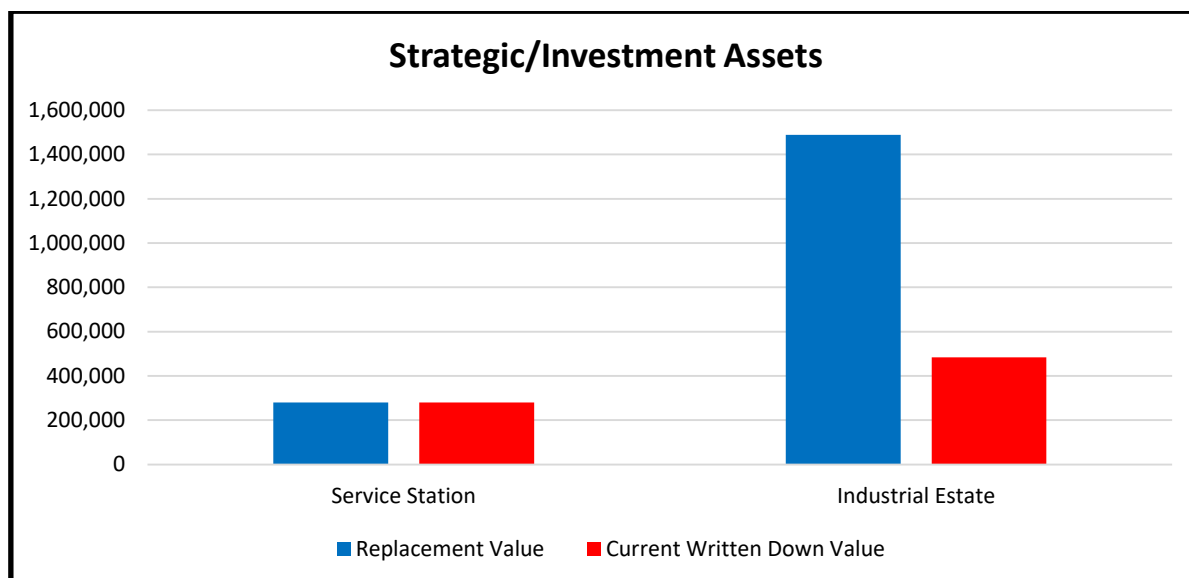


Figure 15: Saleyards Asset Forecast Expenditure

10. STRATEGIC/INVESTMENT ASSETS



10.1 Key Data

- Total value of current holdings \$712,684
- Current (2016) maintenance \$62,000
- Current (2016) operations \$15,500
- Current (2016) renewal budget \$55,000

Notes:

- Operations funding includes non-forecasted capital works during 2016 for emergency maintenance at the Service Station.
- Income for Industrial Land sale to be seen in 2017-2018 (conditions of sale).
- Revaluation of Service station recommended in 2017-18.
- Council Resolution 316/14 notes Service Station to be placed back on market at expiration of current lease, and include subdivision of premises at this time. Therefore, no projections past December 2018 will be made for the property.

10.2 Last Condition Survey

- Valuation dated – Taylor Byrne Valuers and Asset Management 2014 – External.
- Condition assessment undertaken by Taylor Byrne Valuers and Asset Management and reviewed by Council technical staff.

10.3 General Assessment of Condition – Service Station

	Condition Rating	% of Asset Value
1	Excellent condition	0
2	Good condition	67
3	Moderate condition	33
4	Poor condition	0
5	Very poor condition	0

10.4 General Assessment of Condition – Industrial Estate

	Condition Rating	% of Asset Value
1	Excellent condition	100
2	Good condition	0
3	Moderate condition	0
4	Poor condition	0
5	Very poor condition	0

10.5 Main Findings

Investment

- Service Station occupying premises at 159 Rouse St, Tenterfield.

Inventory

- Vacant Industrial Lands (9 lots still in possession of Council) at Riely St Depot, Tenterfield.
- Inventory assets are non-depreciable assets.
- Investment assets are non-depreciable assets.
- Inventory assets are classified as 'real estate for resale'.
- Inventory income in 2016 has not been realized, and will be seen for three (3) lots sold in 2016-17 and 2017-18.
- Under the Local Government Code of Accounting Practice, investment premises will need to undergo revaluation in 2017-18.
- Investment premises (under Council Resolution 316/14) will be subdivided and placed on the market for sale. Lease is not to be re-signed after December 2018.

10.6 Budget Implications

- There is a potential funding shortfall for any un-scheduled maintenance required for the investment property, as was the case in 2016 (requiring \$55,000.00 in maintenance).
- Consideration is being given to the percentage of assets which are currently in fair condition 3 and focus on maintenance and renewal. The assets are of poor appearance, are being utilized and would still meet functional needs. This is limited to the concrete hardstand area of the investment property.
- Appropriate funding is required to ensure maintenance programs are implemented so that assets reach end of useful life, or enable sale.
- Grant and community support funding is to be sought wherever possible to assist making up the funding shortfall when upgrades are too proposed.
- Other contributions from grants or other sources has not been considered in the Plan.
- Budget includes 2.5% CPI increases over life of Plan for maintenance and operations.

10.7 Maintenance Programs

- Appropriate maintenance programs are implemented to ensure all assets reach their maximum useful life within budgetary constraints.
- Council regularly inspects buildings and undertakes maintenance programs to ensure as a priority they are safe.
- Asbestos management safety is a priority for Council’s renewal, upgrade and disposal programs.

Inventory and Investment Properties	
Objective	To provide Council with maximum return on investment, while realizing community strategic goals.
Performance Measures	Target
(a) Ensure good governance and administrative support for the Council and organisation	<ul style="list-style-type: none"> • Annually review of Asset Management Plans to ensure assets remain in a safe and serviceable condition. • Asset conditions to be maintained at condition 3 or above. • Manage assets with Condition 4 or 5 within the next 5 years. • Three (3) yearly revalue of property portfolio for market/current value.

(b) Sufficient number, type and location of assets to cater for community needs	<ul style="list-style-type: none"> Review property portfolio for replacement/upgrade/disposal of assets Manage investment premises (Service Station) in line with Council needs and resolutions.
(c) Refine, improve and Implement Asset Management Plan	<ul style="list-style-type: none"> Implement the building capital works program. Manage the Council’s property portfolio to maximise returns i.e. financial, community. Balance income from sale of lands with community gain (including economic development).

Activities	Who	When									
(a)		2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26
Quality:											
(a) Ensure good governance and administrative support for the Council and organisation	MPES*										
Annually review of Asset Management Plans to ensure assets remain in a safe and serviceable condition.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset condition to be maintained at Condition 3 or above		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manage assets with Condition 4 or 5 within the next 5 years.		✓	✓	✓	✓	✓					
Three (3) yearly revalue of property portfolio for market/current value			✓			✓			✓		

*Manager Property and Environmental Services

Activities	Who	When									
(b)		2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26
Function:											
Sufficient number, type and location of assets to cater for community needs	MPES										
Review property portfolio for replacement/ upgrade/ disposal of assets		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manage investment premises (Service Station) in line with Council needs and resolutions.			✓	✓							

Activities	Who	When									
		2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26
Safety:											
Implement Asset Management Plan	MPES										
Implement the building capital works program.		✓	✓	✓							
Manage the Council’s property portfolio to maximise returns i.e. financial, community.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2017/18	2018/19	2019/20	2020/21	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Asset / Maintenance & Operations	10,000	10,251	10,508	10,771	11,040	11,317	11,600	11,891	13,118	13,446
Asset Renewal	0	0	0	0	0	0	0	0	0	0
Upgrade / New Asset	0	0	0	0	0	0	0	0	0	0
Total	10,000	10,251	10,508	10,771	11,040	11,317	11,600	11,891	13,118	13,446

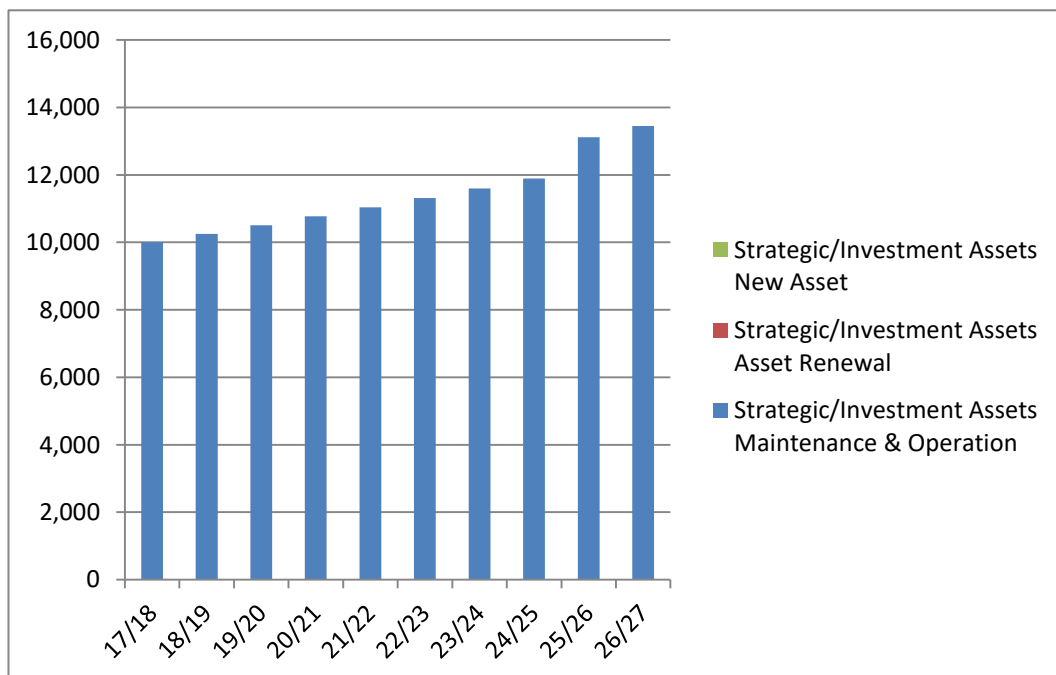
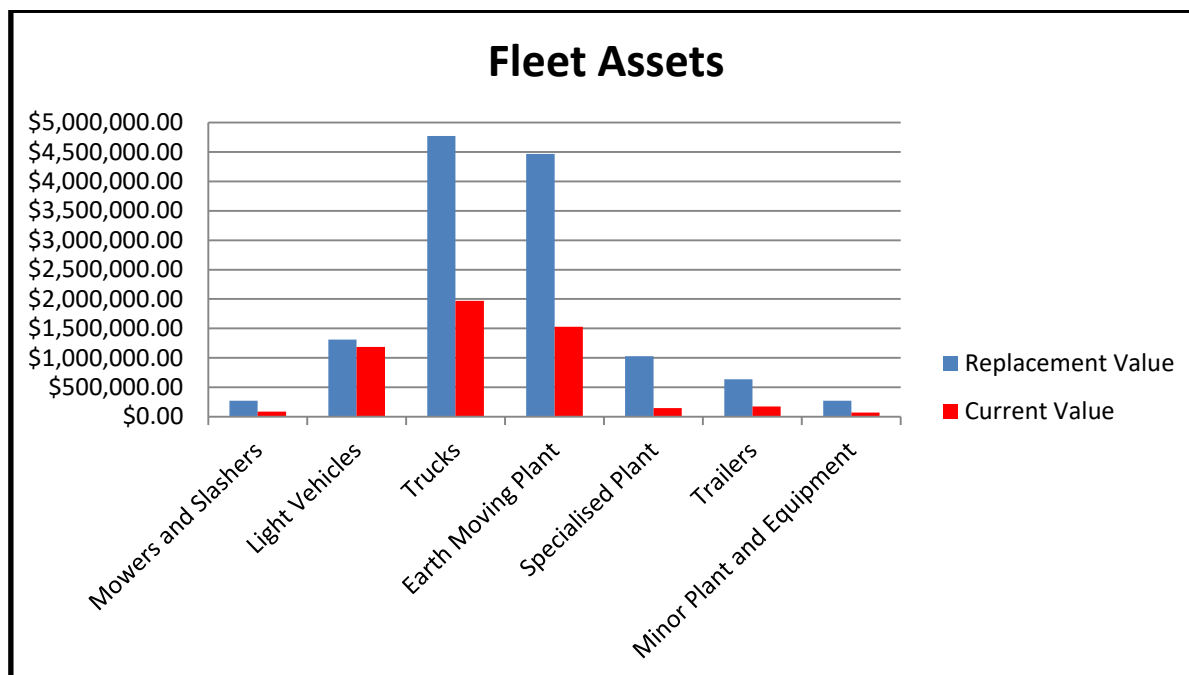


Figure 16: Strategic/ Investment Asset Forecast Expenditure

11. PLANT, FLEET & EQUIPMENT



11.1 Key Data

- Total value of current Holdings \$12,763,982
- Current (15/16) maintenance and operating budget of \$1,400,000
- Current (15/16) renewal budget of \$985,000

11.2 Last Condition Survey

- Valuation dated – Nov 2016, External
- Condition assessment undertaken by NASCO

11.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	18
2	Good condition	35
3	Moderate condition	22
4	Poor condition	18
5	Very poor condition	7

11.4 Main Findings

- Expenditure - Cost trends indicate a reduction in repair and maintenance expenditure since 2013 indicating the positive impact associated with adopting a structured replacement plan. Several units that had exceeded their useful life were replaced. As the Fleet progresses through the replacement of its oldest items we predict further gains in cost reduction.

- Age- 88.90% of Council’s fleet is currently compliant with IPWEA optimum replacement benchmarks. 3.9% has been identified for refurbishment and 7.2% has been identified for disposal.
- By year 2022, 96.1% of Council’s Fleet will be compliant with IPWEA optimum replacement benchmarks with the rest refurbished.
- Condition - Of the 25.24% of Fleet items that fall into the Condition 4 and Condition 5 Ratings, 39.39% of this is scheduled for disposal and 60.61% is scheduled for renewal by year 2020.
- Review of utilization data for 2015/16 has indicated poor utilization in some areas. Mowing, Specialized Plant and Minor Plant and Equipment featured in this group. Strategies will need to be investigated to correct this in conjunction with a feasibility of ownership study; this may result in disposal of some grossly underutilized fleet items and intradepartmental share of others.

11.5 Budget Implications

- Insurance costs have escalated annually; it is difficult to accurately project the impact of this moving forward.
- Calculations indicate Fleet will require a renewal budget of \$1,075,000Pa, an increase of 9.14% (\$90.000Pa).
- Cost trends indicate a reduction in repair and maintenance expenditure since 2013 indicating the positive impact associated with adopting a structured replacement plan. Several units that had exceeded their useful life were replaced. As the Fleet progresses through the replacement of its oldest items, we predict further gains in cost reduction.
- The price of fuel fluctuates by as much as 20%, the impact of this is difficult to project accurately.
- Industry trends heavily impact the current value of the fleet; it is difficult to project accurate end of life values.

11.6 Maintenance Programs

- Appropriate maintenance programs are in place to ensure all assets reach their maximum useful life and comply with all industry and OEM requirements.
- Software based maintenance management system is currently employed affording accurate monitoring of service and maintenance schedules, defect management and safety compliance.

Fleet Services	
Objective	Provide a modern, efficient fleet, with sufficient flexibility to facilitate the delivery of Council services in an effective and economic manner.

Performance Measures	Target
(a) Quality Maintain a cost effective Fleet	<ul style="list-style-type: none"> • Manage and maintain a modern efficient fleet in line with industry best practice, including renewal benchmarks, as prescribed in the IPWEA National Industry Benchmark and Council’s 10 year Fleet Asset Management Plan, • Inventory and purchasing is undertaken so that operational needs are met whilst achieving best value for Council and as prescribed in Council’s Procurement Policy, • Develop an asset management plan for the replacement, preventative maintenance and repair of backup generators, • Develop an asset management plan for the replacement, preventative maintenance and repair of small plant (chainsaws, brush cutters etc.)
(b) Function Appropriate structure and fit for purpose	<ul style="list-style-type: none"> • Review utilization trends to monitor the suitability of the fleet structure, • Review hire rates, and operational expenses to monitor fleet efficiency, • Review maintenance and repair records to identify units that may be prematurely ageing or not be fit for purpose, • Maintain stock levels conducive to efficient Council operations, • Coordinate preventative maintenance in line with OEM and industry best practice.
(c) Safety Manage Fleet operations to prevent adverse health and environmental impacts	<ul style="list-style-type: none"> • Conduct detailed condition and safety inspections of Fleet items at prescribed intervals, • Monitor emission systems to minimise environmental impacts, • Maintain assets in a condition that promotes Workplace Health & Safety for all working or interacting with those assets, • Conduct detailed condition and safety inspections of depot fuel infrastructure. • Conduct detailed condition and safety inspections of depot emulsion storage.

Activities	Who	When									
(a)		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
Quality	FM										
Manage and maintain a modern efficient fleet in line with industry best practice, including renewal benchmarks, as prescribed in the IPWEA National Industry Benchmark and Councils 10 year Fleet Asset Management Plan		√	√	√	√	√	√	√	√	√	√
Inventory and purchasing is undertaken so that		√	√	√	√	√	√	√	√	√	√

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operational needs are met whilst achieving best value for Council and as prescribed in Council’s Procurement Policy											
Develop an asset management plan for the replacement, preventative maintenance and repair of backup generators,			√								
Develop an asset management plan for the replacement, preventative maintenance and repair of small plant (chainsaws, brush cutters etc.)				√							

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(b)											
Function	FM										
Review utilization trends to monitor the suitability of the fleet structure		√	√	√	√	√	√	√	√	√	√
Review hire rates, and operational expenses to monitor fleet efficiency		√	√	√	√	√	√	√	√	√	√
Review maintenance and repair records to identify units that may be prematurely aging or not be fit for purpose		√	√	√	√	√	√	√	√	√	√
Maintain stock levels conducive to efficient Council operations		√	√	√	√	√	√	√	√	√	√
Coordinate preventative maintenance in line with OEM and industry best practice		√	√	√	√	√	√	√	√	√	√

Activities	Who	When									
		2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27
(c)											
Safety	FM										
Conduct detailed condition and safety inspections at prescribed intervals		√	√	√	√	√	√	√	√	√	√
Monitor emission systems to minimise environmental impacts		√	√	√	√	√	√	√	√	√	√
Maintain assets in a condition that promotes Workplace Health & Safety for all working or interacting with those assets		√	√	√	√	√	√	√	√	√	√
Conduct detailed condition and safety		√									

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inspections of depot fuel infrastructure											
Conduct detailed condition and safety inspections of depot emulsion storage		√	√	√	√	√	√	√	√	√	√

	2017/18	2018/19	2019/20	2020/21	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Asset / Maintenance & Operations	1,628,000	1,668,700	1,710,417	1,753,178	1,797,007	1,841,932	1,887,980	1,935,180	1,983,559	2,033,149
Asset Renewal	2,775,000	3,048,000	2,884,000	3,970,000	3,720,000	4,541,000	3,762,000	3,767,000	3,955,000	4,284,000
Upgrade / New Asset	0	0	0	0	0	0	0	0	0	0
Total	4,403,000	4,716,700	4,594,417	5,723,178	5,517,007	6,382,932	5,649,980	5,702,180	5,938,559	6,317,149

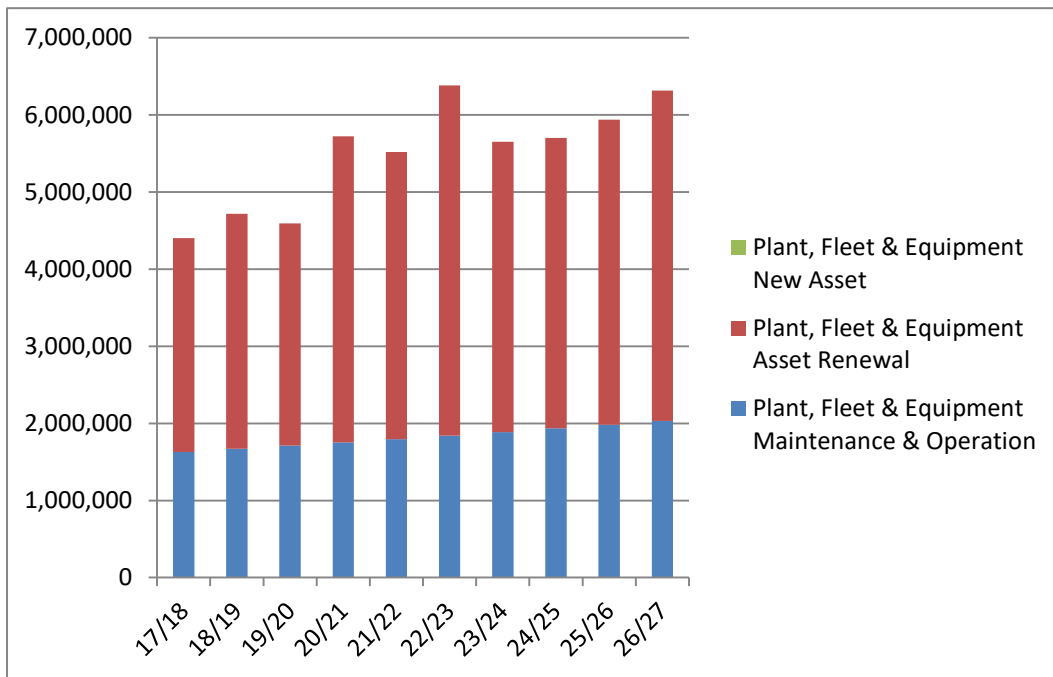


Figure 17: Plant, Fleet & Equipment Asset Forecast Expenditure

ASSET MANAGEMENT IN PRACTICE

ASSET INFORMATION AND MANAGEMENT SYSTEMS

The Asset Register and Asset Management System are a cornerstone of the asset management framework of Council, in that they keep not only asset data but also a historical record of various financial and non-financial information over each asset's life-cycle for the purposes of:

- asset planning and strategy;
- assisting in meeting standards and legislative compliance;
- devising maintenance, renewal and replacement programs;
- monitoring performance; and
- control, accountability and reporting.

The Asset Register and Management System are the key to understanding the assets controlled by Council and depending on the complexity and integrity of information entered and maintained, can be used to easily determine:

- the current condition of assets;
- when assets need to be renewed/replaced;
- information required to meet accounting standards and other regulatory requirements;
- the efficiency of operating assets;
- asset locations and linkages to Geospatial Information Systems;
- asset custodians and responsibility matrix;
- the level, frequency and type of asset maintenance programs; and
- life-cycle costs by asset, program and service area.

An asset management strategy, capital budgeting process and maintenance and renewal programs are all more accurate when being directly populated with accurate and up-to-date information sourced from the Asset Register and Asset Management System.

In addition to the Council's Asset Register and Asset Management System, information relevant to asset management and broader corporate planning integration and requirements will be captured and interrogated in a number of other Council systems, these include:

- Financial system and Budget Management system;
- Risk Management system;
- Corporate Planning and Performance Reporting system;
- Project Management system;
- Workforce Management system;
- Document Management (records) system;
- Geospatial Information system; and
- Property system.

All of these systems should be integrated as much as possible to avoid duplication and diverging information systems and they should have effective automated control mechanisms built into them.

RISK MANAGEMENT

Risk identification and mitigation are key aspects of the day-to-day management of Council and because a significant number of Council's assets are integral to the ability to provide core community services and some essential and emergency public services, it is imperative that Council integrate risk management into all aspects of its planning and decision-making processes associated with asset management.

Risk arises out of uncertainties about future events and their associated consequences, and is the chance of something happening that will impact on the asset portfolio's ability to meet the requirements of the entity.

Once the exposures for each risk have been identified they can be prioritised to determine if the exposure requires treatment, what risk mitigation strategies are required, and how the risks can be quantified. This can be achieved by looking at the likelihood of the risk occurring and the consequence if it does occur.

Council's approach to risk management and the processes and systems utilised can be seen in more detail in Council's Risk Management Policy and Register.

Council's individual asset management plans have identified risks by considering the following issues:

- Risks that may delay, reduce or prevent service delivery;
- Physical failure;
- Operational issues; and
- Natural disasters.

The consequences of asset failure can potentially have major implications on Council, as addressed in Council's Risk Management Plan. Those risks identified as 'catastrophic' are required to have a specific risk treatment plan developed to manage the risks associated with that particular asset.

CRITICAL ASSETS

Within each asset category, the seriousness of risks associated with those assets can vary, making some assets more business critical than others. Critical assets are defined as those which have a high consequence of failure if they do not meet their required level of service, as distinct from those not necessarily having a high probability of failure.

Consequences of critical asset failure typically include impacts on customers, the general public, operational impacts, safety impacts and possible environmental impacts. Assets nearing the end of their useful life also pose a risk to Council being able to continue the service provided for by those assets.

Infrastructure assets critical to Councils service provision include utility services such as water and sewer supply, together with the transport road network. These assets are critical in nature due to the risks associated with the possibility of failure and consequences on service provision to the community.

BUSINESS CONTINUITY

Council is currently developing an updated Business Continuity Plan and currently has plans to ensure that in the event of disruption to Council's critical services to the community, a specific detailed plan is in place to provide for the reinstatement of those services as soon as possible in order to minimise any disruption to the community and what actions will be undertaken in the interim.

PROJECT MANAGEMENT

An adopted and ingrained Project Management framework and system are integral for the optimal delivery of capital projects and the overall efficient and effective management of Council.

Council currently does not employ a consistent and adopted project management framework or system but is in the process of researching and developing such.

There are a variety of systems that can be implemented for this purpose and whilst one has not yet been adopted, the overall framework will be guided by ISO 21500:2012, the International Standard for Project Management and utilising operational templates from the Project Management Book of Knowledge (PMBOK).

PERFORMANCE & REPORTING

Asset performance indicators provide Council with a tool for managing the asset portfolio and to assist in meeting its service delivery requirements. Performance indicators typically take a multi-dimensional view of the asset's contribution to meeting these service delivery requirements.

The determination of specific indicators includes the consideration of the scale, operational importance and usage of the asset category.

Monitoring asset performance can also assist in managing and building the performance of key individual assets or groups of assets, which contributes to the accountability, decision-making and governance arrangements over specific service delivery.

As is always the case with performance indicators, Council will need to make an assessment of whether the costs of collecting asset performance information are justified by the benefits gained from the data.

Asset performance indicators will only be useful when they are **SMART**, that being Specific, Measurable, Achievable, Relevant and Timed.

Council is currently in the process of determining the specific asset management indicators that it will utilise; however, it is important that they are reported on an actual as well as a trend basis in order to provide details about Council's performance over time.

The indicators will vary slightly depending on whether they are for use by Managers, the Senior Management Team or for reporting to Council and the Community.

Asset performance indicators should be devised to help guide Council's management to easily determine the condition of major assets categories and the necessary type, level and frequency of maintenance and renewal/replacement programs.

These indicators provide the parameters for the efficient and proactive management of the Council's asset portfolio.

Performance reporting will be holistic across the entire suite of Integrated Planning and Reporting documents and will be overseen by Council's **Senior Management Team** which will review the findings from the asset management planning process, and monitor and report on the achievement of the objectives and targets in the individual Asset Management Plans over time including their contribution towards delivery of Council's overarching Asset Management Strategy.

DECISION MAKING

Asset management decisions should not be made in isolation from the broader strategic decision making and financial management of the Council. Asset management is a part of the overall framework of decision making for the organisation, integrating the asset portfolio with the community's goals.

Asset management is most effective when it is clearly aligned to the delivery of the Council's service programs and the community's desired service levels.

A rigorous capital investment assessment procedure is used as part of the long term financial planning and annual budgeting process to evaluate potential asset solutions and to establish priorities in light of Council's service delivery requirements, available funds and available workforce resources.

Capital funds are then only applied to asset acquisitions to obtain the best cost benefit and value for money and are also consistent with the strategic objectives for the asset portfolio (as outlined in this Asset Management Strategy).

Development of a structured assessment process assists Council in assessing its capital investment decisions. Depending on the scale of the proposed capital project this process may involve undertaking a comprehensive business case that is then assessed by Council to determine the extent to which an asset satisfies the strategic goals of the organisation.

The requirements of the comprehensive business case are set out in the Office of Local Governments *Capital Expenditure Guidelines* 2010.

This structured approach allows greater control over the asset acquisition/construction process and facilitates the allocation of capital funds in a manner that is likely to be consistent with the Council's integrated strategic plans.

Incorporation of a major asset business case (for assets over \$1,000,000) and a capital proposal assessment process (assets under \$1,000,000) into a structured long term financial and annual capital budgeting process can also provide the following benefits:

- formally documents the expected contribution to service delivery requirements;
- provides more accurate long term (forward periods) budgeting with all significant acquisitions signed off by the Senior Management Team and Council;
- requires the identification of full life-cycle costs;
- is more likely to consider all aspects of capital acquisition/construction/renewal, with respect to financial, workforce and physical resources; and
- formally assesses and requires the management of any/all associated risk.

Life-cycle costing is a key asset management tool utilised by Councils senior management and takes into account the whole-of-life implications of planning, acquiring, operating, maintaining and renewing/replacing/disposing of an asset (including make-good or remediation provisions if necessary).

It is a process that analyses the foreseeable costs over an asset's life to reflect the true overall cost of acquiring an asset. Life-cycle costing is performed via a set procedure prior to acquisition to allow a comparison of costs and alternatives to be made.

ACCOUNTABILITY STRUCTURES

Elected Council

- Provide strategic direction and stewardship;
- Consider the impact on Council's asset base of planning, financial and service level decisions;
- Adopt the Asset Management Policy and Strategy.

General Manager and Senior Management Teams

- Ensure that sound business principles are reflected in the Asset Management Strategy and plans that are developed;
- Ensure the impact on Council's asset base is considered when making recommendations to Council in relation to planning and financial matters or the delivery of services;
- Support the implementation of the Asset Management Strategy and associated Asset Management Improvement Program;
- Approve the Asset Management Plans;
- Ensure the integration and compliance of the Asset Management Policy and Strategy with other policies, protocols and business practices of the organisation;
- Ensure compliance with all legal obligations;
- Facilitate appropriate 'Core' and then 'Advanced' and then 'Best Practice Asset Management'.

Asset Management Oversight Group

- Review the Asset Management Policy, Framework and Strategy;
- Take responsibility for the implementation of the Asset Management Improvement Program;
- Identify and develop appropriate policies and procedures to ensure effective Asset Management across the organisation.

Individual Asset Managers

- Develop and maintain Asset Management Plans;

- Develop and maintain asset maintenance and renewal plans;
- Provide professional advice and comment to other departments of Council in relation to assets contained within their specific service area/s;
- Develop and maintain the Asset Register and Asset Management System to facilitate efficient and effective asset management.

CONTROL STRUCTURES

An Asset Management Protocols, Procedures and Practices Manual (Standard Operations Manual) is a key element of a better practice Council's internal control environment. The Guide clearly establishes overarching management protocols, all set procedures and templates to be followed and a range of practices that must be adhered to, in order to sufficiently and consistently; record, account for, control and safeguard assets within the Local Government environment and Council's specific operating requirements.

The Manual is structured to give practical direction for staff so that they can consistently and reliably undertake the day-to-day management, construction, maintenance and operation of assets.

The Manual includes documented templates and approaches for:

- Strategic Planning and Resource Plan integration;
- Asset planning – maintenance and renewal program construction;
- Capital proposals, long term financial planning and budget construction and management;
- Risk management;
- Project Management;
- Asset valuations and impairment;
- Performance management and reporting;
- Audit and internal controls;
- Accountability and delegations of authority;
- Procurement;
- Quality assurance and standards.

The Manual is made up of a number of different documents, including; management protocols; set procedures and templates; business rules; process maps and FAQ sheets.

Council will develop and grow its Manual over time as the internal control documents mature and develop, however, it is imperative that they are contained within a single document, are championed by management and become ingrained throughout Council's staff.

Utilising the Manual in staff training and induction programs will also be of considerable benefit.

CAPACITY & MATURITY

The current level of asset management capacity, capability and information maturity within Tenterfield Shire Council is of an entry or base standard and focuses on delivering historic programs and largely being reactive to asset maintenance and renewal. Each service area has developed differing approaches to deliver their adopted programs of works.

The next stage in developing the asset management maturity at Council will require consolidating and improving asset management and corporate systems, developing internal asset management capacity and improving links between Council's long term planning and the service potential of our asset base.

Council may consider having an asset management maturity audit undertaken to identify which asset management practices Council currently undertakes well and which practices may be improved.

The results of such an audit would provide a benchmark to allow Council to measure the developing maturity of our asset management practices and identify where we need to focus our attention to ensure that we quickly progress to a core level of asset management whilst also outlining the tasks we need to undertake to progress towards more advanced level asset management.

In order to continue to improve Council's asset management capacity and capability, we will:

- Improve the systems and quality of information utilised in the operation and management of Council's assets;
- Ensure a life-cycle approach to the management of infrastructure assets;
- Ensure that service delivery needs form the basis of asset management decisions;
- Provide a sustainable funding model balancing community aspirations with affordability;
- Ensure compliance with all Legislation, all Office of Local Government requirements, and the National Frameworks for Asset Management;
- Provide on-going training and professional development in asset and project management for staff; and
- Provide environmental leadership and minimise the impact on the environment.

ASSET MANAGEMENT IMPROVEMENT PLAN

An Asset Management Improvement Plan has been developed in order to improve Council's asset management capacity and capability. The plan is outlined in full in **Appendix C** of this document.

APPENDIXES

APPENDIX A

ASSET MANAGEMENT POLICY

Summary:

The purpose of this policy is to provide clear direction for the management of Council controlled assets and to ensure that Council is able to best deal with the delivery of services and infrastructure to meet community needs in accordance with legislation under the Local Government Amendment (Planning and Reporting) Act 2009.

This policy forms a key part of Councils asset management framework, which provides guidelines to ensure that sound asset management practices and procedures are fully integrated into Council's strategic and operational planning, community consultation and decision making processes.

The policy refers to all fixed assets owned or managed by Council, regardless of their purpose or source of acquisition.

Policy Number	1.014
File Number	CAS-02770-TDQW
Document version	V2.0
Adoption Date	10 December 2016
Approved By	Council
Endorsed By	General Manager
Minute Number	284/16
Consultation Period	25 November to 9 December 2016
Review Due Date	November 2020 – 4 years
Department	General Managers Office
Policy Custodian	General Manager
Superseded Documents	Asset Management Policy V1.1 (2013)
Related Legislation	Local Government Amendment (Planning & Reporting) Act 2009. NSW Local Government Act 1993. Civil Liability Act 2002.
Delegations of Authority	General Manager, Directors, Managers

1. Overview

This policy serves to ensure that the community and all stakeholders are informed in a clear manner of Council's position and approach with regard to the management of Council owed assets.

It further aims to ensure that a comprehensive framework and sound asset management practices and procedures are implemented and are fully integrated into Council's strategic and operational planning processes.

The implementation of such will ensure that elected members, management and all stakeholders recognise the fundamental responsibility and significant challenge to

Council in ensuring intergenerational equity in the provision of infrastructure and services to the community within limited resources.

It will also ensure that Council identifies and addresses all opportunities, challenges and threats associated with operating, maintaining, renewing and replacing its asset portfolio in a holistically sustainable manner.

2. Policy Principles

Council assets exist in order to either directly or indirectly support community service delivery. This underpins the below broad principles of asset management for Tenterfield Shire Council:

1. Asset acquisition, disposal and lifecycle management decisions are integrated into the Council's community strategic plan, resourcing strategy and corporate planning;
2. Asset planning decisions are based on a thorough analysis, (including the evaluation of alternatives), which assesses risks, benefits and overall serviceability and value for money across the asset's entire lifecycle;
3. An effective data capture and control structure is established for asset management and other inter-related functions;
4. An accountability structure is established and understood for all asset responsibilities, including maintenance, operation, data capture, condition, performance and reporting; and
5. Asset replacement, renewal, disposal and expansion decisions are based on an analysis of the holistic impacts, benefits and opportunities of such and should ultimately achieve the best possible intergenerational outcomes and net return.

3. Policy Objectives

In conjunction with Council's Community Strategic Plan and Resourcing Strategy, this policy provides specific asset management objectives to ensure Council's asset stewardship requirements are met, they include:

1. Establishing a comprehensive Asset Management Framework that outlines the entire asset management environment and highlights the inter-dependencies within such;
2. Establishing and routinely reviewing an Asset Management Strategy, (min 10 year period), as the overarching strategy to provide and maintain asset services to current and future generations;
3. Managing assets through the development and continuous updating of individual Asset Management Plans in accordance with relevant legislation and recognised best practice for each major asset group;
4. Through the Community Strategic Plan and long-term financial modelling ensure that future funding needs are identified, affordable, agreed upon, and allocated, so that assets can meet their defined levels of service in consultation with the community;

5. Ensuring that the impact of Council’s decisions with regard to desired social, economic and environmental outcomes on both existing assets and new assets is clearly understood and communicated prior to decisions being made;
6. Developing and reporting annually on established performance indicators relevant to asset management;
7. Recording assets and collecting data in accordance with the requirements of the appropriate asset accounting standards, local government financial reporting requirements and internal asset management information protocols and procedures;
8. Maintaining an asset management information system with comprehensive knowledge of all physical assets, including lifecycle data, condition, behaviour and unit costings;
9. Fostering asset management awareness throughout the council, supported at a whole of organisation level through the formation of an asset management oversight group.

4. Policy Statement

Asset management is an essential component of good governance in the local government sector and should be aligned to and integrated with the entity’s strategic, corporate, financial and workforce planning.

Council exists to provide services to the community and many of these services are supported and provided by infrastructure assets. The provision of assets operated and maintained to meet community needs and expectations is fundamental to the economic, environmental and social strength of the Tenterfield Shire community.

Council’s overall goal in managing infrastructure assets is to provide the required level of community service, as determined in consultation with the community, in a sustainable manner for both current and future generations.

A well-structured, practical asset management framework will assist in providing clarity to the local community and other stakeholders as to the linkages between asset portfolios, their condition, maintenance and renewal, and the outcomes expected to be delivered by the Council. This in turn aids decisions on service levels, financing and workforce management.

The management of infrastructure assets is a key function of council.

This policy addresses legislative requirements under the Local Government Amendment (Planning and Reporting) Act 2009 and will be revised in accordance with any future legislative changes.

5. Scope

This policy applies to all areas of Council’s activities in the delivery of its functions as a Local Government organisation.

6. Accountability, Roles & Responsibility

Elected Council

- Provide strategic direction and stewardship;

- Consider the impact on Council’s asset base of planning, financial and service level decisions;
- Adopt the Asset Management Policy and Strategy.

General Manager, Executive and Management Teams

- Ensure that sound business principles are reflected in the Asset Management Strategy and plans that are developed;
- Ensure the impact on Council’s asset base is considered when making recommendations to Council in relation to planning and financial matters or the delivery of services;
- Support the implementation of the Asset Management Strategy and associated Asset Management Improvement Program;
- Approve the Asset Management Plans;
- Ensure the integration and compliance of the Asset Management Policy and Strategy with other policies, protocols and business practices of the organisation;
- Ensure compliance with all legal obligations;
- Facilitate appropriate ‘Better Practice in Asset Management’.

Asset Management Oversight Group

- Review the Asset Management Policy, Framework and Strategy;
- Take responsibility for the implementation of the Asset Management Improvement Program;
- Identify and develop appropriate policies and procedures to ensure effective Asset Management across the organisation.

Individual Asset Managers

- Develop and maintain Asset Management Plans;
- Develop and maintain asset maintenance and renewal plans;
- Provide professional advice and comment to other departments of Council in relation to assets contained within their specific service area/s;
- Develop and maintain the Asset Management Information System to facilitate efficient and effective asset management.

7. Definitions

Asset

A fixed item or facility used to satisfy a service potential or enabling the Council to meet its corporate objectives. A Council’s physical asset base can generally be divided into four broad types of asset:

Transport Assets – these include; roads, bridges, car parks, footpaths, cycleways, kerb and gutter and traffic infrastructure.

Cultural/Community Assets – these include; parks, playgrounds, aquatic centres, halls and community buildings, sporting facilities and public amenities.

Environmental Assets – these include; water supply, sewerage service, waste management and stormwater assets.

Corporate Assets – these include; Administration buildings, depot buildings, plant and fleet, equipment and furniture and assets held by Council for strategic or investment purposes.

Asset Management

A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets to provide the required level of community service in the most efficient and effective manner.

Asset Management Information System

Is the home of all asset management knowledge. It is a combination of procedures and information managed to provide the essential outputs for efficient and effective asset management.

The Asset Management Information System links to other information systems within Council including the Property System, Geographic Information System, Finance System, Risk Management System, Project Management System and Document Management System.

Asset Management Strategy (AMS)

Is a documented strategy that forms one part of Councils resourcing strategy along with the Long Term Financial Plan and Workforce Management Strategy. It is a summary level strategy that takes in information about the planning and implementation of programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal, performance monitoring and reporting from all of Councils individual detailed Asset Management Plans, to ensure desired service outcomes can be delivered in a sustainable manner.

The Asset Management Strategy typically has a 10 year horizon and integrates Asset Management with Councils other Resourcing Strategy documents and the Community Strategic Plan.

Asset Management Plan (AMP)

The detailed asset management plan for each major class of assets. The asset management strategy is primarily made up of the summary data from each of these operational level plans.

They consist of asset details and descriptions, condition, value, maintenance plan, capital program, risk management considerations, a development plan and financial data and modelling to provide the approach employed to best manage the asset for the expected duration of the service to be provided by the asset.

Level of Service

The defined quality and quantity of services to meet community expectations delivered by Council, as determined in consultation with the community and giving consideration to cost, equity and deliverability.

8. Related Documents, Standards & Guidelines

In addition to complying with all relevant legislation in the implementation, monitoring and review of the Tenterfield Shire Council (TSC) asset management policy and framework, Council will also have regard to all relevant related standards, guidelines and documents, including but not limited to:

- The Australian National Audit Office (ANAO) – Best practice guidelines for asset management in government organisations;
- IPWEA NAMS.Plus3 Guidelines;
- NSW Local Government Capital Expenditure Guidelines 2010;
- Australian Accounting Standard AASB116 – Property, Plant & Equipment;

- Australian Accounting Standard AASB136 – Asset Impairment;
- The International Standard for Asset Management - ISO 55001:2014;
- The International Standard for Project Management - ISO 21500:2012;
- TSC Asset Management Strategy;
- TSC Asset Management Plans;
- TSC Community Strategic Plan;
- TSC Long Term Financial Plan;
- TSC Workforce Management Strategy;
- TSC Services Business Plans;
- TSC Annual Operational Plan;
- TSC Asset Management Protocols and Procedures;
- TSC Business Continuity Plan – Critical Assets;
- TSC Risk Management Policy;
- TSC Audit & Risk Committee Charter.

9. Version Control & Change History

Version	Date	Modified by	Details
V1.1	26/06/2013	Council	213/13 - Adoption of Original Policy
V2.0	9/11/2016	GM	Draft - Complete AM framework review
V2.0	10/11/2016	Council	284/16 – Adoption of Revised Policy

DEFINITIONS

Annual Service Cost (ASC)

1. Reporting actual cost

The annual (accrual) cost of providing a service including operating, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

2. For investment analysis and budgeting

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/opportunity and disposal costs, less revenue.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Assets

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Average annual asset consumption (AAAC)*

The amount of an organisations asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential and totalled for each and every asset in an asset category or class.

Brownfield (B – Asset Management)

Valuation method where the unit valuation rates are based on the cost to replace the asset in its existing developed or built up location.

Capital expansion expenditure

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional

revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Revenue received generally from other spheres of government that are tied to specific projects or purposes for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition.

Capital new expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure

Expenditure on an existing asset or on replacing an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation/ amortisation and accumulated impairment losses.

Class of assets

See asset class definition.

Component

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Cost of an asset

The amount of cash or cash equivalents paid of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it cost to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Cyclic Maintenance**

Replacement of higher value components/subcomponents of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount of an asset over its useful life.

Economic life

The period over which an asset is expected to be economically useable by one or more users or the number of production or similar units expected be obtained from the asset by one or more users.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Greenfield asset values

Valuation method where the unity valuation rates are based on the cost to acquire/construct the asset in a 'green field' (undeveloped) location.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes;
- or
- (b) sale in the ordinary course of business.

Level of service

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

Life Cycle Cost

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of lifecycle sustainability.

Loans / borrowings

Loans result in funds being received which a borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets, to achieve/maintain specified services levels, totalled over a defined time (eg 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected required expenditure for maintenance and renewal of assets to achieve/maintain specified service levels over a defined time (eg 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost effective, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, power, fuel, staff, plant equipment, on-costs and overheads, but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

Planned Maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA).

Depreciation may be used for AAAC.

Rate of annual asset renewal

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade*

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance

Unplanned repair work carried out in response to service requests and management/supervisory directions.

Recoverable amount

The higher of an asset's fair value less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal

Restores, rehabilitates, replaces existing asset to its original capacity, eg gravel resheets.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected as the end of its useful life.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

APPENDIX B

IMPROVEMENT PLAN

1. Maintain a current and up-to-date Asset Management Policy and Strategy;
2. Revise and update Asset Management Plans (into adopted template) for all asset categories, including updating AMP summaries for inclusion in the AM Strategy;
3. Review and determine the optimal required asset base for council; review the existing asset portfolio; and undertake a divergence analysis to determine surplus assets;
4. Set-up and support an Asset Management Oversight Group and provide adequate resources to ensure the successful delivery of Councils Asset Management Strategy;
5. Maintain a framework for accurate financial reporting, asset condition assessment, valuations, impairment and asset performance;
6. Continue to research, then develop and implement an accurate integrated asset register and asset management system;
7. Further develop Council's long term financial plan, workforce management strategy, asset lifecycle calculation templates and capital assessment framework (OLG Guideline requirement included);
8. Further develop and document service levels for all asset groups in consultation with the community and stakeholders;
9. Review Councils current stated asset backlog, maintenance gap and renewal gap figures to ensure their accuracy and documented support;
10. Assess and further invest in the develop of staff Asset Management and Project Management skills, knowledge and abilities;
11. Undertake an asset management capacity, capability and maturity audit;
12. Develop and document a comprehensive Standard Operations Guide (Asset Management Protocol, Procedure and Practices Guide);
13. Develop and implement adequate tools and information for robust asset maintenance and renewal planning.

