

ORDINARY COUNCIL MEETING

WEDNESDAY, 24 JUNE 2020

ATTACHMENT BOOKLET 4

Attachment No. 5

Asset Management Strategy 2020-2030

ASSET
MANAGEMENT
STRATEGY
2020 - 2030



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)
V2.0	15/06/2020	Asset Manager	Review of Asset Management Strategy for 2020 - 2030
V2.1	TBA /2020	Council	Adoption of Asset Management Strategy TBA

INTRODUCTION

This Tenterfield Shire Council **Asset Management Strategy** is an updated view of Council's entire asset management framework. This version is the first review of the Strategy by Tenterfield Shire Council in accordance with the State Government's Integrated Planning and Reporting Framework requirements. Council also has 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 \$600 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 Asset Management Strategy takes 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 development of its new Delivery Program.

This 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 core 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.

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** on page 14.

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 team.

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 2015;

- 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 Cycleways
- 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

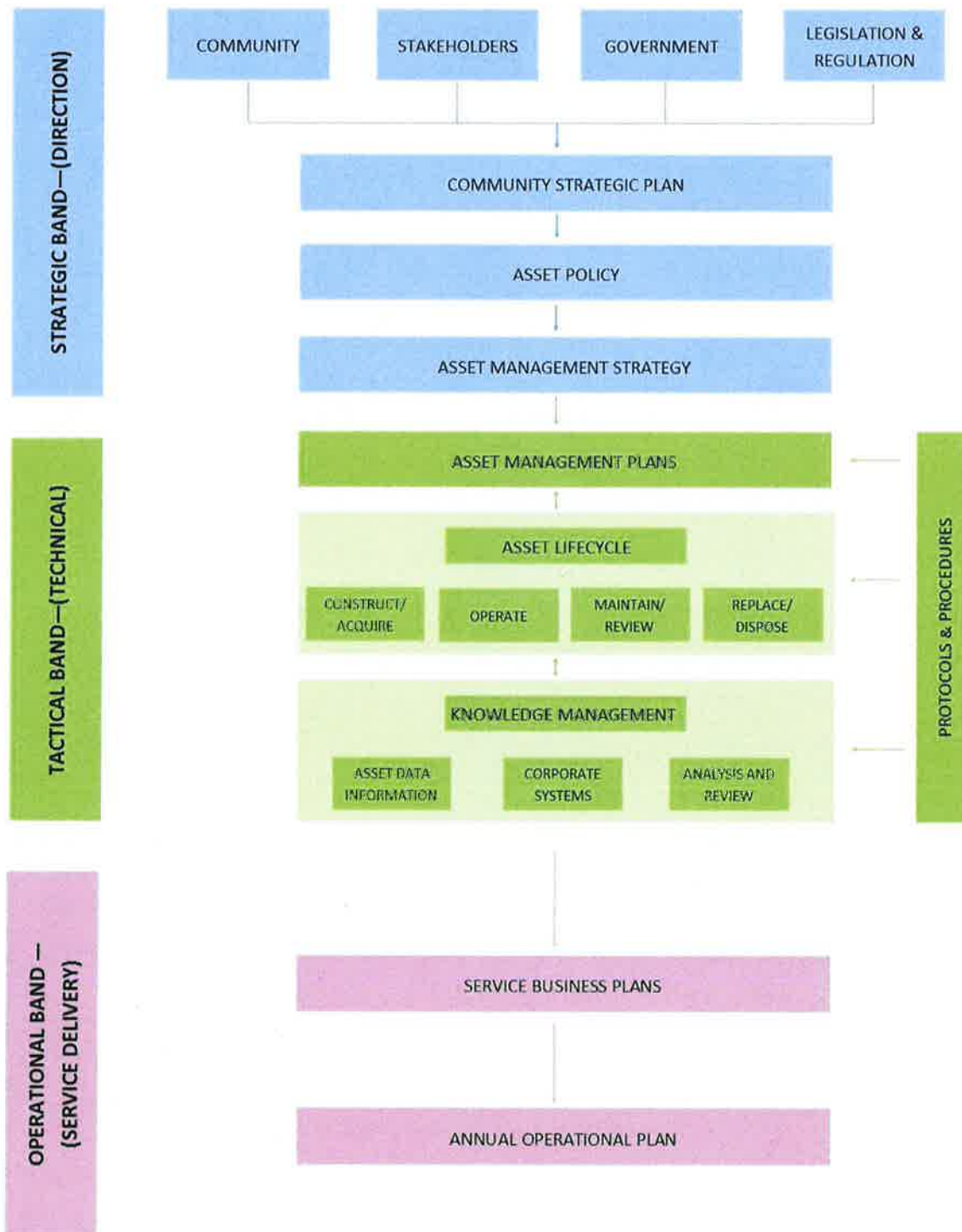


Figure 2: TSC Asset Management Framework

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** on page 17.

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 NAMS which is an Institute of Public Works Engineering Australasia initiative for Local Government, to assist in the development of asset management planning. The IPWEA are presently transitioning to NAMS+ documents and Council's forward asset management task will include transitioning each of the asset management plans for each category to the new documents.

The Asset Management Plans are the 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. Review of the detail for this asset data is an ongoing task for managers.

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. This will be done 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

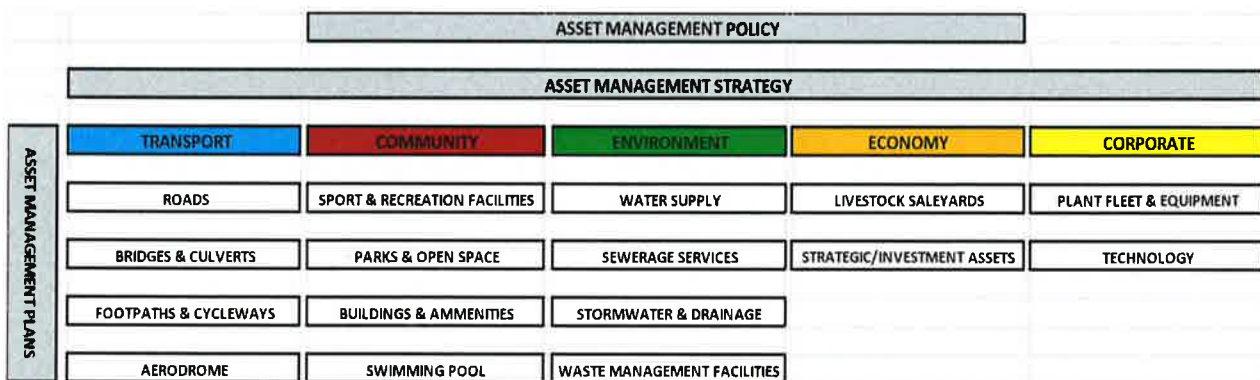


Figure 3: TSC Asset Management Plan (AMP) Categories

OUR ASSETS

CURRENT ASSET BASE

Asset Class	Fair Value (\$000)	Accumulated Depreciation (\$000)	Written Down Value (\$000)
Buildings & other structures	\$ 34,207.00	\$ 19,361.00	\$ 14,846.00
Roads	\$ 353,529.00	\$ 94,303.00	\$ 259,226.00
Water Supply	\$ 57,456.00	\$ 34,181.00	\$ 23,275.00
Sewerage Network	\$ 33,208.00	\$ 11,823.00	\$ 21,385.00
Waste	\$ 3,248.00	\$ 1,876.00	\$ 1,372.00
Stormwater & Drainage	\$ 8,334.00	\$ 4,556.00	\$ 3,777.00
Open Spaces & Recreational Assets	\$ 2,191.00	\$ 671.00	\$ 1,520.00
Plant, Fleet & Equipment	\$ 13,174.00	\$ 6,725.00	\$ 6,450.00
Other Assets – Land, Earthworks etc	\$ 104,730.00	\$ 2,029.00	\$ 102,701.00

Table 1: TSC Asset Values

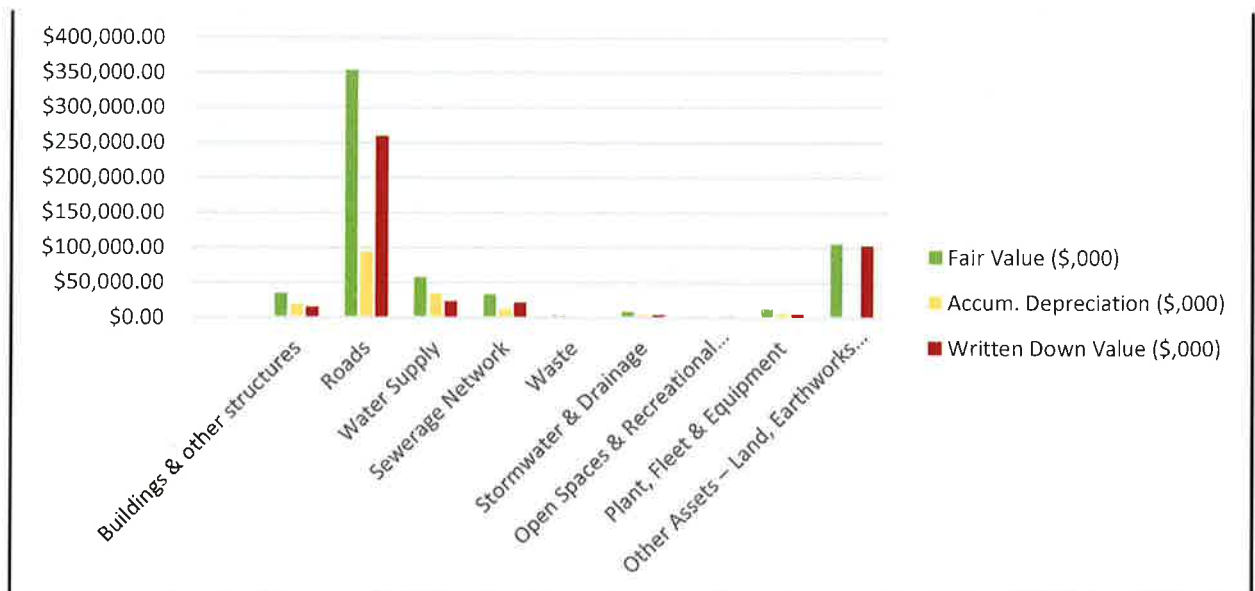


Figure 4: Asset Values and Consumption Graph

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.

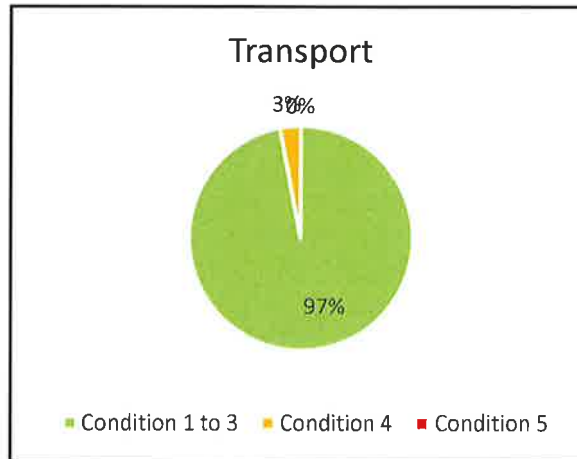
Asset Class	Asset Category	% Condition Rating				
		1	2	3	4	5
Transport	Roads	44	33	16	6	2
	Bridges	12	49	11	19	8
	Footpaths & Cycleways	55	38	6	1	0
	Other Road Assets	41	37	10	7	5
	Sub Total	37	37	14	9	4
Water Supply		9	4	60	9	18
	Sub Total	9	4	60	9	18
Sewerage		14	47	36	3	0
	Sub Total	14	47	36	3	0
Stormwater & Drainage		24	33	13	26	4
	Sub Total	24	33	13	26	4
Waste Management		0	84	16	0	0
	Sub Total	0	84	16	0	0
Buildings & Amenities		1	13	58	28	1
	Sub Total	1	13	58	28	1
Open Space and Recreation		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

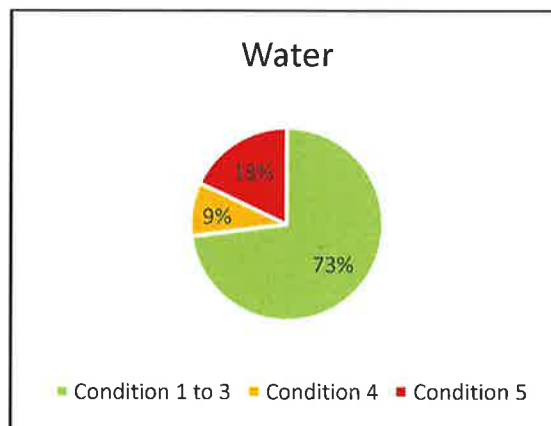
Table 2: Current Condition of Infrastructure Assets

EXISTING CONDITION GRAPHS FOR EACH ASSET CATEGORY

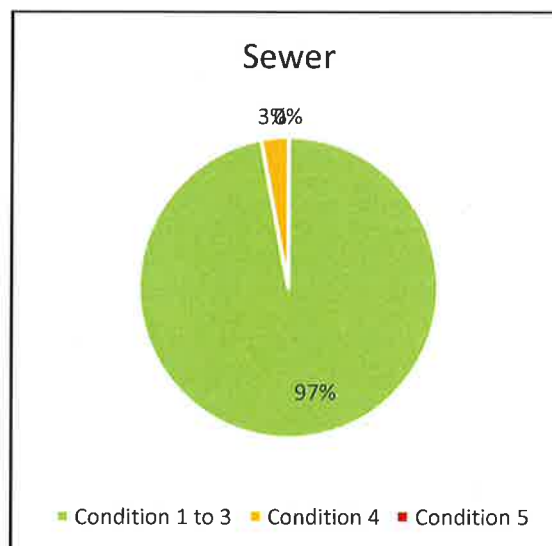
TRANSPORT



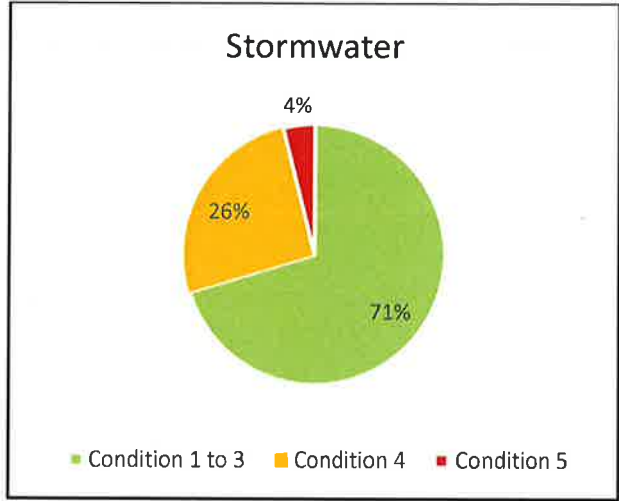
WATER SUPPLY



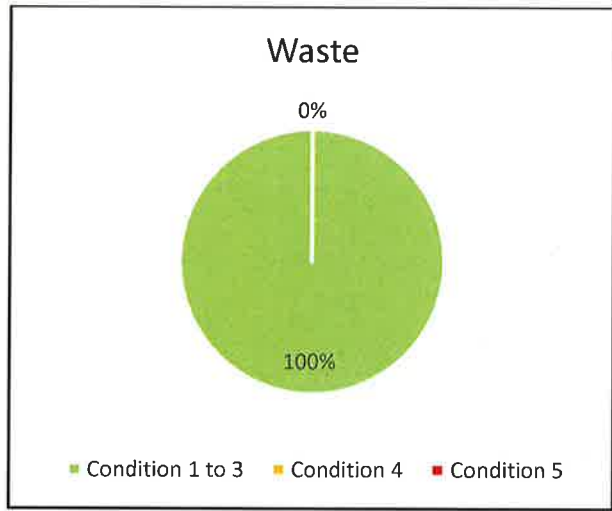
SEWERAGE



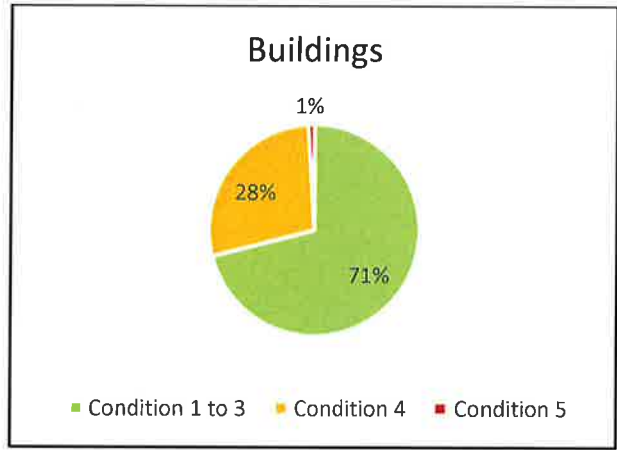
STORMWATER DRAINAGE



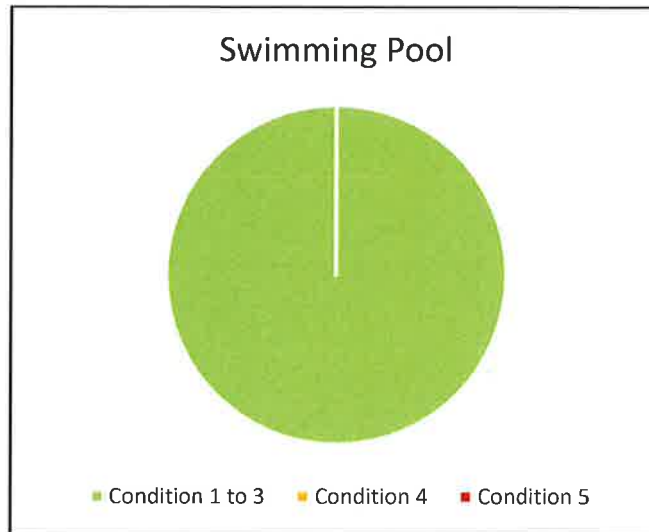
WASTE MANAGEMENT



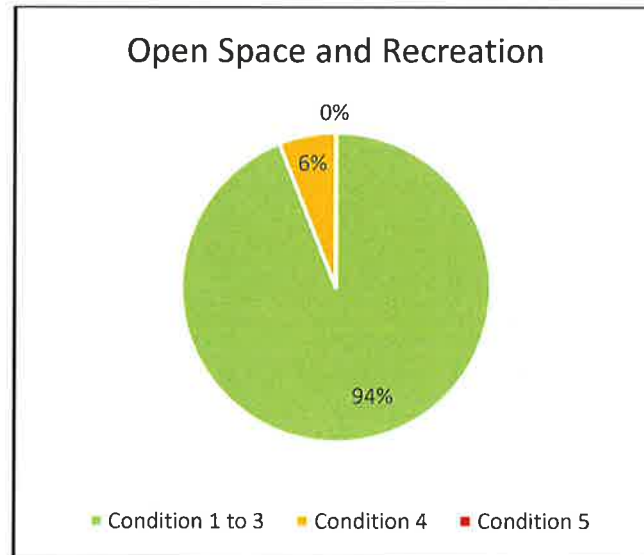
BUILDINGS & AMENITIES



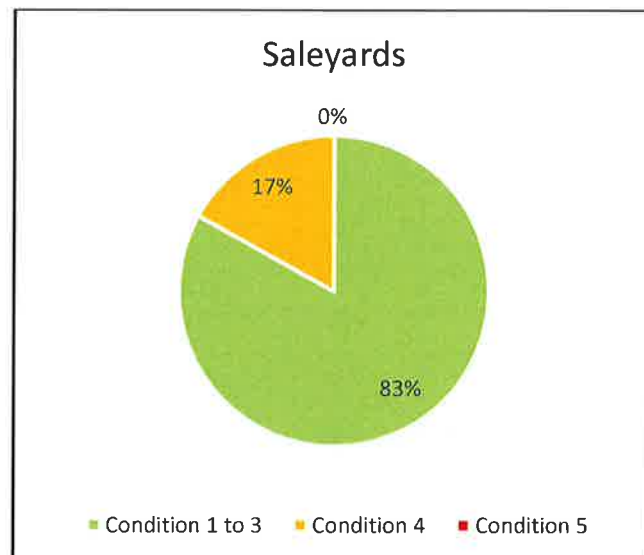
SWIMMING POOL



OPEN SPACE AND RECREATION



SALEYARDS



STRATEGIC INVESTMENT ASSETS



PLANT, FLEET & EQUIPMENT

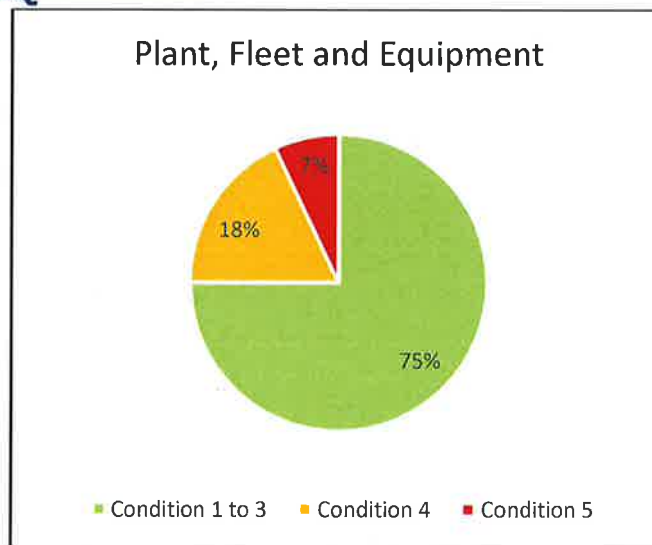


Figure 5: Assets Condition Rating Chart/Graph

EXPENDITURE BY ASSET CLASS

Asset Class		Expenditure Forecast		Years							
				20/ 21	21/ 22	22/ 23	23/ 24	24/ 25	25/ 26	26/ 27	27/ 28
Transport	Maintenance & Operation	3,122,752	3,586,249	3,646,494	3,709,725	3,774,275	3,841,323	3,913,698	3,987,516	4,062,803	4,139,588
	Asset Renewal	4,858,230	5,497,565	5,508,071	5,446,879	5,323,324	5,332,255	5,341,249	5,350,307	5,359,429	5,368,616
	New Asset	16,026,500	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000
Water Supply	Maintenance & Operation	1807966	1933475	2048984	1993888	2009102	2051989	2135761	2104963	2140430	2149197
	Asset Renewal	501,700	309,200	317,000	385,000	464,200	401,500	370,000	378,300	386,900	375,700
	New Asset	0	0	0	10,900	20,000	11,200	0	0	0	0
Sewerage	Maintenance & Operation	1,323,936	1,330,849	1,428,003	1,382,264	1,388,562	1,408,957	1,429,309	1,475,791	1,489,826	1,497,023
	Asset Renewal	575,400	600,700	620,000	921,600	635,100	667,600	662,049	695,078	991,663	724,719
	New Asset	502,500	31,600	10,000	15,000	32,400	15,000	0	0	0	0
Stormwater & Drainage	Maintenance & Operation	0	0	0	0	0	0	0	0	0	0
	Asset Renewal	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000
	New Asset	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Waste Management	Maintenance & Operation	1,690,056	1,789,371	1,867,484	1,900,231	1,931,236	1,969,243	2,008,160	2,048,921	2,088,817	2,130,604
	Asset Renewal	8,000	127,477	8,000	158,000	8,000	8,000	8,000	8,000	8,000	8,000
	New Asset	1,501,869	3,552,000	60,000	60,000	60,000	60,000	60,000	60,000	1,206,230	60,000
Buildings & Amenities	Maintenance & Operation	593,162	747,268	731,650	757,548	929,905	1,528,835	701,807	717,519	783,100	699,118
	Asset Renewal	80,000	331,800	247,000	136,500	78,000	0	0	85,000	0	400,000
	New Asset	0	0	0	0	0	0	0	0	0	0
Open Space & Recreation	Maintenance & Operation	719938	745263	769301	775561	805653	812787	832075	851827	872055	904469
	Asset Renewal	40000	0	0	0	0	0	0	0	0	0
	New Asset	98800	164510	32574.55	147000	16000	93500	614000	66000	0	85000
Swimming Pool	Maintenance & Operation	168,607	207,987	200,134	178,950	204,637	190,196	196,328	197,736	216,719	220,580
	Asset Renewal	0	0	0	0	0	0	50000	0	0	0
	New Asset	200000	25000	25000	25000	121000	135000	25000	238000	40000	135000
Saleyards	Maintenance & Operation	232,047	239,085	219,342	223,053	225,908	228,688	233,213	235,195	267,784	249,732
	Asset Renewal	0	0	0	0	0	0	0	0	0	0
	New Asset	1,200,000	0	0	0	216,260	7,000	0	9,280	0	0
Strategic/Investment Assets	Maintenance & Operation	12,735	12,936	13,142	13,354	13,571	13,794	14,023	14,257	14,498	14,745
	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	972,605	1,004,152	1,036,632	1,070,072	1,104,498	1,139,939	1,176,421	1,213,976	1,252,632	1,292,421
	Asset Renewal	860,500	1,213,540	1,402,423	1,206,851	1,583,428	1,302,157	1,225,440	1,588,581	1,337,482	1,283,724
	New Asset	0	0	0	0	0	0	0	0	0	0

Table 3: Expenditure by Asset Class

ASSET RENEWAL AND BACKLOG

Asset Group	18/19 Cost to Bring to Satisfactory Standard	18/19 Required Annual Maintenance	19/20 Projected Maintenance	19/20 Asset Maintenance Gap
Buildings	1,748	1,149	602	547
Roads	11,637	3,802	3,656	146
Water Supply	5,170	743	1,798	-1,055
Sewerage Network	211	443	842	-399
Stormwater & Drainage	654	134	0	134
Open Spaces & Recreational Assets	33	1,449	776	673
	19,453	7,720	7,674	46

Table 4: TSC current Backlogs, Renewal and Maintenance gaps

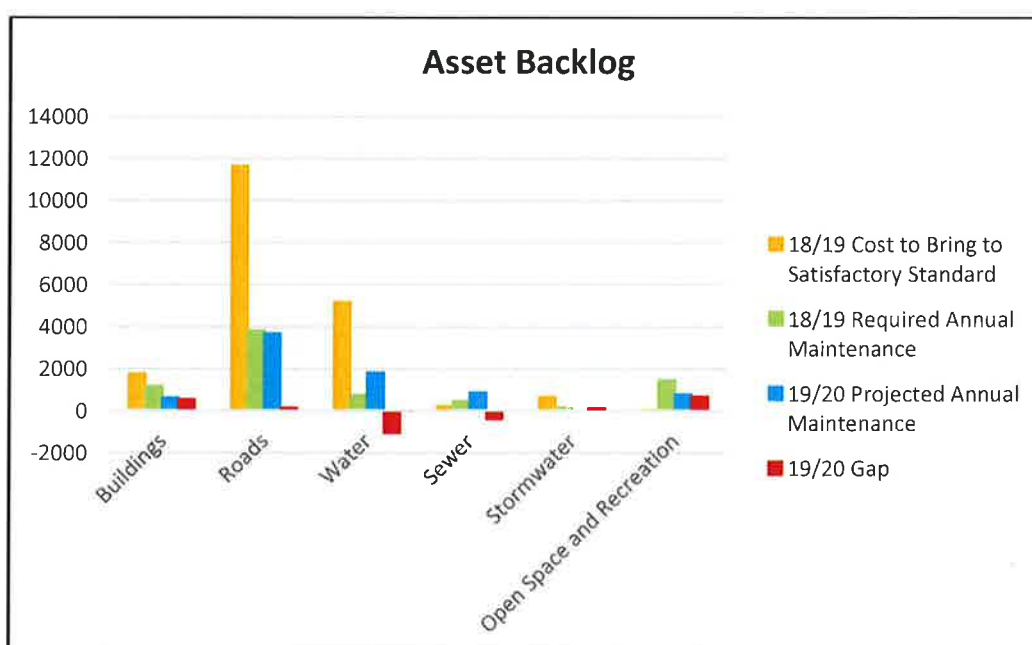
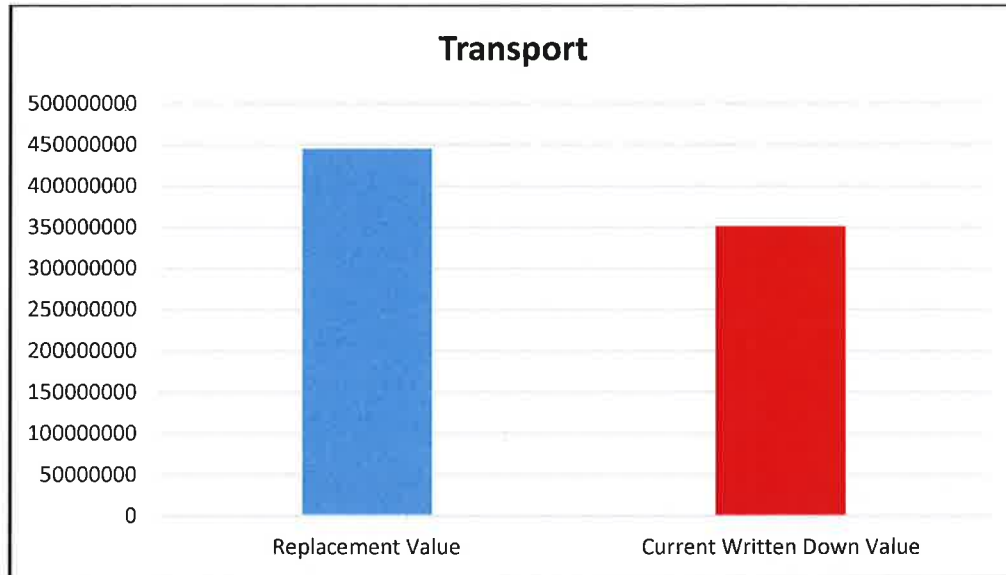


Figure 6: Assets Backlogs and Gaps Chart/Graph

ASSET MANAGEMENT PLAN (AMP) SUMMARIES

1. TRANSPORT



1.1 Key Data

Total value of current Transport Asset Class **\$445,120,446**

- Including Transport assets (roads) of \$339,336,052
- Including Transport network assets of \$105,784,394

- FY 2019/2020 Transport Maintenance and operations budget \$7,782,924
- FY 2019/2020 Transport Renewal budget \$21,922,014

General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	37
2	Good condition	37
3	Moderate condition	14
4	Poor condition	9
5	Very poor condition	4

Current Asset Valuation dated June 2019.

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 580 km of Sealed Road Network and 1100 km of Unsealed Road Network;

- 152 Bridges (55 Timber Bridges);
 - 32.947 km of Kerb and Gutter;
 - 4871 Culverts;
 - 396 Causeways.
- Major emphasis is to increase the level renewals while maintaining assets in a safety level of service in the following areas:
 - Sealed road resealing;
 - Unsealed road resurfacing (gravel resheeting);
 - Constructing and sealing the unsealed sections of Mt Lindesay Road;
 - Mt Lindesay Road between Legume and Woodenbong.
 - Widening of the Bruxner Way to desirable widths for safety in 2020.
 - Reconstructing Regional Roads such as Amosfield Road.
 - Continue to seek funding for the reconstruction of Tooloom Road.
 - Improvement of timber bridges with interim solutions
 - Focus is on addressing the Transport Assets identified as rated condition 4 and 5 and maintaining a base condition rating of 3 or better as funding permits.
 - Monitoring the condition of the unsealed network to best allocate priorities for the gravel resheeting of Class B & C roads.
 - Sealed Road maintenance including patching, shoulder grading, drainage maintenance, minor pavement repairs and other general asset maintenance will assist in maintaining assets in a satisfactory condition.
 - Work is being undertaken on the timber bridge assets to maintain the level of access required until renewals can be planned. Some funding opportunities have been obtained to commence replacement of some assets.
 - Some 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. \$5.29m is required to be allocated towards renewals over the next ten years.

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. Council is collecting more accurate data and reviewing the program to assess a more detailed analyses on the asset conditions.
- Upgrading of Mt Lindesay Road, between Legume and Woodenbong of five staged sections is funded by a \$24 million Special Grant from both the State and Federal Governments.
- Council is seeking additional external grant funds to upgrade sections of Tooloom Road, with the estimated cost at approximately \$8.3m. This upgrade is not included in the current Long Term Financial Plan.
- \$7.5 million of funding is needed to replace bridges over the next ten years;

Current bridges Council has identified for priority as replacements include:

Emu Creek Bridge (Hootons Road);
Boonoo Boonoo Creek Bridge (Mt Lindesay Road).
Beaury Creek Bridge (Tooloom Road)
Deepwater River Bridge (Torrington Road;
Kangaroo Creek Bridge (Paddys Flat North Road);
Unnamed Creek Bridge (Paddys Flat North Road);
Unnamed Creek Bridge (Paddys Flat South Road);
Kangaroo Creek Bridge (Torrington Road).

- The maintenance of the kerb and gutter, causeway and culvert network is funded from the respective Urban and Rural Roads Maintenance Budgets to keep assets serviceable until they are able to be renewed.

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). This Plan is being reviewed to ensure that current programs are appropriate for a safe and desired level of service. 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 will be reviewed in respect to the desired level of service based upon the priority of asset renewals.
- Council continues to implement maintenance programs which will 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 implementing a planned maintenance program for timber bridges and more focus will be directed towards concrete bridge maintenance in the future as those assets continue to age.

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. • Monitor the updated Road Network Asset Management Plan (RNAMP) with any updated asset data on an annual basis. • Finalise the review of the RNMP and implement maintenance standards and levels of service.
c) Safety	<ul style="list-style-type: none"> • Review maintenance, renewal and new/upgraded works programs targeting condition 4 and 5 rated assets and safety issues aligned to available budgets and resource constraints.

	<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									
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
(a)											
Quality:											
Ensure that maintenance works are undertaken effectively across all Transport Assets.	Manager of Works (MoW)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monitor routine inspections and conditions.	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									
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
(b)											
Function:											
Develop detailed forward works programs.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Collect detailed data.	MoW	✓			✓			✓			✓
Prepare detailed maintenance, renewal, new works programs.	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monitor effectiveness of	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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implemented programs.											
Review data from detailed asset inspections.	MAPP	✓		✓		✓		✓		✓	
Review the Pedestrian Access and Mobility Plan (PAMP) and Bicycle Plan.	MAPP	✓				✓				✓	

Activities	Who	When									
(c)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Safety:											
Review Transport Asset Management Plans.	MoW & MAPP	✓				✓				✓	
Seek additional funding sources for identified high risk Assets.	DI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

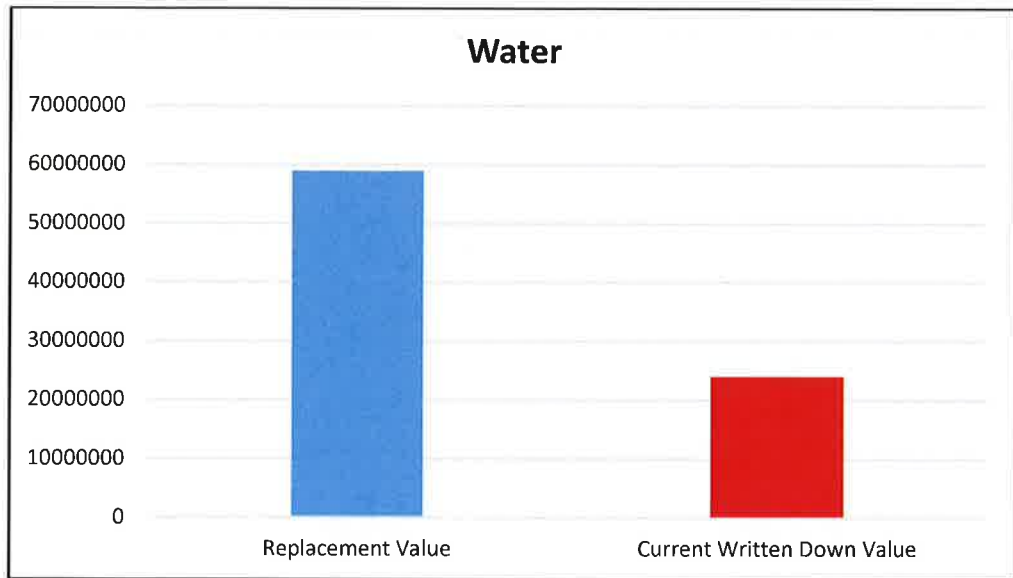
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	3,122,752	3,586,249	3,646,494	3,709,725	3,774,275	3,841,323	3,913,698	3,987,516	4,062,803	4,139,588
Asset Renewal	4,858,230	5,497,565	5,508,071	5,446,879	5,323,324	5,332,255	5,341,249	5,350,307	5,359,429	5,368,616
Upgrade / New Asset	16,026,500	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000
Total	24,007,482	9,953,814	10,024,565	10,026,603	9,967,600	10,043,578	10,124,946	10,207,823	10,292,232	10,378,204
Itemised inclusion of Upgrade/New Asset (above)										
Beaury Creek Bridge - Toooloom Road	805,000	0	0	0	0	0	0	0	0	0
Boonoo Boonoo Bridge, Mt Lindsay Road	1,459,500	0	0	0	0	0	0	0	0	0
Deepwater River Bridge - Tarrington Road	960,080	0	0	0	0	0	0	0	0	0
Kangaroo Ck Bridge - Paddys Flat Road Nth	973,920	0	0	0	0	0	0	0	0	0
Emu Creek Bridge - Hootons Road	980,000	0	0	0	0	0	0	0	0	0
Clarence River bridge - Hootons Road	550,000	0	0	0	0	0	0	0	0	0

Mt Lindesay Rd Upgrade - Legume to Woodenbong	10,000,000	0	0	0	0	0	0	0	0	0
Urban Streets Unsealed Resheet	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Safer Roads Program - Boonoo Boonoo Falls Road	298,000	0	0	0	0	0	0	0	0	0
Rural Road Rehabilitation	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Urban Road Rehabilitation	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	16,026,500	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000	870,000



Figure 7: Transport Asset Forecast Expenditure

2. WATER SUPPLY



2.1 Key Data

- Replacement value of current holdings is \$58.9M;
- Total value of current holdings \$23.9M;
- Current depreciation (19/20) \$0.71M;
- FY 2019/2020 Water Maintenance and operations budget \$2,385,311
- FY 2019/2020 Water New Capital work budget \$9,776,800

2.2 Last Conditional Survey

- Valuation dated – 2017 (External Consultant)
- Condition assessment of all assets to be reviewed following the completion of asset mapping into new GIS base.

2.3 General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	9
2	Good condition	4
3	Moderate condition	60
4	Poor condition	9
5	Very poor condition	18

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.
- Verification of the documented asset conditions and structure locations have been identified and are being addressed through a program of field assessment work;
- 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:
 - Upgrade of Tenterfield Water Treatment Plant – design in progress; 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 is 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 further reviewed 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	Target (each year) Measures
(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 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)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Quality:											
Comply with the NSW Office of Water Best	MWW	√	√	√	√	√	√	√	√	√	√

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Practice Management Guidelines												
Meet the Australian Drinking Water Guidelines (ADWG)	MWW	√	√	√	√	√	√	√	√	√	√	√
Review and update the Strategic Business Plan (SBP) and Integrated Water Cycle	MWW					√			√			
Construction of a New Water Treatment Plant at Tenterfield	MWW	√	√									
Management Plan (IWCMP) implementation	MWW	√	√									
Tenterfield & Urbenville pipe air scouring programme	MWW			√				√				

Activities	Who	When										
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
(b)												
Function:												
Tenterfield & Jennings Mains Replacement Programme	MWW	√	√	√	√	√	√	√	√	√	√	√
Tenterfield Mains Augmentation	MWW		√		√		√		√			
Inspect and update all asset data into new GIS and review capital works program accordingly	MWW	√	√	√	√	√	√	√	√	√	√	√
Review and update maintenance practices	MWW	√	√	√	√	√	√	√	√	√	√	√

Activities	Who	When										
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
(c)												
Safety:												
Review and update Standard Operating Procedures	MWW	√	√	√	√	√	√	√	√	√	√	√

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	1807966	1933475	2048984	1993888	2009102	2051989	2135761	2104963	2140430	2149197
Asset Renewal	501,700	309,200	317,000	385,000	464,200	401,500	370,000	378,300	386,900	375,700
Upgrade / New Asset	0	0	0	10,900	20,000	11,200	0	0	0	0
Total	2,309,666	2,242,675	2,365,984	2,378,888	2,473,302	2,453,489	2,505,761	2,483,263	2,527,330	2,524,897
Itemised inclusion of Upgrade / New Asset (Above)										
Tenterfield Mains Augmentation				10,900		11,200				
Urbenville Mains Extension					20,000					
Total		0	0.00	10,900	0	11,200	0	0	0	0

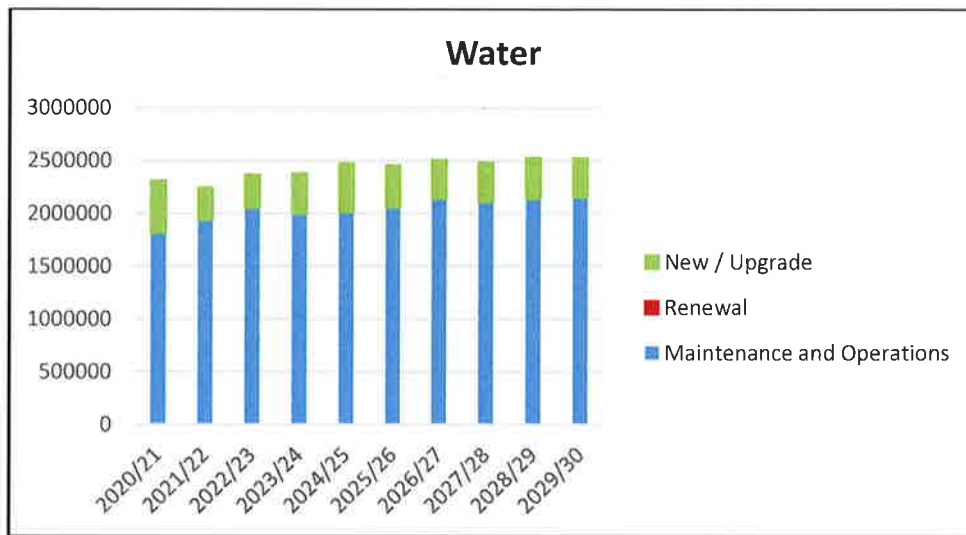
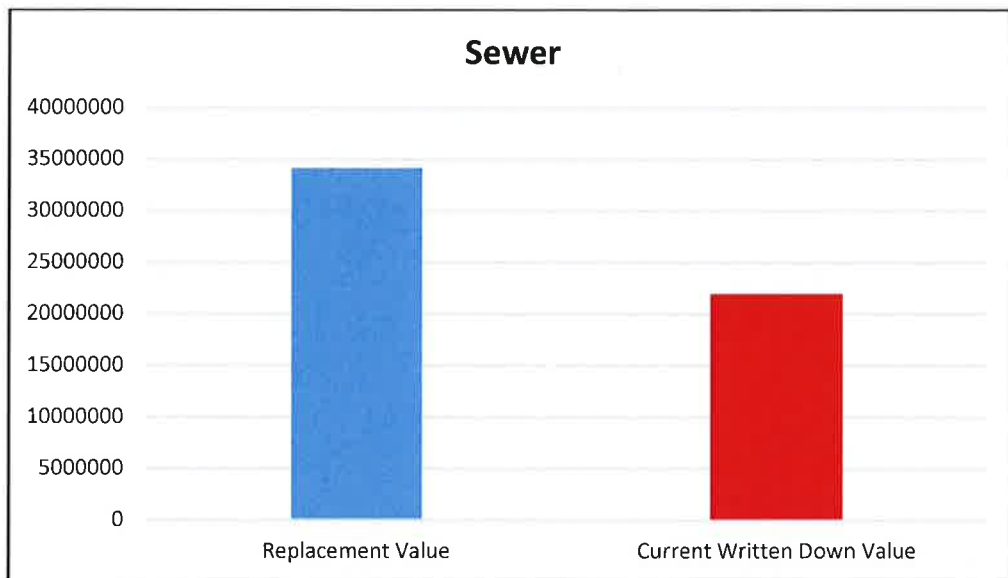


Figure 8: Water Supply Asset Forecast Expenditure

3. SEWERAGE



3.1 Key Data

- Replacement value of current holdings is \$33.2M;
- Total value of current holdings \$21.4M;
- Current depreciation (19/20) \$0.48M;
- FY 2019/2020 Sewer Maintenance and operations budget \$2,539,165
- FY 2019/2020 Sewer New Capital work budget \$20,251
- FY 2019/2020 Sewer Renewal budget \$821,476

3.2 Last Condition Survey

- Valuation dated – 2017 (External Consultant)
- Condition assessment of all assets to be completed following the implementation of the new asset mapping system.

3.3 General Asset Condition

	Condition Rating	% of Asset Value
1	Excellent condition	14
2	Good condition	47
3	Moderate condition	36

4	Poor condition	3
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.
- Further action is ongoing to fully assess asset condition and confirmation of locations;
- The AMP will be further developed with more accurate information will be obtained following the collation of all asset condition data into the GIS system;
- 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)		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		/21	/22	/23	/24	/25	/26	/27	/28	/29	/30
Quality:											
Comply with the NSW Office of Water Best	MWW	√	√	√	√	√	√	√	√	√	√

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Practice Management Guidelines												
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		√	√									

Activities	Who	When										
(b)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
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 new GIS and review the capital, renewal and maintenance programs	MWW	√	√	√	√	√	√	√	√	√	√	

Activities	Who	When										
(c)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
Safety:												

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Manhole improvements to reduce rain water infiltration (reducing the risk of treatment plant operating at storm mode, discharging untreated sewage)	MWW	√	√	√	√	√	√	√	√	√	√
Investigate Jennings sewer reticulation network	MWW	√									
Implementation of recycled water end user agreements and monitoring	MWW	√	√	√	√	√	√	√	√	√	√

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Asset / Maintenance & Operations	1,323,936	1,330,849	1,428,003	1,382,264	1,388,562	1,408,957	1,429,309	1,475,791	1,489,826	1,497,023
Asset Renewal	575,400	600,700	620,000	921,600	635,100	667,600	662,049	695,078	991,663	724,719
Upgrade / New Asset	502,500	31,600	10,000	15,000	32,400	15,000	0	0	0	0
Total	2,401,836	1,963,149	2,058,003	2,318,864	2,056,062	2,091,557	2,091,358	2,170,869	2,481,489	2,221,742
Itemised inclusion in Upgrade / New Asset (above)										
Tenterfield STP - 3 Bay Shed for Storage	50,000	0	0	0	0	0	0	0	0	0
Tenterfield STP - Grinder Pump	0	0	10,000	0	0	0	0	0	0	0
Tenterfield STP - Refurbishment	102,500	0	0	0	0	0	0	0	0	0
Tenterfield New Pump Station - Molesworth St	200,000	0	0	0	0	0	0	0	0	0
Tenterfield New Pump Station - Trail Lane	150,000	0	0	0	0	0	0	0	0	0
Tenterfield Scada System Upgrade	0	31,600	0	0	32,400	0	0	0	0	0
Urbenville Telemetry Upgrade	0	0	0	15,000	0	15,000	0	0	0	0
Total	502,500	31,600	10,000	15,000	32,400	15,000	0	0	0	0

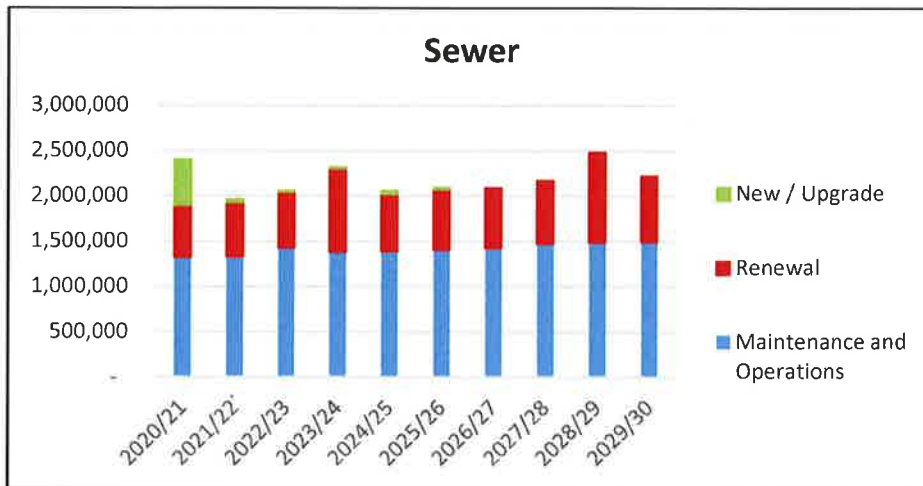
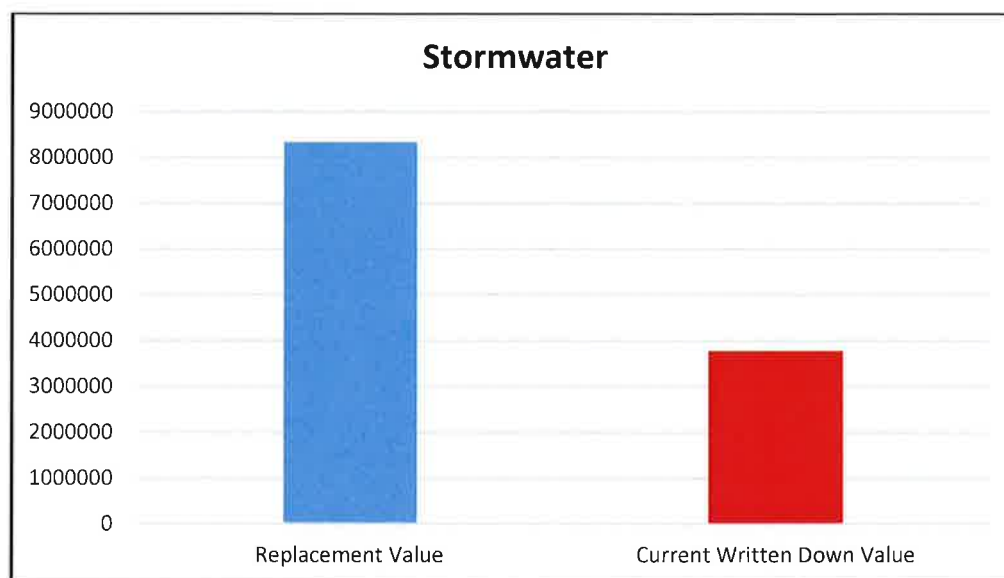


Figure 9: Sewerage Asset Forecast Expenditure

4. STORMWATER DRAINAGE



4.1 Key Data

- Total value of Stormwater assets is \$8,333,748
- FY 2019/2020 Stormwater Maintenance budget \$104,000
- FY 2019/2020 Stormwater Renewal budget \$285,000

The stormwater network generally comprises:

- Pits and Headwalls
- Interconnecting pipes
- Intersection pipes connecting table drains and kerb & gutter
- Under road culverts connecting to natural water courses
- Gross pollution traps & trash traps / racks
- Kerb and gutter (valuation included with transport assets)

The estimated life for all assets is 80 years.

4.2 Last Valuation

The last valuation was completed in 2019 by an External Consultant.

Component	Value
Pipe Culverts	\$5,113,280
Box Culverts	\$851,019
Open Channels	\$77,683
Headwalls	\$689,008
Manholes and Field Inlet Pits	\$654,758
Gross Pollutant Trap	\$252,000
Total Stormwater Asset	\$8,333,748

4.3 Condition Profile

The valuation undertaken in 2019 identified the following condition profile.

	Condition Rating	% of Asset Value
1	Excellent Condition	24
2	Good Condition	33
3	Moderate Condition	13
4	Poor Condition	26
5	Very Poor Condition	4

4.4 Key Findings

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

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 as 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.

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 assessed. This will require Council to undertake drainage studies to identify, prioritise and cost the required upgrades to assess the localised flooding issues.

The previous 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 is currently assessing new Asset Management Systems to implementation system which will allow for better storage of data, modelling, and decision 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.

Funding issues are identified as follows:

- Approximately \$100,000 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, \$234,000 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 available funds is to undertake a full assessment of the network via CCTV and identify priorities through drainage studies and more regular planned inspections.

4.7 Improvements

Some drainage improvements have been undertaken in the area of Railway Street and Railway Avenue.

The Tenterfield Floodplain Risk Management Plan and Study – Flood Study was also previously completed and adopted by Council in 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	Maintain and implement the Stormwater Quality Management Plan, the Drinking Water Management Strategy and the Water Asset Management Plan

Activities	Who	When										
(a)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2020 /21
Quality:												
Collect data for the capital,	MAPP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓

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renewal & maintenance programs											
Update the capital works & renewal program	MAPP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Establish, implement and update planned maintenance program	MoW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Undertake CCTV inspections and condition assessments	MAPP		✓	✓						✓	✓
Review SAMP	MAPP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Revalue Assets	MAPP				✓					✓	
Undertake drainage studies	DI/ MAPP	✓									
Prepare forward designs for drainage projects	MAPP		✓		✓		✓		✓		✓
AMS Software	MAPP	✓									

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	0	0	0	0	0	0	0	0	0	0
Asset Renewal	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000
Upgrade / New Asset	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Total	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000

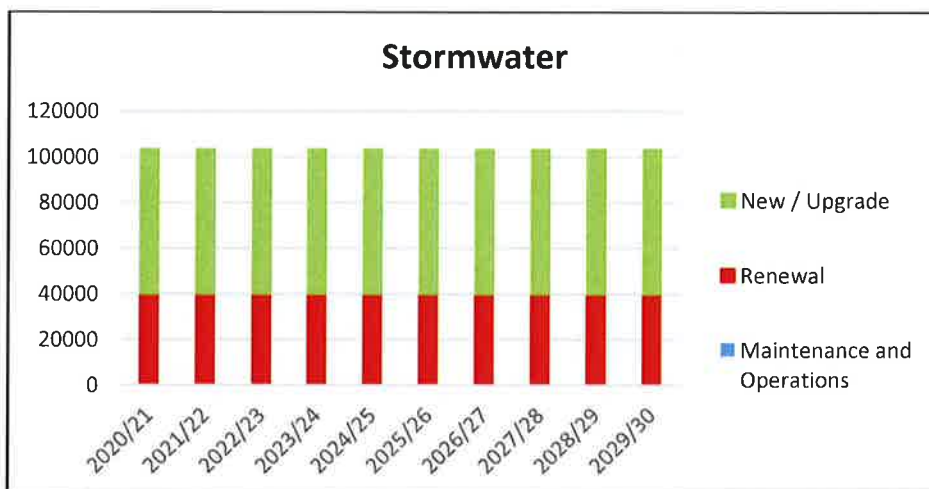


Figure 10: Stormwater Asset Forecast Expenditure

5. WASTE MANAGEMENT



5.1 Key Data

- Total value of current holdings \$6,582,771
- FY 2019/2020 Waste Maintenance and operations budget \$1,876,324
- FY 2019/2020 Waste New works capital budget \$757,713
- FY 2019/2020 Waste Renewal budget \$226,659
- 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 the 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 under review to assess validity.
- A review of waste management charges is necessary to cover the budget deficit.
- Major projects in coming years include;
 - Boonoo Boonoo Landfill new Cell Construction
 - Mingoola Transfer Station
 - Torrington Landfill conversion into a Transfer Station

5.5 Budget Implications

- There is an average annual deficit of \$884,000 for the next ten years if waste management charges were increased at the current rate.
- Budget includes 2.5% annual indexation increases over life of plan for maintenance and operations.

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	Target (per annum) Measures
(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										
(a)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2020 /21
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								√			

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*Waste Transfer Station

Activities	Who	When									
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
(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	√	√						√		
New waste transfer station at Mingoola	MWW	√									
Conversion of Torrington Landfill to a Waste Transfer Station	MWW	√									
Carryout refuse and recycling collection services	MWW	√	√	√	√	√	√	√	√	√	√

Activities	Who	When									
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
(c)											
Safety:											
Carry out operations in accordance with WHS Policies and procedures	All Waste Staff	√	√	√	√	√	√	√	√	√	√

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	1,690,056	1,789,371	1,867,484	1,900,231	1,931,236	1,969,243	2,008,160	2,048,921	2,088,817	2,130,604
Asset Renewal	8,000	127,477	8,000	158,000	8,000	8,000	8,000	8,000	8,000	8,000
Upgrade / New Asset	1,501,869	3,552,000	60,000	60,000	60,000	60,000	60,000	60,000	1,206,230	60,000
Total	6,760,224	7,157,485	7,469,936	7,600,923	7,724,944	7,876,971	8,032,642	8,195,685	8,355,269	8,522,416
Itemised inclusion in Upgrade/ New Asset (above)										

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Boonoo Boonoo develop stage 1	0	3,300,000	0	0	0	0	0	0	0	0	0
Boonoo Boonoo Landfill Revegetation Ref No 29	0	192,000	0	0	0	0	0	0	0	0	0
Boonoo Boonoo Landfill - Capping Topsoil Ref No 30	252,000	0	0	0	0	0	0	0	0	0	0
Boonoo Boonoo Landfill - Capping Clay Ref No 31	299,000	0	0	0	0	0	0	0	0	0	0
Remediation	0	0	0	0	0	0	0	0	1,146,230	0	0
Boonoo Boonoo - WHS Facilities & Amenities Upgrade	137,869	0	0	0	0	0	0	0	0	0	0
Boonoo Boonoo - New Cell Construction	743,000	0	0	0	0	0	0	0	0	0	0
Boonoo Boonoo Develop/operate borrow area	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Boonoo Boonoo - New Cell Remediation Asset (Non Cash)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tip shop - Drake, Liston & Tenterfield	10,000	0	0	0	0	0	0	0	0	0	0
Total	1,501,869	3,552,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	1,206,230	60,000

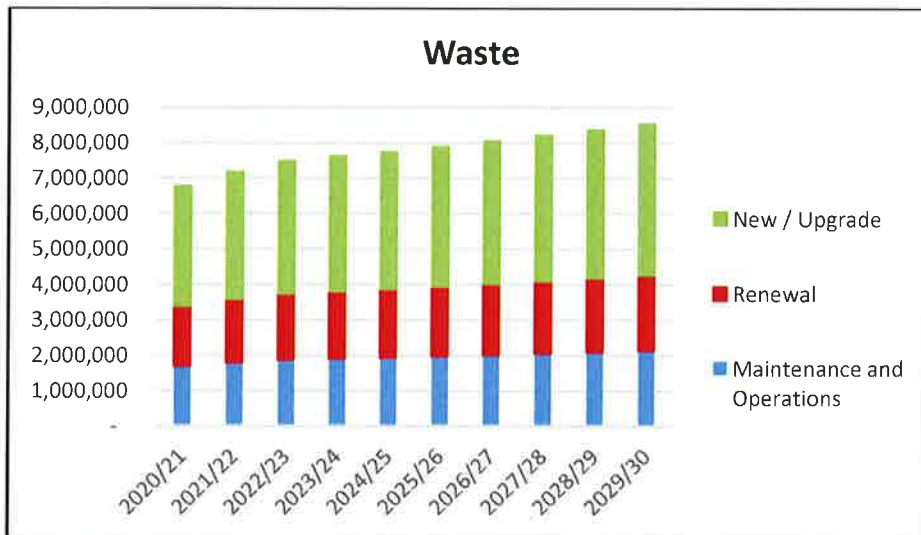
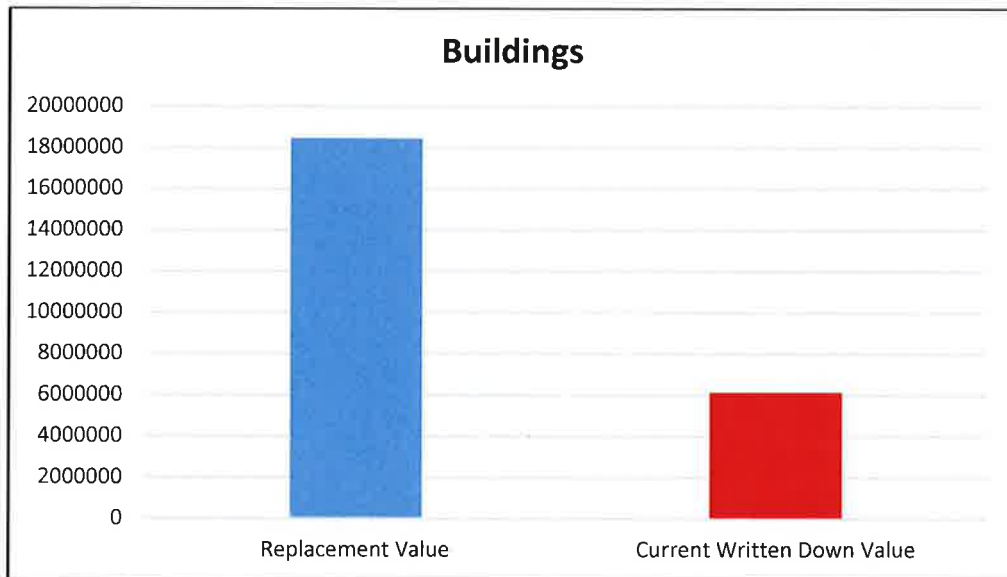


Figure 11: Waste Management Asset Forecast Expenditure

6. BUILDING & AMENITIES



6.1 Key Data

- Council currently has 115 Buildings and Amenities.
- Total value of current holdings \$30,810,100 does not include land value.
- FY 2019/2020 Building Maintenance and operations budget \$1,128,364
- FY 2019/2020 Building Renewal budget \$2,985,889
- Funding is from Council’s General Fund, Special Rates Variation (SRV) and Grants.
- There is a total of 78 Buildings owned by Council.

6.2 Last Condition Survey

- Valuation dated – By external consultant valuer in 2018.
- Buildings condition rating (1 to 5) is an assessment of the life time serviceability of the asset.

6.3 General Assessment of Condition

	Condition Rating	% of Asset Value
1	Excellent condition	1
2	Good condition	13

3	Moderate condition	58
4	Poor condition	28
5	Very poor condition	1

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.
- The current Delivery Plan to 2020/21 includes the renewal/upgrade of existing facilities such as:
 - Council Chambers and Administration Refurbishment
 - Council Houses Renewals
- Overall buildings are satisfactory however require active monitoring and an increase in resources for continued maintenance for assets in Condition 4 and 5.
- Focus will be on managing Condition 4 & 5 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 2.0% 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 & 5 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.

<p>c) Refine, Improve and Implement Buildings Asset Management Plan</p>	<ul style="list-style-type: none"> • Implement asset management system. • 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.
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Activities	Who	When									
(a)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
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 & 5 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)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Function:											

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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)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Safety:											
Refine, Improve and Implement Buildings Asset Management Plan	MPES			✓					✓		
Implement asset management program		✓	✓								
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.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	593,162	747,268	731,650	757,548	929,905	1,528,835	701,807	717,519	783,100	699,118
Asset Renewal	80,000	331,800	247,000	136,500	78,000	0	0	85,000	0	400,000
Upgrade / New Asset	0	0	0	0	0	0	0	0	0	0
Total	673,162	1,079,068	978,650	894,048	1,007,905	1,528,835	701,807	802,519	783,100	1,099,118

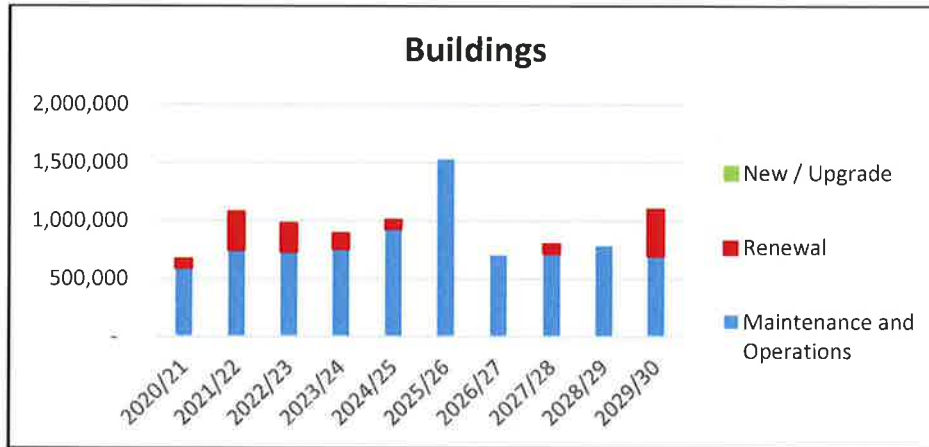
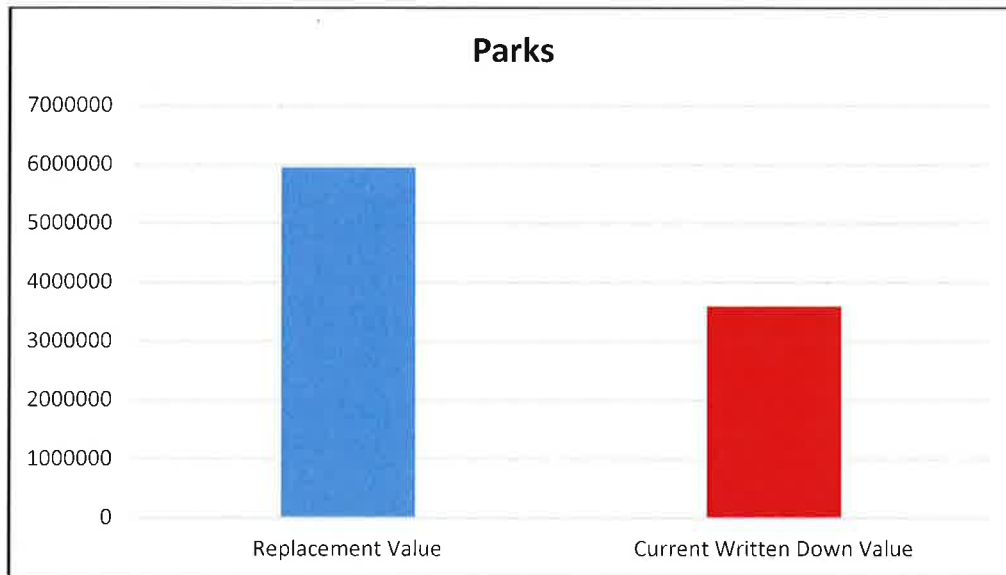


Figure 12: Buildings & Amenities Asset Forecast Expenditure

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 \$5,947,544
- Current maintenance and operations budget \$965,078
- Current renewal budget \$468,814

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.
- Assets are externally valued and assessed to significantly increase confidence.
- 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

- Valuation assessment program for some green assets such as sporting grounds and street trees has commenced.
- 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	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"> • Review AMP on annual basis. • Implement 10 Year Capital and Renewals Works Plan 2020 - 2030. • Review facility utilisation and costs of providing defined levels of service. • Identify funding opportunities to support upgrade and renewal programs.

Activities	Who	When									
(a)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Quality:											
Ensure good governance and administrative support for the Council and community	(MPES)										
Support user groups		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review fee structure		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(b)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Function:											
Ensure assets to cater for community needs	MPES										
Maintain open spaces		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community consultations		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Optimise level of service		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(c)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Safety:											

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Asset Management	MPES										
Re-evaluate AMP		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Implement 10 Year Capital and Renewals Works Plan 2017 - 2026		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review facility utilisation and costs			✓			✓			✓		
Identify funding opportunities		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	719938	745263	769301	775561	805653	812787	832075	851827	872055	904469
Asset Renewal	40000	0	0	0	0	0	0	0	0	0
Upgrade / New Asset	98800	164510	32574.55	147000	16000	93500	614000	66000	0	85000
Total	858,738	909,773	801,876	922,561	821,653	906,287	1,446,075	917,827	872,055	989,469
Summary in Upgrade / New Asset (Above)										
<i>Playgrounds and equipment</i>	85,000	122,000	28,000	147,000	16,000	58,500	14,000	66,000	0	85,000
<i>Cemetery Expansion with new road and carpark</i>	13800	42510	4575	0	0	35000	600000	0	0	0
Total	98,800	164,510	32,575	147,000	16,000	93,500	614,000	66,000	0	85,000

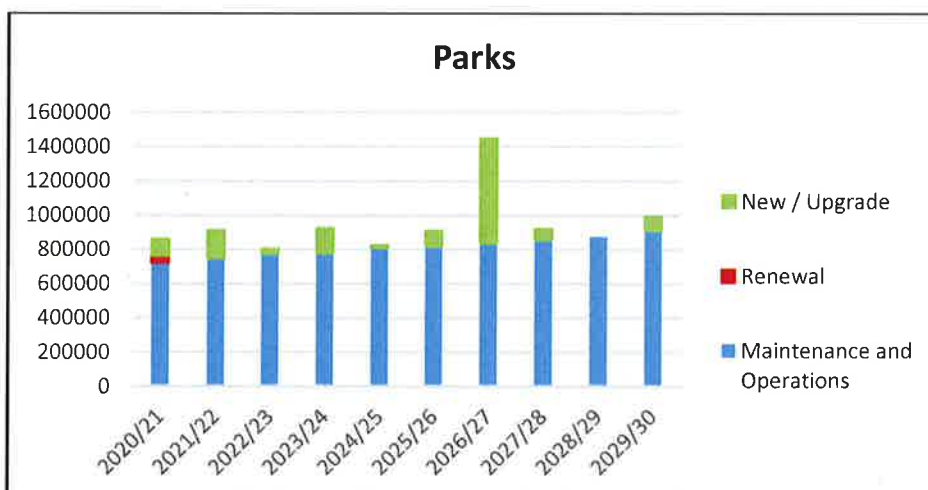
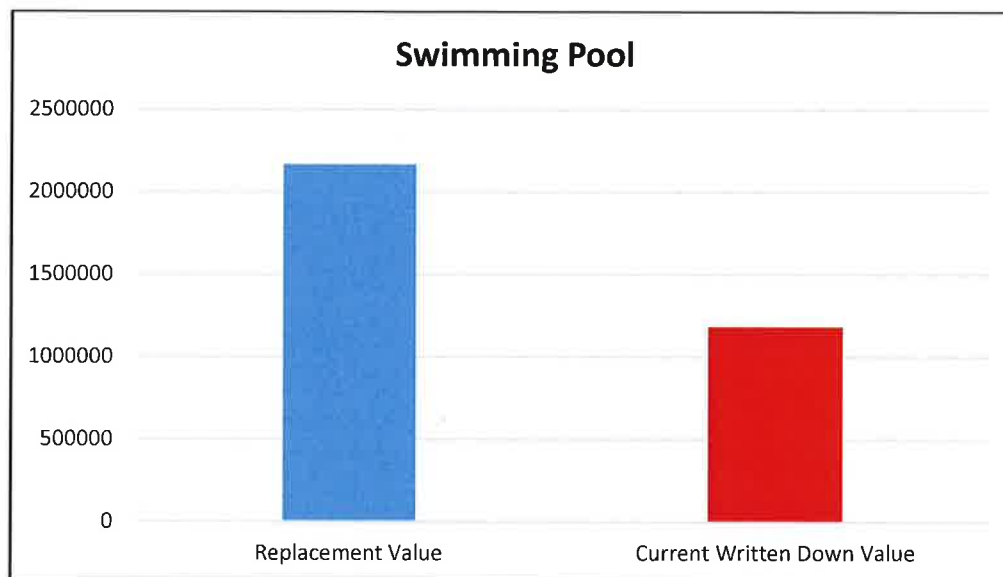


Figure 13: Open Spaces & Recreation Asset Forecast Expenditure

8. SWIMMING POOL



8.1 Key Data

- Total value of current Holdings \$2,167,219
- Current maintenance and operations budget \$207,107
- Current renewal budget \$121,000

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 reviewed and assessed to significantly increase confidence in conditions. 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
	<input type="checkbox"/> Engineering Assessment of Pool Condition (SRV)
(c) Asset Management	<input type="checkbox"/> Re-evaluate AMP on annual basis. <input type="checkbox"/> Implement 10 Year Capital and Renewals Works Plan 2017 - 2026. <input type="checkbox"/> Review facility utilisation and costs of providing defined levels of service. <input type="checkbox"/> Identify funding opportunities to support upgrade and renewal programs.

Activities	Who	When									
(a)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Quality:											
Ensure good governance and administrative support for the Council and community	(MPES)										
Support user groups		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Review fee structure		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(b)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Function:											
Ensure assets to cater for community needs	MPES										

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Maintain open spaces		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community consultations		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Optimise level of service		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Develop a Masterplan for the Swimming Pool		✓									

Activities	Who	When									
(c)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
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		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	168,607	207,987	200,134	178,950	204,637	190,196	196,328	197,736	216,719	220,580
Asset Renewal	0	0	0	0	0	0	50000	0	0	0
Upgrade / New Asset	200000	25000	25000	25000	121000	135000	25000	238000	40000	135000
Total	368,607	232,987	225,134	203,950	325,637	325,196	271,328	435,736	256,719	355,580
Itemised Inclusion in Upgrade / New Asset (above)										
Water Heater (subject to grant)	100,000	0	0	0	0	0	0	0	0	0
Pool blankets (subject to grant)	75,000	0	0	0	0	0	0	0	0	0
Pool equipment as per asset management plan	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	40,000	25,000
Aluminium Seating	0	0	0	0	20,000	0	0	0	0	0

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Mechanical and electrical assets	0	0	0	0	0	110,000	0	0	0	0
Internal finishes and fire/security system	0	0	0	0	0	0	0	213,000	0	0
Grandstand	0	0	0	0	0	0	0	0	0	110,000
Total	200000	25000	25000	25000	121000	135000	25000	238000	40000	135000

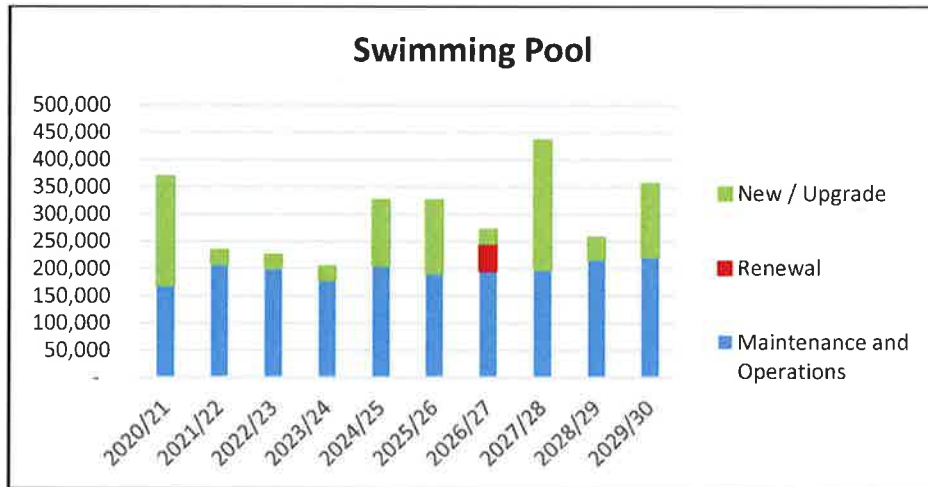
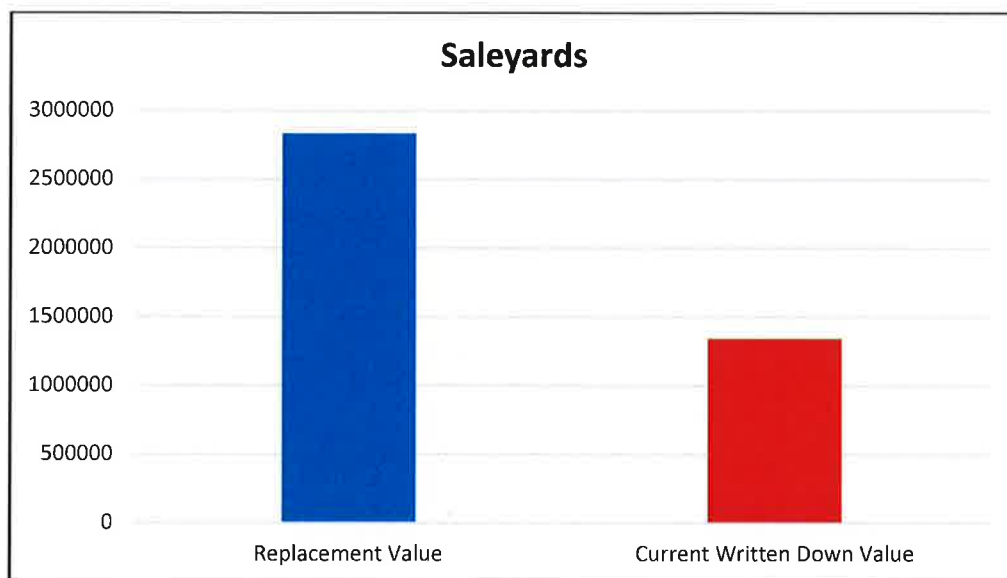


Figure 14: Swimming Pool Asset Forecast Expenditure

9. SALEYARDS



9.1 Key Data

- Value Buildings & Infrastructure \$2,473,369 plus Land Value of \$360,000 = **\$2,833,369**
- Operating profit of \$167,000 in 2018/19
- Stock throughput 21,656 head in 2018/19
- Capacity for up to 3,500 cattle on sale days
- 120 Selling Pens – 42 Holding Pens – 10 Drafting Pens
- Current operational (recurrent costs) \$51,000
- Current maintenance budget \$56,000
- Current renewal budget \$33,274
- No financial reserves

9.2 Last Condition Survey

- Valuation dated – Scott Fullarton Valuations Pty Ltd – 30 June 2018 – External (Buildings)

- 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 2023.

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.
- 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 regularly.
- Major expenditure is being planned for a new double height ramp including renewal of existing ramps and installation of a truck wash with effluent to be discharged to the town sewerage system. Grant funding has been received to half fund this project.
- AMP requires review with the next new valuation data for Infrastructure now current as at 30 June 2018 with Buildings to be revalued in June 2023. 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.

- Recommend a Restricted Reserve for future upgrades and renewals beyond Financial Year 2020/21.
- 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
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Activities	Who	When									
(a)		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Quality:											
Manage risk and safety											
Implement yard changes to maintain separation	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
WHS as an agenda item on Saleyards Committee meetings	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Restrict access to yards	MPES*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Manager Property and Environmental Services

Activities	Who	When									
(b)		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Function:											
Commercial performance	MPES										
Develop Service Plan		✓									
Review Service Plan			✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When									
(c)		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Safety:											
Environmental Performance	MPES										
Zero reportable EPA incidents		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zero reportable Bio Security incidents		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2020/21 2021/22 2022/23 2023/24 2024/25 2025/26 2026/27 2027/28 2028/29 2029/30

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Asset Maintenance & Operations	232,047	239,085	219,342	223,053	225,908	228,688	233,213	235,195	267,784	249,732
Asset Renewal	0	0	0	0	0	0	0	0	0	0
Upgrade / New Asset	1,200,000	0	0	0	216,260	7,000	0	9,280	0	0
Total	1,432,047	239,085	219,342	223,053	442,168	235,688	233,213	244,475	267,784	249,732

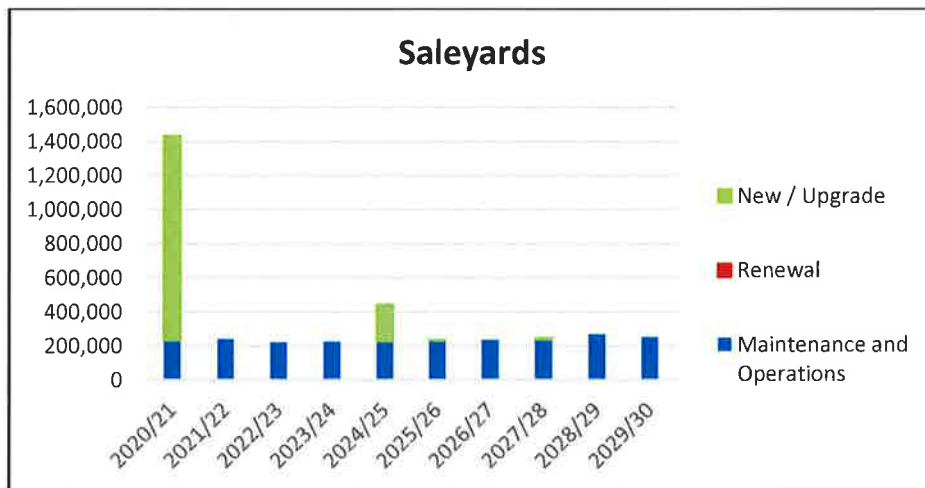
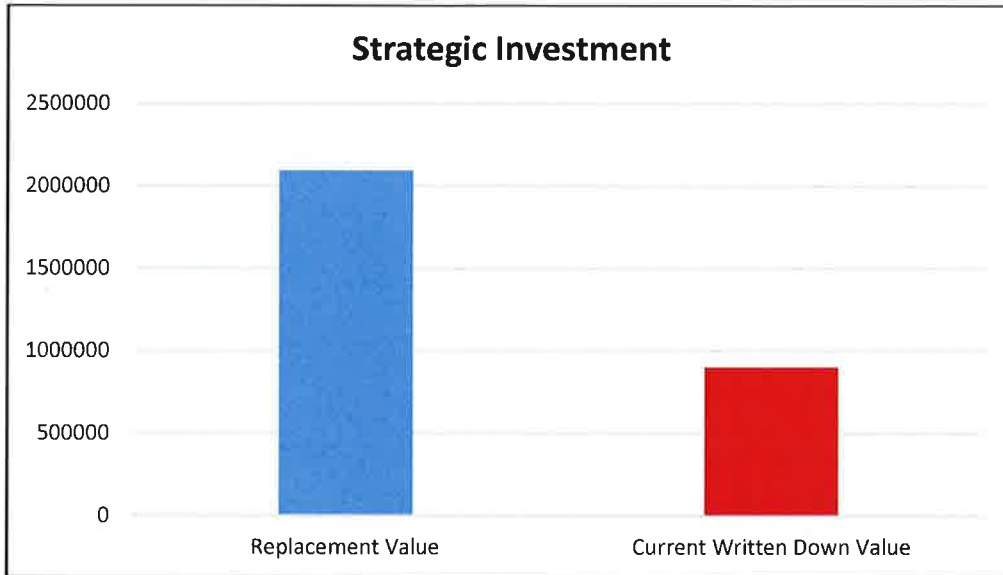


Figure 15: Saleyards Asset Forecast Expenditure

10. STRATEGIC/INVESTMENT ASSETS



10.1 Key Data

- Total value of current holdings \$2,094,426
- Current (2019/20) maintenance \$7,539
- Current (2019/20) operations \$5,000

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 – 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

10.4 Main Findings

Inventory

- Vacant Industrial Lands (9 lots still in possession of Council) at Riley St, Tenterfield.
- Inventory assets are non-depreciable assets.
- Investment assets are non-depreciable assets.
- Inventory assets are classified as 'real estate for resale'.
- Under the Local Government Code of Accounting Practice, investment premises will need to undergo revaluation in 2021-22.

10.5 Budget Implications

- There is a potential funding shortfall for any un-scheduled maintenance required for the investment property.
- 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.

10.6 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 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	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)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Quality:											

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(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)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
Function:												
Sufficient number, type and location of assets to cater for community needs	MPES											
Review property portfolio for replacement/ upgrade/ disposal of assets		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Activities	Who	When										
(c)		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	
Safety:												
Implement Asset Management Plan	MPES											
Implement the building capital works program.		✓	✓	✓								

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Manage the Council's property portfolio to maximise returns i.e. financial, community.											
			✓	✓	✓	✓	✓	✓	✓	✓	✓

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	12,735	12,936	13,142	13,354	13,571	13,794	14,023	14,257	14,498	14,745
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	12,735	12,936	13,142	13,354	13,571	13,794	14,023	14,257	14,498	14,745

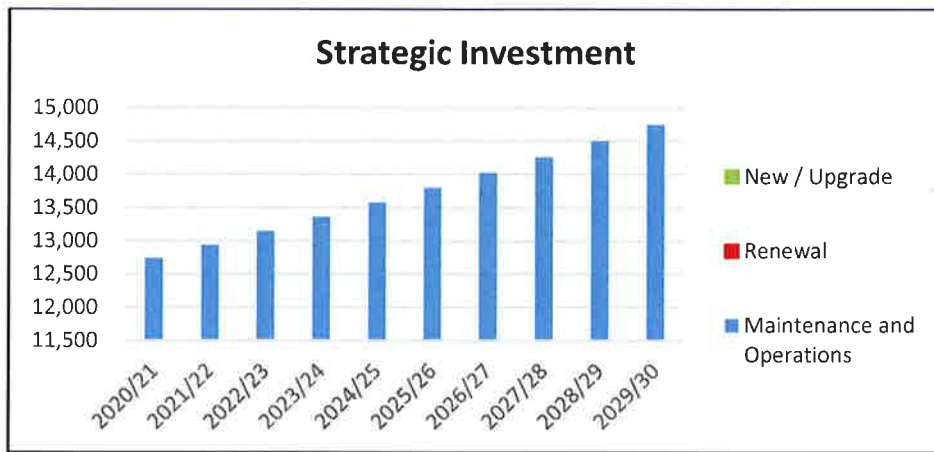
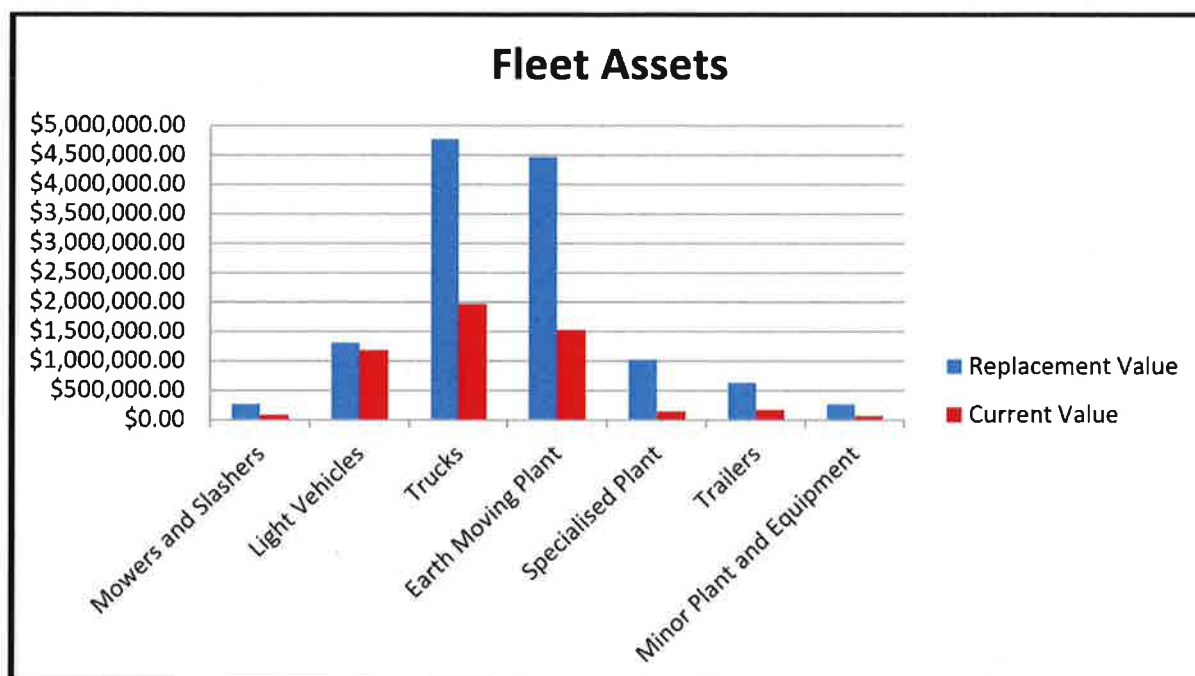


Figure 16: Strategic/ Investment Asset Forecast Expenditure

11. PLANT, FLEET & EQUIPMENT



11.1 Key Data

- Total value of current Holdings \$13,174,000
- Current (19/20) maintenance and operating budget of \$2,209,329
- Current (19/20) renewal budget of \$2,247,034

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.
- Age- 89% of Council's fleet is currently compliant with IPWEA optimum replacement benchmarks. 4% has been identified for refurbishment and 7% has been identified for disposal.
- By year 2022, 96% of Council's Fleet will be compliant with IPWEA optimum replacement benchmarks with the rest refurbished.
- Strategies have been investigated to monitor utilisation 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 an average annual renewal budget of \$1,300,400Pa over the next ten years.
- 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, it is predicted further gains in cost reduction may be achieved.
- 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.

<p>Objective</p>	<p>Provide a modern, efficient fleet, with sufficient flexibility to facilitate the delivery of Council services in an effective and economic manner.</p>
<p>Performance Measures</p>	<p>Target</p>
<p>(a) Quality Maintain a cost effective Fleet</p>	<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.)
<p>(b) Function Appropriate structure and fit for purpose</p>	<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.
<p>(c) Safety Manage Fleet operations to prevent adverse health and environmental impacts</p>	<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.

Tenterfield Shire Council – Asset Management Strategy 2020-2030

Activities		Who	When									
(a)			2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
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 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									
(b)			2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
Function	FM											
Review utilization trends to monitor the suitability of the fleet structure			√	√	√	√	√	√	√	√	√	√
Review hire rates, and operational expenses to monitor fleet efficiency			√	√	√	√	√	√	√	√	√	√

Tenterfield Shire Council – Asset Management Strategy 2020-2030

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									
		2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
(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 inspections of depot fuel infrastructure		√	√	√	√	√	√	√	√	√	√
Conduct detailed condition and safety inspections of depot emulsion storage		√	√	√	√	√	√	√	√	√	√

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Asset / Maintenance & Operations	972,605	1,004,152	1,036,632	1,070,072	1,104,498	1,139,939	1,176,421	1,213,976	1,252,632	1,292,421
Asset Renewal	860,500	1,213,540	1,402,423	1,206,851	1,583,428	1,302,157	1,225,440	1,588,581	1,337,482	1,283,724
Upgrade / New Asset	0	0	0	0	0	0	0	0	0	0
Total	1,833,105	2,217,692	2,439,055	2,276,923	2,687,927	2,442,095	2,401,861	2,802,557	2,590,115	2,576,145

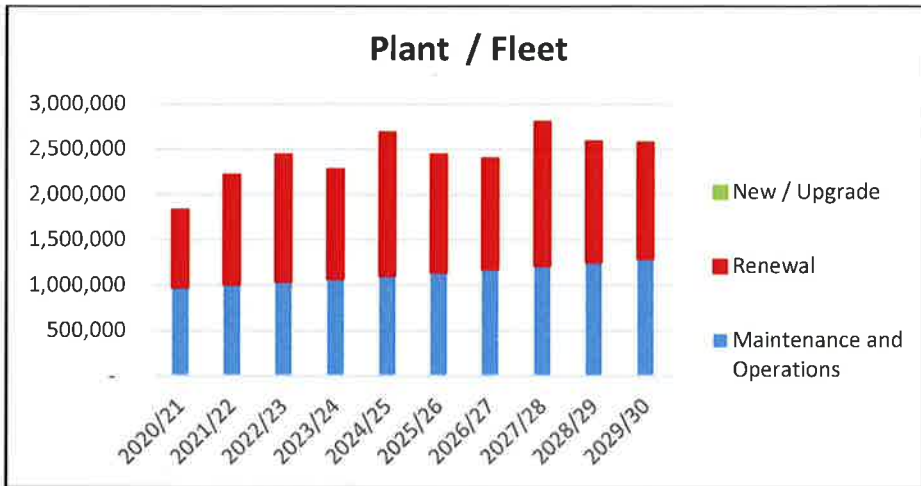


Figure 17: Plant, Fleet & Equipment Asset Forecast Expenditure

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 lifecycle 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 Council's 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 monitors its Business Continuity Plan and 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

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

Council is currently looking to employ a more consistent approach to project management and continues the process of developing such in respect to asset management.

There are a variety of resources / systems for this purpose and the overall framework will be guided by ISO 21500:2012, the International Standard for Project Management and referencing 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 continues to monitor the specific asset management indicators that it utilises as 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 may 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 will be reviewed 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 Council's 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.

Chief Executive and Senior Management Team

- 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 Team

- 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 requires 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.

APPENDICES

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 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.

1.014
CAS-02770-TDQW
V2.0
December 2016
Council
General Manager
284/16
November to 9 December 2016
November 2020 – 4 years
General Managers Office
General Manager
Asset Management Policy V1.1 (2013)
Local Government Amendment (Planning & Reporting) Act 2009. NSW Local Government Act 1993. Civil Liability Act 2002.
General Manager, Directors, Managers

Policy Number **File Number** **Document version** **Adoption Date** **Approved By** **Endorsed By** **Minute Number** **Consultation Period** **Review Due Date** **Department** **Policy Custodian** **Superseded Documents** **Related Legislation**

Delegations of Authority

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 aides 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

APPENDIX B

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 subclass 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.

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 to 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 unit 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 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 noncollectively, 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 C

ASSET MANAGEMENT IMPROVEMENT PLAN

1. Maintain a current and up-to-date Asset Management Policy and Strategy;
2. Revise Asset Management Plans for all asset categories, including updating AMP summaries;
3. Review and determine the optimal required asset base for council with regard to levels of service; review the existing asset portfolio; and undertake a divergence analysis to determine surplus assets;
4. Set-up and support an Asset Management Team 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. 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.

