SAMP
2024 – 2025

LISMORE CITY COUNCIL

STRATEGIC ASSET MANAGEMENT PLAN (SAMP)

JUNE 2024

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Lismore City Council acknowledges the people of the Bundjalung Nation, traditional custodians of the land on which we work.

1.1.1 Acknowledgement to Country

We acknowledge the Widjabal/Wyabal people of the Bundjalung nation, Traditional Owners of the lands and waters on which we operate our business. We honour their unique cultural and spiritual relationship to the land and waters and their continuing and rich contribution to Lismore City Council and the community. We pay our respects to them and their culture, their Elders and community leaders both past and present.

Additionally, we acknowledge the vibrant contribution that young Aboriginal people make as emerging leaders of the community.

Document credit

This document was prepared by Morrison Low for Lismore City Council. The document was prepared in consultation with Council's technical and financial teams.

Document status

Job #	Version	Approving Director	Date
7784	1 – Draft	G. Smith	April 2024
7784	2 – Draft – Post-exhibition	NA	June 2024

Contents

1 Executive summary

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

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

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

The SAMP has been prepared based on best information available to Council at the time of development. The financial analysis is based on Council's current and most recent (2022/23) Financial Statements. The SAMP improvement plan identifies asset improvement strategies to improve the organisation's capability and to provide more confidence in the reliability of the asset data that informs our decisions, including the need to incorporate resilience into Council's infrastructure risk management approach, particularly in disaster sensitive areas and to undertake inspections to collect reliable asset condition data.

The financial modelling in this SAMP incorporates the preliminary estimates of damage and infrastructure reconstruction ($650m from multiple sources of Disaster Recovery Funding (DRF) for asset replacement only – emergency repair and costs incurred to 'make safe' have been excluded) in response to the recent flood events. However, the current iteration does not account for the possibility of relocation of people and assets within the Local Government Area (LGA). The asset financial model will continue to be updated in future SAMPs as further detailed costings and clarity of direction for the new infrastructure become available. The financial impacts including depreciation, maintenance, and operational costs will be updated in future annual updates of Council's SAMP, AMPs and Long-Term Financial Plan (LTFP).

It is important to note that all disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.

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

1.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $2.5 billion. The asset values are estimates of the value of assets, as at 30 June 2023, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

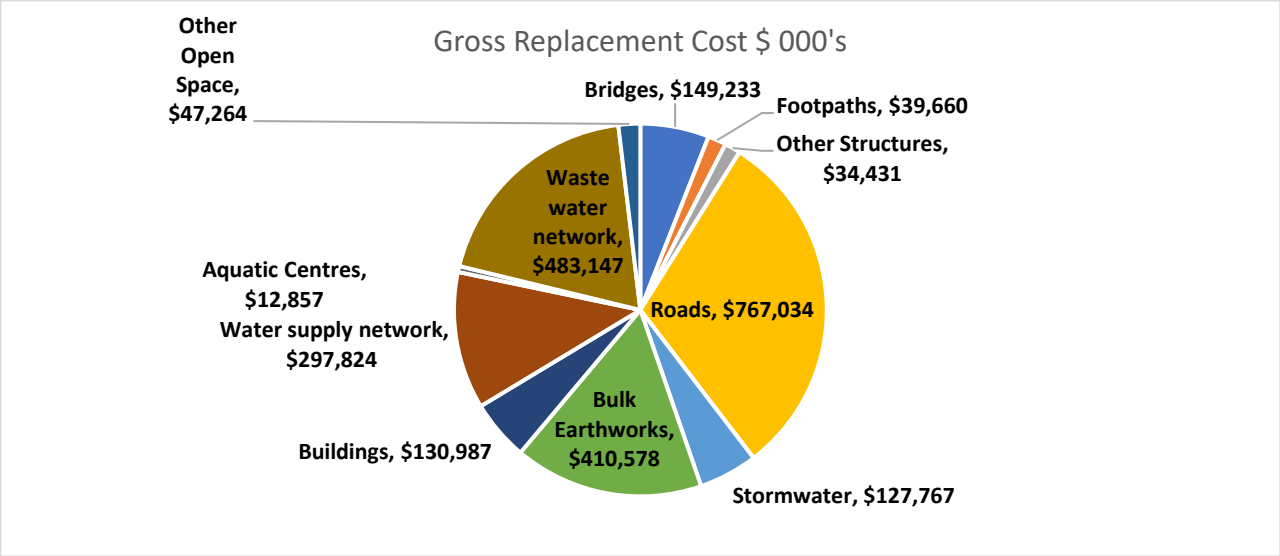
Table 1 Asset Summary

Category	Asset	Gross Carrying Amount
Open Space, Other Structures, Land Improvements and Pools	110 Parks 24 Sports fields 33 Playgrounds 4 Skate Parks 14 Basketball/Netball 50 Monuments 8 Artwork	$94.5m
Stormwater	152 km pipe 5,871 pits 46 Treatment devices	$128m
Transport	800 km Roads 142 Bridges 29 km Cycleways 16 Carparks 76 km Footpaths	$1,367m
Buildings - *(total 206)*	83 Council Offices/depot 3 Libraries/Art 19 Water and Sewer 60 Public Toilets 5 Saleyards 3 Emergency facilities 33 Council facilities	$131m
Water Supply	354km Water Mains 7 Pumping stations 18 Reservoirs 1 Dam 1 Weir 2 Water Treatment Plants	$298m
Waste Water	376km Sewer Mains 84 Pumping stations 3 Waste water treatment plants	$483m

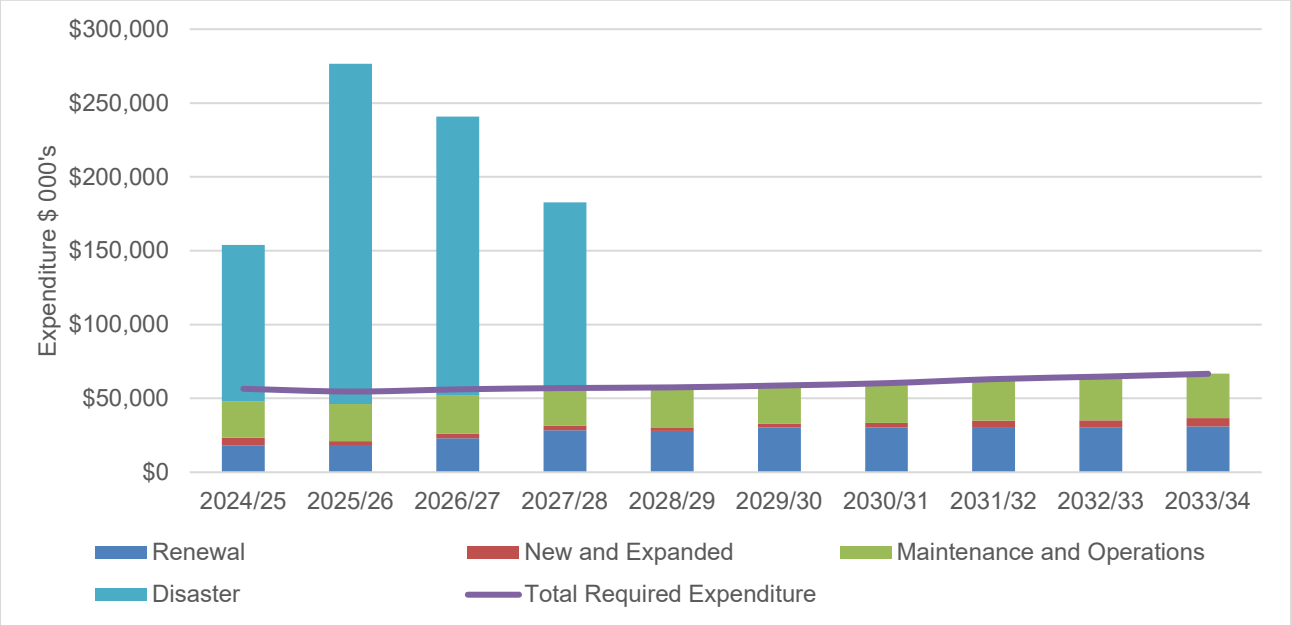
Table 2: Asset classes and values

Asset Class	Gross Replacement Cost (CRC) $ (000's)	Written Down Value (WDV) $ (000's)	Annual Depreciation Expense $ (000's)	Asset Management Plan
Buildings	$130,987	$71,913	-$982	Buildings, Other Structures and Land Improvements
Other Structures	$34,431	$18,908	-$1,301	Buildings, Other Structures and Land Improvements
Roads	$767,034	$451,087	-$13,610	Transport Assets
Bridges	$149,233	$84,416	-$1,408	Transport Assets
Footpaths	$39,660	$28,412	-$540	Transport Assets
Bulk Earthworks	$410,578	$410,578	$0	Transport Assets
Stormwater	$127,767	$81,273	-$705	Stormwater Assets
Water supply network	$297,824	$166,869	-$2,980	Water Assets
Wastewater network	$483,147	$300,272	-$5,070	Wastewater Assets
Swimming pools	$12,857	$4,996	-$160	Buildings, Other Structures and Land Improvements
Open Space and Recreation (inc. Land Improvements)	$47,264	$17,591	-$1,256	Buildings, Other Structures and Land Improvements
Total	**$2,500,782**	**$1,636,315**	**-$28,012**	

Figure 1: Council Asset Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	367.3%	78.2%	Yr 1	$90,314
Benchmark 100%			Yr 5 Average	$118,400
(Includes Disaster Funding)			Yr 10 Average	$55,345
Infrastructure Backlog Ratio	10.4%	5.0%	Yr 1	-$149,335
Benchmark 2%			Yr 5 Average	-$100,306
			Yr 10 Average	-$91,211
Infrastructure Maintenance Ratio	122.1%	121%	Yr 1	$7,200
Benchmark 100%			Yr 5 Average	$7,489
			Yr 10 Average	$7,889
Total Funding Gap			Yr 1	-$51,821
			Yr 5 Average	$25,583
(Includes Disaster Funding)			Yr 10 Average	-$27,978



1.2 Asset backlog

In 2022/23, Council had a combined asset backlog of $201 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2023 is shown in the following table.

Table 3: Asset backlog summary

Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	23,527	35.5%
Other Structures	281	1.5%
Roads	50,499	12.0%
Bridges	7,028	8.3%
Footpaths	299	1.1%
Bulk Earthworks	0	0.0%
Stormwater	1,758	2.2%
Water Assets	25,687	15.3%
Wastewater Assets	88,849	27.5%
Open Space and Recreation (inc. Land Improvements)	96	15.0%
Swimming Pools	2,856	57.2%
Total	**200,880**	**12.4%**

In 2022/23, only Council's Other Structures and Footpath assets met the OLG benchmark of 2%. The other asset classes exceeded this level with an overall Backlog Ratio of Council sitting just above 12%. It is worth noting that in the past 4 years Council has undergone three significant natural disaster events which have had a detrimental impact on the condition of its asset portfolio. As such Council has reduced confidence in its roads condition data to "acceptable" and is currently in the process of recapturing this, which may result in a change in the condition profile of the network. These findings will be incorporated as part of the annual review process of the Transport Asset Management Plan as well as the Strategic Asset Management Plan.

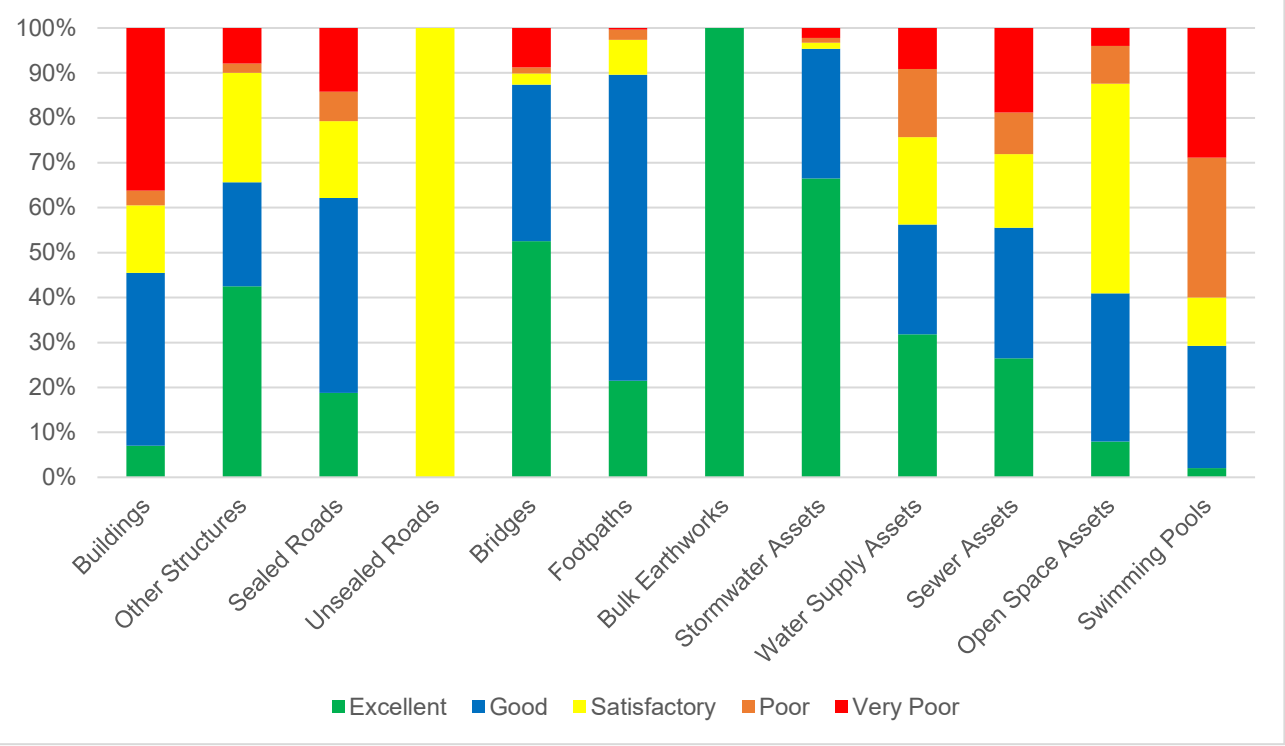
1.3 Asset condition

Reviewing the asset condition data shows that there is a notable portion of Council's Transport, Buildings, Water, Wastewater and Swimming Pool assets in unsatisfactory condition (Table 4; Figure 2). The condition is represented as a percentage of the replacement cost of Council's assets. Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Overall, the quality of Council's condition data is rated as acceptable. It should be noted that there was a significant impairment of Council's assets due to the 2022 flood event which has resulted in a large proportion of assets in a state of very poor condition. As Council continues through the disaster recovery process, a significant improvement is expected in the condition of the portfolio in future iterations of this SAMP.

Table 4: Asset condition

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	7.0%	38.5%	15.0%	3.3%	36.2%
Other Structures	42.5%	23.2%	24.3%	2.1%	7.9%
Sealed Roads	18.8%	43.4%	17.1%	6.5%	14.2%
Unsealed Roads	0.0%	0.0%	100.0%	0.0%	0.0%
Bridges	52.5%	34.8%	2.5%	1.4%	8.7%
Footpaths	21.5%	68.1%	7.8%	2.2%	0.4%
Bulk Earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets	66.5%	28.9%	1.3%	1.1%	2.2%
Water Supply Assets	31.8%	24.4%	19.5%	15.1%	9.2%
Sewer Assets	26.5%	29.1%	16.4%	9.2%	18.8%
Open Space Assets	8.0%	32.9%	46.7%	8.4%	4.0%
Swimming Pools	2.0%	27.2%	10.8%	31.2%	28.8%
Combined	**39.5%**	**29.0%**	**13.4%**	**6.2%**	**11.9%**

Figure 2: Asset condition summary



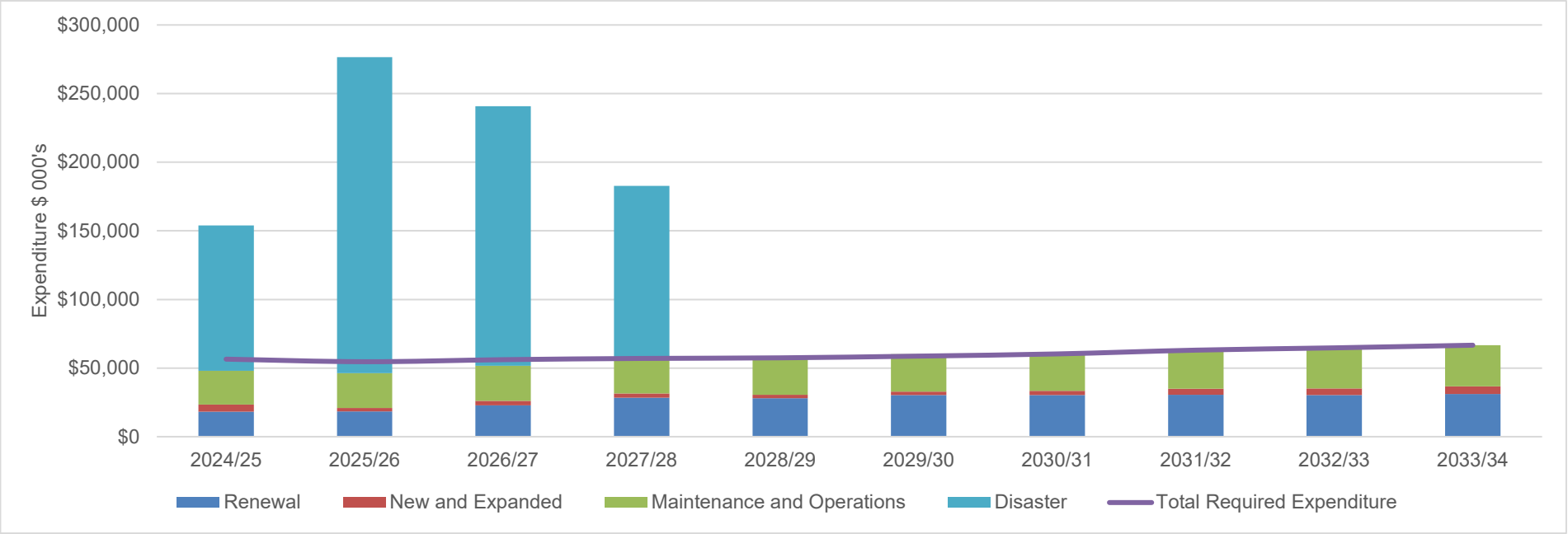
1.4 Expenditure and reporting

Table 5: Combined asset expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	$18,167	$18,438	$22,927	$28,406	$28,063	$30,352	$30,413	$30,549	$30,272	$31,131
	Disaster Funding	$105,938	$230,272	$189,055	$125,000	$0	$0	$0	$0	$0	$0
	New and expanded assets	$5,333	$2,570	$3,132	$3,092	$2,412	$2,516	$2,933	$4,450	$4,867	$5,485
	Maintenance and operational	$24,571	$25,252	$25,694	$26,255	$26,605	$27,273	$27,961	$28,668	$29,393	$30,139
	Total expenditure	$154,010	$276,532	$240,808	$182,752	$57,080	$60,141	$61,306	$63,667	$64,533	$66,755
Required	Required renewal (depreciation)	$33,791	$34,297	$34,811	$35,331	$36,036	$36,755	$37,489	$38,237	$39,000	$39,789
	New and expanded assets	$5,333	$2,570	$3,132	$3,092	$2,412	$2,516	$2,933	$4,450	$4,867	$5,485
	Required maintenance and operational	$17,372	$17,767	$18,179	$18,596	$19,019	$19,451	$19,899	$20,378	$20,873	$21,388
	Total	$56,496	$54,634	$56,122	$57,019	$57,467	$58,723	$60,320	$63,064	$64,740	$66,661
Maintenance gap		$7,200	$7,484	$7,515	$7,658	$7,586	$7,822	$8,062	$8,290	$8,520	$8,751
Renewals gap		$90,314	$214,413	$177,172	$118,074	-$7,973	-$6,404	-$7,076	-$7,688	-$8,728	-$8,658
Overall gap		$97,514	$221,898	$184,687	$125,732	-$387	$1,418	$986	$602	-$208	$93
Overall GAP (Excluding Disaster Funding)		-$8,424	-$8,374	-$4,369	$732	-$387	$1,418	$986	$602	-$208	$93

** All disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.*

Figure 3: Council Expenditure Overview



The projections indicate that the significant injection of disaster recovery funding (DRF) results in a substantial average annual surplus in CAPEX ($55.3m) and a small surplus in OPEX ($7.9m) relative to the funding required to maintain the status quo for Council over the 10-year period. There is a significant reduction in Council's backlog ($48.2m) over this time, reducing the overall backlog percentage from 10.4% down to 5.0%. Council will face significant challenges in delivering the volume of capital work and it is critical that financial and condition data is reviewed regularly to track the impact of the works. Further, it should be noted that Council's transport infrastructure makes up a significant portion of the backlog and Council is currently in the process of collecting 'high confidence' condition data as part of the next revaluation of its transport portfolio, which may provide clarity on the extent of the works required.

1.5 Levels of service

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

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

These have been developed for all asset classes and are detailed in the respective AMPs and address the adopted lifecycle management of assets. The overarching SAMP establishes a basic framework to measure service level outcomes. Council is currently in the process of developing Service Levels and will undertake community consultation by 30/06/25.

1.6 Strategic actions

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

Table 6: High level strategic actions

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

No	Strategy	Desired outcome
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.
10	Incorporate resilience planning into Council's infrastructure management to be resilient against future disaster events.	Improved ability for Council to build and maintain infrastructure, that would otherwise be vulnerable to natural disasters.

2 Introduction

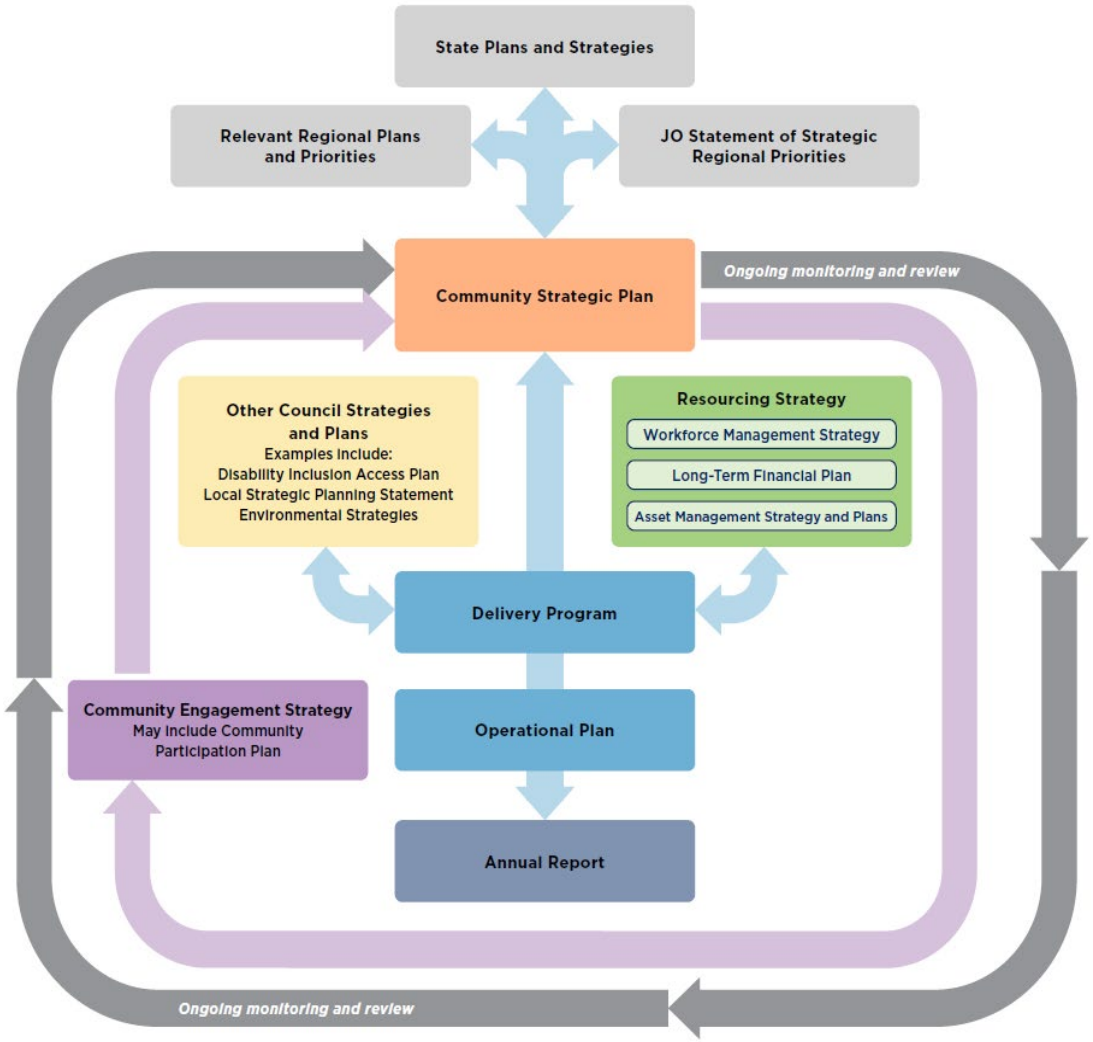
2.1 Asset planning

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

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

Council's current planning framework is based on the NSW Office of Local Government Integrated Planning and Reporting Framework.

Figure 4: Integrated Planning and Reporting Framework (OLG)



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

Figure 5: Relationship between Council's plans and resourcing strategies

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

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

- Imagine Lismore Community Strategic Plan 2022-2032
- Lismore City Council Resourcing Strategy:
    - Long-Term Financial Plan
    - Workforce Management Plan
- NSW State Plan and Premier Priorities
- Northern Rivers Joint Organisation Strategic Regional Priorities
- North Coast Regional Plan 2041
- Strategic Business Plan for Water Supply and Wastewater
- Reconciliation Action Plan 2022-2024
- Lismore Growth and Realignment strategy.

2.2 Scope of this Strategic Asset Management Plan

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

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

The specific objectives of this strategy are:

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

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

- Current asset condition and performance
- Levels of service
- Forecasted demand for infrastructure and services
- Funding constraints
- Flood related funding.

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

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

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

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

Table 7: Asset Management Strategy structure

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

2.3 Council's assets

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

Table 8: Range of infrastructure assets and services

Asset Plan	Description
Buildings, Other Structures and Land Improvements (Open Space)	This Asset Management Plan includes all of Council's Buildings and Facilities, Other Structures, Recreational Areas, and Land Improvement Assets. Council's Buildings include the administration centre, depots, halls, library, museum, GSAC, Laurie Allen Centre as well Council's recreational amenity buildings and toilets. The structures for Council's water and wastewater treatment and pumping facilities are also included in this plan. The Open Space areas include all of Council's parks, playgrounds, sporting fields and equipment miscellaneous items such as benches, seats etc. As well as the roads, bridges, footpaths, and drainage assets within these reserves.
Transport Assets	This Asset Management Plan includes all of Council's 'Transport' assets within its roads, corridors, including its; sealed and unsealed roads, kerb and guttering, bridges, pathways, traffic calming devices as well as other ancillary transport assets.
Stormwater Assets	This Asset Management Plan includes all of Council's stormwater and drainage assets such as its pipes, channels, pits, and water quality devices.
Water Network	This Asset Management Plan includes Council's water pipelines, pumping stations, treatment plants and storage.
Wastewater Network	This Asset Management Plan includes Council's wastewater pipelines, pumping stations and treatment plants.

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

2.4 About Lismore City Council

Lismore City Council is located in the heart of the Northern Rivers region of NSW and is located 730km north of Sydney and 200km south of Brisbane covering an area of around 1,290 square kilometres. The area is encompassed by rich farmland and boasts the culture and convenience of a major regional centre and all of the lifestyle advantages of an extraordinarily beautiful natural environment. The region had an estimated 2023 population of 44,907 people and is known as the rainbow region for its diverse population which celebrates and embraces its different communities and groups.

Recently, the region has been devastated by a series of natural disasters with bushfires in 2019 and major flooding events in 2022 which breached the levy banks and destroyed homes, businesses and caused major infrastructure damage estimated at $650 million (excluding immediate repair and make safe works). This contextual understanding is critical when reading this iteration of the strategic asset management plan as Council is in the early stages of recovery and rebuilding the LGA as well as awaiting guidance from the State with respect to current discussions on relocating homes and infrastructure.

Figure 6: Lismore City Council LGA

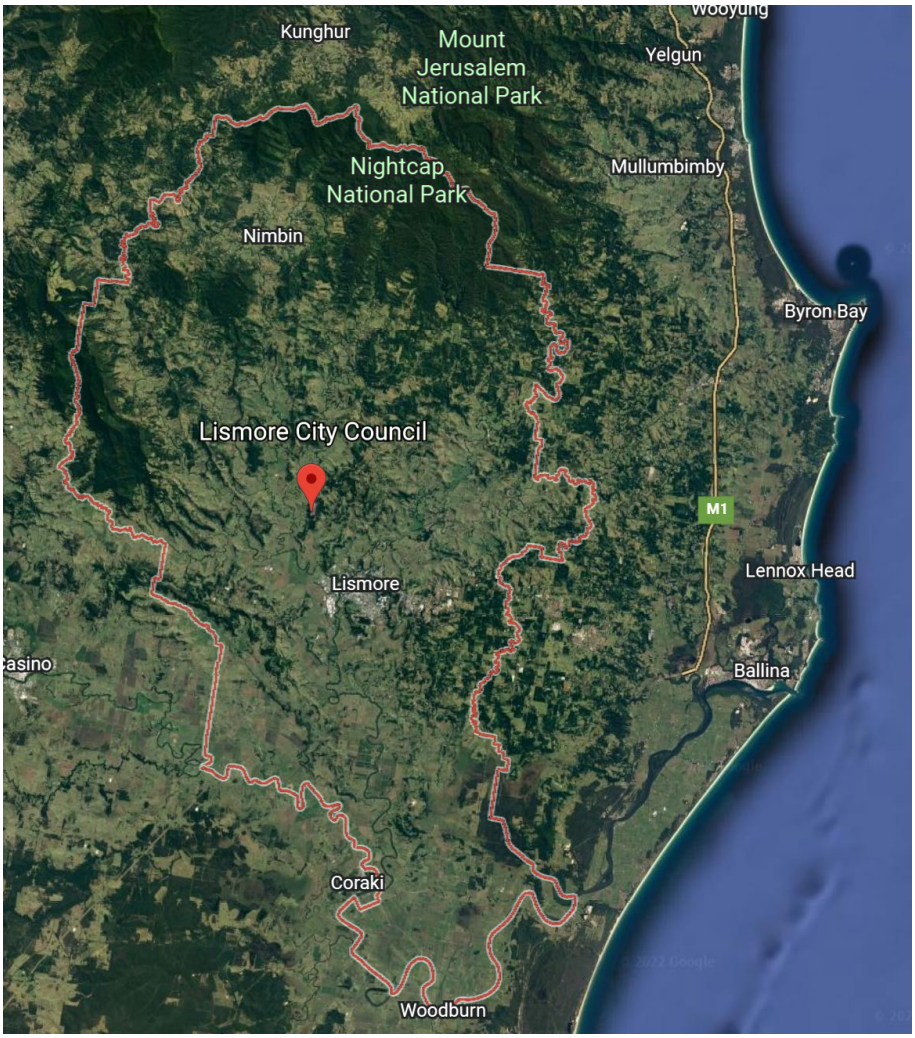
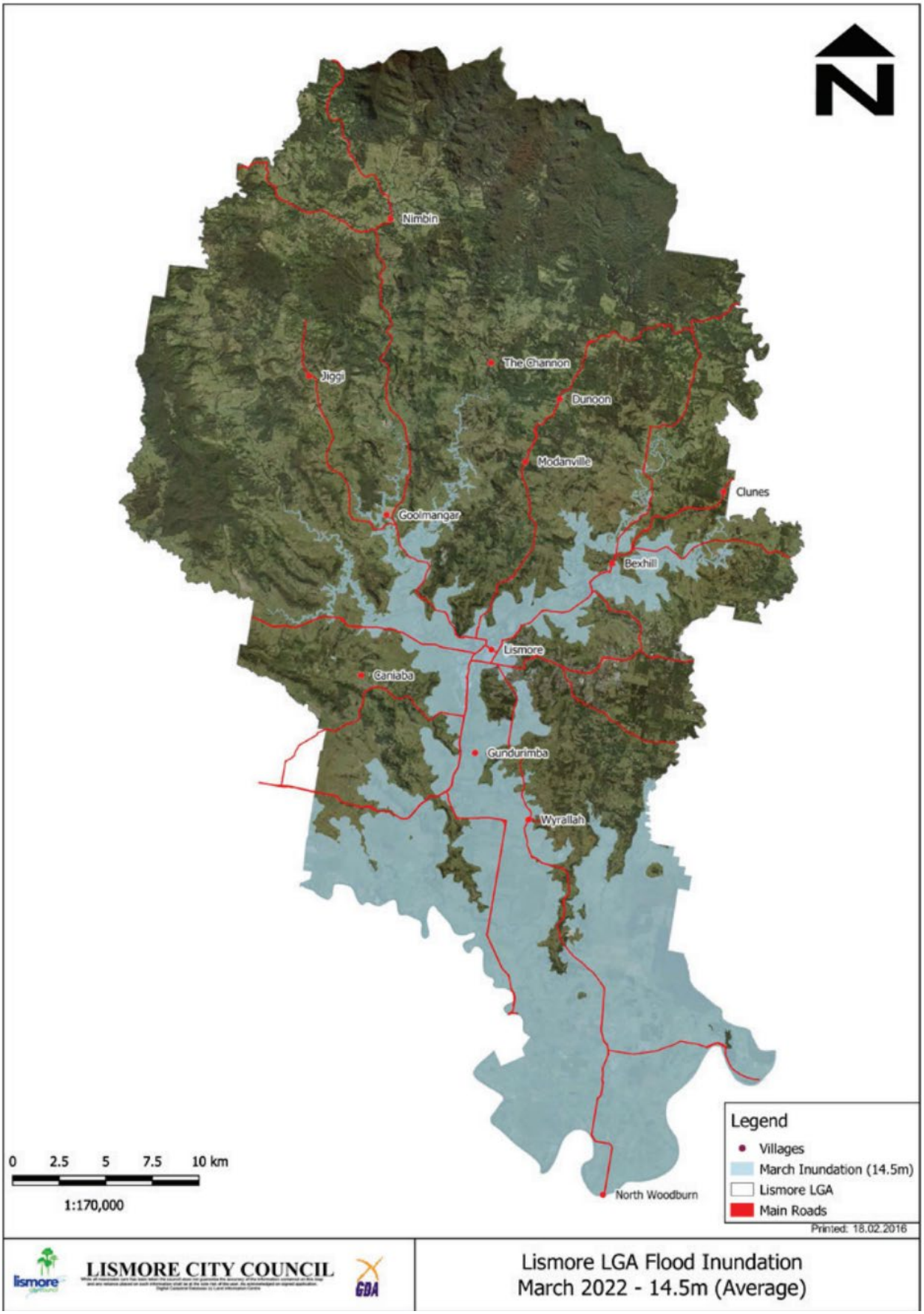


Figure 7: Inundation due to March 22 Flood Event



2.5 Links to Council plans and strategies

The Strategic Asset Management Plan and Asset Management Plans have been prepared in line with the strategic objectives outlined in the Imagine Lismore Community Strategic Plan 2022-2032 (CSP).

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

Table 9: Linkages to the Corporate Strategic Plan

Strategy	Buildings, Facilities and Open Space Areas	Transport	Stormwater	Water	Wastewater
An inclusive and healthy community					
A1 Our community is safe, happy and healthy.	x				
A1.1 Support community members to participate in healthy eating and active living.					
A1.2 Provide responsive emergency management and emergency prevention services.	x	x	x	x	x
A1.3 Maintain public health, safety and amenity					
A2 We recognise our Aboriginal and Torres Strait Islander community and cultures.					
A2.1 Provide opportunities for Aboriginal and Torres Strait Islander people to participate in community events and programs.	x				
A2.2 Support and promote Aboriginal and Bundjalung art and artists.	x				
A2.3 Implement actions in the Reconciliation Action Plan.					
A2.4 Conserve items, areas and places of Aboriginal cultural heritage significance	x				
A2.5 Ensure workforce planning strategies, human resource practices and all stages of the employment lifecycle reflect Reconciliation Action Plan commitments and responsibilities.					
A3 Our sporting facilities and recreational spaces encourage active and passive community participation.					
A3.1 Provide a major parkland that caters for the local and regional community while providing economic benefits to the CBD.	x				
A3.2 Provide high-quality open spaces, parks and reserves.	x				
A3.3 Provide high-quality sporting facilities to meet the diverse needs of the community.	x				
A3.4 Continued improvement of Lismore's sport and recreation facilities.					
A4 Our community is a desirable place to live, an easy place to work and a welcoming place to visit.					
A4.1 Promote positive attitudes and behaviours toward people with disability.					
A4.2 Create liveable communities for all.	x	x			
A4.3 Support access to meaningful employment to cater for community diversity.					
A4.4 Improve systems and processes to ensure accessibility for all.					
A5 Our community has access to essential services.					

Strategy	Buildings, Facilities and Open Space Areas	Transport	Stormwater	Water	Wastewater
A5.1 Provide suitable and well-planned cemeteries, chapel and crematorium services.	x				
A5.2 Assist in improving regional health facilities and services in Lismore.	x				
A prosperous and vibrant city					
B1 Our community has diverse business and industry, as well as opportunities for investment and growth.					
B1.1 Support and encourage a diverse and competitive mix of business and industry.					
B1.2 Promote Lismore city centre through the Lismore Business Promotion Program.					
B2 Our city, villages and riverbank precincts are vibrant and provide diverse activity that strengthens our social connections.					
B2.1 Facilitate ongoing growth opportunities and improvements within the Lismore CBD					
B2.2 Use placemaking to enhance, activate and manage the CBD, Quadrangle and riverbank precincts.	x	x			
B2.3 Facilitate unique events that celebrate our diversity.					
B2.4 Provide socially inclusive, vital and welcoming services that support the education, social and recreational needs of the community.					
B3 Our community has a diverse and thriving arts and cultural life.					
B3.1 Develop a diverse gallery program resonating with wide audiences	x				
B3.2 Support the careers of Aboriginal and Bundjalung artists.	x				
B3.3 Provide a framework for ongoing public art and cultural growth.	x				
B3.4 Support cultural partnerships and collaborations.					
B4 Our community is connected and convenient.					
B4.1 Maintain regular passenger transport to Lismore and the region.		x			
B4.2 Maintain and develop airport and aviation services.	x	x			
B4.3 Advocate for regional integrated transport services.		x			
B4.4 Provide footpaths, cycle ways and pedestrian access that is safe and serviceable.		x			
Our Natural Environment					
C1 Our waterways and catchments are healthy.					
C1.1 Enhance riparian vegetation and manage off-stream impacts to improve water quality.			x		
C1.2 Provide a safe and serviceable stormwater drainage system.			x		
C2 We are committed to resource recovery, waste management and recycling innovation.					
C2.1 Provide effective and efficient waste collection and disposal services.	x				
C2.2 Maximise resource recovery and minimise waste to landfill.	x				
C2.3 Provide community education about resource recovery, waste management and recycling.					
C3 We are committed to environmental sustainability.					

Strategy	Buildings, Facilities and Open Space Areas	Transport	Stormwater	Water	Wastewater
C3.1 Make Council self-sufficient in electricity from renewable sources.	x	x	x	x	x
C3.2 Ensure sustainability principles are understood and applied in Council's business operations.	x	x	x	x	x
C3.3 Build corporate and community sustainability through active partnerships.					
C4 Our diverse natural environment is protected and enhanced.					
C4.1 Protect and improve biodiversity on public and private land in Lismore's urban and rural landscapes.	x		x		
C4.2 Protect and improve Lismore's koala population.	x				
C4.3 Report on the condition of our environment.	x				
Our Built Environment					
D1 Our city and village services are well managed and maintained.					
D1.1 Provide a road network that is safe and serviceable.		x			
D1.2 Plan for infrastructure that meets the needs of the community.	x	x	x	x	x
D1.3 Provide Council buildings that are safe and fit for purpose.	x				
D1.4 Provide a safe water supply and associated services.				x	
D1.5 Provide wastewater supply and associated services.					x
D1.6 Provide quality road materials and asphalt production.		x			
D2 Our built environment is managed and enhanced to meet the needs of our growing community.					
D2.1 Ensure new development enhances the area in which it is located.					
D2.2 Provide development assessments in a timely, customer friendly and sustainable manner.					
D2.3 Ensure new buildings and infrastructure meets relevant standards.	x				
D3 Our land-use planning caters for all sectors of the community.					
D3.1 Ensure land is available and serviced to meet population growth in locations that are accessible, close to services and employment, and suitable for development.					
D3.2 Ensure a diverse range of land use and development opportunities are available.					
D3.3 Protect resources, including prime agricultural land and extractive industries, for future use by the community.					
D3.4 Provide opportunities for community engagement in the preparation of land-use strategies and zone reviews.					
D3.5 Contribute to state and federal government planning and related policy and legislation reviews.					
D4 Our community has a diversity of affordable housing options.					
D4.1 Plan for a mix of housing needs and facilitate increased supply of affordable housing.					
Leadership and Participation					
E1 We communicate and engage with our community.					
E1.1 Provide effective communication and information delivery, marketing and promotions.					
E1.2 Coordinate and initiate community engagement in Council activities and decision-making.					

Strategy	Buildings, Facilities and Open Space Areas	Transport	Stormwater	Water	Wastewater
E1.3 Engage with rural communities to encourage community involvement, connectedness and cohesion.					
E2 We collaborate with other agencies to achieve great outcomes.					
E2.1 Embrace a partnership approach to achieve community outcomes.					
E2.2 Build capacity of and provide support to community organisations and groups.	x				
E2.3 Facilitate programs and activities that celebrate young people, older people and multiculturalism.	x				
E2.4 Develop working relationships with government, non-government, private sector and community-based agencies.					
E2.5 Participate in cultural relationships.					
E2.6 Manage regional services with other councils.					
E3 Our decisions and actions are open, transparent, effective and in the interests of all.					
E3.1 Manage Council meetings and provide support to Councillors in fulfilling their role					
E4 We provide effective management and responsible governance.					
E4.1 Ensure the efficient and effective operation of Council.	x	x	x	x	x
E4.2 Provide a central point of contact for the community to interact with Council and access services.					
E4.3 Provide a safe working environment to ensure the health and wellbeing of all Council staff and volunteers.	x	x	x	x	x
E4.4 Improve gender equality in Council's workforce.					
E4.5 Ensure well-managed buildings, land and property assets.	x				
E4.6 Ensure sound risk management practices.	x	x	x	x	x
E4.7 Ensure well-managed procurement, tendering and contracting services.	x	x	x	x	x
E4.8 Ensure Council's fleet and workshop is well-maintained, managed and fit for purpose.					
E4.9 Ensure the efficient operation of Richmond Tweed Regional Library.	x				
E5 We continue to grow our reputation and capacity as a regional city.					
E5.1 Attract new visitors and provide tourists with information and services to explore the Rainbow Region.					
E5.2 Ensure diverse events catering for a wide audience that deliver social and economic benefits to the community.					
E5.3 Attract private investment and public funding to the city.					
E5.4 Facilitate the ongoing development of the Central Growth Corridor Project.					
E5.5 Support initiatives that grow Lismore City as a regional centre					

3 Asset Management Policy

Adopted: 08/06/2021

3.1 Purpose

The purpose of this policy is to set guidelines for implementing consistent asset management processes throughout the Lismore City Council area.

3.2 Scope

This policy applies to all Lismore City Council departments, officers, employees, and contractors.

3.3 Objectives

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

1. Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
2. Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
3. Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout the organisation by training and development.
4. Meeting legislative requirements for asset management.
5. Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
6. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.4 Policy Background

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

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

Sustainable Service Delivery ensures that services are delivered in a socially, economically, and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities, and an informed understanding of the trade-offs between risks, costs, and service performance.

3.5 Principles

Lismore City Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that Lismore City Council capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
2. Meeting all relevant legislative and regulatory requirements;
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices; and
4. Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them by:
    a. Asset Management Plans will be completed for all major asset / service areas including site-specific associated plans for large or complex developments - as required.
    b. Expenditure projections from Asset Management Plans will be incorporated into Lismore City Council's Long-Term Financial Plan.
    c. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
    d. Regular inspections will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
    e. Asset renewals required to meet agreed service levels and identified in adopted Asset Management Plans, and when applicable, long-term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented.
    f. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
    g. Future service levels with associated delivery costs will be determined in consultation with the community.

h. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated.

i. Creating a corporate culture where all employees play a part in overall care for Lismore City Council assets by providing necessary awareness, training, and professional development.

j. Providing those we serve with services and levels of service for which they are willing and able to pay.

3.6 Related Documents

- Strategic Asset Management Plan
- Asset Management Plans
- Community Strategic Plan
- Long-Term Financial Plan.

3.7 Responsibility

Councillors are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the Lismore City Council Asset Management Strategy and Plans. The council is also responsible for ensuring that Lismore City Council resources are appropriately allocated to ensure sustainable service delivery. The General Manager has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within the Lismore City Council.

3.8 Review Date

This policy has a life of 4 years or less at the discretion of the current Council. This policy is scheduled for review in October 2025.

4 Asset management practices

4.1 Asset management information systems

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

- Asset/Financial Register – Civica Authority
- Maintenance Management (Roads) – Reflect.
- Spatial – Intramaps
- Maintenance Management (Water and Wastewater Facilities) – MEX.

4.2 Data collection and validation

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

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

4.3 Monitoring and review procedures

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

4.4 Confidence in data

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

Table 10: Asset data confidence scale

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

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

Table 11: Asset data confidence rating

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

4.5 Funding strategy

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

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

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

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

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

Council will seek to maximise funding through available grants to replace infrastructure damaged by natural disasters.

4.6 Asset management roles and functions

Council is currently facing resourcing challenges, particularly with respect to positions which ensure strategic planning functions of asset management are undertaken. Council is currently in the process of mapping out its asset management roles and responsibilities to ensure that there is clarity throughout the organisation and that all asset management functions are identified, allocated and being completed.

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

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

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

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

Figure 8: Asset management roles

Within these areas, asset management generally has a number of key functions, each with core activity responsibilities, as set out below. While these roles and functions can be combined, better results are typically achieved where there are distinct boundaries within functional areas.

Roles are defined as:

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

A summary of current Asset Management Roles and Responsibilities will be provided as part of each asset plan.

5 Levels of service

5.1 Defining levels of service

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

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

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

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

5.2 Performance measures

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

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

5.3 Service level outcomes

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

- condition
    - accessibility and/or availability
    - quality/condition

- functionality
    - reliability/responsiveness
    - sustainability
    - customer satisfaction
- capacity
    - affordability
    - health and safety.

5.3.1 Condition

Accessibility

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

Quality/condition

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

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

Table 12: Asset condition rating matrix

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

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

5.3.2 Function

Responsiveness

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

Customer satisfaction

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

Sustainability

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

5.3.3 Capacity

Affordability

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

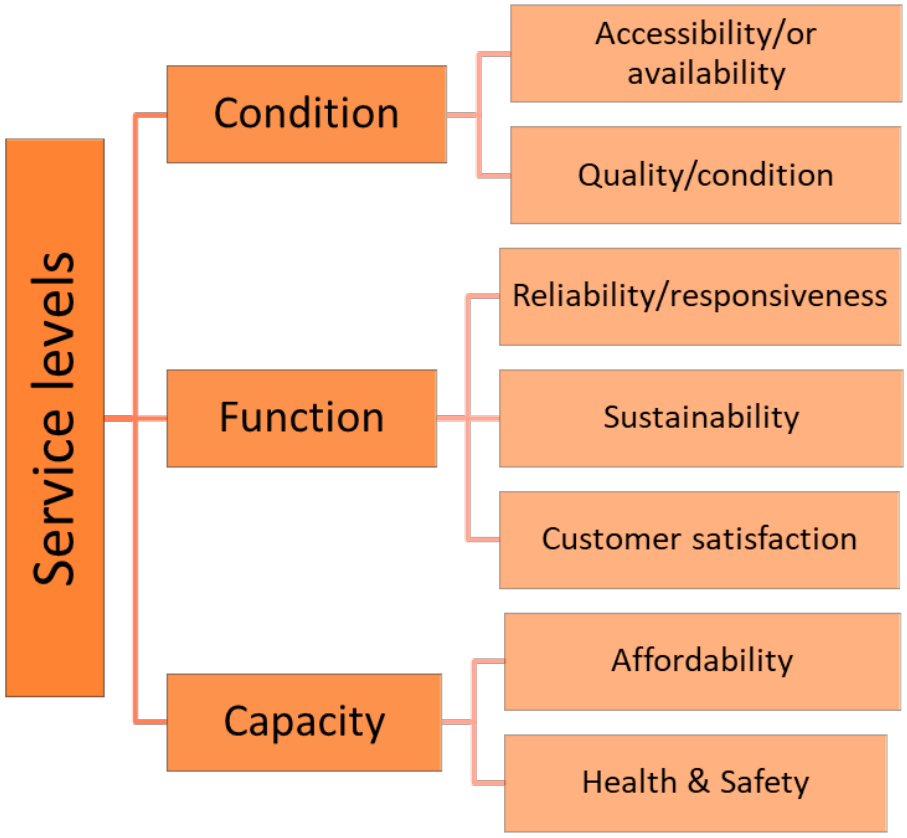
Health and safety

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

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

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

Figure 9: Service level framework



5.4 Financial based service levels

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

5.4.1 Asset backlog ratio

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

5.4.2 Asset consumption ratio

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

5.4.3 Asset sustainability ratio

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

5.4.4 Asset renewal and renewals funding ratio

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

5.4.5 Asset maintenance ratio

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

Table 13: Service levels

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

6 Future demand

6.1 Demand forecast

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

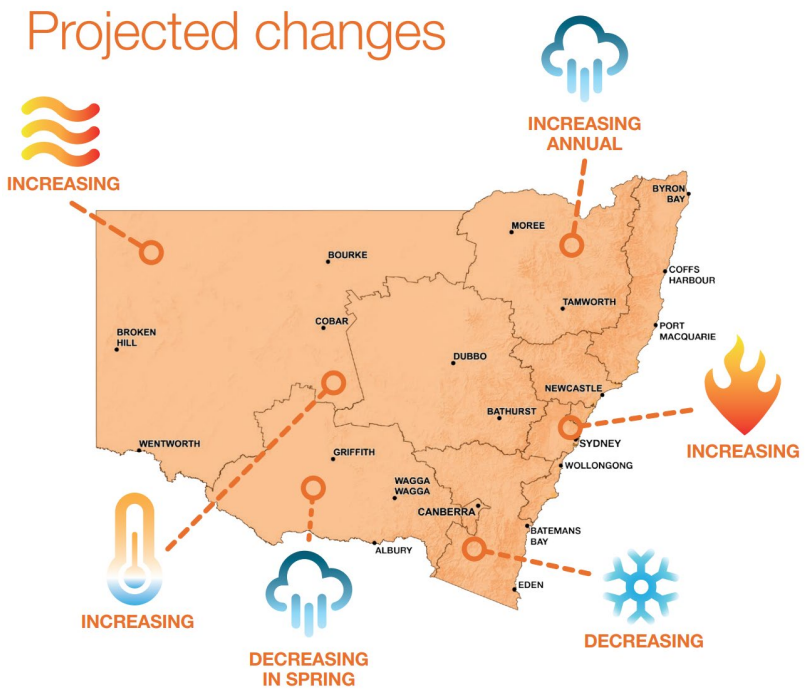
- population growth
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

In light of the recent flood events Council prepared the 'Lismore Growth and Realignment Strategy' which highlighted the significant uncertainty around the future population and growth within the LGA. Population estimates derived from forecasting models undertaken by 'Informed Decisions – ID.' (13.6% over 20 years) and NSW Department of Planning and Environment (-9% over 20 years) produced vastly different results due to assumptions around net migration and both were undertaken prior to the flood events which caused significant residential and business damage. Further there is still uncertainty around the way forward with respect to rebuilding and redeveloping following the floods, whether, when and how Council will pursue its preferred option of a 'planned retreat' and what support will be provided by both the State and Federal government. As such, the following demand drivers will be reviewed in future iterations of this strategic asset management plan as Council receives clarity over the way forward.

Table 14: Future demand impacts

Demand drivers	Present position	Projection	Impact on services
Population growth and residential development	Current estimated population is 44,926 (Id.)	Significant variability in growth projections ranging between (-9% to 13.6%) over 20 years.	If population continues to grow, new flood resistant developments will be required and will require new supporting infrastructure. Further should council proceed with the 'planned retreat' existing infrastructure may need to be decommission.
Industry and Critical Infrastructure	Stakeholder feedback that current allocations for industrial land insufficient as well as desire to relocate existing businesses to less flood prone areas	Transition of businesses away from East Lismore and into less flood affected areas.	Council will need ancillary infrastructure to support industry in rezoned areas. Further current provision of infrastructure to be reviewed should businesses move from existing areas.
Environment	The NSW and ACT Regional Climate Modelling (NARCliM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079	Expected climatic changes can be found in Figure 10. This includes: • overall increased temperatures • increased risk and intensity of natural disaster (fire) events • increased annual rainfall.	Anticipation of greater rainfall in the region as well as greater likelihood of severe weather events will strain existing infrastructure and may cause damage as recently experienced by Council.

Figure 10: NARClim Modelling and Expectations



6.2 Demand management strategies

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

Table 15: Demand management strategies

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

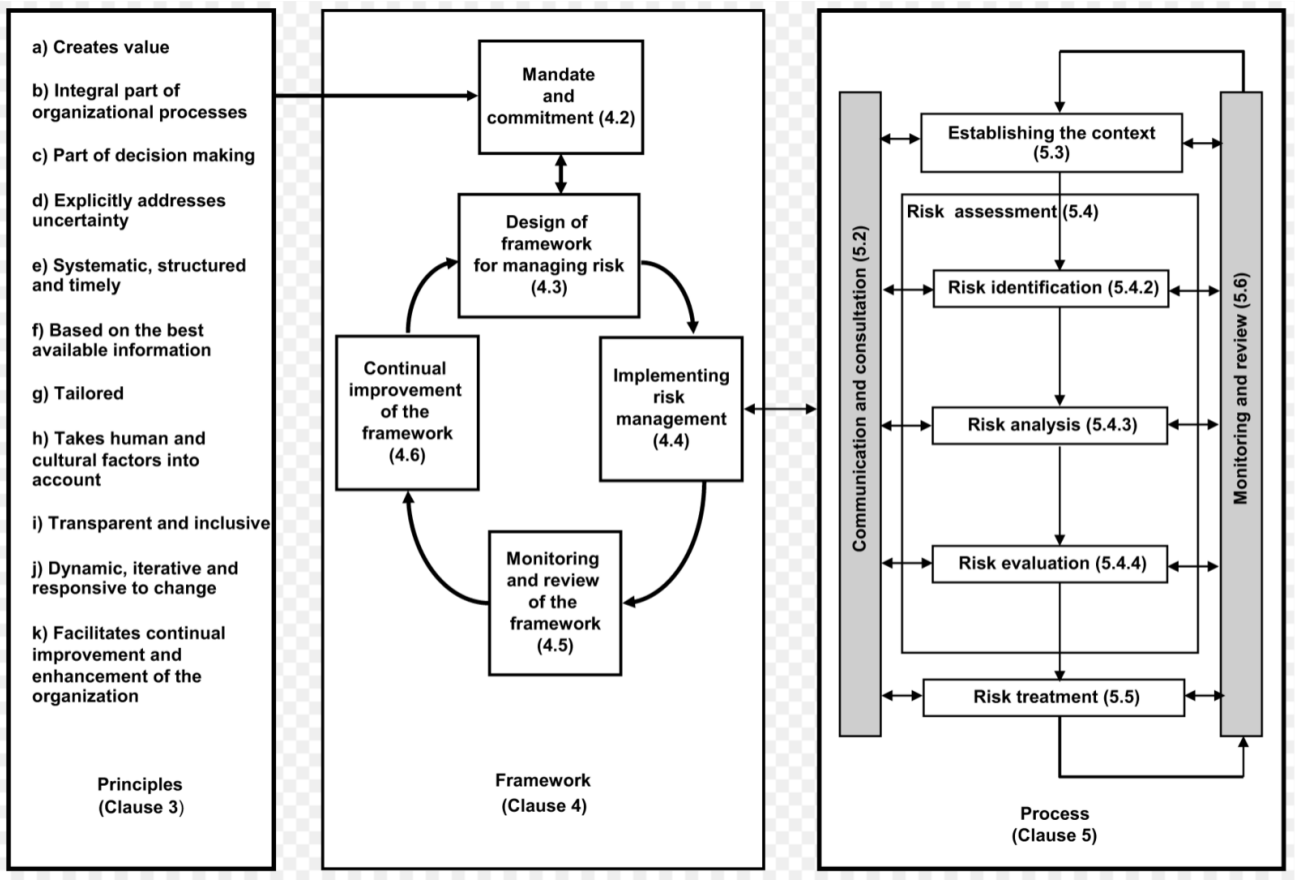
7 Risk management

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

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

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

Figure 11: ISO 31000 Framework



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

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

7.1 Infrastructure risk management framework

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

- risk identification
- risk analysis
- risk treatment
- risk treatment plan.

7.2 Strategic infrastructure risks

Council is currently in the process of identifying its high-level infrastructure-based risks that are associated with the management of its assets in accordance with its corporate infrastructure risk management framework. A summary of the identified high-level risks can be found in the following table.

Table 16: Strategic risks

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
Contaminated and/or ceased water supply from Nimbin Water Supply and Treatment System caused by lack of, or inadequate review of Drought Management Plan, strategic planning and forecasting to consider water quality and/or establish plan for alternate water sources results in no water supply for the community and reputational damage.	Civic Services - Water	High	Council has identified the following: - Review Yield Study Report (TBD) - Review Drought Management Plan to consider water quality - Establish plan for alternate water sources - Installation of filtration treatment plant at DE Williams Dam will reduce water consumption and improve security of supply. (Being undertaken as part of disaster recovery process)	High
Failure of completed construction / maintenance works / roads / bridges / footpath networks caused by inadequate construction research, forecasting & design, inadequate and/or contaminated construction supplies, workforce capability skillset, quality management systems resulting in Council subjected to regulatory violations and fines; reputational damage; property damage, litigation, grants and financial loss, public harm, injury and/or death.	Civic Services - Roads	Extreme	Guiding Principles for interaction and communication between program areas within Infrastructure Services - Quality management systems for construction activities (Lot Register, Inspection Test Plans, Non-conformance Reporting etc.) - Staff training (Road Construction Workshop) and formal qualification in Civil Construction required for specific staff (Leading Hands, Team Leader, Coordinators) - Review of Environmental Factors, including site investigations and testing prior to disturbance. - On site testing and inspection of supplied quarry material. - Testing and design process that includes external preparation of REF's, consultation with internal and external stakeholders including construction staff and quality assurance through checking of processes and designs by more senior staff before being issued for construction. - 6 monthly and yearly Level 1 & Level 2 Bridge condition inspections carried out and works programmed accordingly to rectify defects. A panel of project managers has been appointed to provide additional resources as required and staff have received training in contract management e.g. GC21.	High

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
Flood inundation of the CBD and adjoining areas occurs caused by failure of the flood levee system resulting in property damage, litigation, financial loss, public harm, injury and/or death.	Assets	Extreme	Council has a quarterly inspection and maintenance program to ensure all aspects of the levee system function as intended. - Alarms via telemetry - Routine maintenance of all electrical and mechanical equipment - Equipment redundancy (Browns Creek and Gasworks creek) Proposed - Installation of backup generators at pump stations - Installation of screens to prevent blockages of pumps - Investigate the feasibility of duplication of the Lower Hollingworth pump to provide redundancy for the protection of South Lismore.	High
Inadequate maintenance and repair of Parks & Open Spaces equipment & facilities resulting in serious injury to a member of the public.	Civic Services - Parks	High	Undertake scheduled condition inspections of parks equipment/ faculties and playgrounds. Asset condition inspections undertaken by suitably qualified staff. Installation of appropriate advisory / warning signage.	Low
Inadequate operational resources (staff and plant) available for reactive maintenance of the Lismore Drinking Water Reticulation Network results in compromised structural integrity of reservoirs, fire hydrant inaccessibility, supply continuity issues and water supply loss for residents, and reputational damage.	Civic Services - Water	High	Ensure adequate operational resources (staff and plant) are available for reactive maintenance --> decrease duration residents are without water supply following a break (decreasing the consequence). Increase extent of capital renewals.	Medium

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
The water team are currently using an unsupported Access Database to manage their Job Execution Report cards. This system known as JobEx V3 is known to stop working and currently there is no internal knowledge of how it works.	Technology Services	High	There has been projects planned for the migration from JobEx to Reflect.	Medium
Uncontrolled discharge of Liquid Trade Waste into Council's waste water reticulation network resulting in receiving harmful septic waste at Waste Water Treatment Plants that is detrimental to the environment.	Civic Services - Water	High	Reviewing trade waste policy to ensure compliance with Water NSW best practice guidelines Undertake routine facility inspections and ensure compliance with policy and procedures	Medium
Waste and Recovery Services rendered inoperable caused by an unforeseen incident (e.g., fire, flood, terrorism, legislative change, other event or circumstance) results in service disruption to the community, public health harm, reputational damage, and financial loss.	Commercial Services - Waste	Extreme	Review alternate waste collection and disposal options with neighbouring LGAs and Waste Facilities	Extreme

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
Wastewater Treatment Plants, pump station and manhole overflows with uncontrolled wastewater discharge caused by inadequate inspections of all electrical and mechanical equipment, pipework for blockage identification results in public health harm and reputational damage.	Civic Services - Water	High	- Undertake a program of investigations (smoke testing) to identify areas of inflow and remove illegal connections - Utilise CCTV camera equipment and undertake a program of proactive inspections of pipework for early identify blockages - Undertake capital upgrades to catchments with known capacity constraints - Undertake capitals upgrades to catchments with known capacity constraints (as required) - Back-up power supply on sites. - Alarms on telemetry - Routine maintenance of all electrical and mechanical equipment - Equipment redundancy - Stock of essential spares - Staff must have Cert III in Water Operations or appropriate trade qualifications	Medium

7.3 Critical assets

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

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

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

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

8 Expenditure projections

8.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately $2.5 billion. The asset values are estimates of the value of assets, as at 30 June 2023, based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 17: Asset classes and values

Asset Class	Gross Replacement Cost (CRC)$ (000's)	Written Down Value (WDV)$ (000's)	Annual Depreciation Expense$ (000's)	Asset Management Plan
Buildings	$130,987	$71,913	-$982	Buildings, Other Structures and Land Improvements
Other Structures	$34,431	$18,908	-$1,301	Buildings, Other Structures and Land Improvements
Roads	$767,034	$451,087	-$13,610	Transport Assets
Bridges	$149,233	$84,416	-$1,408	Transport Assets
Footpaths	$39,660	$28,412	-$540	Transport Assets
Bulk Earthworks	$410,578	$410,578	$0	Transport Assets
Stormwater	$127,767	$81,273	-$705	Stormwater Assets
Water supply network	$297,824	$166,869	-$2,980	Water Assets
Wastewater network	$483,147	$300,272	-$5,070	Wastewater Assets
Swimming pools	$12,857	$4,996	-$160	Buildings, Other Structures and Land Improvements
Open Space and Recreation (inc. Land Improvements)	$47,264	$17,591	-$1,256	Buildings, Other Structures and Land Improvements
Total	**$2,500,782**	**$1,636,315**	**-$28,012**	

8.2 Asset backlog

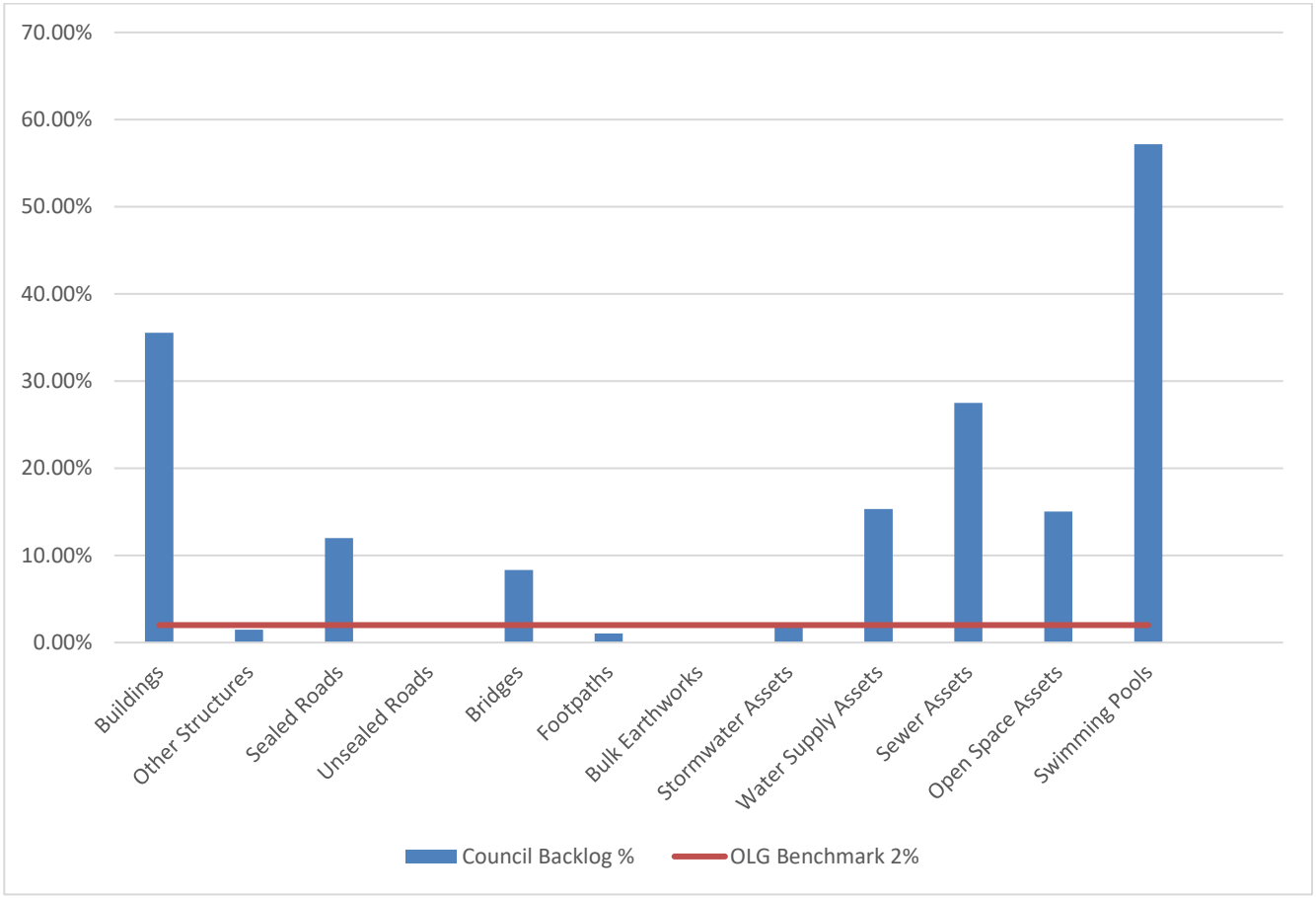
In 2022/23, Council had a combined asset backlog of $201 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2023 is shown in the following table.

Table 18: Asset backlog summary

Estimated cost to satisfactory	Backlog $ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	23,527	35.5%
Other Structures	281	1.5%
Roads	50,499	12.0%
Bridges	7,028	8.3%
Footpaths	299	1.1%
Bulk Earthworks	0	0.0%
Stormwater	1,758	2.2%
Water Assets	25,687	15.3%
Wastewater Assets	88,849	27.5%
Swimming Pools	96	15.0%
Recreation Assets (Inc. Land Improvements)	2,856	57.2%
Total	**200,880**	**12.4%**

In 2022/23, only Council's Other Structures and Footpath assets met the OLG benchmark of 2%. The other asset classes exceeded this level with an overall Backlog Ratio of council sitting just above 12%. It is worth noting that in the past 4 years Council has undergone 3 significant natural disaster events which have had a detrimental impact on the condition of its asset portfolio. As such Council has reduced confidence in its roads condition data to acceptable and is currently in the process of recapturing this, which may result in a change in the condition profile of the network. These findings will be incorporated as part of the annual review process of the Transport Asset Management Plan as well as the Strategic Asset Management Plan.

Figure 12 Council Backlog Summary



8.3 Asset condition

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

Table 19: Confidence in condition data

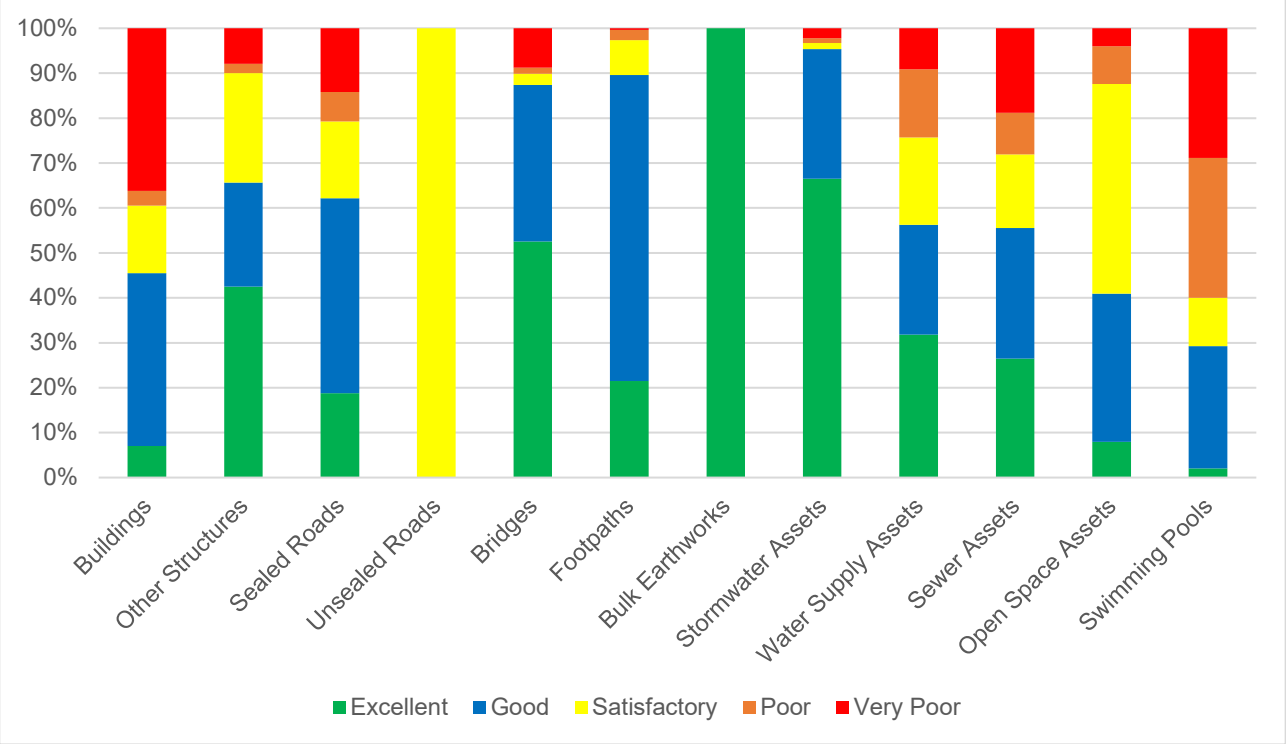
Asset class	Condition
Buildings	Acceptable
Other Structures, Recreation and Land Improvements	Acceptable
Transport (Roads, Bridges, Footpaths)	Acceptable
Stormwater	Uncertain
Water	Acceptable
Wastewater	Acceptable

Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets. Of particular concern is the significant portion of assets in Poor and Very Poor condition for Council's sealed roads with 14% of the portfolio being unsatisfactory. Further, Council's Bridges, Buildings, Sewer, Water Supply and Swimming Pool assets also have high proportions of unsatisfactory assets.

Table 20: Asset Condition Data

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	7.0%	38.5%	15.0%	3.3%	36.2%
Other Structures	42.5%	23.2%	24.3%	2.1%	7.9%
Sealed Roads	18.8%	43.4%	17.1%	6.5%	14.2%
Unsealed Roads	0.0%	0.0%	100.0%	0.0%	0.0%
Bridges	52.5%	34.8%	2.5%	1.4%	8.7%
Footpaths	21.5%	68.1%	7.8%	2.2%	0.4%
Bulk Earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Stormwater Assets	66.5%	28.9%	1.3%	1.1%	2.2%
Water Supply Assets	31.8%	24.4%	19.5%	15.1%	9.2%
Sewer Assets	26.5%	29.1%	16.4%	9.2%	18.8%
Open Space Assets	8.0%	32.9%	46.7%	8.4%	4.0%
Swimming Pools	2.0%	27.2%	10.8%	31.2%	28.8%
Combined	**39.5%**	**29.0%**	**13.4%**	**6.2%**	**11.9%**

Figure 13: Condition summary



8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $122.7 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $59.5 million per year.

The projections indicate that due to the disaster recovery funding, Council has adequate funds to maintain and improve its portfolio of assets. There is an average annual surplus in CAPEX ($55.3m) and a surplus in OPEX ($7.9m) and this will result in an improvement in the condition of Council's assets portfolio.

It should be noted that is currently in the process of collecting 'high confidence' condition data of its transport infrastructure and will undertake a revaluation of its transport portfolio in the coming year which may provide clarity on the extent of Council's backlog. Further, this iteration of the SAMP incorporates the preliminary estimates of the estimated disaster funding for the replacement of damaged infrastructure, it does not include Emergency repair and temporary make safe work costs incurred by council.

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

Table 21: Combined asset expenditure projections

Expenditure projections ($,000s) – combined assets		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	$18,167	$18,438	$22,927	$28,406	$28,063	$30,352	$30,413	$30,549	$30,272	$31,131
	Disaster Funding	$105,938	$230,272	$189,055	$125,000	$0	$0	$0	$0	$0	$0
	New and expanded assets	$5,333	$2,570	$3,132	$3,092	$2,412	$2,516	$2,933	$4,450	$4,867	$5,485
	Maintenance and operational	$24,571	$25,252	$25,694	$26,255	$26,605	$27,273	$27,961	$28,668	$29,393	$30,139
	Total expenditure	$154,010	$276,532	$240,808	$182,752	$57,080	$60,141	$61,306	$63,667	$64,533	$66,755
Required	Required renewal (depreciation)	$33,791	$34,297	$34,811	$35,331	$36,036	$36,755	$37,489	$38,237	$39,000	$39,789
	New and expanded assets	$5,333	$2,570	$3,132	$3,092	$2,412	$2,516	$2,933	$4,450	$4,867	$5,485
	Required maintenance and operational	$17,372	$17,767	$18,179	$18,596	$19,019	$19,451	$19,899	$20,378	$20,873	$21,388
	Total	$56,496	$54,634	$56,122	$57,019	$57,467	$58,723	$60,320	$63,064	$64,740	$66,661
Maintenance gap		$7,200	$7,484	$7,515	$7,658	$7,586	$7,822	$8,062	$8,290	$8,520	$8,751
Renewals gap		$90,314	$214,413	$177,172	$118,074	-$7,973	-$6,404	-$7,076	-$7,688	-$8,728	-$8,658
Overall gap		$97,514	$221,898	$184,687	$125,732	-$387	$1,418	$986	$602	-$208	$93
Overall GAP (Excluding Disaster Funding)		-$8,424	-$8,374	-$4,369	$732	-$387	$1,418	$986	$602	-$208	$93

** All disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.*

Figure 14: Consolidated Fund asset expenditure projections

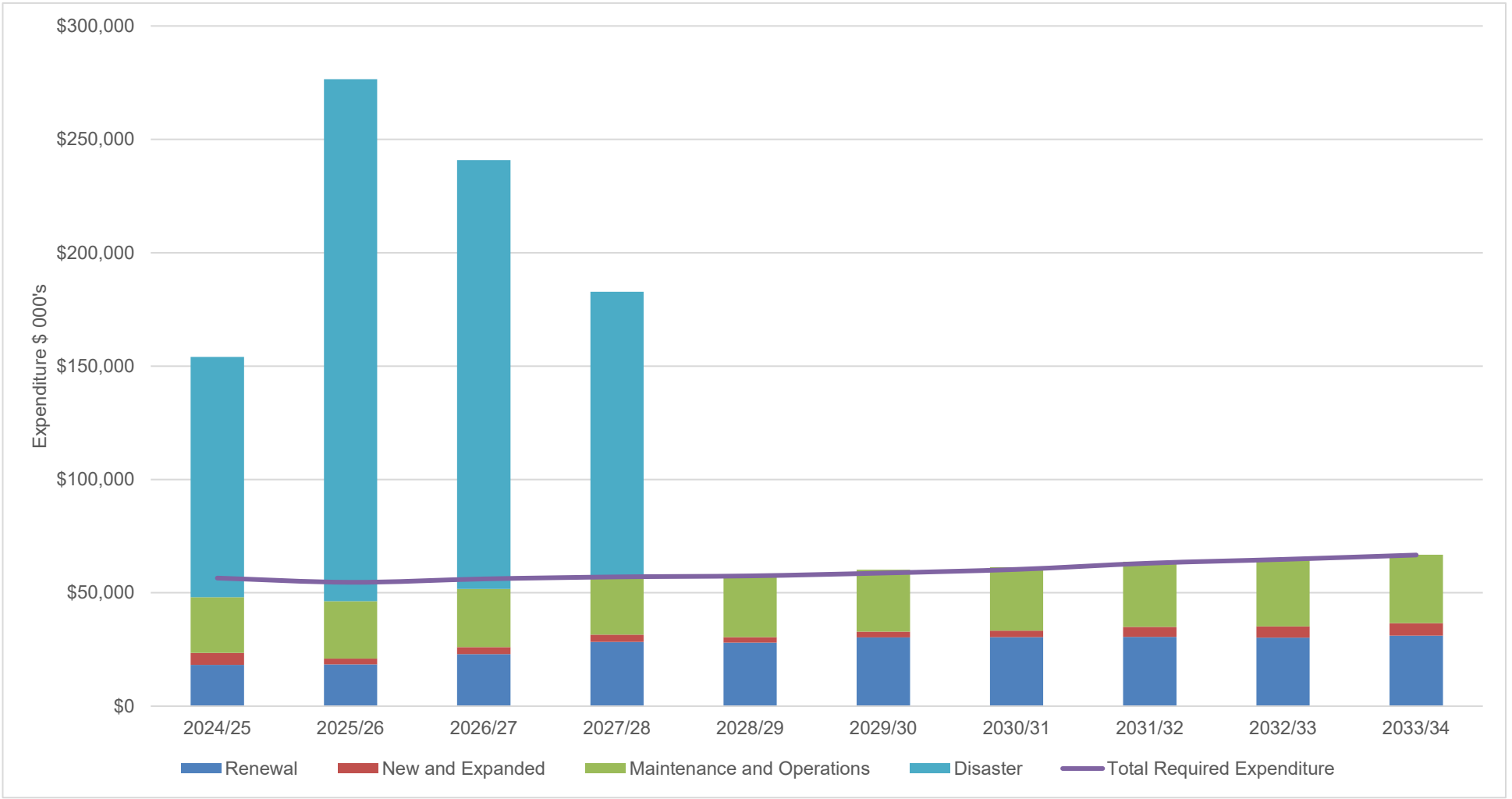


Table 22: General Fund expenditure projections

Expenditure projections ($,000s) – General Fund		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	$11,444	$11,208	$12,627	$17,979	$17,455	$19,559	$19,431	$19,376	$18,903	$19,527
	Disaster Funding	$94,686	$203,054	$170,444	$125,000	$0	$0	$0	$0	$0	$0
	New and expanded assets	$5,015	$2,552	$3,114	$3,073	$2,393	$2,497	$2,913	$4,429	$4,846	$5,463
	Maintenance and operational	$17,388	$17,442	$17,701	$18,073	$18,206	$18,653	$19,113	$19,586	$20,070	$20,568
	Total expenditure	**$128,534**	**$234,256**	**$203,885**	**$164,124**	**$38,054**	**$40,708**	**$41,457**	**$43,391**	**$43,820**	**$45,558**
Required	Required renewal (depreciation)	$23,936	$24,294	$24,658	$25,026	$25,525	$26,034	$26,553	$27,082	$27,622	$28,183
	New and expanded assets	$5,015	$2,552	$3,114	$3,073	$2,393	$2,497	$2,913	$4,429	$4,846	$5,463
	Required maintenance and operational	$11,053	$11,310	$11,579	$11,851	$12,125	$12,406	$12,698	$13,019	$13,352	$13,702
	Total	**$40,005**	**$38,156**	**$39,351**	**$39,950**	**$40,043**	**$40,936**	**$42,164**	**$44,530**	**$45,821**	**$47,348**
Maintenance gap		$6,335	$6,132	$6,121	$6,221	$6,080	$6,247	$6,414	$6,567	$6,718	$6,866
Renewals gap		$82,194	$189,967	$158,413	$117,953	-$8,070	-$6,475	-$7,121	-$7,706	-$8,719	-$8,657
Overall gap		**$88,529**	**$196,100**	**$164,534**	**$124,174**	**-$1,989**	**-$228**	**-$707**	**-$1,140**	**-$2,001**	**-$1,791**
Overall GAP (Excluding Disaster Funding)		-$6,157	-$6,954	-$5,909	-$826	-$1,989	-$228	-$707	-$1,140	-$2,001	-$1,791

* All disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.

Figure 15: General Fund asset expenditure projections

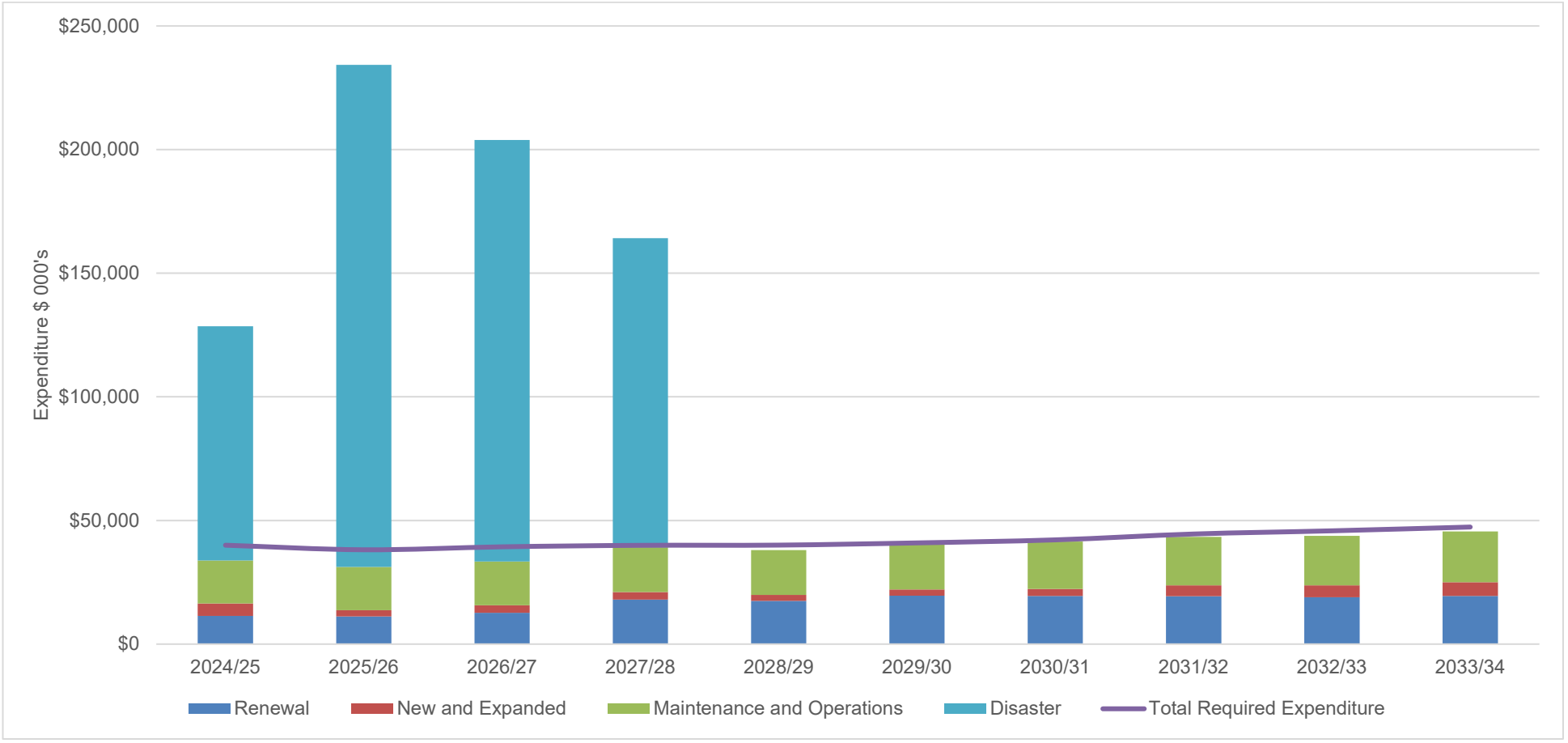


Table 23: Water Fund expenditure projection

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Water	**Actual**											
		Renewal	$3,851	$3,672	$3,731	$3,792	$3,875	$3,961	$4,048	$4,138	$4,230	$4,324
		Disaster Funding	$0	$1343	$0	$0	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$168	$18	$18	$19	$19	$20	$20	$20	$21	$21
		Maintenance and Operations	$2,188	$2,235	$2,284	$2,333	$2,391	$2,450	$2,510	$2,571	$2,634	$2,700
		Total Expenditure	**$7,550**	**$5,925**	**$6,033**	**$6,144**	**$6,286**	**$6,430**	**$6,578**	**$6,730**	**$6,885**	**$7,045**
	Required											
		Required Renewal (Depreciation)	$3,855	$3,913	$3,972	$4,031	$4,112	$4,194	$4,278	$4,364	$4,451	$4,540
		New and Expanded Assets	$168	$18	$18	$19	$19	$20	$20	$20	$21	$21
		Required O&M	$1,822	$1,862	$1,903	$1,945	$1,988	$2,032	$2,077	$2,123	$2,170	$2,218
		Total	**$5,845**	**$5,793**	**$5,893**	**$5,995**	**$6,119**	**$6,246**	**$6,375**	**$6,507**	**$6,641**	**$6,779**
		Maintenance gap	$365	$373	$380	$388	$403	$417	$433	$448	$465	$482
		Renewals gap	$1,339	-$241	-$241	-$239	-$237	-$233	-$230	-$225	-$221	-$216
		Overall gap	$1,705	$131	$139	$148	$166	$184	$203	$223	$244	$266
		Overall GAP (Excluding Disaster Funding)	$361	$131	$139	$148	$166	$184	$203	$223	$244	$266

* All disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.

Figure 16: Water Fund asset expenditure projections

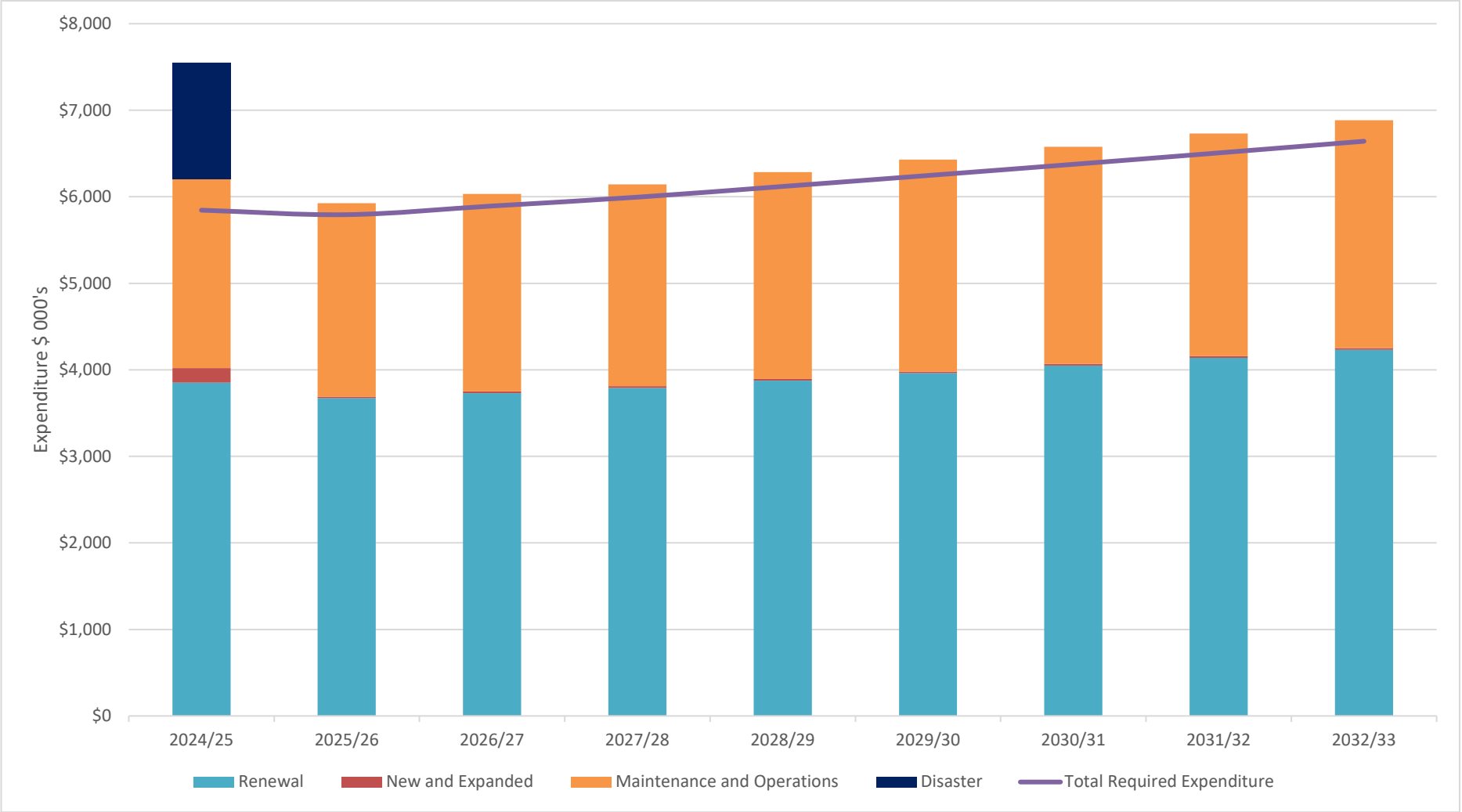
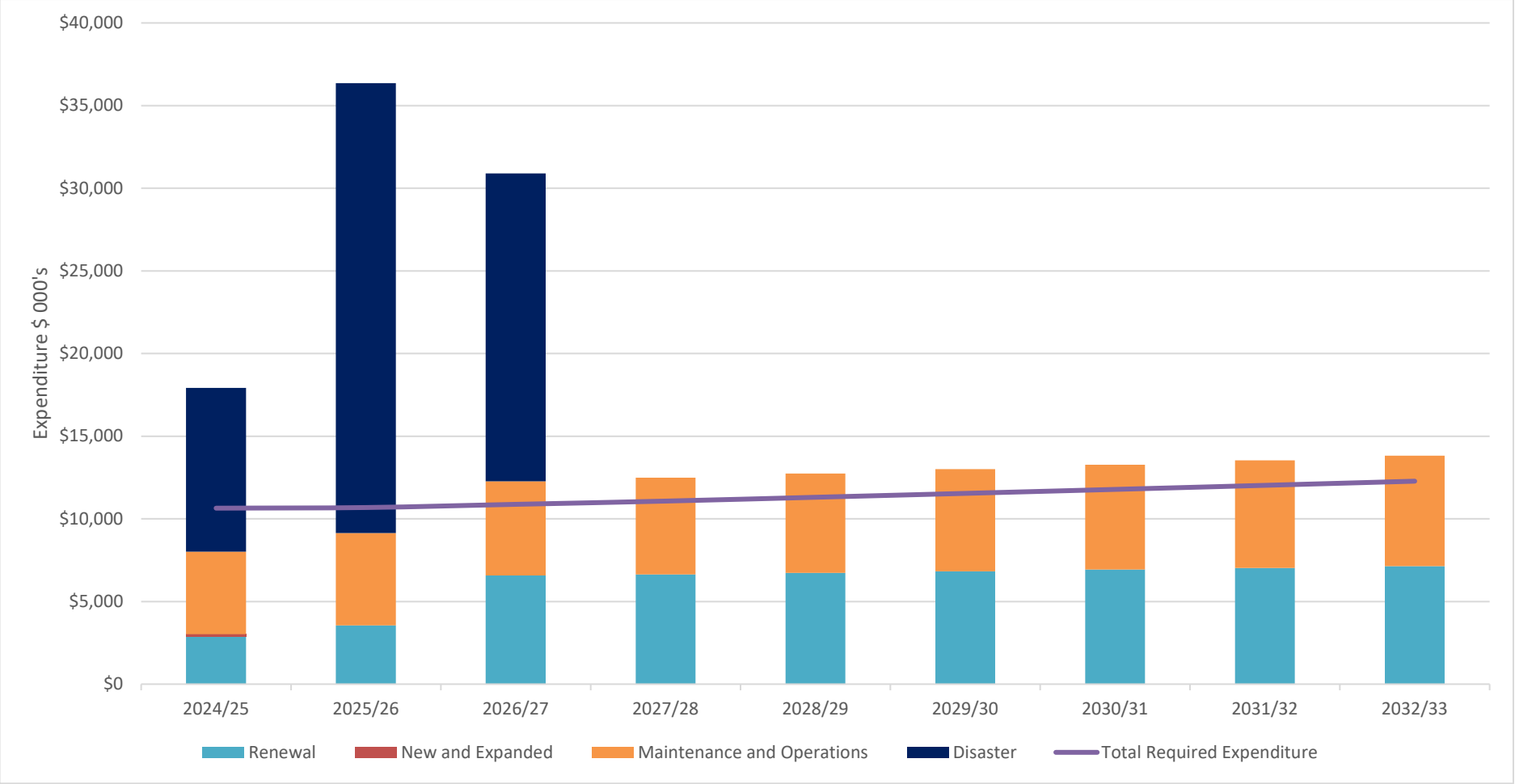


Table 24: Wastewater Fund expenditure projection

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Wastewater	**Actual**											
		Renewal	$2,872	$3,559	$6,569	$6,635	$6,733	$6,832	$6,933	$7,035	$7,139	$7,280
		Disaster Funding	$9,909	$27,218	$18,612	$0	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$150	$0	$0	$0	$0	$0	$0y.	$0	$0	$0
		Maintenance and Operations	$4,996	$5,575	$5,710	$5,849	$6,008	$6,171	$6,338	$6,511	$6,689	$6,872
		Total Expenditure	**$17,926**	**$36,352**	**$30,890**	**$12,484**	**$12,741**	**$13,003**	**$13,271**	**$13,546**	**$13,828**	**$14,152**
	Required											
		Required Renewal (Depreciation)	$6,000	$6,090	$6,181	$6,274	$6,400	$6,528	$6,658	$6,791	$6,927	$7,066
		New and Expanded Assets	$150	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Required O&M	$4,496	$4,595	$4,696	$4,799	$4,905	$5,013	$5,123	$5,236	$5,351	$5,469
		Total	**$10,646**	**$10,685**	**$10,878**	**$11,074**	**$11,305**	**$11,541**	**$11,781**	**$12,027**	**$12,278**	**$12,535**
		Maintenance gap	$499	$979	$1,014	$1,049	$1,103	$1,158	$1,215	$1,275	$1,338	$1,404
		Renewals gap	$6,781	$24,687	$18,999	$361	$333	$305	$275	$244	$212	$214
		Overall gap	**$7,280**	**$25,667**	**$20,013**	**$1,410**	**$1,436**	**$1,462**	**$1,490**	**$1,519**	**$1,550**	**$1,618**
		Overall GAP (Excluding Disaster Funding)	-$2,629	-$1,551	$1,401	$1,410	$1,436	$1,462	$1,490	$1,519	$1,550	$1,618

** All disaster recovery funding amounts referenced in this plan are high level estimates prepared by Council and are subject to change as each project completes the design, application and assessment process.*

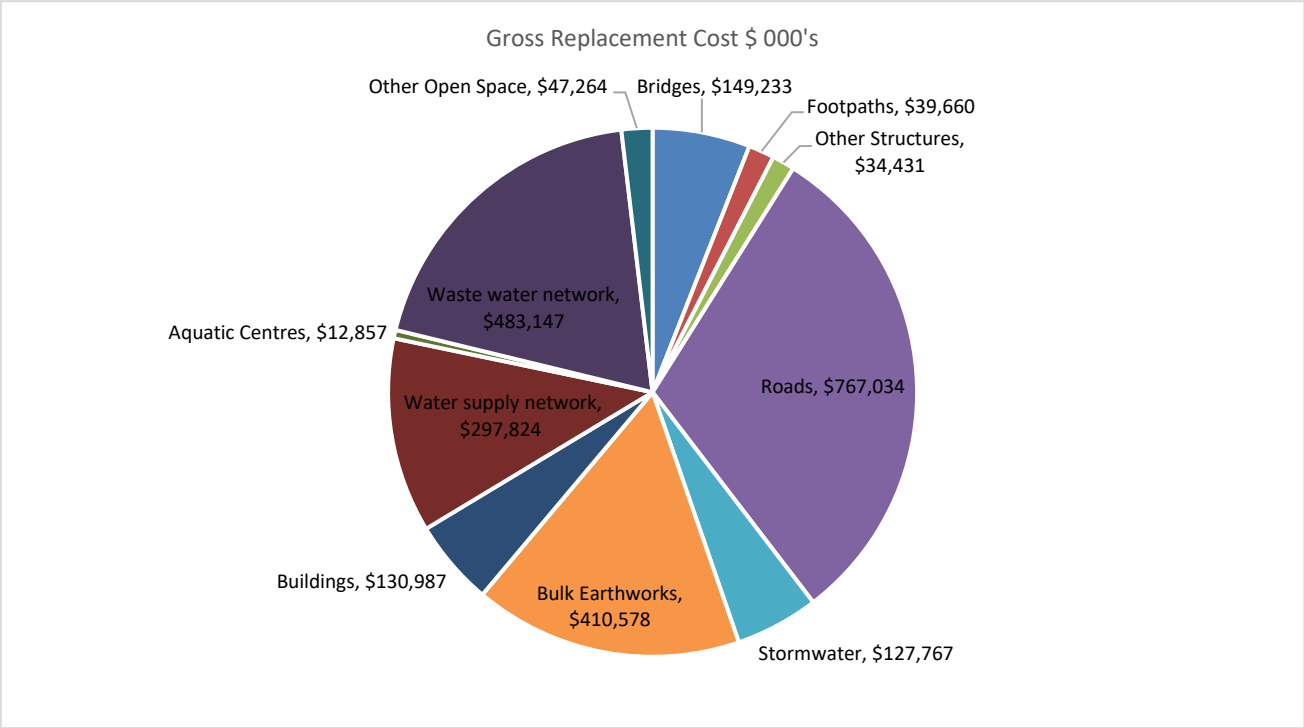
Figure 17: Wastewater Fund asset expenditure projections



8.5 Financial performance

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

Figure 18: Consolidated Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	367.3%	78.2%	Yr 1	$90,314
Benchmark 100%			Yr 5 Average	$118,400
(Includes Disaster Funding)			Yr 10 Average	$55,345
Infrastructure Backlog Ratio	10.4%	5.0%	Yr 1	-$149,335
Benchmark 2%			Yr 5 Average	-$100,306
			Yr 10 Average	-$91,211
Infrastructure Maintenance Ratio	122.1%	121%	Yr 1	$7,200
Benchmark 100%			Yr 5 Average	$7,489
			Yr 10 Average	$7,889
Total Funding Gap			Yr 1	-$51,821
			Yr 5 Average	$25,583
(Includes Disaster Funding)			Yr 10 Average	-$27,978

Figure 19: Consolidated OLG asset expenditure ratios

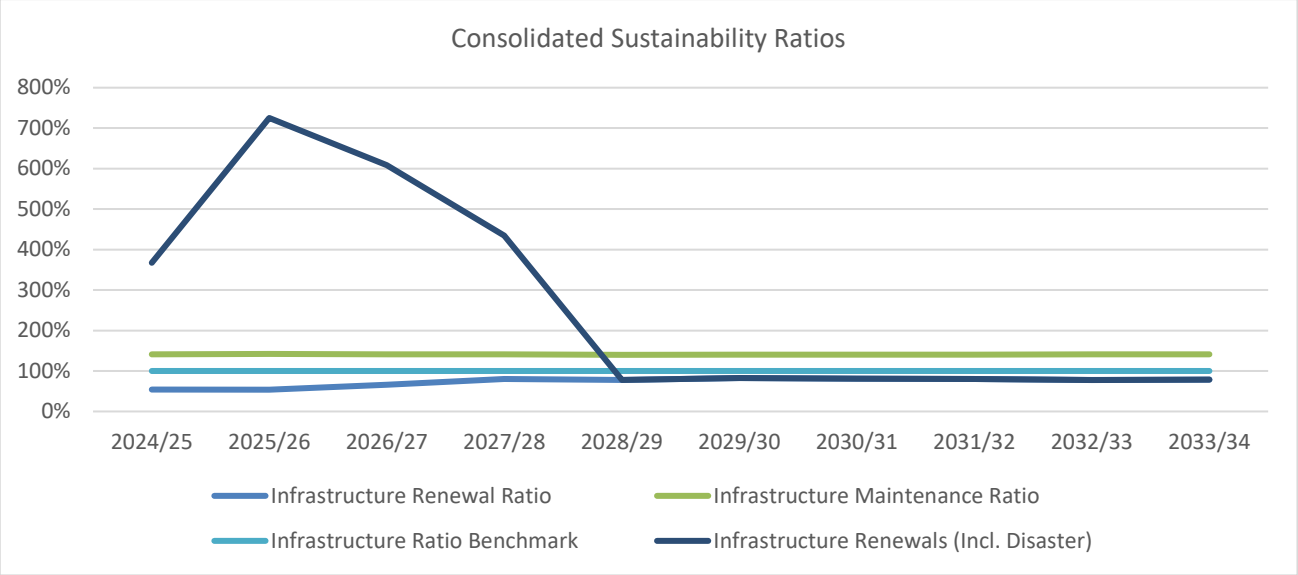
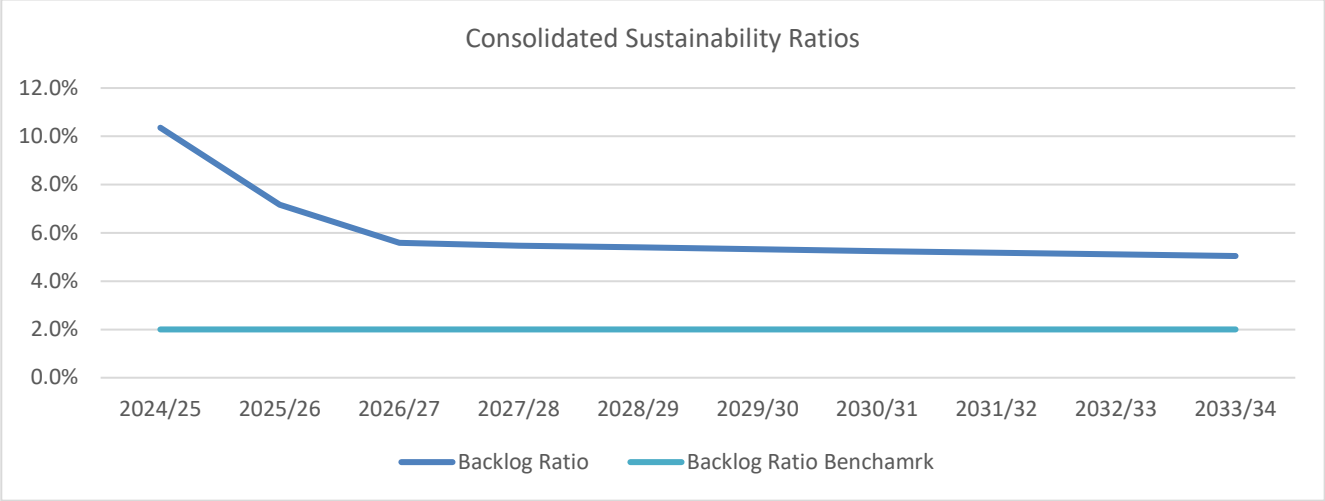
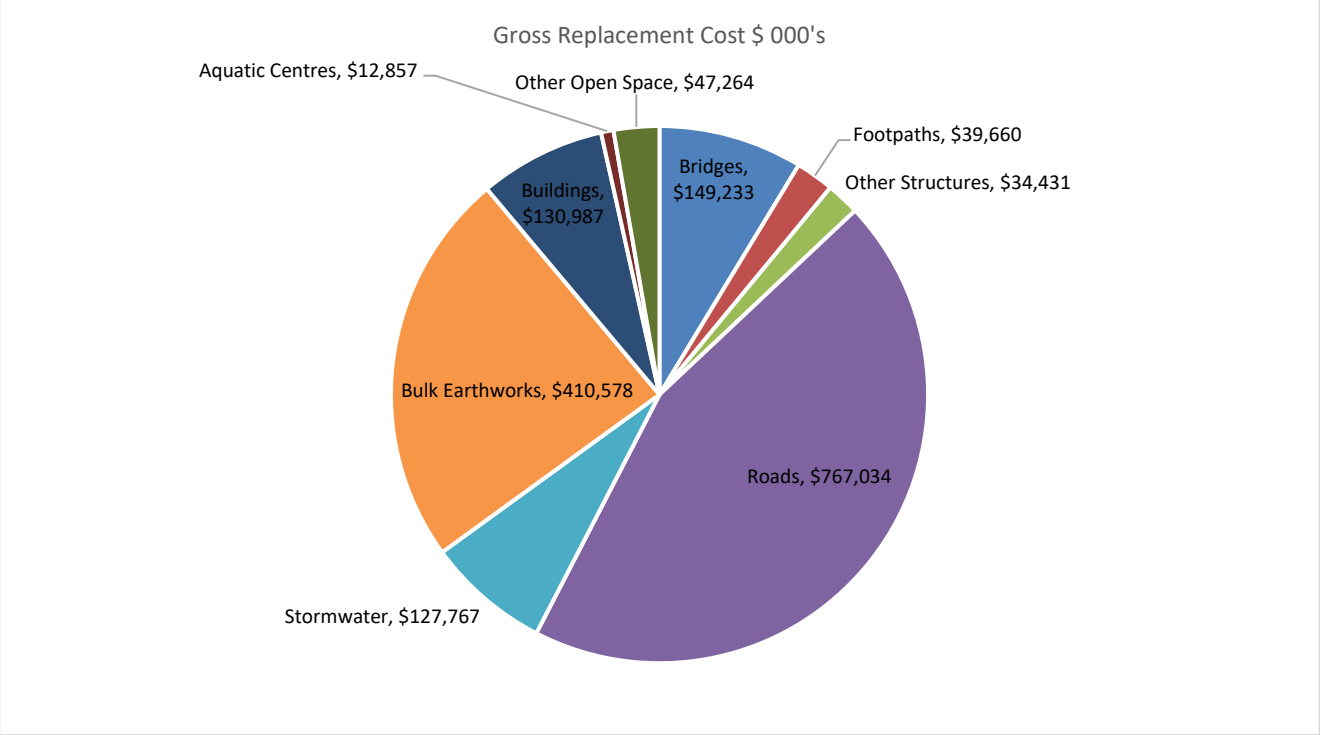


Figure 20: Consolidated OLG backlog ratio



The injection of DRF funding significantly exceeds the OLG benchmark expenditure for renewal funding however this falls to just under 80% towards the end of the forecasting period. As a result, there is a significant improvement in Council's backlog ratio falling 5% over the forecasting. However, despite the additional funding it remains well above the 2% threshold hovering around 5.6%.

Figure 21: General Fund Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	443.4%	69.3%	Yr 1	$82,194
Benchmark 100%			Yr 5 Average	$108,091
(Includes Disaster Funding)			Yr 10 Average	$50,178
Infrastructure Backlog Ratio	5.6%	1.6%	Yr 1	-$46,076
Benchmark 2%			Yr 5 Average	-$10,890
			Yr 10 Average	$0
Infrastructure Maintenance Ratio	111.1%	126%	Yr 1	$6,335
Benchmark 100%			Yr 5 Average	$6,178
			Yr 10 Average	$6,370
Total Funding Gap			Yr 1	$42,453
			Yr 5 Average	$103,379
(Includes Disaster Funding)			Yr 10 Average	$56,548

Figure 22: General Fund OLG asset expenditure ratios

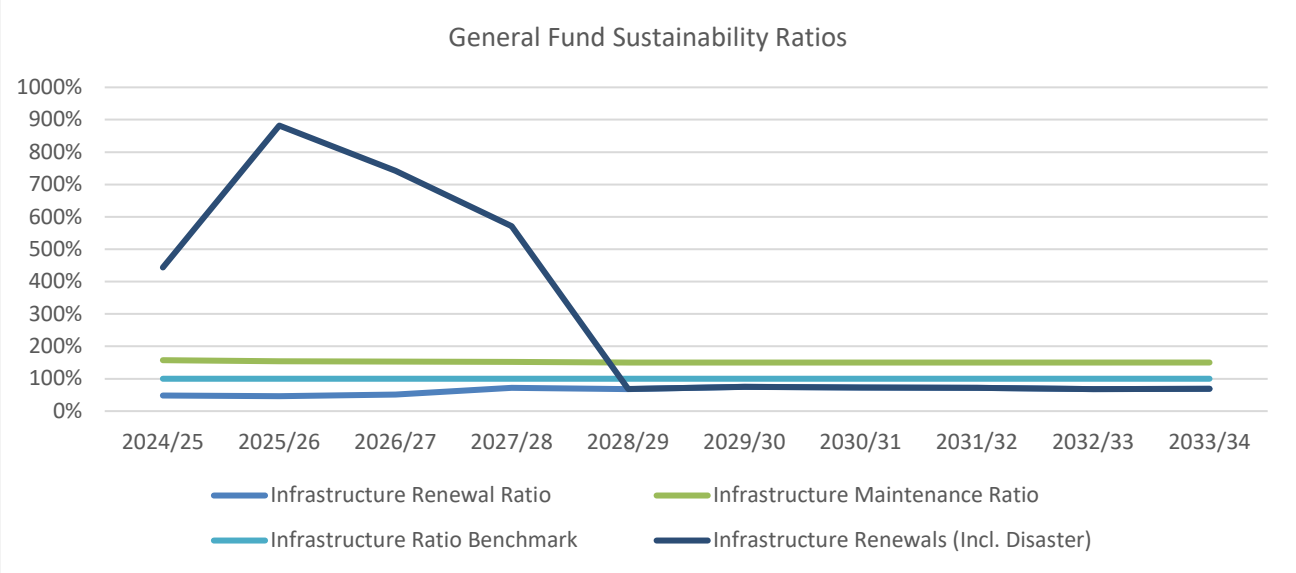
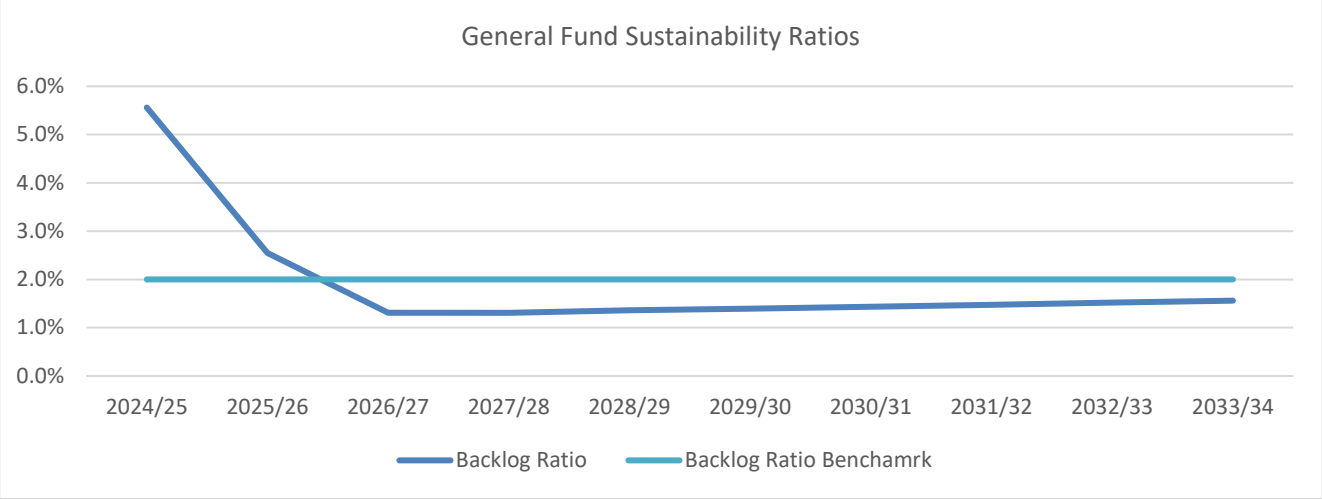
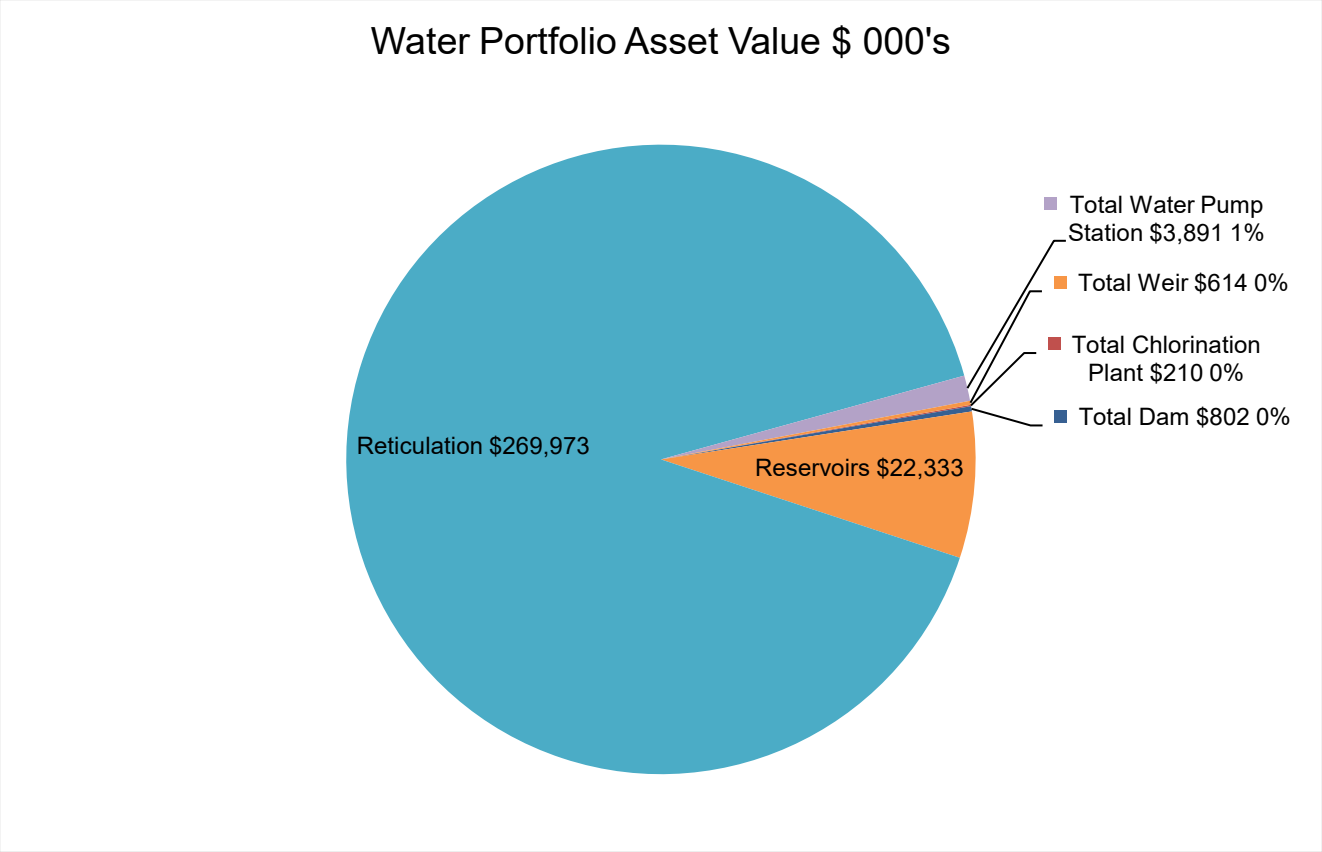


Figure 23: General Fund OLG backlog ratio



Early in the forecasting period, Council falls short of the OLG Benchmark for the backlog however there is a significant improvement due to the injection of DRF funding, and level of backlog in Council's assets falls to beneath 2% in 26/27. Council's maintenance ratio currently well exceeds (150%) the OLG benchmark of 100% and Council's renewal ratio falls to 69% over the forecast.

Figure 24: Water Fund Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	134.7%	95.2%	Yr 1	$1,339
Benchmark 100%			Yr 5 Average	$76
(Includes Disaster Funding)			Yr 10 Average	-$74
Infrastructure Backlog Ratio	14.6%	10.8%	Yr 1	-$21,954
Benchmark 2%			Yr 5 Average	-$21,773
			Yr 10 Average	-$21,519
Infrastructure Maintenance Ratio	120.1%	122%	Yr 1	$365
Benchmark 100%			Yr 5 Average	$382
			Yr 10 Average	$415
Total Funding Gap			Yr 1	-$20,249
			Yr 5 Average	-$21,315
			Yr 10 Average	-$21,178

Figure 25: Water Fund OLG asset expenditure ratios

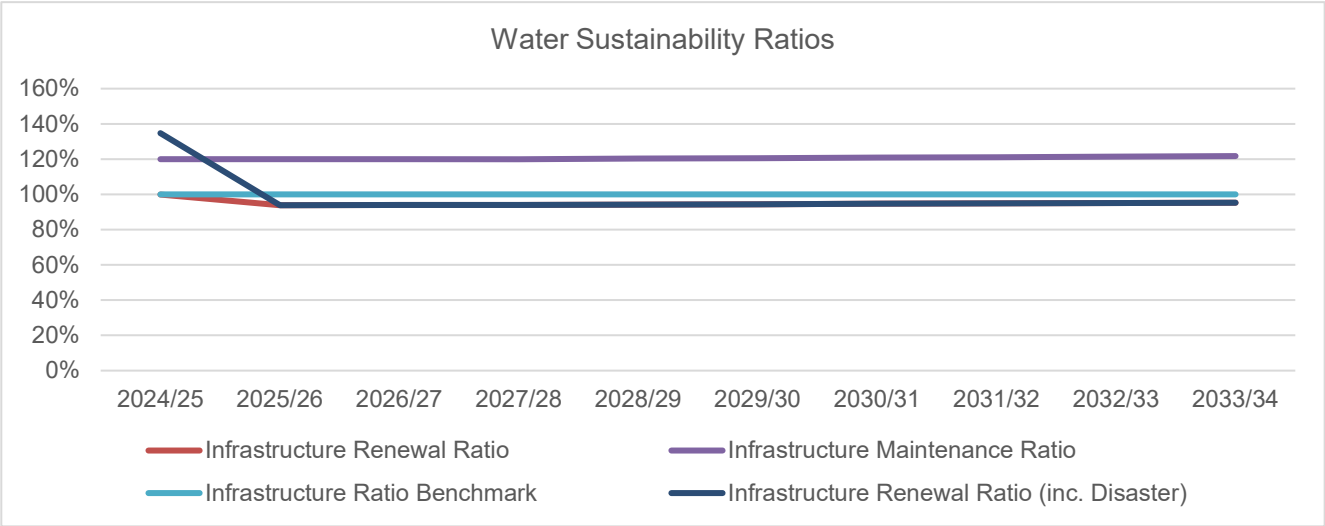


Figure 26: Water Fund OLG backlog ratio

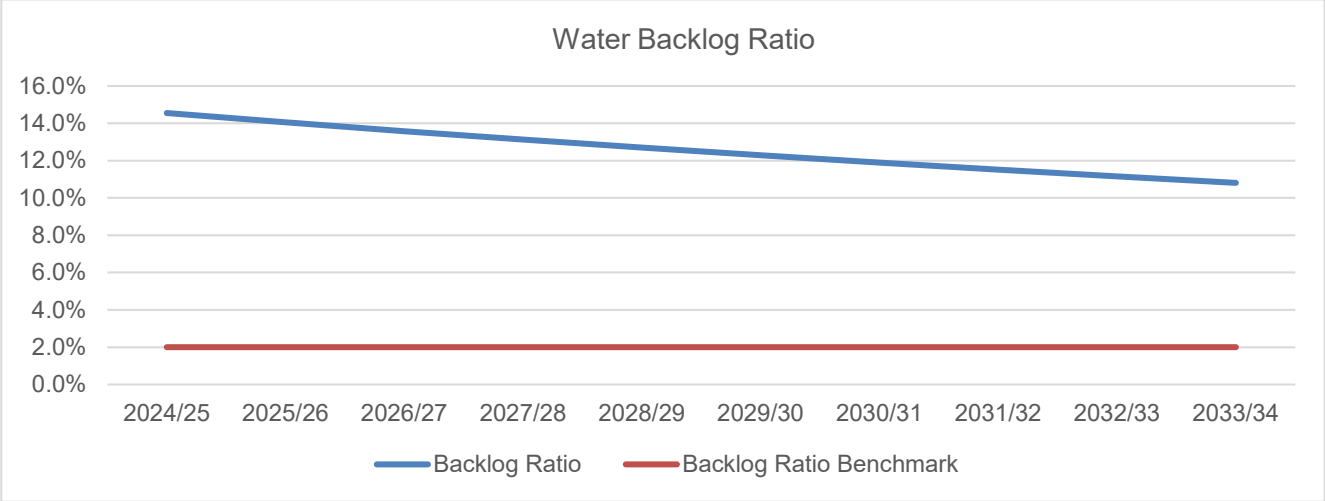
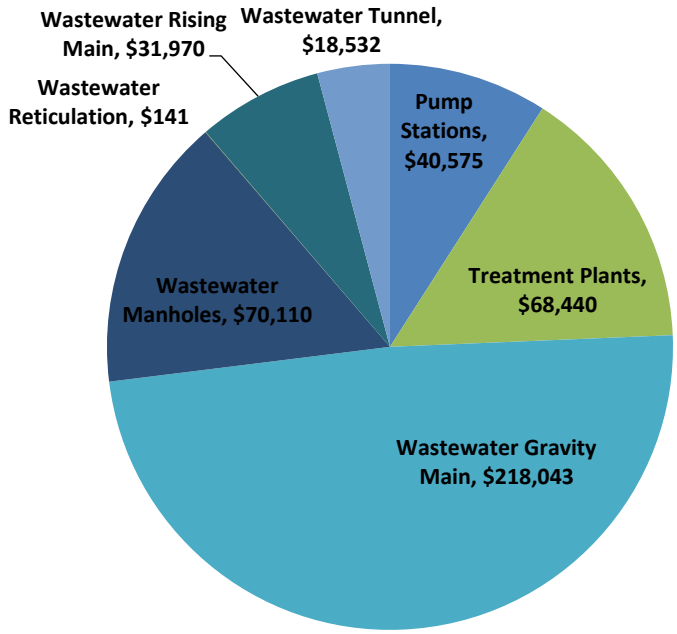


Figure 27: Wastewater Fund Portfolio



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	213.0%	103.0%	Yr 1	$6,781
Benchmark 100%			Yr 5 Average	$10,232
(Includes Disaster Funding)			Yr 10 Average	$5,241
Infrastructure Backlog Ratio	27.6%	16.9%	Yr 1	-$81,306
Benchmark 2%			Yr 5 Average	-$74,746
			Yr 10 Average	-$72,805
Infrastructure Maintenance Ratio	111.1%	126%	Yr 1	$499
Benchmark 100%			Yr 5 Average	$929
			Yr 10 Average	$1,103
Total Funding Gap			Yr 1	-$74,025
			Yr 5 Average	-$63,585
			Yr 10 Average	-$66,461

Figure 28: Wastewater Fund OLG asset expenditure ratios

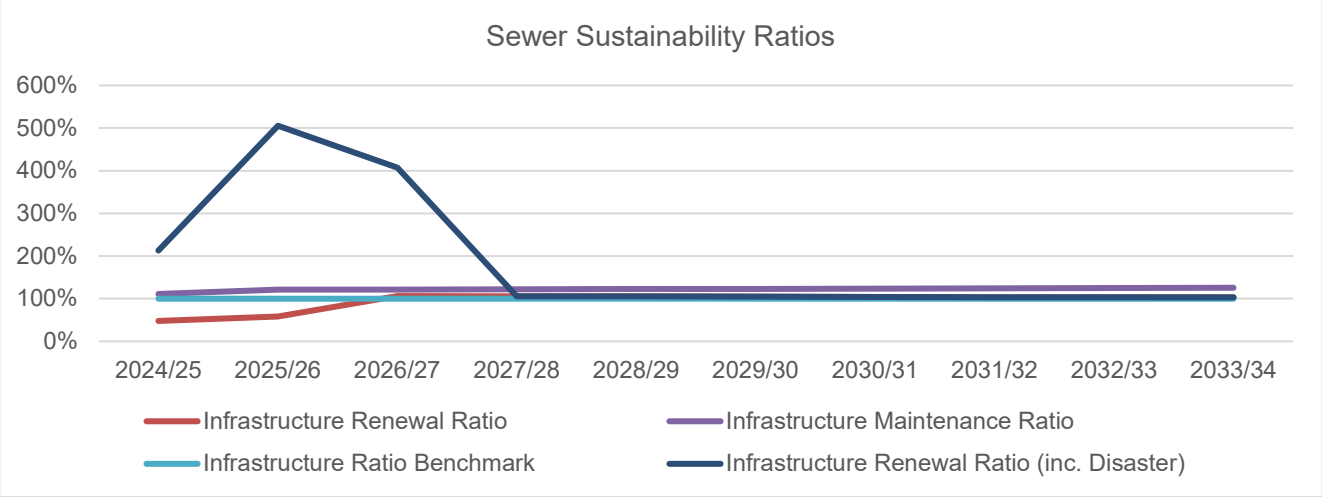
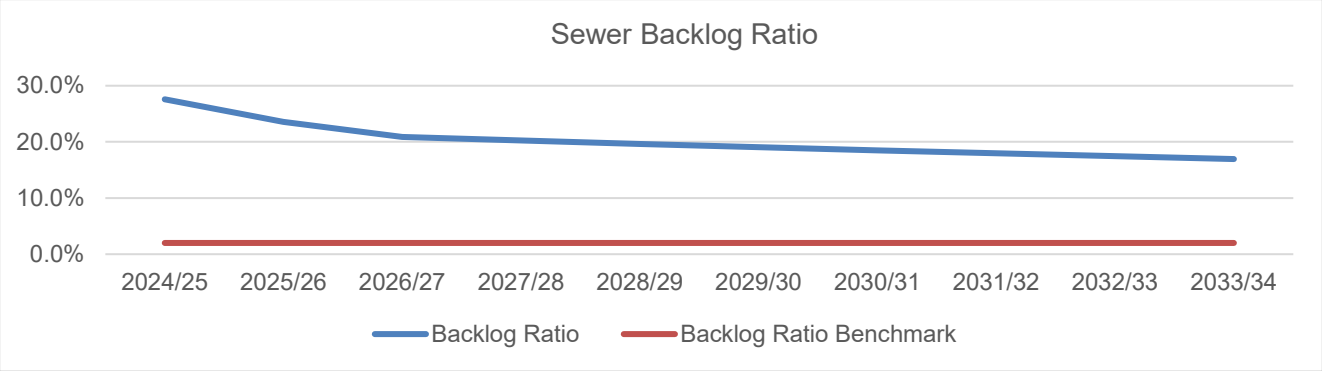


Figure 29: Wastewater Fund OLG backlog ratio



Capital needs have been identified in Council's 30-year water and wastewater business plan. While these requirements have been incorporated into Council's annual budgeting process, there is still a significant shortfall in wastewater renewal funding over the life of this plan when considering the level of backlog. The injection of DRF funding results in a significant improvement of the condition of the network however there is insufficient funding to bring the portfolio within the OLG benchmark levels of backlog.

8.6 Disaster Recovery Funding

Currently it is estimated that over a 3-year period, Council will undertake over $650 million worth of asset renewal/betterment works as a result of the damage sustained in the 2022 Flood events. While the full extent of the funding and program of works has not yet been fully understood, current estimates will significantly strain Council's ability to deliver on existing capital programs within the timelines of the DRF guidelines. As details of secured funding and confirmed works are realised by Council, these are to be incorporated into Council's Long-Term Financial Plan which will then feed into the next iteration of this SAMP and subsequent asset management plans. Further it should be noted that all disaster recovery funding amounts referenced in this plan are high level estimates prepared by council and are subject to change as each project completes the design, application and assessment process.

9 Overarching Improvement Plan

The Strategic Asset Management Plan is to enable Council to:

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

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

Table 25: Asset management strategic actions

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

Table 26: Improvement plan

Overarching Improvement Plan and Schedule 2024 (note – dates to be reviewed)	Priority	Responsible Person /Unit	Target Date
Asset knowledge and data			
Council to develop processes for extracting and reporting on lifecycle data which is to be fed back into asset management planning.	High	ASE	30/09/2023
Council to develop guidelines and adopt a consistent approach for condition assessment for all asset classes to ensure consistency with historical data.	Medium	ASE	02/05/2024
Council to review asset hierarchy on all systems and undertake asset data reconciliation to ensure alignment between systems and identify gaps in asset data.	Medium	ASE	30/01/2024
Asset knowledge processes			
Council to document process and develop guidelines for asset valuation, including clear documentation of responsibilities and data validation and auditing processes and procedures.	Medium	Finance	30/09/2023
Strategic asset planning processes			
Council to establish processes for annual review of asset management policy, strategy and plans.	High	ASE/IP&R	30/03/2024
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX for each asset class.	High	Finance	30/09/2023
Council to develop comprehensive strategy for the management of its assets as well as asset management plans for each asset class.	High	ASE/M	30/09/2023
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	High	ASE/O	30/09/2024
Council to develop Long-Term Financial Plan.	High	Finance	30/09/2023
Council to undertake risk and criticality assessment of its asset portfolios. In particular assets likely to be impacted by natural disasters and develop a suite of potential intervention/treatment options to increase asset resilience.	High	ASE	30/09/2023
Council to engage community on developed service levels.	Medium	ASE/IP&R	30/09/2025
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	Medium	ASE	30/09/2025

Overarching Improvement Plan and Schedule 2024 (note – dates to be reviewed)	Priority	Responsible Person /Unit	Target Date
Following criticality assessment, Council to develop management strategies for critical infrastructure.	Medium	ASE	30/09/2025
Information systems			
Council to review IT system framework including the use of and linkage to ancillary systems.	Medium	ASE	30/09/2024
Council to document spatial mapping templates, guidelines and procedures.	Medium	ASE/Finance	30/09/2024
Council to develop spatial mapping templates, guidelines and procedures for Strategic Modelling.	Medium	ASE	30/09/2024
Organisational context			
Council is to establish an asset management steering committee for reporting on asset management progress and improvement plan status and create a process for bi-annual reporting to senior management.	High	ASE	30/09/2023
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are attached to position descriptions and such that Council has an understanding of current gaps in capacity and capability.	High	COO	30/09/2023

[Back Cover]

APPENDIX A – BUILDINGS, OTHER STRUCTURES AND LAND IMPROVEMENT ASSETS – ASSET MANAGEMENT PLAN

This asset management plan covers the portfolio of structures that deliver a wide range of services to the Lismore City Council community.

This Asset Management Plan includes all of Council's Buildings and Facilities, Other Structures, Recreational Areas and Land Improvement Assets.

Council's buildings include the administration centre, depots, halls, library, museum, GSAC, Laurie Allen Centre as well Council's recreational amenity buildings and toilets. The structures for Council's water and wastewater treatment and pumping facilities are also included in this plan.

The other structures and recreation areas include all of Council's parks, playgrounds, sporting fields and equipment miscellaneous items such as benches, seats etc, as well as the roads, bridges, footpaths and drainage assets within these reserves.

As the owner and operator of building, other structures and recreational assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

A1.1 PURPOSE OF THIS PLAN

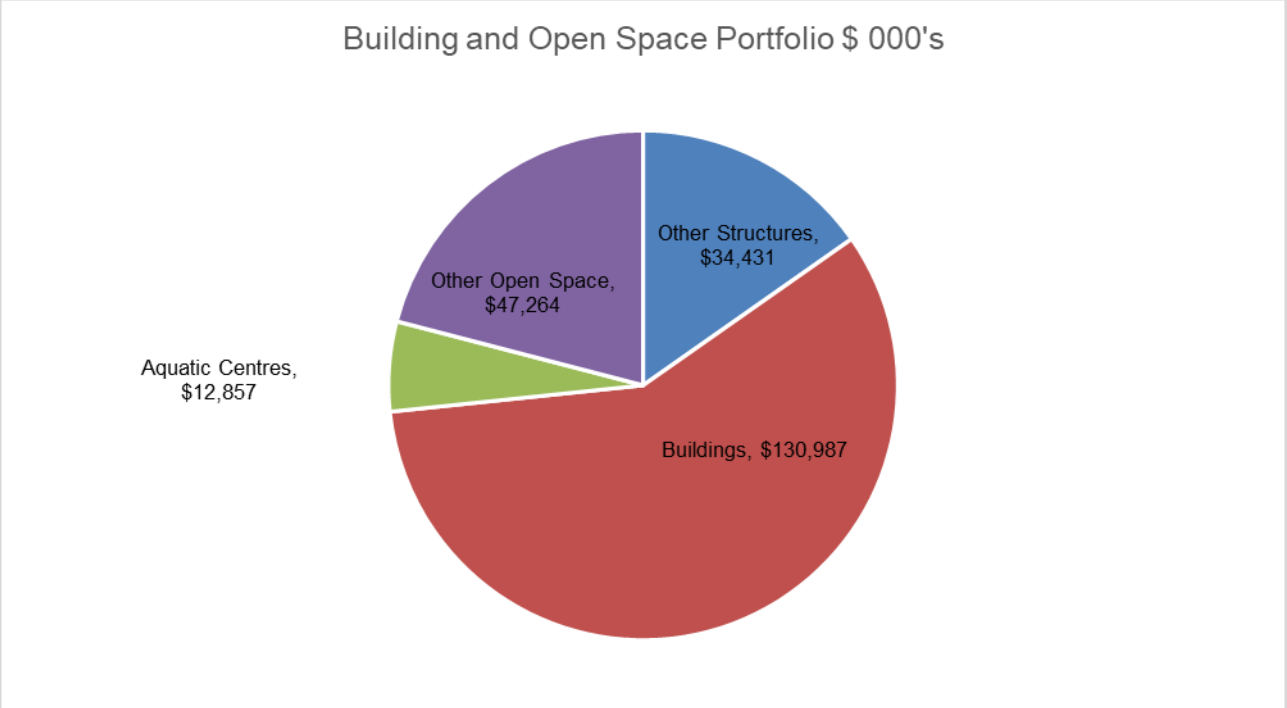
The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of buildings, other structures and recreation assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of buildings, other structures and recreation assets.

A1.2 PORTFOLIO OVERVIEW

Figure 1 Consolidated AMP Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	702.4%	48.1%	Yr 1	$28,475
Benchmark 100%			Yr 5 Average	$6,146
(Includes Disaster Funding)			Yr 10 Average	$1,905
Infrastructure Backlog Ratio	14.8%	12.5%	Yr 1	-$18,840
Benchmark 2%			Yr 5 Average	-$17,812
			Yr 10 Average	-$18,407
Infrastructure Maintenance Ratio	363.8%	345%	Yr 1	$3,882
Benchmark 100%			Yr 5 Average	$4,065
			Yr 10 Average	$4,341
Total Funding Gap			Yr 1	$13,517
			Yr 5 Average	-$7,600
(Includes Disaster Funding)			Yr 10 Average	-$12,161

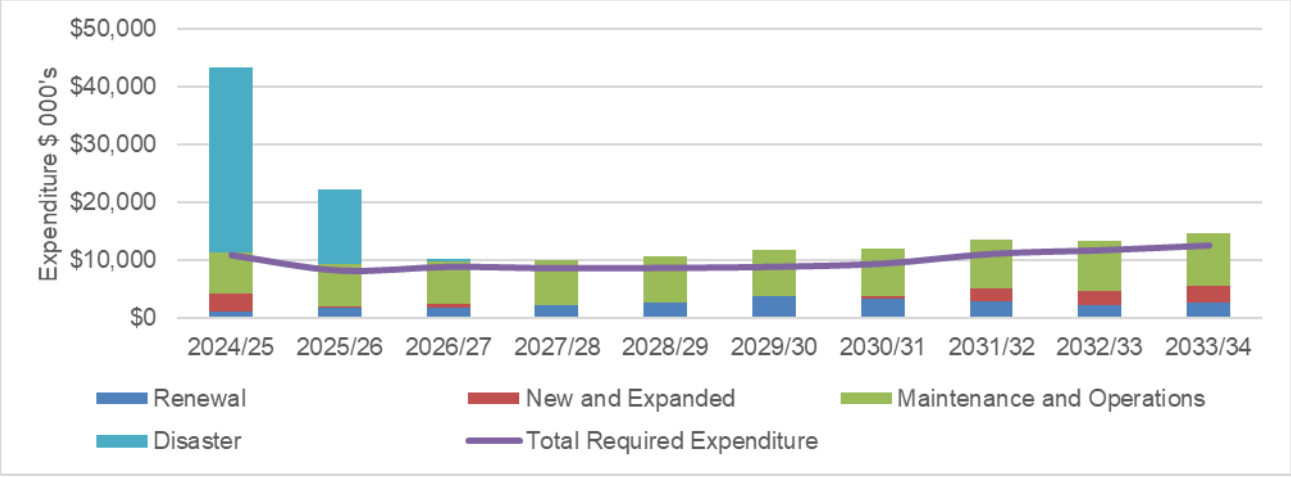
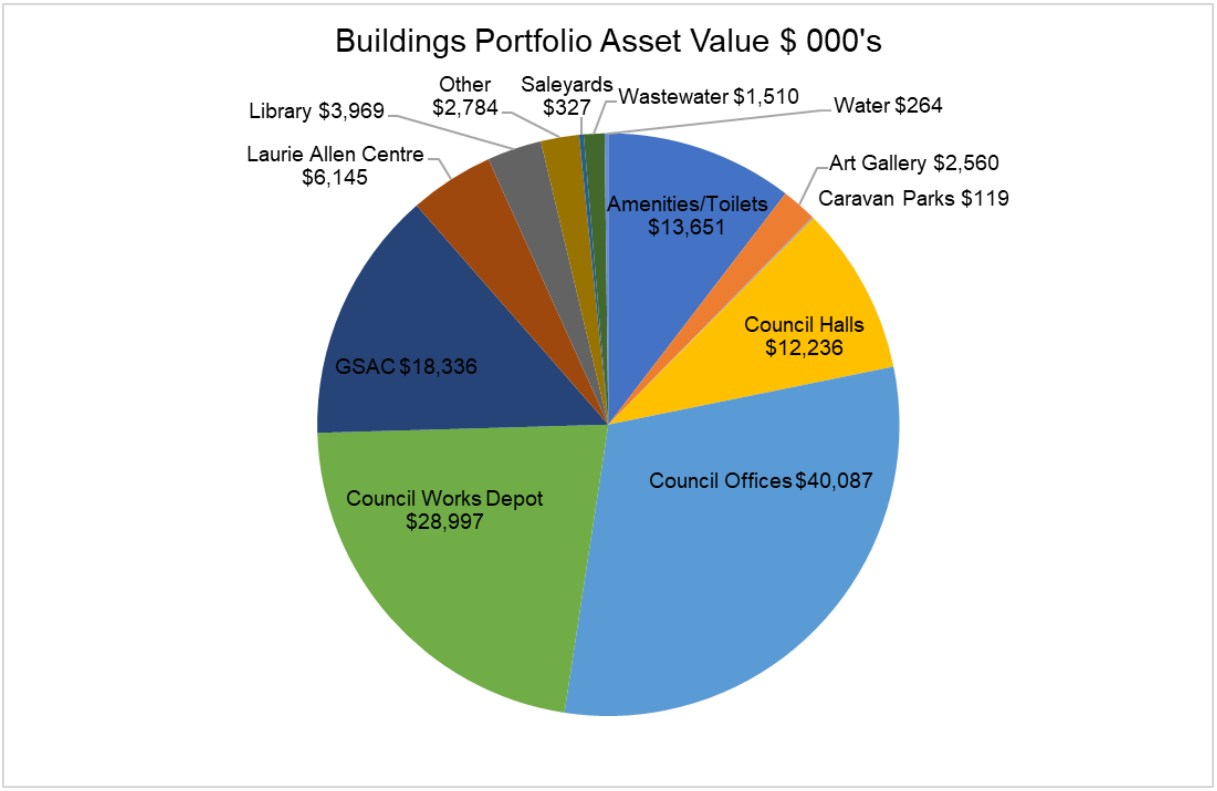


Figure 2 Buildings Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	1476.7%	76.1%	Yr 1	$19,961
Benchmark 100%			Yr 5 Average	$3,337
(Includes Disaster Funding)			Yr 10 Average	$1,491
Infrastructure Backlog Ratio	21.0%	17.5%	Yr 1	-$18,129
Benchmark 2%			Yr 5 Average	-$18,347
			Yr 10 Average	-$18,421
Infrastructure Maintenance Ratio	107.8%	113%	Yr 1	$144
Benchmark 100%			Yr 5 Average	$161
			Yr 10 Average	$205
Total Funding Gap			Yr 1	$1,976
			Yr 5 Average	-$14,849
			Yr 10 Average	-$16,725

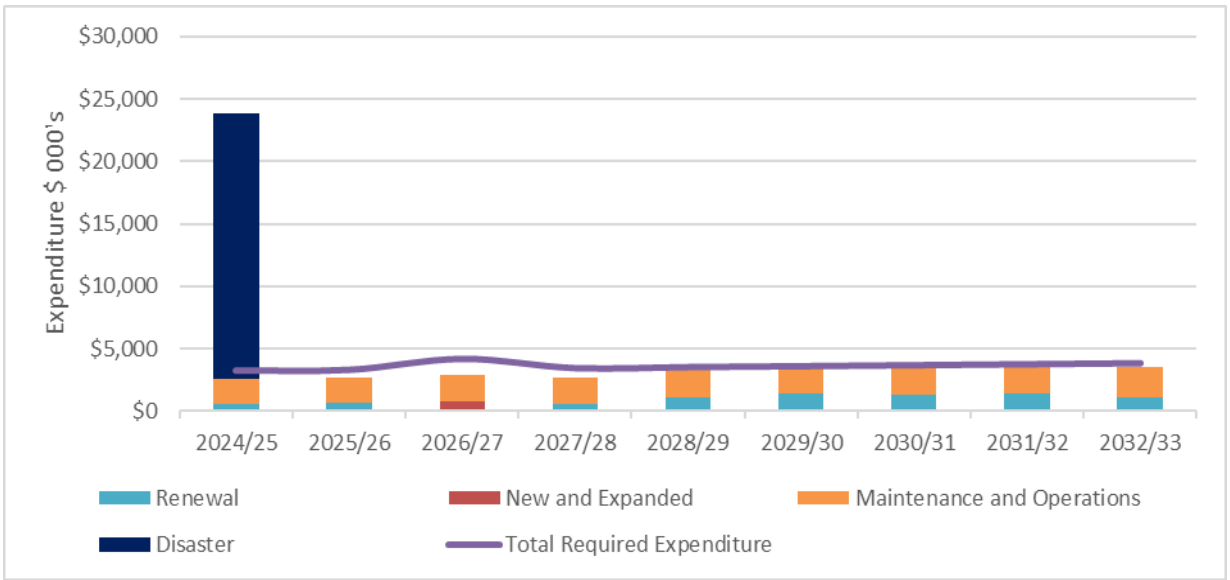
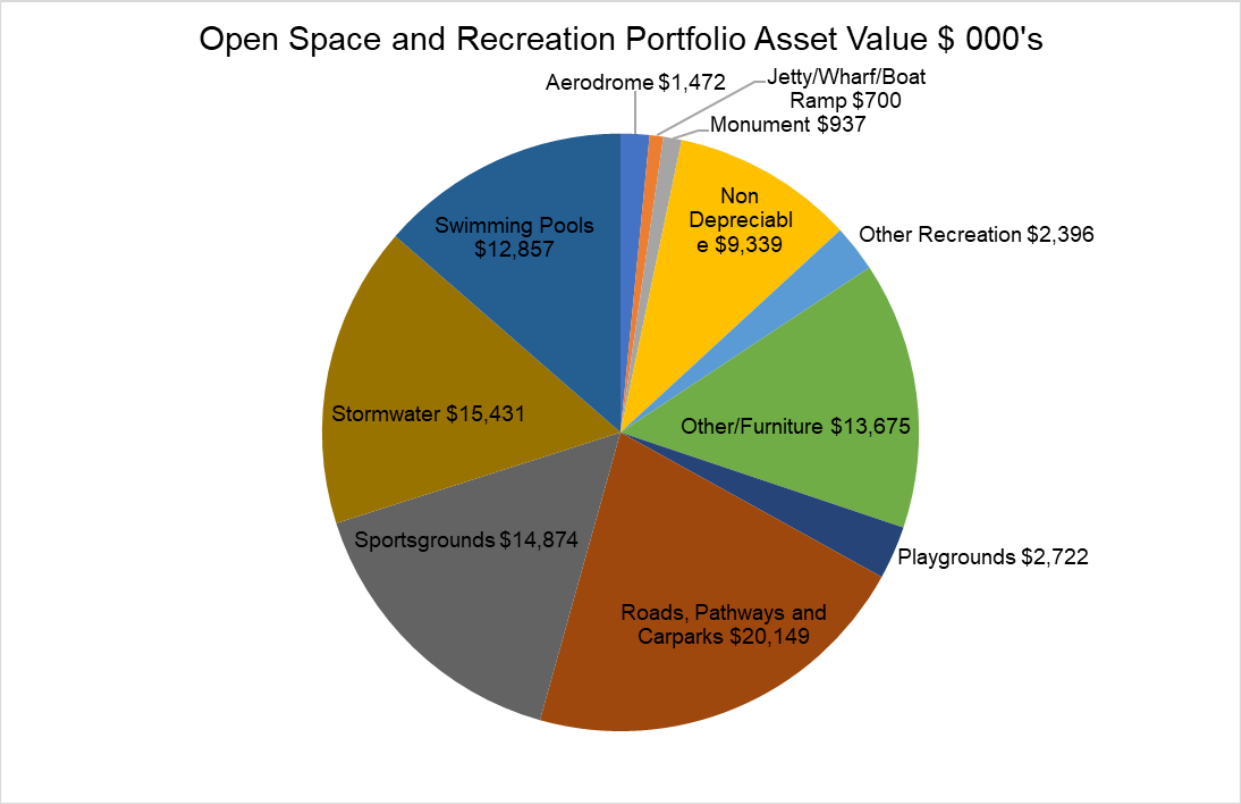
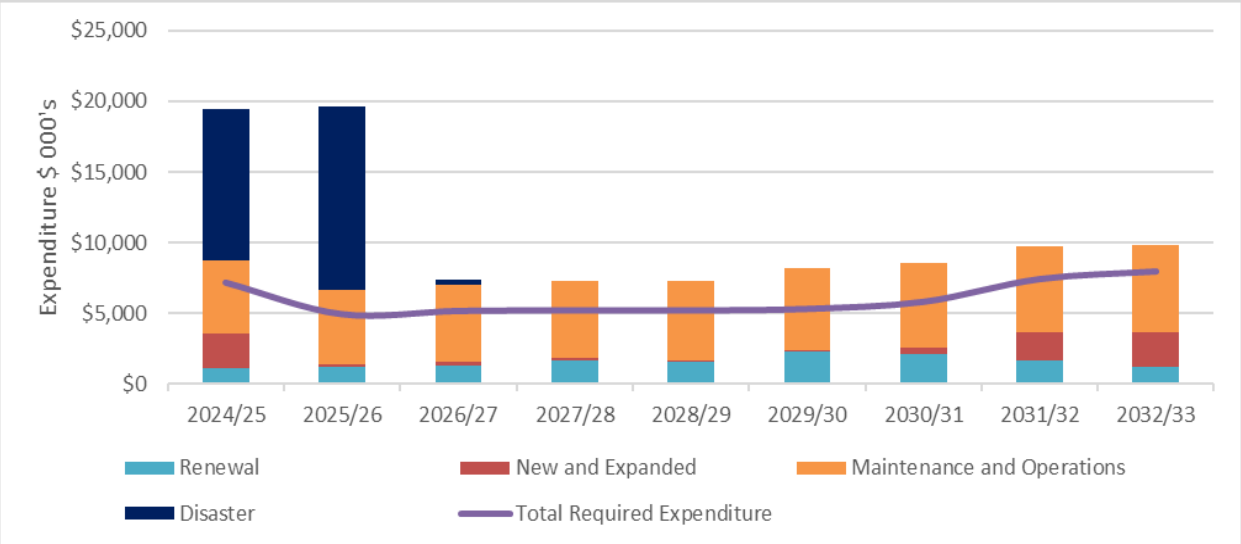


Figure 3 Other Structures and Open Space and Land Improvements Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	359.8%	35.6%	Yr 1	$8,514
Benchmark 100%			Yr 5 Average	$2,810
(Includes Disaster Funding)			Yr 10 Average	$413
Infrastructure Backlog Ratio	3.2%	3.3%	Yr 1	-$652
Benchmark 2%			Yr 5 Average	-$130
			Yr 10 Average	-$272
Infrastructure Maintenance Ratio	363.8%	345%	Yr 1	$3,738
Benchmark 100%			Yr 5 Average	$3,904
			Yr 10 Average	$4,137
Total Funding Gap			Yr 1	$11,600
			Yr 5 Average	$6,583
			Yr 10 Average	$4,278



A1.3 ASSET CLASS SUMMARY

Council faces a significant period of uncertainty with difficult challenges to overcome for its Buildings, Other Structures and Land Improvements portfolio. The 2022 floods not only caused significant damage to community infrastructure (with around $45.5m worth of buildings and open space infrastructure works to be funded by disaster recovery grant funding), but there is also uncertainty with respect to the replacement of the services provided by these facilities due to a lack of clarity around the rebuilding, relocation and recovery following the natural disaster event. Strategic growth planning undertaken prior to the events will need to be reviewed, and Council will need to consider whether its current composition of assets is in the right locations and adequately services its communities.

In reviewing the financial position of this AMP, there is a long-term shortfall in overall budgeted spending relative to the expected CAPEX and OPEX requirements for Council's Buildings, Other Structures and Land Improvement assets. Of note, however, is that a significant portion of these funds are tied to operations expenditure and do not adequately provide for the renewal of infrastructure. Without additional funding Council's portfolio of assets will gradually deteriorate and the backlog will increase.

This iteration of the asset management plan sets a pathway for post-flood recovery and a strategic approach for the management of Council's assets to improve confidence in asset data which will promote sound decision making for the community.

A1.4 ASSET INVENTORY, VALUES AND CONDITION

The assets covered by this asset management plan are shown below:

Table 1 Buildings, Other Structures and Land Improvements Inventory

Asset Class	Description	Unit of Measure	Units
Buildings	Amenities/Toilets	No.	41
Buildings	Council Offices	No.	2
Buildings	Other	No.	2
Buildings	Saleyards	No.	5
Buildings	Quarry	No.	11
Buildings	Emergency Services	No.	2
Buildings	Art Gallery	No.	1
Buildings	Laurie Allen Centre	No.	1
Buildings	Local Library	No.	1
Buildings	Caravan Park	No.	1
Buildings	GSAC	No.	1
Buildings	Richmond Tweed Regional Library	No.	1
Buildings	Works Depot	No.	3
Buildings	Aerodrome	No.	1
Buildings	Workshop	No.	2
Buildings	Wastewater Facilities	No.	3
Buildings	Water Supply Facilities	No.	16

Asset Class	Description	Unit of Measure	Units
Other Structures and Land Improvements	Artwork	No.	8
Other Structures and Land Improvements	Heritage Assets	No.	14
Other Structures and Land Improvements	Monuments	No.	50
Other Structures and Land Improvements	Playgrounds	No.	33
Other Structures and Land Improvements	Basketball/Netball Courts	No.	14
Other Structures and Land Improvements	BMX Tracks	No.	1
Other Structures and Land Improvements	Tennis Courts	No.	14
Other Structures and Land Improvements	Skateparks	No.	4
Other Structures and Land Improvements	Sports fields/Ovals	No.	24
Other Structures and Land Improvements	Cricket Pitches	No.	24

Table 2 Buildings, Other Structures and Land Improvements Portfolio Valuation

Asset	Gross Replacement Cost	Written Down Value	Annual Depreciation	Excellent	Good	Satisfactory	Poor	Very Poor
Buildings	$130,987	$71,913	-$982	7.0%	38.5%	15.0%	3.3%	36.2%
Other Structures	$34,431	$18,908	-$1,301	42.5%	23.2%	24.3%	2.1%	7.9%
Aquatic Centres	$12,857	$4,996	-$160	8.0%	32.9%	46.7%	8.4%	4.0%
Land Improvements and other Open Space Assets	$47,264	$17,591	-$1,256	2.0%	27.2%	10.8%	31.2%	28.8%

Figure 4 Buildings Condition Summary

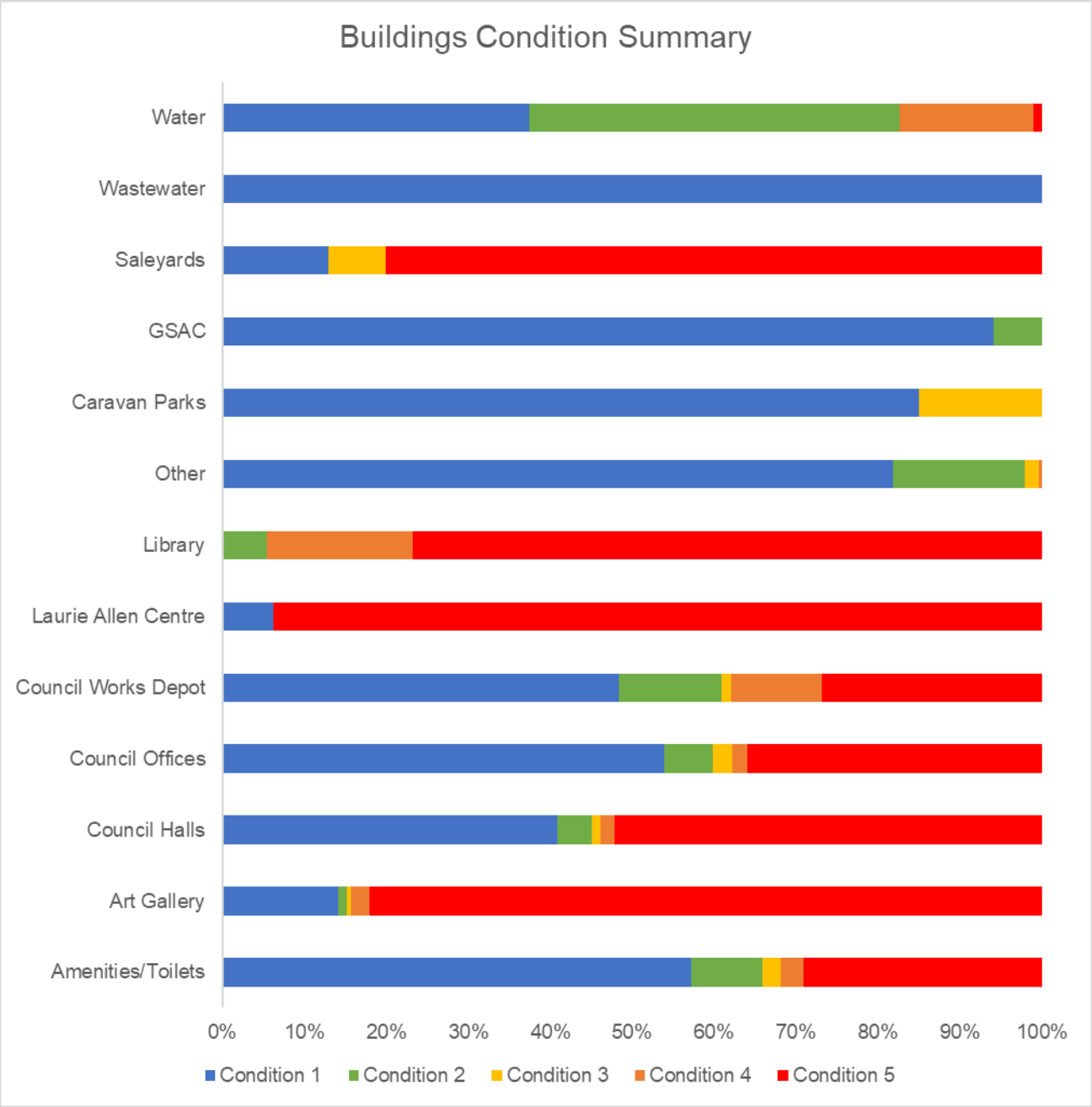
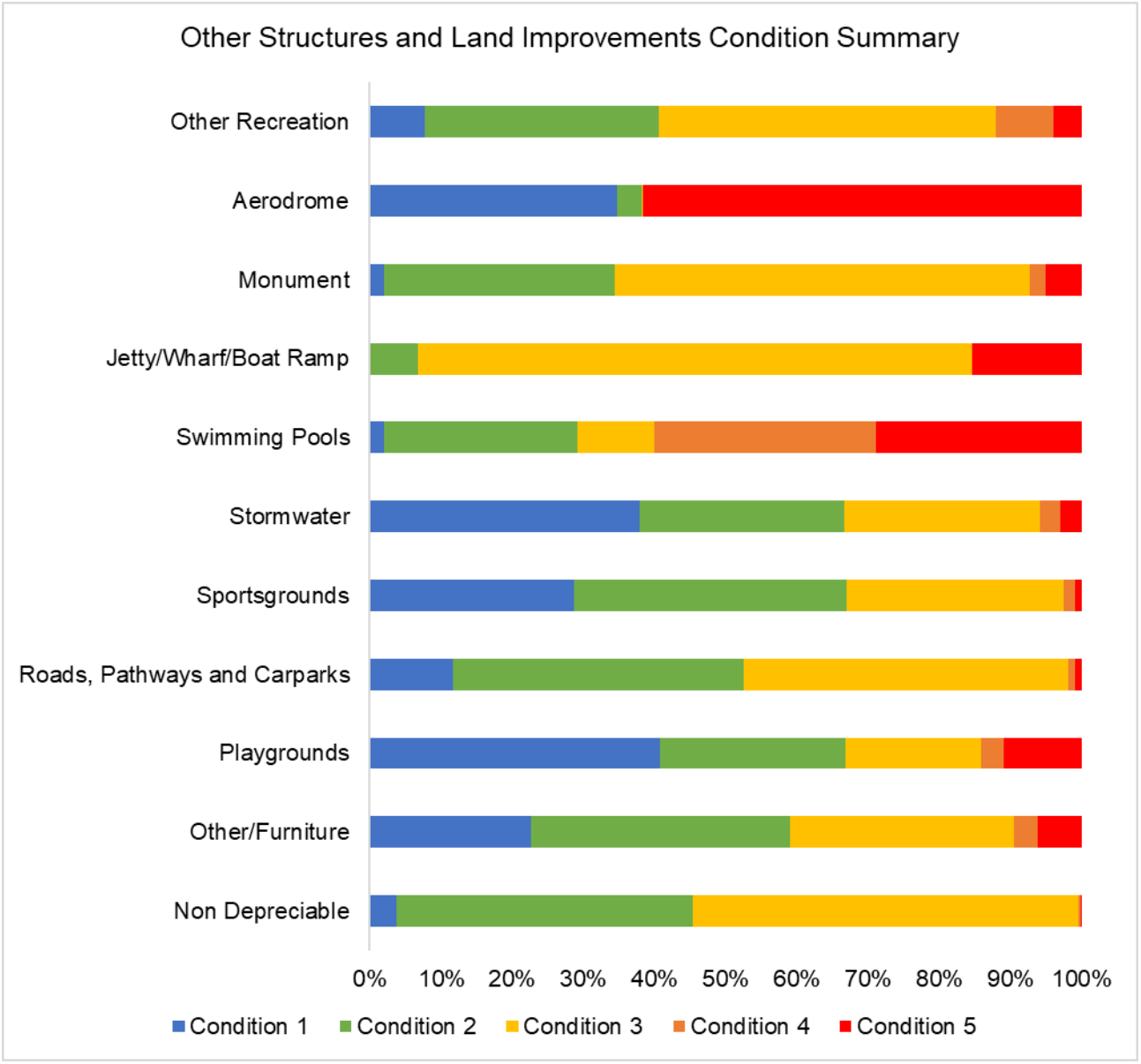


Figure 5 Other Structures and Land Improvements Condition Summary



A1.5 ROLES AND RESPONSIBILITIES

Council has adopted the following roles and responsibilities matrix for its buildings, other structures and land improvement assets.

Table 3 Buildings, Other Structures, Land Improvements and Recreation Roles and Responsibilities

Position	Role	Asset Class	Responsibilities	Functions
Manager Assets	Asset Owner	Buildings Other Structures and Land Improvements Recreation	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters.
Asset Engineer	Asset Custodian	Buildings Other Structures and Land Improvements Recreation	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program.
Coordinator Property Maintenance	Asset Delivery - Maintenance Asset Delivery - CAPEX Service Manager - Operations	Buildings	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Deliver and/or manage capital works Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service.
Parks Coordinator	Asset Delivery - Maintenance Service Manager - Operations	Other Structure and Land Improvements Recreation	Responsible for the day-to-day maintenance, operations and services delivered by assets	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Deliver and/or manage capital works Operations and service delivery Manage all service delivery functions Manage service user expectations Deliver adopted levels of service.
Coordinator Parks and Open Spaces	Asset Delivery - Capital	Other Structure and Land Improvements Recreation	Responsible for the delivery of capital works	Controls asset use, in line with policy Deliver and/or manage capital works.

A1.5 ASSET BASED LEVELS OF SERVICE

Table 4 Buildings Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Provide adequate physical access to facilities	Disability Discrimination Act (DDA) compliance.	Percent of community facilities which are accessible.	
		DDA action plan	Compliance with DDA Action Plan.	
Quality/condition	Percent of physical assets in condition 4 or better	Condition assessment	95% of assets in satisfactory condition or better.	
Reliability/responsiveness	Ensure services are reliable	Community satisfaction survey	90% of customer requests are completed within Council's Customer Charter.	
Customer satisfaction and involvement	Art centres and library facilities are provided that meet community demand	Community satisfaction survey – art centre and libraries	The gap between importance and performance rating improves.	
Affordability	The services are affordable and managed using the most cost-effective methods for the required level of service	Review of service agreements and benchmark with other councils	Total operating and maintenance are not greater than benchmarking against comparable councils.	
			Any major renewal and capital works projects go through a capital works framework, requiring business case to demonstrate economic benefits and value.	
Sustainability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset functionality/condition-based renewals plan. Ensure the plan is approved by authorities and updated every four years.	
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	
		Renewal funding ratio	Between 90% and 110%.	
		Long term funding ratio	Between 95% and 105%.	
Health and safety	Ensure buildings/facilities are safe and do not cause a hazard to people	Regular inspections, operational reports and safety audits	Annual Fire Safety Statements are certified for each facility requiring it.	
			Safety inspections are carried out for each facility in accordance with Building inspection strategy.	

Table 5 Other Structures and Land Improvements Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Park facilities are accessible to everyone	Continuous monitoring as part of operational activities	Parks are open and accessible to community 365 days/year.	
Quality/condition	Condition assessment	Percent of assets in condition 3 or better for active and passive parks	95% of assets in satisfactory condition or better.	
Reliability/responsiveness	Percent compliance with Council's documented response time	Council's customer request system	90% of requests are completed within Council's customer charter.	
Customer satisfaction and involvement	Park facilities are provided that meet community demand	Integrated open space survey results	Above 80%.	
Sustainability	Facilities meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	
		Renewal funding ratio	Between 90% and 110%.	
		Long term funding ratio	Between 95% and 105%.	
Health and safety	Safe Park facilities are provided	Customer Service Requests	No more than 4 park related Customer Service Requests	
			No more than 1 sporting facility related Customer Service Request	
Affordability	Access to facilities and services is affordable and cost effective	Review of service agreements and benchmark with other councils	Total operating cost per hectare of park is in line with benchmarking against comparable regional councils.	

A1.6 FUTURE DEMAND

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Currently there is significant uncertainty around the way forward following the devastating 2022 floods, with guidance being sought around any 'planned retreat' and potential relocation of households and infrastructure. In the short–term, Council's new and upgraded infrastructure will address the damage sustained during the flood events as well as focus on replacing assets with 'resilient' infrastructure where appropriate. As further guidance and a better understanding of expected growth in the LGA is attained, Council will incorporate demand strategies to address the key growth drivers in the next iteration of Council's asset management plans.

Table 6: Future demand

Demand factor	Impact on assets
Internal Migration	While the projection of population is currently unclear, there may be a significant internal migration into new areas of higher elevation within the LGA. Council will need to ensure that a balance of facilities and recreation services to these communities is achieved and may potentially need to consider decommissioning existing facilities if they no longer adequately service the broader community. Council will need to regularly assess whether the current portfolios are fit for purpose and have the functionality and capacity to provide the current range of services and any additional services required in the future.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations, particularly with grant funding delivering 'like for like' replacement of assets damaged during the 2022 flood events. It is likely that these assets will have to be 'upgraded' to deliver a resilient level of service.
Environment and climate	It is likely that the frequency, severity and intensity of natural disaster events will increase, and Council will need to plan its infrastructure accordingly.

A1.7 LIFECYCLE – MAINTENANCE STRATEGY

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

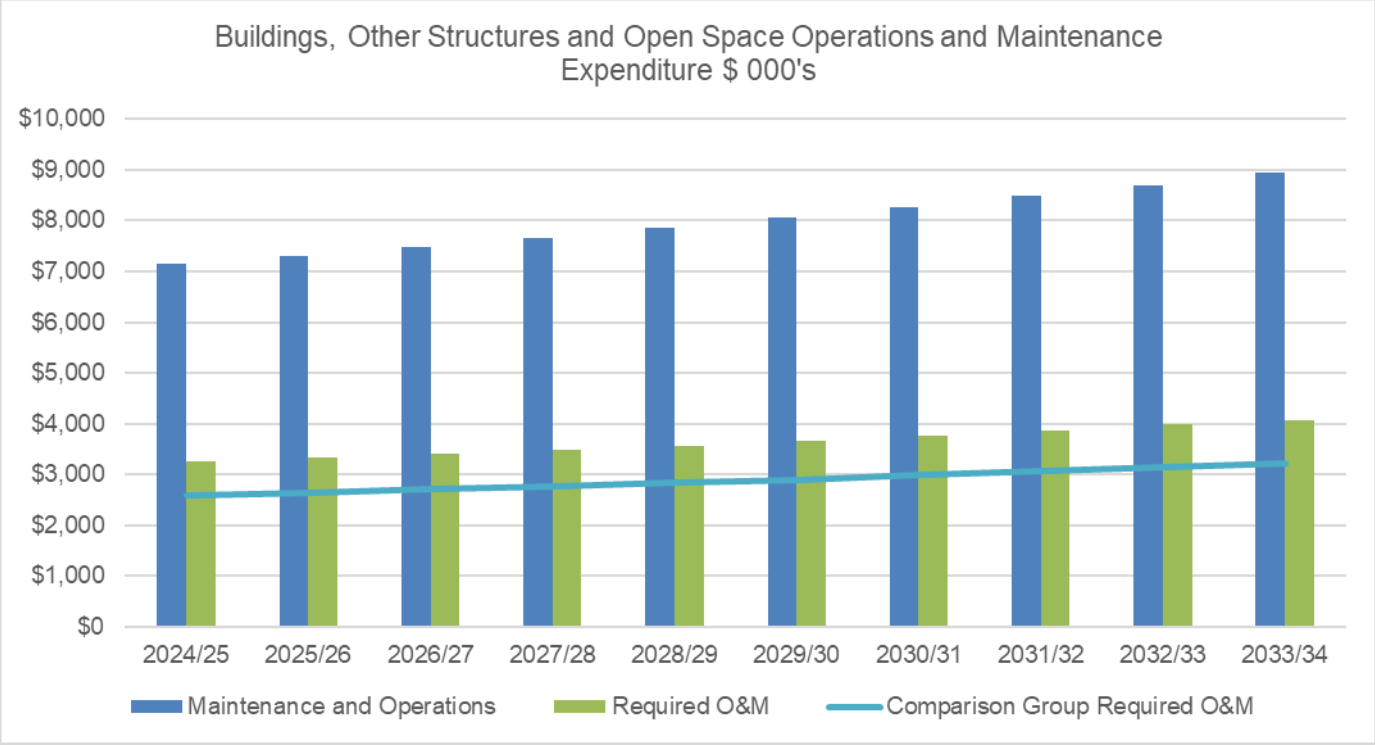
- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and/or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently has no documented maintenance strategy for its buildings, other structures and land improvement/open space assets. However, there is a significant focus on proactive maintenance through regular defect inspections, particularly on assets in poor condition for both Council's buildings and outdoor assets. Council's current expenditure splits on its operational expenditure is as follows:

Table 7 OPEX Proportional Split

Asset	Proactive Maintenance %	Reactive Maintenance %	Operations %
Buildings	12.5%	12.5%	75%
Swimming Pools	7.5%	7.5%	85%
Land Improvements	90%	10%	0%
Other Structures and Open Space Recreation	85%	10%	5%

Figure 6 OPEX Expenditure



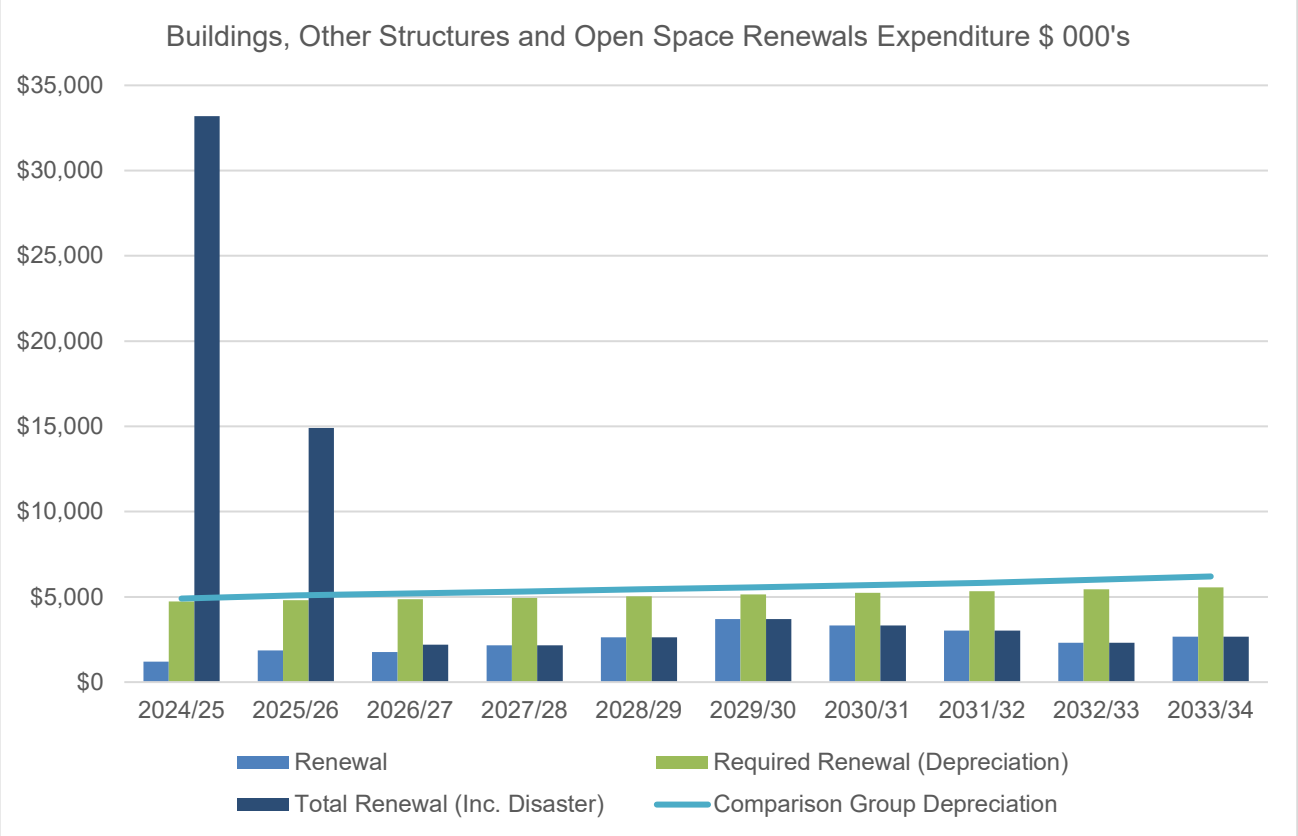
Council compared its budgeted/actual OPEX expenditure for its Buildings, Other Structures and Land Improvements portfolio against similarly categorised councils by the Office of Local Government. This showed that Council has surplus funds and budget allocated to maintain and look after these portfolios. A significant portion of these funds is operational costs, Council should review whether any of this expenditure can be reallocated for capital purposes.

A1.8 LIFECYCLE – RENEWAL/REPLACEMENT STRATEGY

Council currently has no documented strategy for the renewal of its buildings, other structures and land improvement/open space assets. In developing renewal plans for these assets, inspections are scheduled based on the age and condition of assets to determine remaining life and required replacement. Council is opportunistic with grant funding with respect to the replacement of its buildings assets and undertakes business case analysis to explore options and feasibility of the potential project.

Further, Council is currently in the process of finalising its Open Space Strategy – which will inform the infrastructure needs of its outdoor areas and guide Council's replacement program.

Figure 7 CAPEX Expenditure



Council compared its budgeted/actual CAPEX expenditure for its Buildings, Other Structures and Land Improvements portfolio against its annual depreciation requirements. This showed that Council currently had not budgeted adequate funds to meet the required level of funding and it is anticipated that the condition of these assets will gradually degrade.

Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate marginally greater than that of the comparison group. It should be noted that the initial Flood Recovery funding 2022 estimates have been adopted as part of Council's financial projections. While this injection of funding improves the condition of the portfolio, a significant number of assets remain in poor condition.

A1.9 EXPENDITURE PROJECTIONS

Table 8 Buildings, Other Structures, Land Improvements and Open Space Assets Expenditure Projections

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Buildings	**Actual**											
Other Structures		Renewal	$1,194	$1,860	$1,760	$2,150	$2,629	$3,701	$3,331	$3,027	$2,301	$2,674
Land Improvements		Disaster Funding	$32,008	$13,054	$444	$0	$0	$0	$0	$0	$0	$0
Open Space Assets		New and Expanded Assets	$2,965	$114	$614	$214	$114	$114	$514	$2,014	$2,414	$3,014
Pools		Maintenance and Operations	$7,149	$7,312	$7,479	$7,650	$7,850	$8,054	$8,265	$8,483	$8,706	$8,936
		Total Expenditure	**$43,316**	**$22,340**	**$10,296**	**$10,014**	**$10,593**	**$11,869**	**$12,110**	**$13,524**	**$13,421**	**$14,624**
	Required											
		Required Renewal (Depreciation)	$4,727	$4,797	$4,868	$4,939	$5,036	$5,135	$5,237	$5,340	$5,445	$5,562
		New and Expanded Assets	$2,965	$114	$614	$214	$114	$114	$514	$2,014	$2,414	$3,014
		Required O&M	$3,268	$3,341	$3,423	$3,502	$3,580	$3,661	$3,748	$3,860	$3,979	$4,110
		Total	**$10,960**	**$8,252**	**$8,905**	**$8,655**	**$8,730**	**$8,910**	**$9,499**	**$11,213**	**$11,838**	**$12,686**
		OPEX Balance (GAP)	$3,882	$3,971	$4,056	$4,149	$4,269	$4,393	$4,517	$4,623	$4,727	$4,826
		RENEWAL Balance (GAP)	$28,475	$10,117	-$2,664	-$2,790	-$2,407	-$1,434	-$1,906	-$2,313	-$3,144	-$2,888
		Overall (GAP)	**$32,357**	**$14,088**	**$1,392**	**$1,359**	**$1,862**	**$2,959**	**$2,611**	**$2,311**	**$1,583**	**$1,938**
		Overall (GAP) *excluding Disaster Funding*	**$348**	**$1,034**	**$948**	**$1,359**	**$1,862**	**$2,959**	**$2,611**	**$2,311**	**$1,583**	**$1,938**
		Comparison Group – Depreciation	$4,901	$5,079	$5,193	$5,321	$5,443	$5,566	$5,691	$5,829	$6,006	$6,197
		Comparison Group - Total	10,459	7,844	8,523	8,312	8,397	8,583	9,176	10,897	11,564	12,450
		Comparison Overall (GAP)	**32,857**	**14,496**	**1,773**	**1,702**	**2,196**	**3,286**	**2,934**	**2,626**	**1,858**	**2,174**

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Buildings	**Actual**											
		Renewal	$100	$650	$450	$550	$1,100	$1,412	$1,257	$1,373	$1,100	$1,300
		Disaster Funding	$21,311	$0	$0	$0	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$500	$0	$350	$0	$0	$0	$0	$0	$0	$0
		Maintenance and Operations	$1,994	$2,044	$2,095	$2,147	$2,209	$2,273	$2,339	$2,407	$2,478	$2,550
		Total Expenditure	**$23,905**	**$2,694**	**$2,895**	**$2,697**	**$3,309**	**$3,685**	**$3,596**	**$3,780**	**$3,578**	**$3,850**
	Required											
		Required Renewal (Depreciation)	$1,450	$1,472	$1,494	$1,516	$1,546	$1,578	$1,609	$1,641	$1,674	$1,708
		New and Expanded Assets	$500	$0	$350	$0	$0	$0	$0	$0	$0	$0
		Required O&M	$1,851	$1,891	$1,938	$1,980	$2,024	$2,068	$2,114	$2,160	$2,208	$2,257
		Total	**$3,800**	**$3,363**	**$3,782**	**$3,497**	**$3,570**	**$3,646**	**$3,723**	**$3,802**	**$3,882**	**$3,964**
		OPEX Balance (GAP)	$144	$153	$157	$167	$185	$204	$225	$247	$270	$294
		RENEWAL Balance (GAP)	$19,961	-$822	-$1,044	-$966	-$446	-$166	-$352	-$268	-$574	-$408
		Overall (GAP)	**$20,105**	**-$669**	**-$887**	**-$799**	**-$261**	**$39**	**-$127**	**-$22**	**-$305**	**-$114**
		Overall (GAP) *excluding Disaster Funding*	**-$1,206**	**-$669**	**-$887**	**-$799**	**-$261**	**$39**	**-$127**	**-$22**	**-$305**	**-$114**
		Comparison Group – Depreciation	$2,518	$2,582	$2,639	$2,704	$2,763	$2,824	$2,886	$2,950	$3,015	$3,081
		Comparison Group - Total	$4,738	$4,341	$4,791	$4,545	$4,645	$4,747	$4,851	$4,958	$5,067	$5,179
		Comparison Overall (GAP)	**$19,167**	**-$1,647**	**-$1,896**	**-$1,847**	**-$1,335**	**-$1,062**	**-$1,256**	**-$1,178**	**-$1,490**	**-$1,328**

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Other Structures	**Actual**											
Land Improvements		Renewal	$1,094	$1,210	$1,310	$1,600	$1,529	$2,289	$2,074	$1,654	$1,201	$1,374
Open Space Assets		Disaster Funding	$10,698	$13,054	$444	$0	$0	$0	$0	$0	$0	$0
Pools		New and Expanded Assets	$2,465	$114	$264	$214	$114	$114	$514	$2,014	$2,414	$3,014
		Maintenance and Operations	$5,155	$5,268	$5,384	$5,503	$5,640	$5,781	$5,927	$6,076	$6,229	$6,386
		Total Expenditure	**$19,411**	**$19,646**	**$7,402**	**$7,317**	**$7,283**	**$8,184**	**$8,515**	**$9,744**	**$9,844**	**$10,774**
	Required											
		Required Renewal (Depreciation)	$3,277	$3,325	$3,374	$3,423	$3,490	$3,558	$3,627	$3,698	$3,771	$3,855
		New and Expanded Assets	$2,465	$114	$264	$214	$114	$114	$514	$2,014	$2,414	$3,014
		Required O&M	$1,417	$1,450	$1,485	$1,521	$1,556	$1,592	$1,635	$1,699	$1,771	$1,853
		Total	**$7,159**	**$4,889**	**$5,123**	**$5,158**	**$5,160**	**$5,264**	**$5,776**	**$7,412**	**$7,956**	**$8,722**
		OPEX Balance (GAP)	$3,738	$3,818	$3,899	$3,982	$4,084	$4,189	$4,292	$4,376	$4,457	$4,532
		RENEWAL Balance (GAP)	$8,514	$10,939	-$1,620	-$1,823	-$1,961	-$1,269	-$1,553	-$2,044	-$2,570	-$2,481
		Overall (GAP)	**$12,252**	**$14,757**	**$2,278**	**$2,158**	**$2,123**	**$2,920**	**$2,739**	**$2,332**	**$1,888**	**$2,052**
		Overall (GAP) *excluding Disaster Funding*	**$1,554**	**$1,703**	**$1,835**	**$2,158**	**$2,123**	**$2,920**	**$2,739**	**$2,332**	**$1,888**	**$2,052**
		Comparison Group – Depreciation	$2,383	$2,497	$2,554	$2,617	$2,680	$2,742	$2,805	$2,879	$2,992	$3,116
		Comparison Group - Total	$5,721	$3,503	$3,733	$3,767	$3,752	$3,836	$4,325	$5,939	$6,496	$7,271
		Comparison Overall (GAP)	**$13,690**	**$16,142**	**$3,669**	**$3,549**	**$3,531**	**$4,349**	**$4,190**	**$3,805**	**$3,347**	**$3,502**

*Figure 8 Buildings Sustainability Ratios**

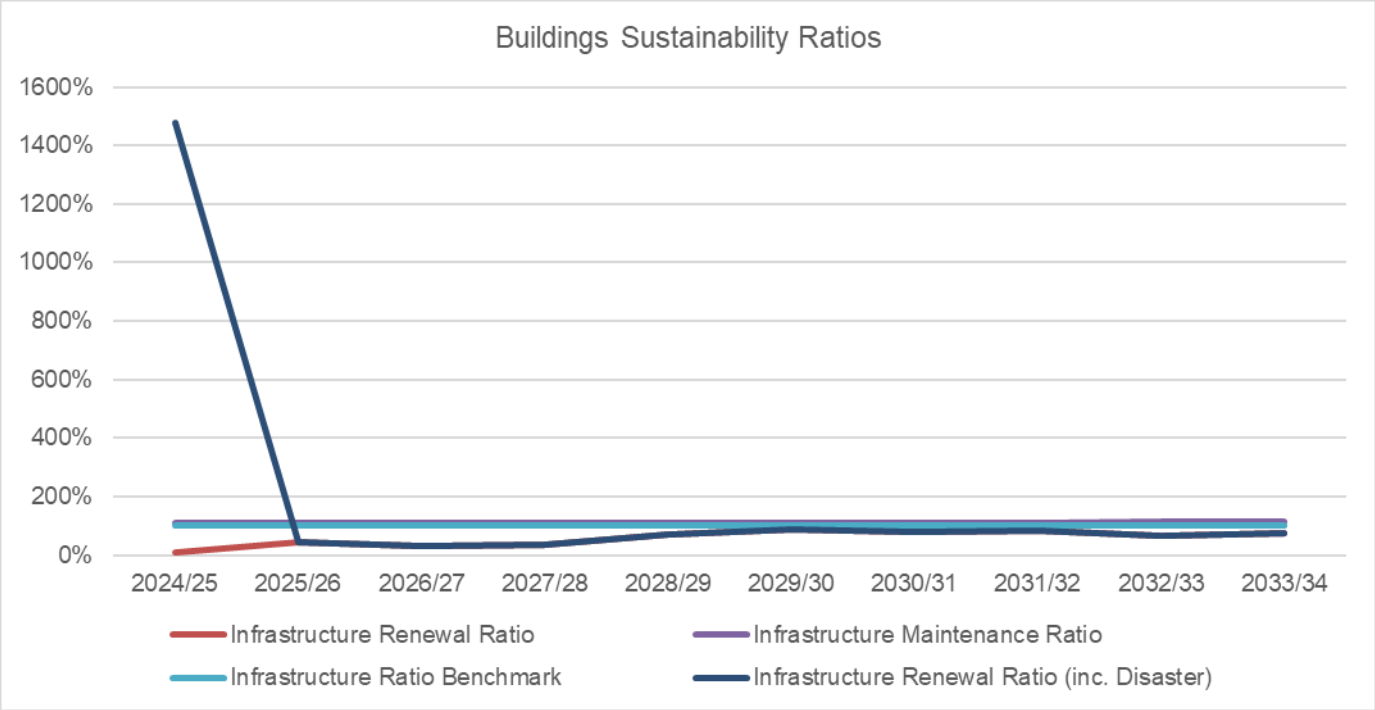
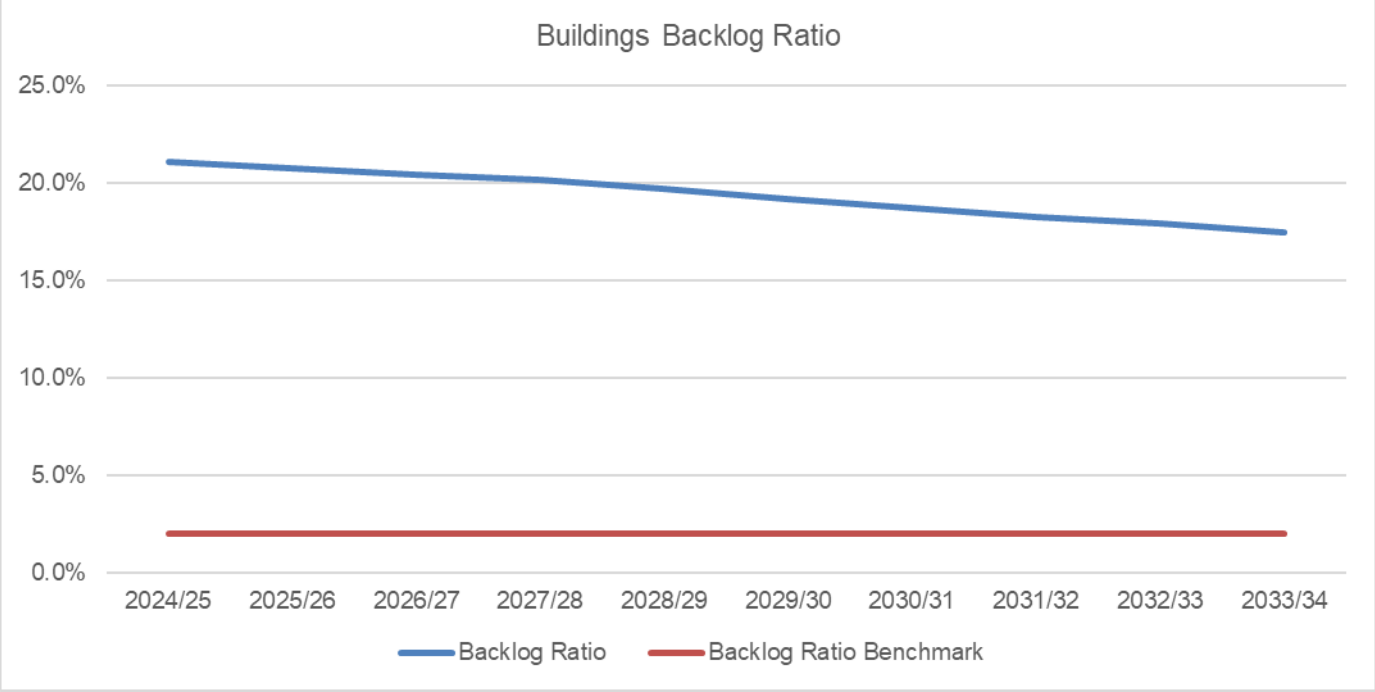


*Figure 9 Buildings Backlog Ratio**



**Council currently has a significant backlog in its building's assets due to the impacts of the 2022 Flood. The damage has been recognised in the condition of the portfolio; initial funding estimates have been incorporated into this iteration of the asset management plan. Council will update the CAPEX projections accordingly when further information becomes available.*

Figure 10 Other Structures, Land Improvements, Open Spaces and Pools Sustainability Ratios

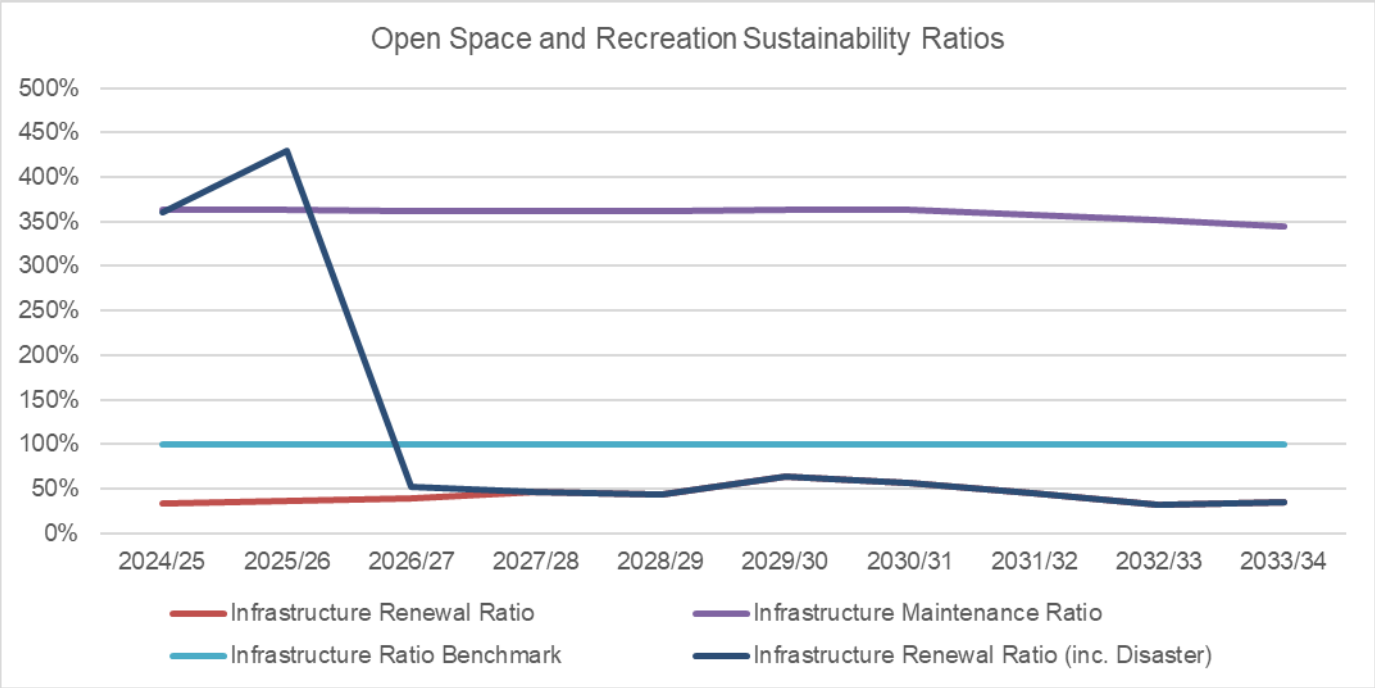
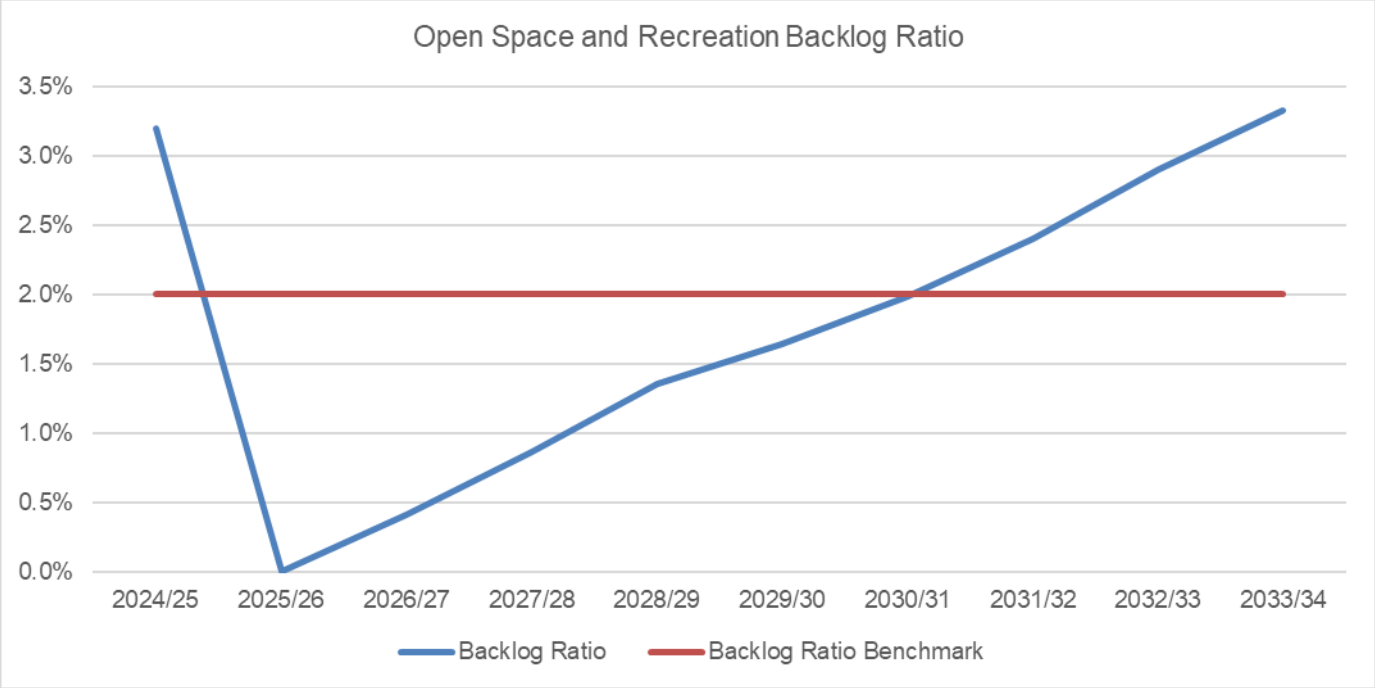


Figure 11 Other Structures, Land Improvements, Open Spaces and Pools Backlog Ratio



A1.10 CRITICAL ASSETS

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its building portfolio.

The following attributes are currently being considered as part of this analysis:

Buildings

Table 9 Critical Assets

Attribute	High	Medium	Low
Essential Services	Yes		
Size	Large	Medium	Small
Multipurpose	>3 users	2-3 users	1 primary user
Frequency of use	Daily	3 - 4 times per week	1 - 2 times per week
Hazardous Material Store	Yes		
Historical significance	Yes		
Emergency service/management use	Yes		

Identified critical assets include Council's administration office, depots and critical water and sewer buildings infrastructure.

Other Structures, Open Space and Land Improvements

Council has determined that it has no critical open space assets from an organisational perspective. The range and quality of assets across the region will ensure that any short-term loss of facility can be accommodated and managed.

A1.11 RISK MANAGEMENT

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's buildings, other structure, land improvements and open space assets and highlights the strategic risks which impact Council's asset portfolio.

Table 10 Strategic Risk Management

Service at Risk	Occurrence	Risk Rating	Treatment Plan	Residual Risk
Building Renewal	Buildings deteriorate to a lesser service standard and higher risk situation	Medium	Continue to improve data Required renewal of building components is being achieved in the short to medium term. Future planning improvements can be made by further documenting service level risks and utilisation of these in establishing future renewal priorities.	Medium
Buildings Utilisation	Buildings not suiting the needs of service providers	Medium	Continue to monitor condition and functionality of buildings	Medium
Buildings - Financial Pressure	Building portfolio grows but additional funds not allocated for OPEX and CAPEX	Medium	Business Case Analysis on the procurement of significant buildings assets	Medium
Land Improvements Renewal	Land Improvements do not meet regulatory standards	High	Continue to inspect facilities so their standard is known. Monitor industry changes so that potential changes to regulatory standards can be anticipated	High
Land Improvements Utilisation	Play Spaces and Sporting Fields not suiting the needs of users	High	Monitor utilisation so that user requirements are anticipated	High

Service at Risk	Occurrence	Risk Rating	Treatment Plan	Residual Risk
Land Improvements - Financial Pressure	Land Improvements not funded to meet community requirements	High	Continue to monitor costs and incorporate needs into LTFP	High
Parks and Recreation	Lismore's assets are ageing and there are limited maintenance funds to maintain to an acceptable level.	Medium	Managing the community's expectations. Future community surveys and Council's direct community consultation strategies should aim to find out what our community needs from us as a Council, whilst also informing the community of what Council resources are available to provide for those needs.	Low
Parks and Recreation	In this day of the internet, communication and personal travel for business and holidays, our community is always educated in what other Council's provide and what can be achieved. Our community have expectations that need to be managed accordingly.	High	Council has continued the strengthening of its asset management with a detailed collection of open space assets within our parks, bushland and sporting fields. From this, Council will now develop an asset management strategy that will aim to provide for the effective maintenance and renewal of its assets.	Medium

A1.12 CONFIDENCE LEVELS

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

Table 11: Asset data confidence scale

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

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

Table 12: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings	Acceptable	Acceptable	Reliable	Acceptable
Other Structures, Recreation and Land Improvements	Acceptable	Acceptable	Acceptable	Acceptable
Pools	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**acceptable**'.

A1.13 IMPROVEMENT PLAN

Council is currently in the process of recovering from the 2022 flood and determining the way forward for its community and the LGA and as such has been operationally focused to ensure the day-to-day functions of Council can get back on track following the impacts of the natural disaster. Future iterations of this asset management plan will focus on a more strategic approach to managing the Buildings, Other Structures, Land Improvements and Open Space areas portfolios. The improvement plan below sets out the pathway for Council to achieve this.

Table 13 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	02/05/24
Council to undertake inventory stocktake of asset portfolios to ensure all assets are accounted for on Council's asset register.	M	Assets	30/09/25
Asset knowledge processes			
Council to review current OPEX expenditure and cost coding to ensure works that are capital in nature are fully captured and recorded accordingly.	M	Assets Finance	28/02/24
Council to review condition impairment identified in end of financial year reporting and update assets registers accordingly	H	Assets	30/06/23
Council to incorporate Flood recovery funding into AMP's and LTFP as funding is approved	H	Assets Finance	As Approved
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX	H	Assets Finance	30/09/23
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/09/23
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/09/24
Council to engage community on developed service levels.	H	Assets	30/09/25
Council to undertake risk and criticality assessment of its asset portfolios.	H	Assets Operations	30/09/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Assets Operations Systems	30/09/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/09/25
Review actual verses required Open Space maintenance costs to understand variance in expenditure	H	Assets Operations Finance	30/09/23
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/09/23

A1.14 CAPITAL WORKS PROGRAM

Refer to 2024/25 Adopted Budget by program.

APPENDIX B – TRANSPORT – ASSET MANAGEMENT PLAN

This asset management plan covers the portfolio of transport assets that deliver a wide range of services to the Lismore City Council community.

This Asset Management Plan includes all of Council's Sealed Roads, Unsealed Roads, Bridges, Pathways, Culverts, Traffic Management Devices and Other Road assets.

As the owner and operator of transport assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

B1.1 PURPOSE OF THIS PLAN

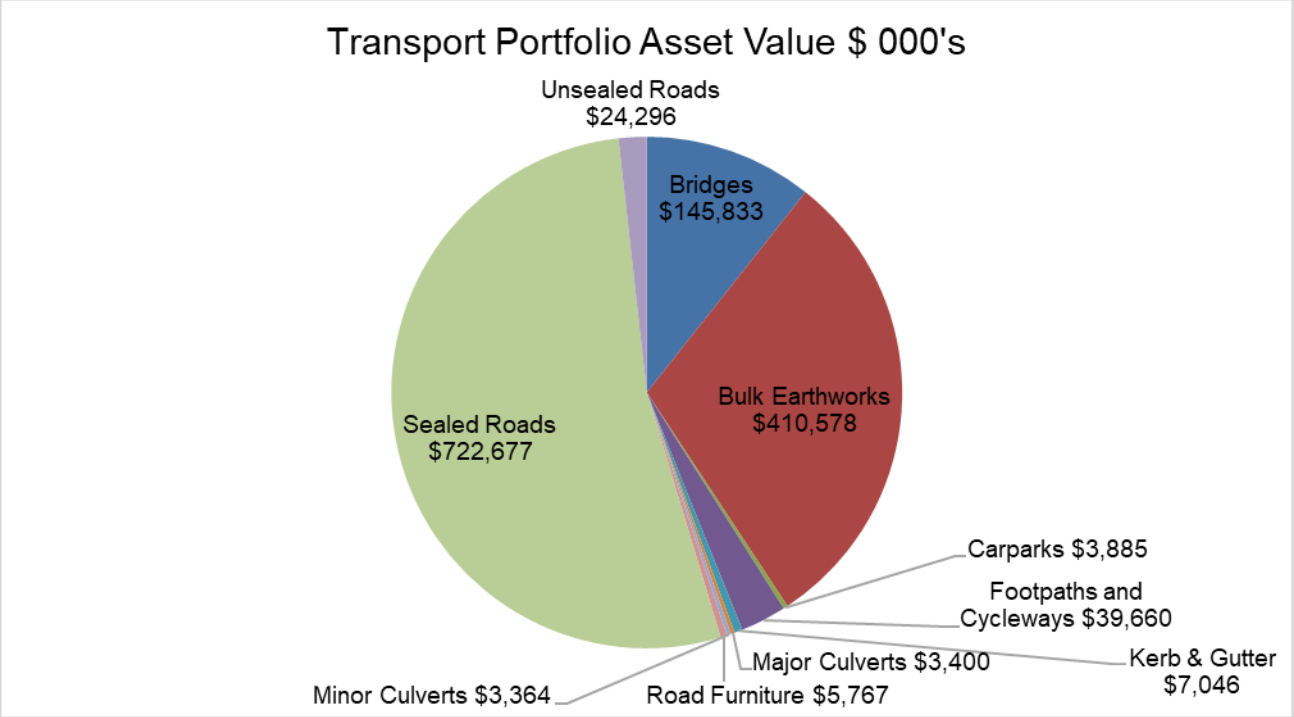
The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of transport assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

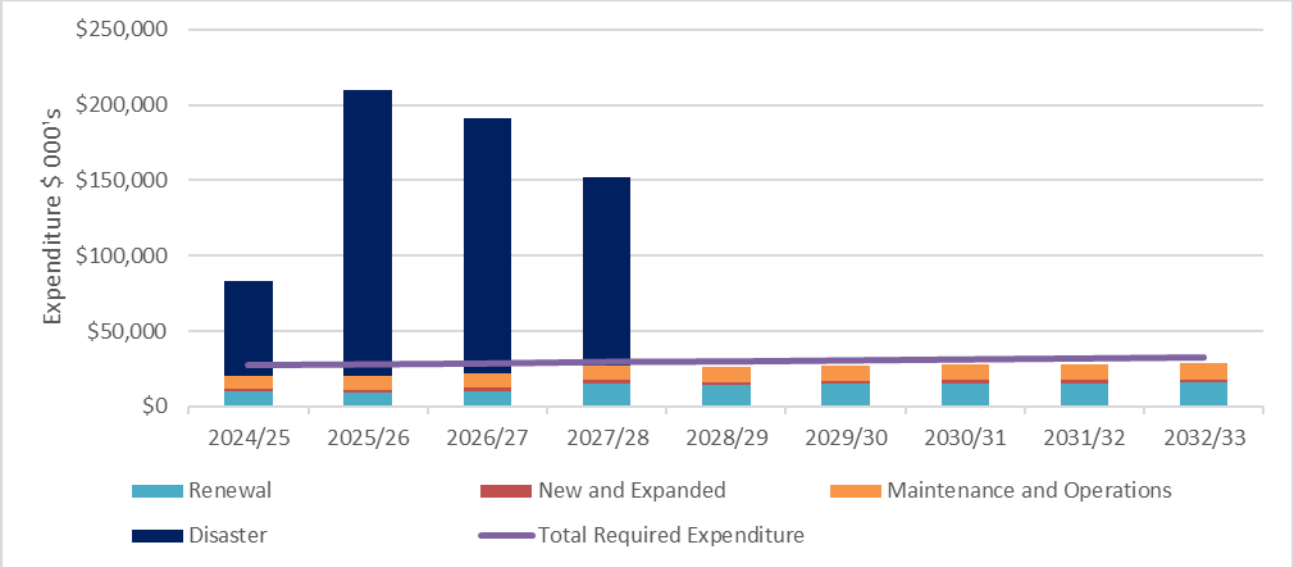
- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of transport assets.

B1.2 PORTFOLIO OVERVIEW

Figure 1 Transport AMP Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	392.0%	73.2%	Yr 1	$53,984
Benchmark 100%			Yr 5 Average	$102,201
(Includes Disaster Funding)			Yr 10 Average	$48,373
Infrastructure Backlog Ratio	4.6%	0.3%	Yr 1	-$27,173
Benchmark 2%			Yr 5 Average	-$5,435
			Yr 10 Average	-$2,717
Infrastructure Maintenance Ratio	122.1%	121%	Yr 1	$1,611
Benchmark 100%			Yr 5 Average	$1,639
			Yr 10 Average	$1,733
Total Funding Gap			Yr 1	$28,422
			Yr 5 Average	$98,405
			Yr 10 Average	$47,389



B1.3 ASSET CLASS SUMMARY

Following the 2022 floods, Council is currently in the process of undertaking a technical assessment of the condition of its roads network. This will provide greater clarity on the scope of damage caused by the event as well as whether recent renewal techniques have resulted in greater resiliency and longer asset lives for Council's infrastructure. Overall, Council is confident in its transport infrastructure data and needs to ensure that CAPEX funding aligns with the renewal requirements of the portfolio, there are concerns, however that the condition and backlog may be understated due to the impacts of the floods.

B1.4 ASSET INVENTORY, VALUES AND CONDITION

The assets covered by this asset management plan are shown below:

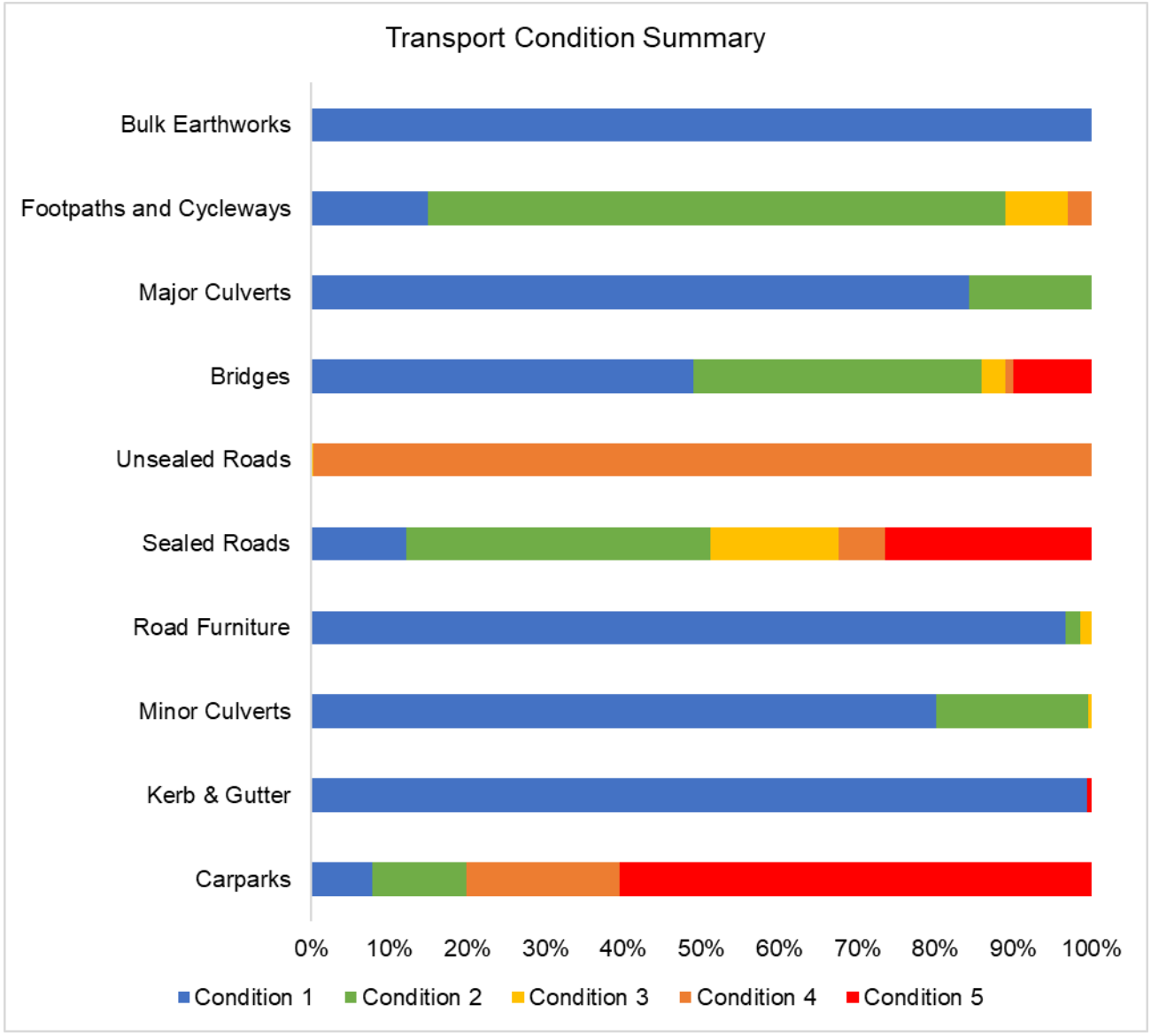
Table 1 Transport Inventory

Asset Class	Asset	Unit of Measure	Units
Roads	Arterial	KM	143
Roads	Collector	KM	139
Roads	Local	KM	522
Roads	Unsealed Roads	KM	411
Bridges	Bridges	No.	116
Bridges	Major Culverts	No.	19
Roads	Carparks (Road Reserve)	No.	16
Roads	Kerb & Gutter	KM	314
Roads	Minor Culverts	KM	2.8
Roads	Road Furniture	No.	124
Roads	Traffic Management Devices	No.	165
Pathways	Cycleways	KM	29
Pathways	Footpaths	KM	76

Table 2 Transport Portfolio Valuation

Asset	Gross Replacement Cost $000's	Written Down Value $000's	Annual Depreciation $000's	Excellent	Good	Satisfactory	Poor	Very Poor
Roads	$767,034	$451,087	-$13,610	18.1%	42.0%	19.9%	6.3%	13.7%
Bridges	$149,233	$84,416	-$1,408	52.5%	34.8%	2.5%	1.4%	8.7%
Footpaths	$39,660	$28,412	-$540	21.5%	68.1%	7.8%	2.2%	0.4%
Bulk Earthworks	$410,578	$410,578	$0	100.0%	0.0%	0.0%	0.0%	0.0%

Figure 2 Transport Condition Summary



B1.5 ROLES AND RESPONSIBILITIES

Council has adopted the following roles and responsibilities matrix for its Transport assets.

Table 3 Transport Roles and Responsibilities

Position	Role	Asset Class	Responsibilities	Functions
Manager Assets	Asset Owner	Roads Bridges Footpaths	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters
Asset Engineer	Asset Custodian	Roads Bridges Footpaths	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program
Roads Delivery Manager	Asset Delivery – CAPEX/OPEX Service Delivery – Operations	Roads Bridges Footpaths	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Deliver and/or manage capital works Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service

B1.6 ASSET BASED LEVELS OF SERVICE

Table 4 Transport Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	The road network is convenient, offers choices of travel, and is available to the whole community	Continuous monitoring as part of operational activities	No bridges with loading or dimension restrictions.	
		Footpath and Cycleway network continues to expand in accordance with Council's strategies	% of residents and businesses think that the network is adequate to carry the vehicles and loadings required is increasing.	
Quality/condition	The local road network is strategically and efficiently maintained, renewed and upgraded	Backlog ratio for roads	Renewals carried out in accordance with investment strategy and target backlog of 2% within ten years.	
			95% of asset in satisfactory condition or better.	
	Footpaths and Cycleways are in good condition and are fit for purpose	Condition assessment and operational reviews	95% of assets in satisfactory condition or better.	
Reliability/responsiveness	Council is responsive to the needs of its residents and asset users	Council's customer request system	90% of requests are completed within Council's customer charter.	
Customer satisfaction and involvement	Condition of local sealed roads	Community satisfaction survey	Gap between importance and performance decreases.	
	Condition of unsealed roads	Community satisfaction survey	Gap between importance and performance decreases.	
	The condition of local streets and footpaths in your area	Community satisfaction survey	Gap between importance and performance decreases.	
Sustainability	Transport assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	
		Renewal funding ratio	Between 90% and 110%.	
		Long term funding ratio	Between 95% and 105%.	
Health & safety	The network feels safe to use and is regarded safe in comparison to other similar networks	Annual inspections, operational reports and safety audits	Decrease reported safety incidents resulting from road design as factor.	
			Three-year annual average traffic accidents are decreasing.	
Affordability	Access to facilities and services is affordable and cost effective	Review of service agreements and benchmark with other councils	Total maintenance and operating cost per km is in line with benchmarking against comparable regional councils.	

B1.7 FUTURE DEMAND

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Currently there is significant uncertainty around the way forward following the devastating 2022 floods, with guidance being sought around any 'planned retreat' and potential relocation of households and infrastructure. In the short-term, Council's new and upgraded infrastructure will address the damage sustained during the flood events as well as focus on replacing assets with 'resilient' infrastructure where appropriate. As further guidance and a better understanding of expected growth in the LGA is attained, Council will incorporate demand strategies to address the key growth drivers in the next iteration of Council's asset management plans.

Table 5: Future demand

Demand factor	Impact on assets
Internal Migration	Council will need to regularly assess whether the current portfolios are fit for purpose and have the functionality and capacity to provide the current range of services and any additional services required into the future.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations, particularly with grant funding delivering 'like for like' replacement for assets damaged during the 2022 flood events. It is likely that these assets will have to be 'upgraded' to deliver a resilient level of service.
Environment and climate	It is likely that the frequency, severity and intensity of natural disaster events will increase, and Council will need to plan its infrastructure accordingly.

B1.8 LIFECYCLE – MAINTENANCE STRATEGY

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is the operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

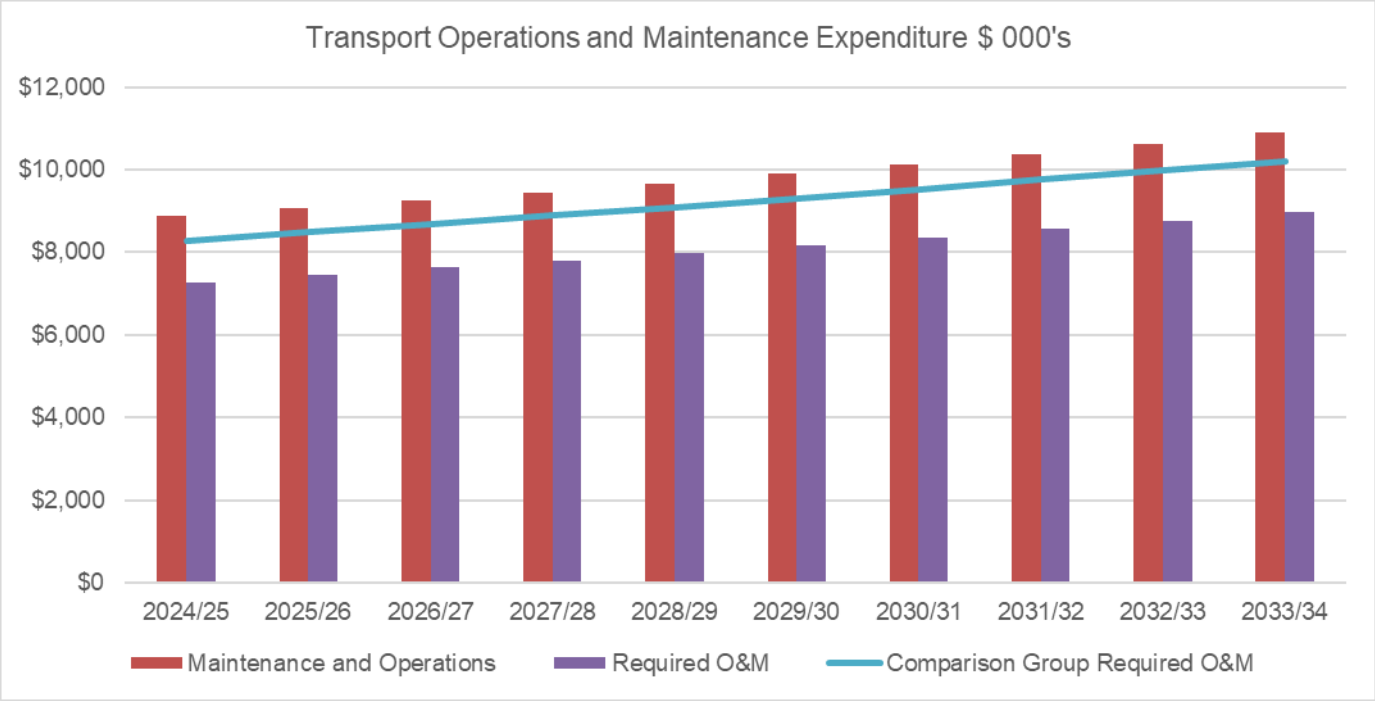
- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and/or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council's maintenance programs are currently documented in its Roads Operational Management Plan (ROMP) whereby there is a significant focus on proactive maintenance through regular defect inspections, particularly on assets in poor condition. Council's current expenditure splits on its operational expenditure are as follows:

Table 6 OPEX Proportional Split

Asset	21' Proactive Maintenance	21' Reactive Maintenance
Transport Assets	**75%**	**25%**

Figure 3 Transport OPEX Projections



Council compared its budgeted/actual OPEX expenditure for its Transport portfolio against similarly categorised councils by the Office of Local Government. This showed that Council has adequate funds and budget allocated to maintain and look after these portfolios.

Further detailed review of expenditure on maintenance cost centres is required to ensure that expenditure on Transport Assets is to be captured correctly, as some of the actual expenditure above may actually be capital expenditure (renewal).

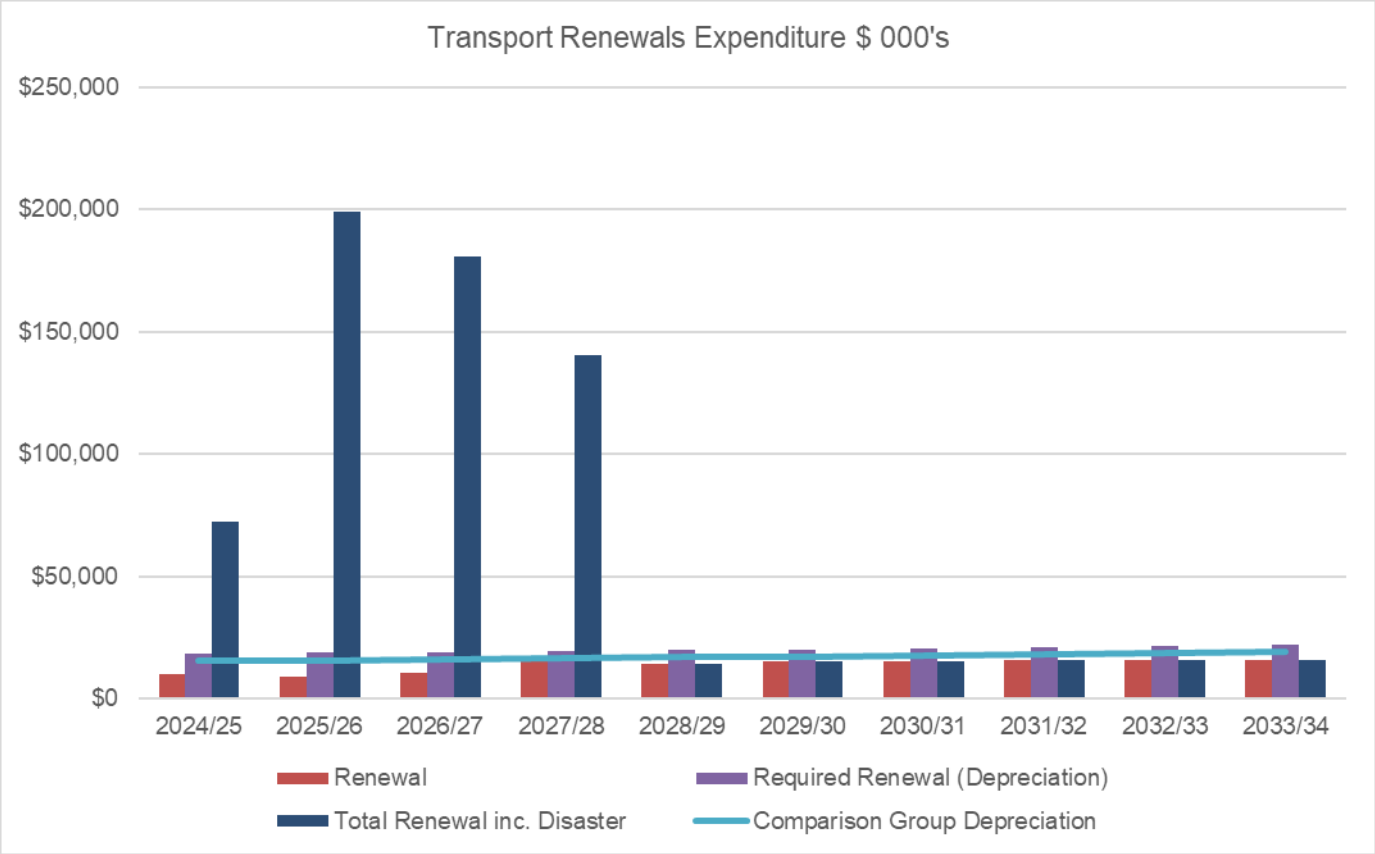
B1.9 LIFECYCLE – RENEWAL/REPLACEMENT STRATEGY

Council currently uses 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than the full replacement cost.

Pavement renewals are addressed in the form of road pavement in-situ rehabilitation. For example, a pavement stabilisation additive may be incorporated into the existing pavement via the use of a road reclaimer. The pavement is then re-compacted and sealed. Renewing or "Resealing" existing road surfaces at the optimum time reduces the amount of "reactive" pothole patching required and extends the life of the underlying pavement. Footpath renewals are based on the risk that the asset poses to pedestrians. Concrete footpath and cycleway deterioration is generally the result of tree root damage. Asphalt footpath and cycleway deterioration consists of age deterioration causing surface irregularities which may be caused by tree root damage.

Capital works programs are currently developed based on the condition and remaining life of assets. When assets are flagged as approaching end of life, an inspection is undertaken to validate the remaining life of an asset and then is programmed into Council's capital works program accordingly.

Figure 4 Transport CAPEX Projections



Council compared its budgeted/actual CAPEX expenditure for its Transport portfolio against its annual depreciation requirements. This showed that Council currently had not budgeted adequate funds to meet the required level of funding and it is anticipated that the condition of these assets is likely to continue to degrade. Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate greater than that of the comparison group.

The preliminary estimates of Council's disaster recovery funding have been included in this iteration of the financial projections. There may be significant potential short-term funding to renew damage sustained in the 2022 flood event with the level of funding being sufficient to bring Council's portfolio within the OLG benchmark levels of backlog.

B1.10 EXPENDITURE PROJECTIONS

Table 7 Transport Expenditure Projections

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Transport	**Actual**											
		Renewal	$9,793	$8,994	$10,391	$15,470	$14,025	$15,033	$15,251	$15,475	$15,703	$15,937
		Disaster Funding	$62,678	$190,000	$170,000	$125,000	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$1,738	$1,748	$1,865	$2,425	$2,076	$2,179	$2,195	$2,210	$2,226	$2,243
		Maintenance and Operations	$8,889	$9,070	$9,255	$9,444	$9,670	$9,901	$10,139	$10,383	$10,633	$10,888
		Total Expenditure	**$83,098**	**$209,811**	**$191,511**	**$152,339**	**$25,771**	**$27,113**	**$27,585**	**$28,068**	**$28,562**	**$29,068**
	Required											
		Required Renewal (Depreciation)	$18,487	$18,765	$19,046	$19,332	$19,718	$20,113	$20,515	$20,925	$21,344	$21,771
		New and Expanded Assets	$1,738	$1,748	$1,865	$2,425	$2,076	$2,179	$2,195	$2,210	$2,226	$2,243
		Required O&M	$7,279	$7,448	$7,621	$7,802	$7,984	$8,171	$8,362	$8,558	$8,758	$8,962
		Total	**$27,504**	**$27,960**	**$28,532**	**$29,558**	**$29,779**	**$30,463**	**$31,072**	**$31,693**	**$32,328**	**$32,975**
		OPEX Balance (GAP)	$1,611	$1,622	$1,633	$1,643	$1,686	$1,730	$1,777	$1,825	$1,875	$1,926
		RENEWAL Balance (GAP)	$53,984	$180,229	$161,345	$121,138	-$5,694	-$5,080	-$5,264	-$5,451	-$5,640	-$5,834
		Overall (GAP)	**$55,595**	**$181,851**	**$162,978**	**$122,781**	**-$4,008**	**-$3,350**	**-$3,487**	**-$3,625**	**-$3,765**	**-$3,907**
		Overall (GAP) *excluding Disaster Funding*	**-$7,083**	**-$8,149**	**-$7,022**	**-$2,219**	**-$4,008**	**-$3,350**	**-$3,487**	**-$3,625**	**-$3,765**	**-$3,907**
		Comparison Group – Depreciation	$15,338	$15,695	$16,059	$16,433	$16,821	$17,214	$17,617	$18,028	$18,449	$18,879
		Comparison Group - Total	$25,365	$25,924	$26,603	$27,742	$27,990	$28,699	$29,334	$29,984	$30,648	$31,328
		Comparison Overall (GAP)	**$57,734**	**$183,887**	**$164,907**	**$124,597**	**-$2,219**	**-$1,585**	**-$1,749**	**-$1,916**	**-$2,086**	**-$2,260**

Figure 5 Transport Sustainability Ratios

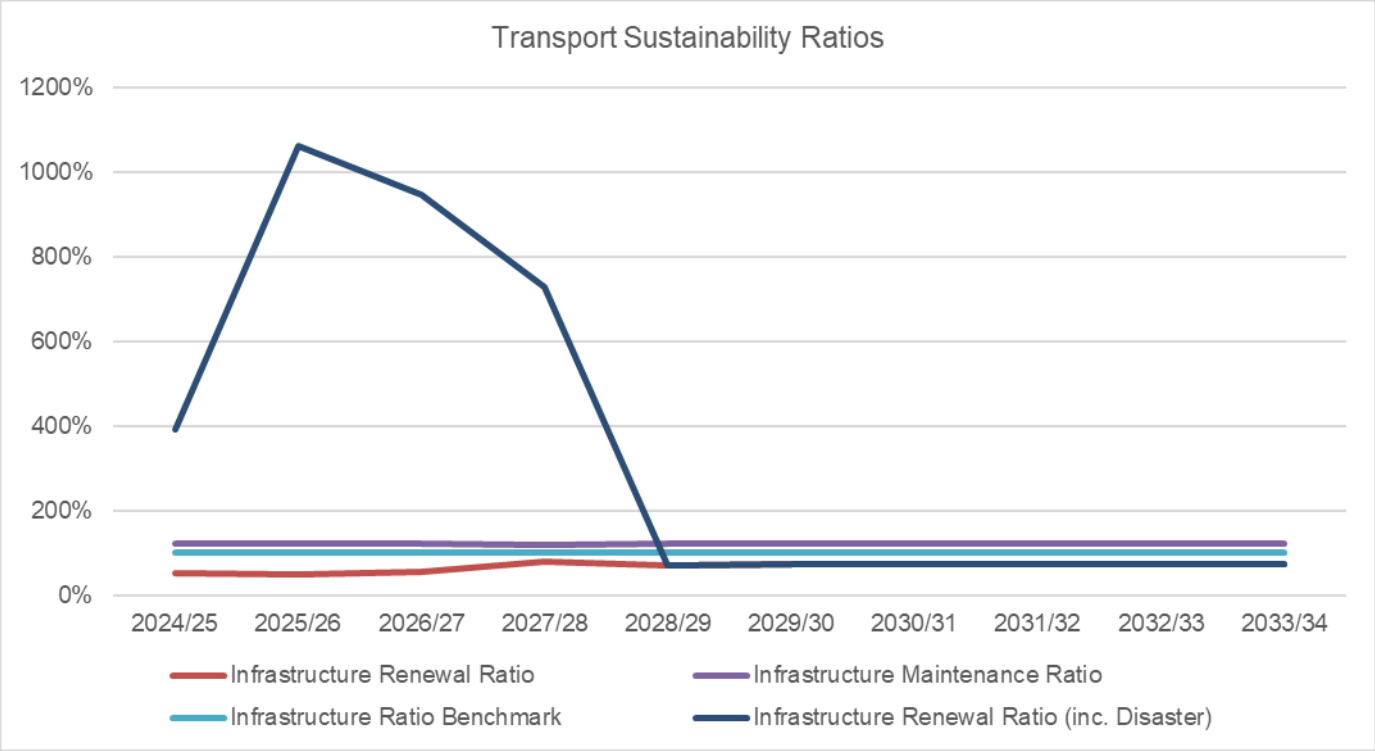
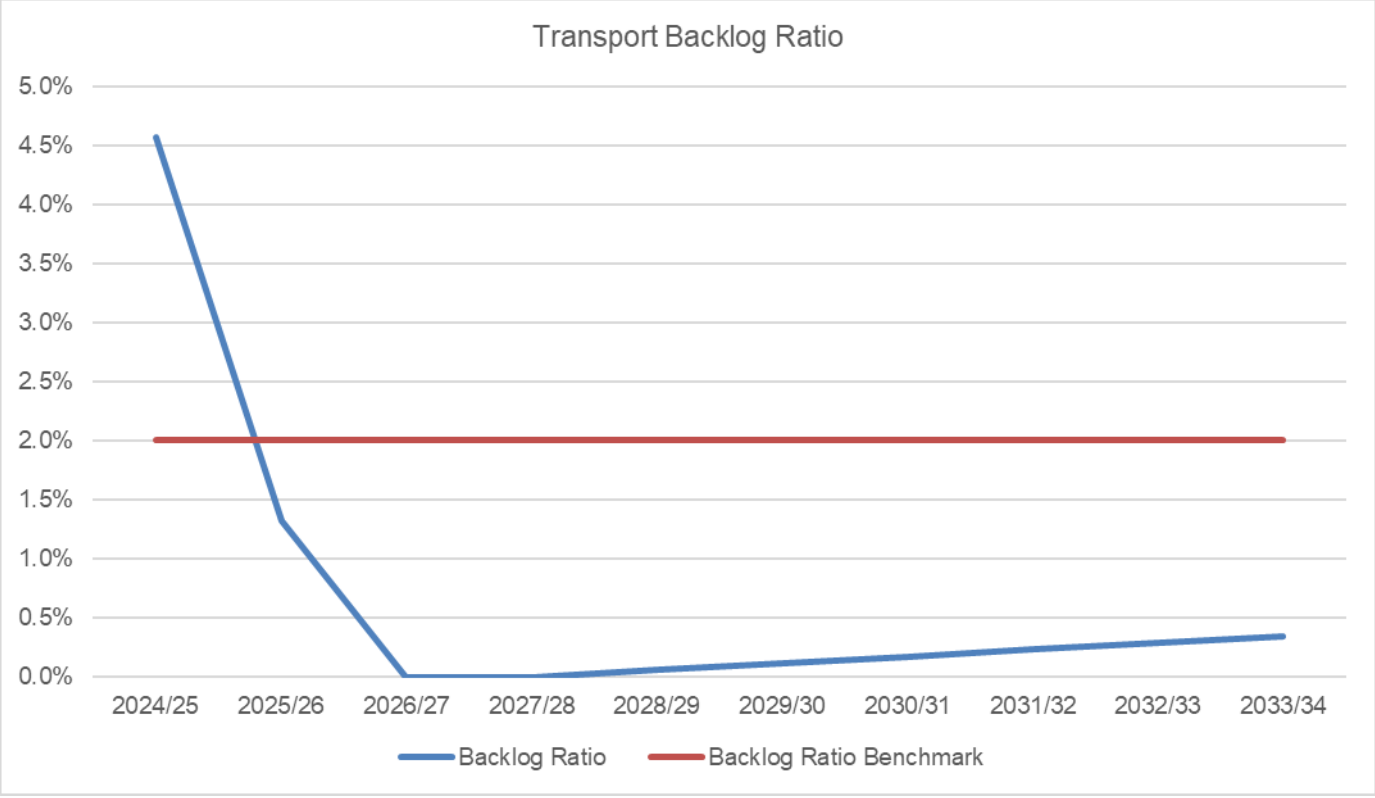


Figure 6 Transport Backlog Ratio



B1.11 CRITICAL ASSETS

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its transport portfolio.

The following attributes are currently being considered as part of this analysis:

Table 8 Critical Asset Analysis

	High	Medium	Low
Road classification	Arterial	Primary Collector/Local Collector	Local Access
Waterway area	Roads near or parallel to waterways	Road runs perpendicular to waterways	Road near retention/treatment system
Emergency services	Police Ambulance	RFS, NSWFB, SES	Airfield, Council Depot
Schools	40km zones		
Bus routes	School Bus Routes		
Accident history	Fatality	Accidents (hospitalisation)>5	
Commercial/Industrial	Roads to Energy Supply/Distribution Facilities	Roads to Quarry/Waste/Water Supply/Treatment Facilities	Roads to Administration (Essential Services)
Isolated communities	Only one road providing access to or from a community		

B1.12 RISK MANAGEMENT

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's transport assets and highlights the strategic risks which impact Council's asset portfolio.

Table 9 Strategic Risk Management

Risk Description	What can Happen	Risk Rating		Risk Treatment Plan
		Inherent	Residual	
Failure of completed construction / maintenance works / roads / bridges / footpath networks caused by inadequate construction research, forecasting & design, inadequate and/or contaminated construction supplies, workforce capability skillset, quality management systems	Council subjected to regulatory violations and fines; reputational damage; property damage, litigation, grants and financial loss, public harm, injury and/or death.	Extreme	High	• Adopted Guiding Principles for interaction and communication between program areas within Infrastructure Services. • Quality management systems for construction activities (Lot Register, Inspection Test Plans, Non-conformance Reporting etc.). • Staff training (Road Construction Workshops) and formal qualification in Civil Construction required for specific staff (Leading Hands, Team Leader, Coordinators). • Review of Environmental Factors, including site investigations and testing prior to disturbance. • On site testing and inspection of supplied quarry material. • Testing and design process that includes external preparation of REF's, consultation with internal and external stakeholders including construction staff and quality assurance through checking of processes and designs by more senior staff before being issued for construction. • Compliance Inspections at 6 monthly and yearly Level 1 & Level 2 Bridge condition inspections carried out and works programmed accordingly to rectify defects. • A panel of project managers has been appointed to provide additional resources as required and staff have received training in contract management e.g., GC21.

B1.13 CONFIDENCE LEVELS

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

Table 10: Asset data confidence scale

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

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

Table 11: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Transport (Roads, Bridges, Footpaths)	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**Reliable**'.

B1.14 IMPROVEMENT PLAN

Council is currently in the process of recovering from the 2022 flood and determining the way forward for its community and the LGA and as such, has been operationally focused to ensure the day-to-day functions of councils can get back on track following the impacts of the natural disaster. Future iterations of this asset management plan will focus on a more strategic approach to managing the Transport portfolios. The improvement plan below sets out the pathway for Council to achieve this.

Table 12 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	02/05/2024
Council to undertake technical condition data collection for Councils' roads assets	H	Assets	30/09/23
Strategic asset planning processes			
Council to review adopted road renewal treatments as part of capital program	H	Assets	30/03/24
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX as well as the depreciation and maintenance requirements of transport portfolio.	H	Assets Finance	30/03/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	30/03/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	30/03/25
Council to engage community on developed service levels.	H	Assets	30/09/25
Council to undertake risk and criticality assessment of its asset portfolios. In particular assets likely to be impacted by natural disasters and develop a suite of potential intervention/treatment options to increase asset resilience.	H	Assets Operations	30/09/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/09/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/09/24
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/09/23

B1.15 CAPITAL WORKS PROGRAM

Refer to 2024/25 Adopted Budget by program.

APPENDIX C – STORMWATER – ASSET MANAGEMENT PLAN

This asset management plan covers the portfolio of Stormwater assets that deliver a wide range of services to the Lismore City Council community.

This Asset Management Plan includes all of Council's culverts and channels, stormwater pipes, pits and gross pollutant traps.

As the owner and operator of Stormwater assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

C1.1 PURPOSE OF THIS PLAN

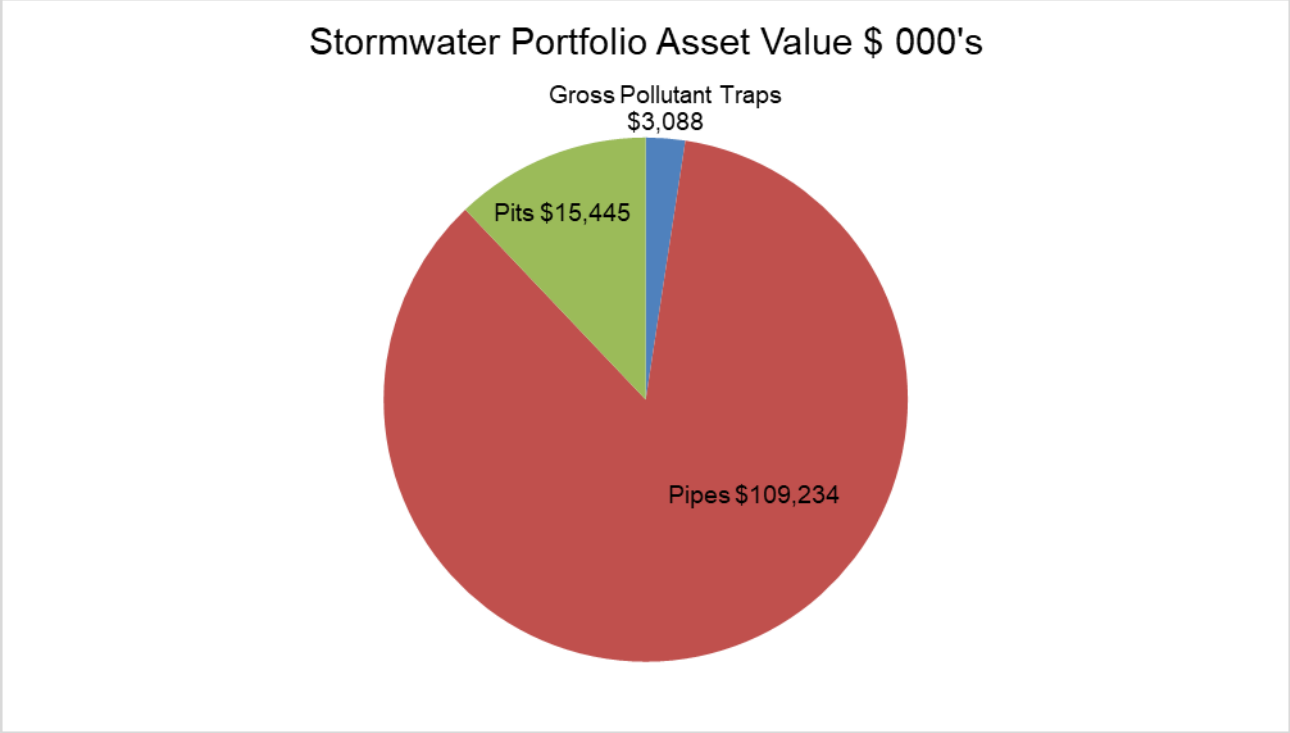
The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of Stormwater assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

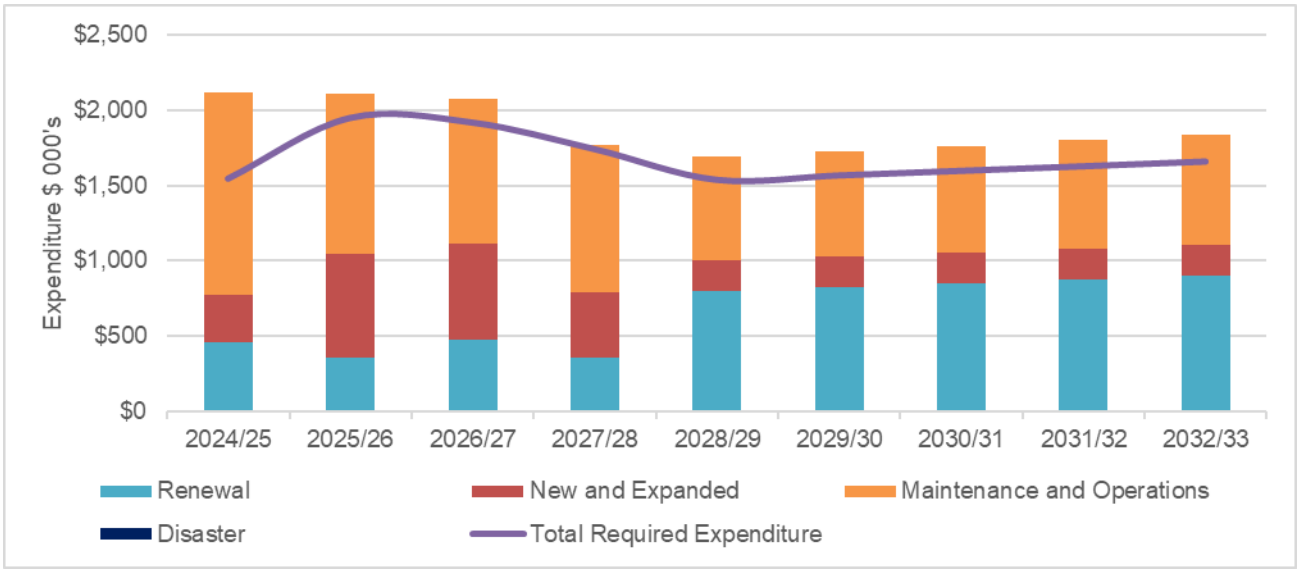
- asset inventory, values and condition
- asset based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of Stormwater assets.

C1.2 PORTFOLIO OVERVIEW

Figure 1 Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	63.3%	107.7%	Yr 1	-$265
Benchmark 100%			Yr 5 Average	-$255
(Includes Disaster Funding)			Yr 10 Average	-$100
Infrastructure Backlog Ratio	2.1%	1.7%	Yr 1	-$122
Benchmark 2%			Yr 5 Average	-$101
			Yr 10 Average	-$50
Infrastructure Maintenance Ratio	266.2%	118%	Yr 1	$843
Benchmark 100%			Yr 5 Average	$474
			Yr 10 Average	$296
Total Funding Gap			Yr 1	$456
			Yr 5 Average	$118
			Yr 10 Average	$146



C1.3 ASSET CLASS SUMMARY

Council is currently in the process of recovering following the 2022 flood events and will need to review whether previously adopted capacity standards sufficiently address the increasing intensity and frequency of large storm events. Further, Council has a low degree of confidence in the available condition data given as only a small sample of assets have been utilised to determine the condition alongside the age of the assets, and as such the portfolio has been underfunded for both CAPEX and OPEX work relative to other NSW councils. In light of this Council has renewed its focus on improving the quality of its 'decision grade' data to transition to a more strategic approach of managing the portfolio.

C1.4 ASSET INVENTORY, VALUES AND CONDITION

The assets covered by this asset management plan are shown below:

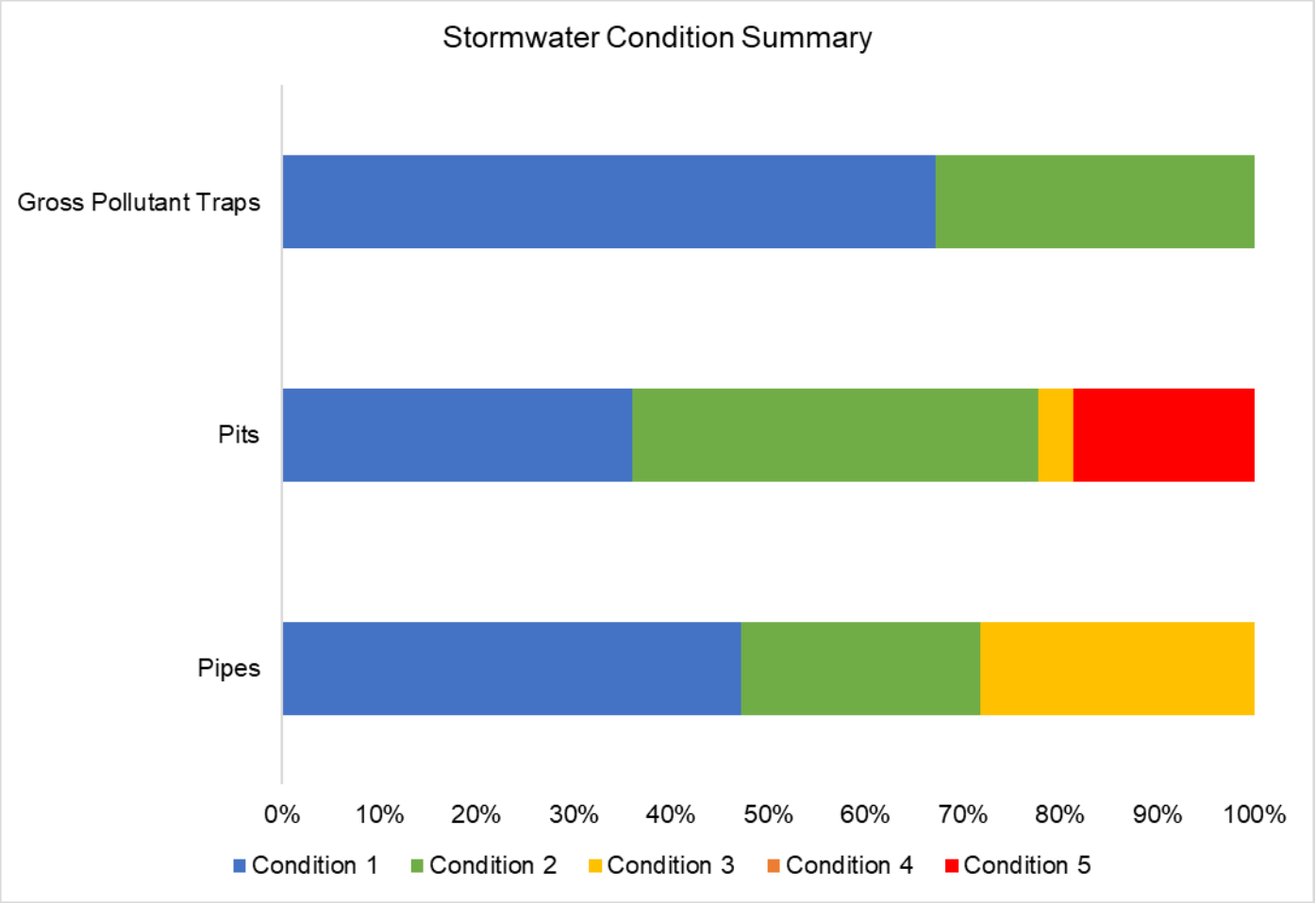
Table 1 Stormwater Inventory

Asset Class	Asset	Unit of Measure	Units
Stormwater	Pipes	KM	152
Stormwater	Box Culverts	KM	1.5
Stormwater	Channels	KM	7
Stormwater	Conduits	M	212
Stormwater	Pits	No.	5,885
Stormwater	Treatment Devices	No.	45

Table 2 Stormwater Portfolio Valuation

Asset	Gross Replacement Cost $000's	Written Down Value $000's	Annual Depreciation $000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Stormwater	$127,767	$81,273	-$705	66.5%	28.9%	1.3%	1.1%	2.2%

Figure 2 Stormwater Condition Summary



C1.5 ROLES AND RESPONSIBILITIES

Council has adopted the following roles and responsibilities matrix for its Stormwater assets.

Table 3 Stormwater Roles and Responsibilities

Position	Role	Asset Class	Responsibilities	Functions
Manager Assets	Asset Owner	Stormwater	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters
Asset Engineer	Asset Custodian	Stormwater	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program
Roads Delivery Manager	Asset Delivery – CAPEX/OPEX Service Delivery – Operations	Stormwater	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Deliver and / or manage capital works Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service

C1.6 ASSET BASED LEVELS OF SERVICE

Table 4 Stormwater Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Access to stormwater drainage is available to residents.	Customer complaints		
Quality/condition	Services minimises damage to property and people from impacts of flooding	Customer complaints	Percent of ratepayers are satisfied that the stormwater network is fit for purpose increasing.	
			Fewer properties reporting exterior damage from flooding per year.	
	Percent of assets in condition 4 or better	Condition assessment	90% of assets in satisfactory condition or better.	
	Percent of network inspected	Condition assessment	10% per year.	
Reliability/ responsiveness	Percent compliance with Council's documented response time	Council's customer request system	90% of requests are completed within Council's customer charter.	
Community satisfaction and involvement	Service provides social benefit to the whole community	Community satisfaction report	Percentage of the community agree that they have a good stormwater network increasing.	
Affordability	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils	Maintenance and operating cost per km is in line with benchmarking against comparable regional councils.	
Sustainability	Assets are managed with respect for future generations	Life cycle approach to managing assets	Prepare a ten-year asset condition and age-based renewals plan. Ensure the plan is approved by authorities and updated every four years.	
		Community satisfaction survey	Percent of the community agree that the stormwater infrastructure is fit for purpose increasing.	
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	
		Renewal funding ratio	Between 90% and 110%.	
		Long term funding ratio	Between 95% and 105%.	
Health and safety	Services do not cause a hazard to people	Annual Inspections, operational reports and safety audits CRMS data	No of health nuisance reported from facilities or assets (noise, mosquitoes, etc) decreasing complaints.	
			Sumps, drains and watercourses maintained in accordance with specification decreasing complaints.	

C1.7 FUTURE DEMAND

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Currently, there is significant uncertainty around the way forward following the devastating 2022 floods, with guidance being sought around any 'planned retreat' and potential relocation of households and infrastructure. In the short-term, Council's new and upgraded infrastructure will address the damage sustained during the flood events as well as focus on replacing assets with 'resilient' infrastructure where appropriate. As further guidance and a better understanding of expected growth in the LGA is attained, Council will incorporate demand strategies to address the key growth drivers in the next iteration of Council's asset management plans.

Table 5: Future demand

Demand factor	Impact on assets
Internal Migration	Council will need to regularly assess whether the current portfolios are fit for purpose and have the functionality and capacity to provide the current range of services and any additional services required into the future.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations, particularly with grant funding delivering 'like for like' replacement for assets damaged during the 2022 flood events. It is likely that these assets will have to be 'upgraded' to deliver a resilient level of service.
Environment and climate	It is likely that the frequency, severity and intensity of natural disaster events will increase, and council will need to plan its infrastructure accordingly.

C1.8 LIFECYCLE – MAINTENANCE STRATEGY

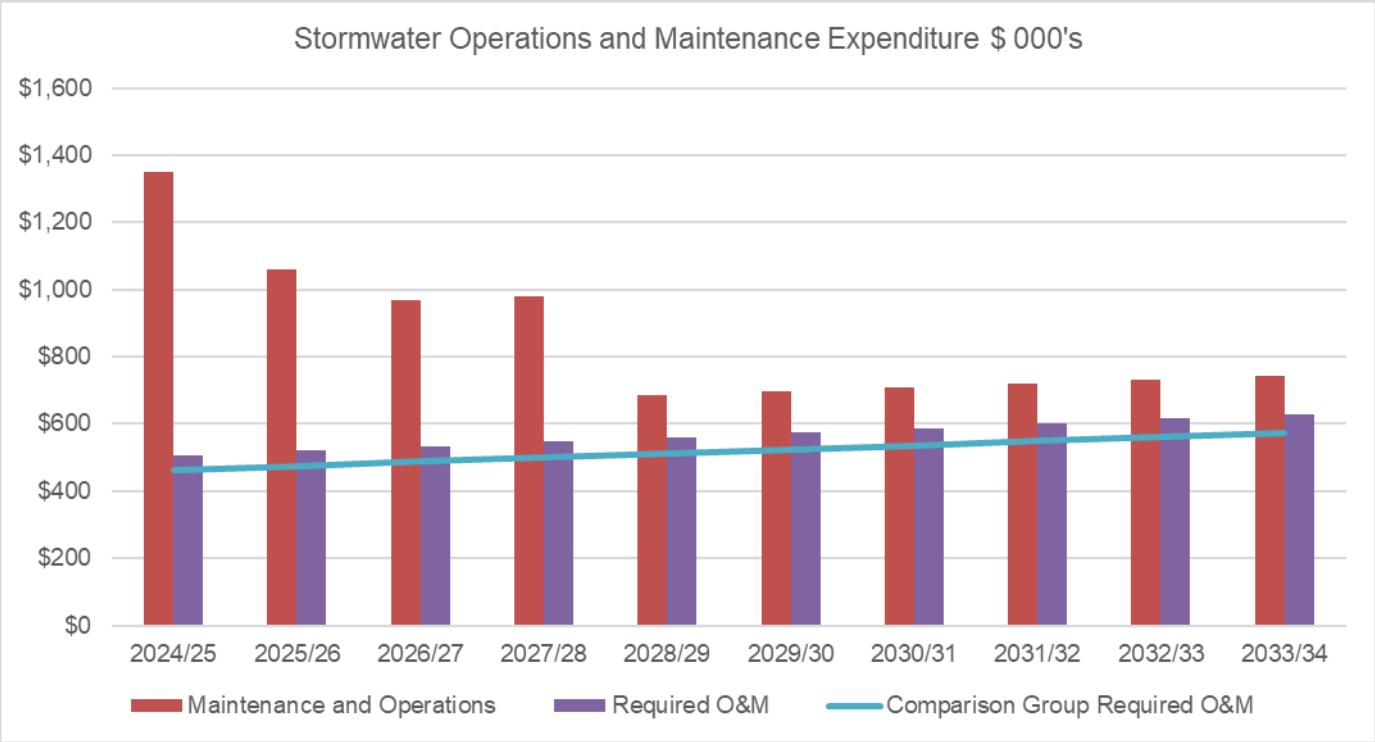
Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is the operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and/or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed, or to 100% capacity.

Council currently has no documented maintenance strategy for its Stormwater assets. Due to the nature of these assets, maintenance activities have been highly reactive in nature.

Council, however, does undertake proactive inspections of its stormwater treatment devices prior to storm events.

Figure 3 OPEX Projections

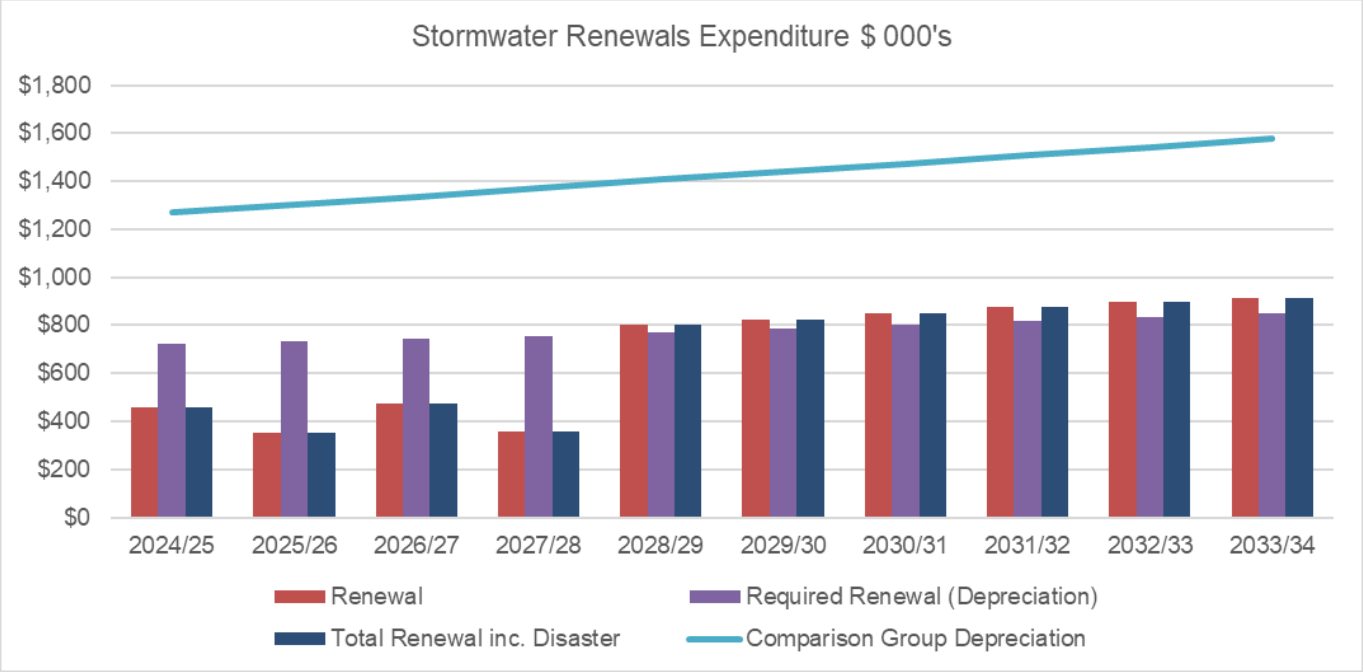


Council compared its budgeted/actual OPEX expenditure for its Stormwater portfolio against similarly categorised councils by the Office of Local Government. This showed that in the long term, Council's OPEX planning is in line with the required budgets and comparative councils, while in the short term there has been additional allowance made for inspections and maintenance repairs which may be required due to the recent flood events. This additional allocation is then utilised as capital renewals for the portfolio in the later years of councils plan.

C1.9 LIFECYCLE – RENEWAL/REPLACEMENT STRATEGY

Council's assets are renewed in line with the Urban Stormwater Management Plan which dictates specifications for new stormwater assets in development areas. Capital works programs are currently developed based on the condition and remaining life of assets. When assets are flagged as approaching end of life, an inspection is undertaken to validate the remaining life of an asset and then is programmed into Council's capital works program accordingly.

Figure 4 CAPEX Projections



Council compared its budgeted/actual CAPEX expenditure for its stormwater portfolio against its annual depreciation requirements. This showed that Council allocated additional funds to meet the required level of funding and it is anticipated that the condition of these assets will be maintained. However, it should be noted that stormwater infrastructure has extended economic lives and Council has proactively sought out grant funding to fund ageing infrastructure.

Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate significantly lower than that of the comparison group.

While it would seem that initially there has been minimal damage to Council's stormwater infrastructure, when damage is identified Council will incorporate any increases in capital expenditure into its long-term financial projections. Further, the replacement of existing infrastructure will require a degree of upgrade as Council incorporates additional resilience into its infrastructure to manage the impacts of climate change.

C1.10 EXPENDITURE PROJECTIONS

Table 6 Stormwater Expenditure Projections

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Stormwater	**Actual**											
		Renewal	$457	$354	$476	$359	$801	$825	$849	$874	$899	$916
		New and Expanded Assets	$312	$690	$635	$434	$203	$203	$204	$205	$206	$207
		Maintenance and Operations	$1,350	$1,060	$967	$978	$687	$697	$708	$720	$731	$743
		Total Expenditure	**$2,119**	**$2,105**	**$2,078**	**$1,771**	**$1,690**	**$1,726**	**$1,762**	**$1,799**	**$1,836**	**$1,866**
	Required											
		Required Renewal (Depreciation)	$722	$733	$744	$755	$770	$786	$801	$817	$834	$850
		New and Expanded Assets	$312	$690	$635	$434	$203	$203	$204	$205	$206	$207
		Required O&M	$507	$521	$535	$548	$561	$574	$588	$601	$615	$630
		Total	**$1,541**	**$1,944**	**$1,914**	**$1,737**	**$1,534**	**$1,563**	**$1,593**	**$1,624**	**$1,655**	**$1,687**
		Overall (GAP)	**$578**	**$161**	**$165**	**$34**	**$156**	**$163**	**$168**	**$175**	**$181**	**$179**
		Comparison Group – Depreciation	$1,270	$1,301	$1,336	$1,372	$1,406	$1,439	$1,473	$1,507	$1,543	$1,578
		Comparison Group - Total	$2,045	$2,467	$2,460	$2,307	$2,121	$2,167	$2,214	$2,261	$2,310	$2,360
		Comparison Overall (GAP)	**$74**	**-$362**	**-$381**	**-$535**	**-$431**	**-$441**	**-$452**	**-$463**	**-$474**	**-$494**

Figure 5 Stormwater Sustainability Ratios

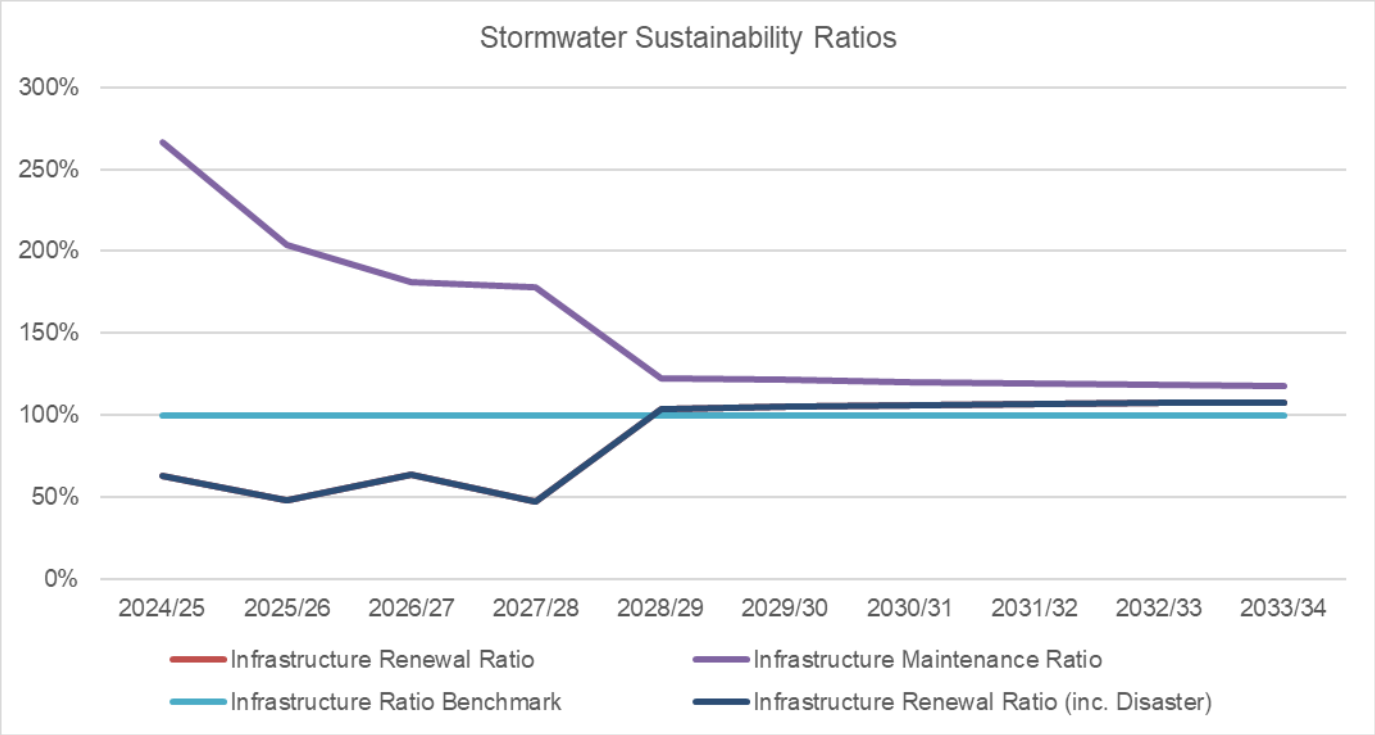
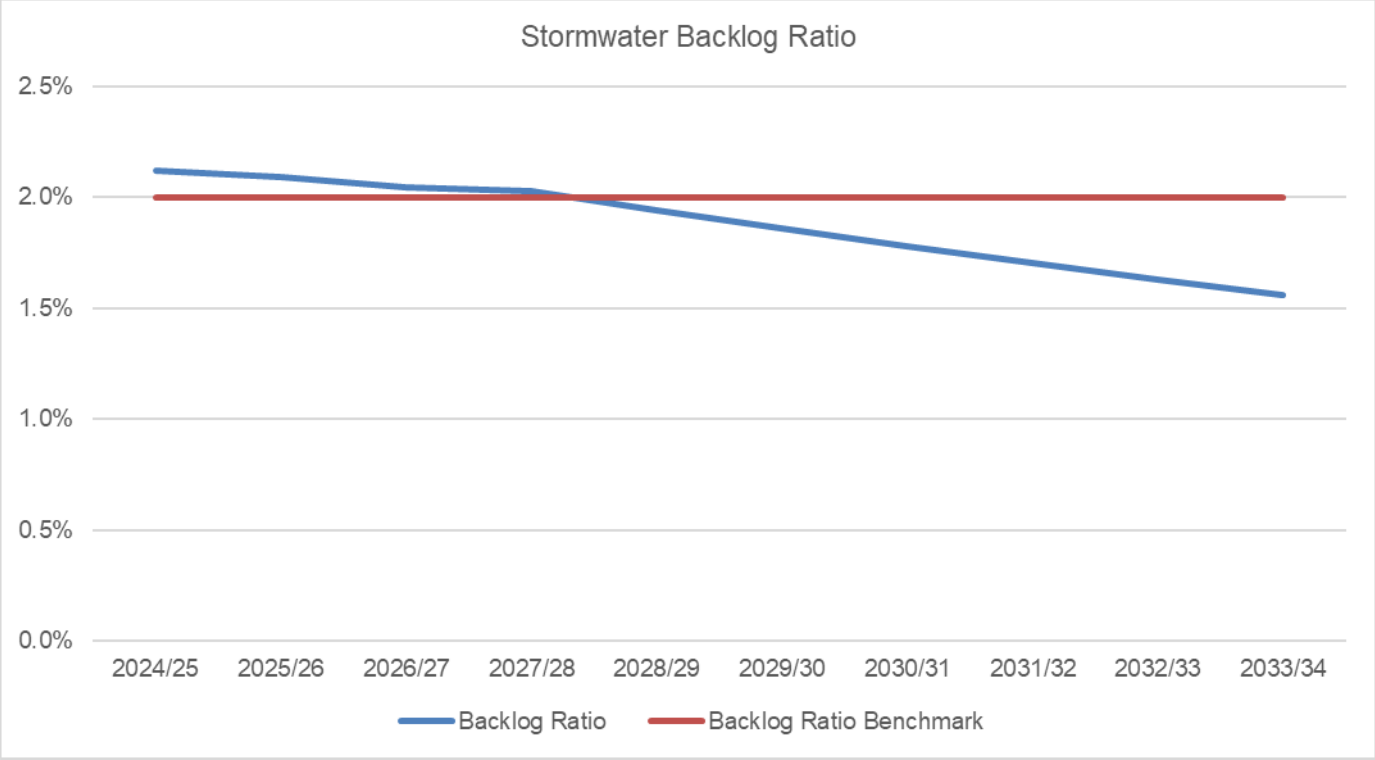


Figure 6 Stormwater Backlog Ratio



C1.11 CRITICAL ASSETS

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its Stormwater portfolio.

The following attributes are currently being considered as part of this analysis:

Table 7 Criticality Criteria

Criteria	High	Medium	Low
Road classification	Arterial	Primary Collector/Local Collector	Local Access
Waterway area	Roads near or parallel to waterways	Road runs perpendicular to waterways	Road near retention/treatment system
Emergency services	Police Ambulance	RFS, NSWFB, SES	Airfield, Council Depot
Schools	40km zones		
Bus routes	School Bus Routes		
Accident history	Fatality	Accidents (hospitalisation)>5	
Commercial/ Industrial	Roads to Energy Supply/Distribution Facilities	Roads to Quarry/Waste/Water Supply/Treatment Facilities	Roads to Administration (Essential Services)
Isolated communities	Only one road providing access to or from a community		

C1.12 RISK MANAGEMENT

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's stormwater assets and highlights the strategic risks which impact Council's asset portfolio.

Table 8 Risk Framework

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Stormwater	Pipe Failure – due to lack of renewal	High	Based on the expected useful life of stormwater assets very few are due for renewal, however, ensure adequate budget is allocated to match asset deterioration profiles.	Moderate
Stormwater	Pipe Failure – Unforeseen	High	Undertake condition sampling to validate condition data	High
Stormwater	Service Levels not being achieved due to increasing intensity and frequency of stormwater events	High	Identify at risk assets and upgrade accordingly	Moderate

C1.13 CONFIDENCE LEVELS

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

Table 9: Asset data confidence scale

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

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

Table 10: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Stormwater	Reliable	Uncertain	Acceptable	Acceptable

The overall confidence level of the plan is considered to be '**acceptable**'.

C1.14 IMPROVEMENT PLAN

Council is currently in the process of recovering from the 2022 flood and determining the way forward for its community and the LGA and as such has been operationally focused to ensure the day-to-day functions of Council can get back on track following the impacts of the natural disaster. Future iterations of this asset management plan will focus on a more strategic approach to managing the Stormwater portfolios. The improvement plan below sets out the pathway for council to achieve this.

Table 11 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/12/23
Council to develop condition inspection/sampling program for its stormwater portfolio	H	Assets	30/09/23
Strategic asset planning processes			
Council to assess stormwater infrastructure needs based on flood modelling and develop capital works program accordingly.	H	Assets	30/03/24
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX as well as the depreciation and maintenance requirements of Stormwater portfolio.	H	Assets Finance	28/02/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	28/02/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	28/02/24
Council to engage community on developed service levels.	H	Assets	30/09/24
Council to undertake risk and criticality assessment of its asset portfolios. In particular assets likely to be impacted by natural disasters and develop a suite of potential intervention/treatment options to increase asset resilience.	H	Assets Operations	30/09/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/09/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/09/24
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/09/23

C1.15 CAPITAL WORKS PROGRAM

Refer to 2024/25 Adopted Budget by program.

APPENDIX D – WATER SUPPLY – ASSET MANAGEMENT PLAN

This asset management plan covers the portfolio of water supply assets that deliver a wide range of services to the Lismore City Council community.

This Asset Management Plan includes all of Council's treatment, storage, pumping and reticulation infrastructure.

As the owner and operator of Water assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

D1.1 PURPOSE OF THIS PLAN

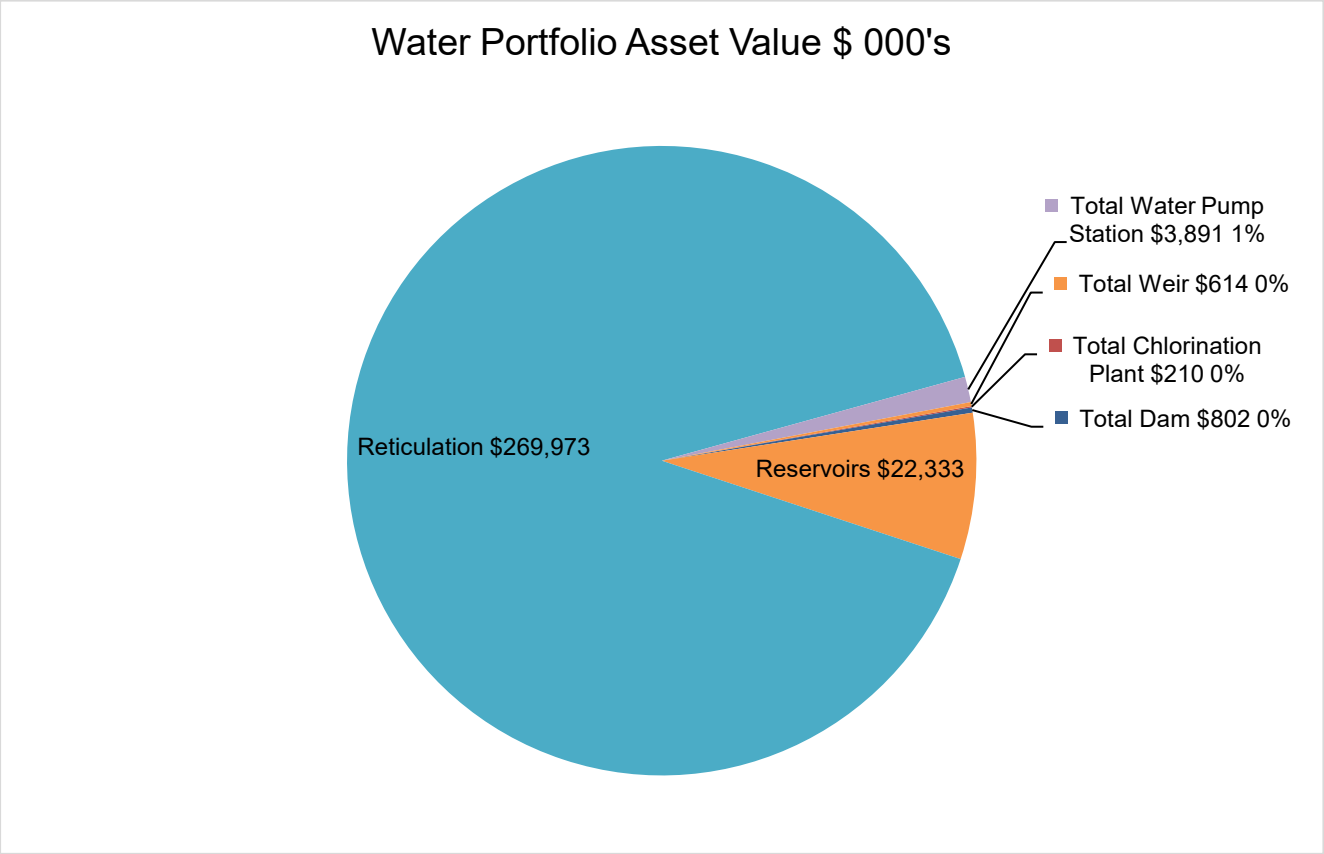
The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of Water assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

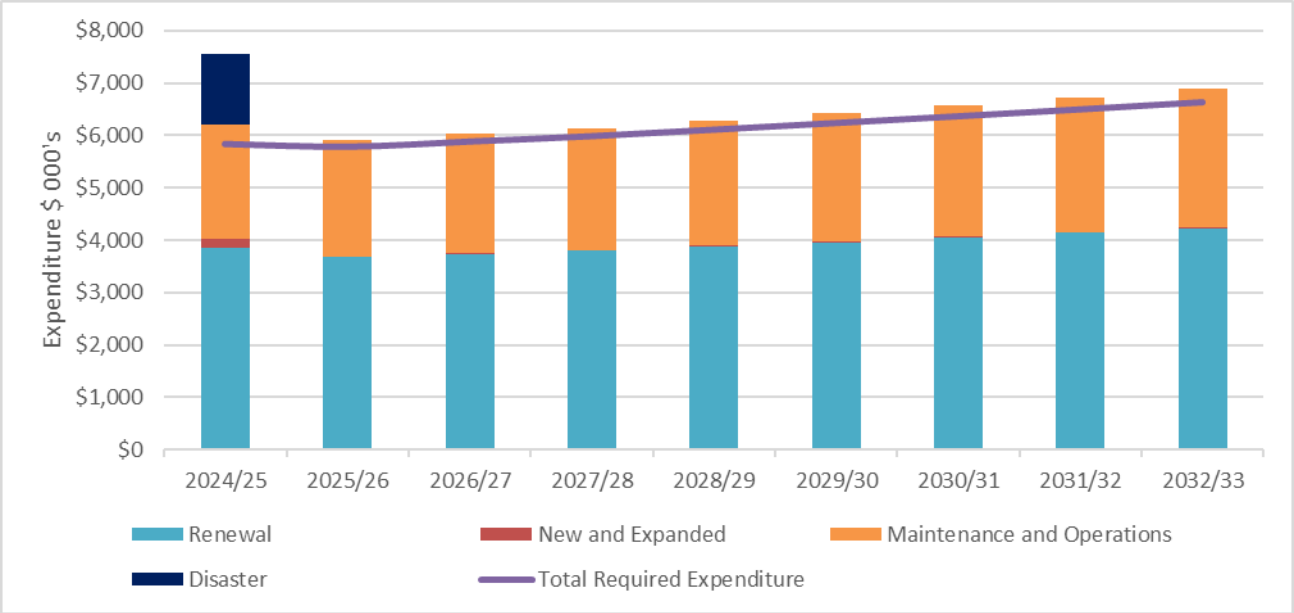
- asset inventory, values and condition
- asset based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of Water assets.

D1.2 PORTFOLIO OVERVIEW

Figure 1 Water AMP Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	134.7%	95.2%	Yr 1	$1,339
Benchmark 100%			Yr 5 Average	$76
(Includes Disaster Funding)			Yr 10 Average	-$74
Infrastructure Backlog Ratio	14.6%	10.8%	Yr 1	-$21,954
Benchmark 2%			Yr 5 Average	-$21,773
			Yr 10 Average	-$21,519
Infrastructure Maintenance Ratio	120.1%	122%	Yr 1	$365
Benchmark 100%			Yr 5 Average	$382
			Yr 10 Average	$415
Total Funding Gap			Yr 1	-$20,249
			Yr 5 Average	-$21,315
			Yr 10 Average	-$21,178


$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
Expenditure $ 000's
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
Renewal
New and Expanded
Maintenance and Operations
Disaster
Total Required Expenditure

D1.3 ASSET CLASS SUMMARY

Council currently has a significant portion of its reticulation network currently in either poor or very poor condition (72.6 KM). Budgeted funding for the portfolio is adequate to maintain it at its current condition and level of service, however, there is a significant backlog which is not addressed. Further, while individual assets were not significantly impacted by the 2022 flooding events ($2.3m impairment), the relocation of homes and businesses out of Lismore will require a review of the current composition of assets along with the additional pressures placed on Council by Rous Water.

D1.4 ASSET INVENTORY, VALUES AND CONDITION

The assets covered by this asset management plan are shown below:

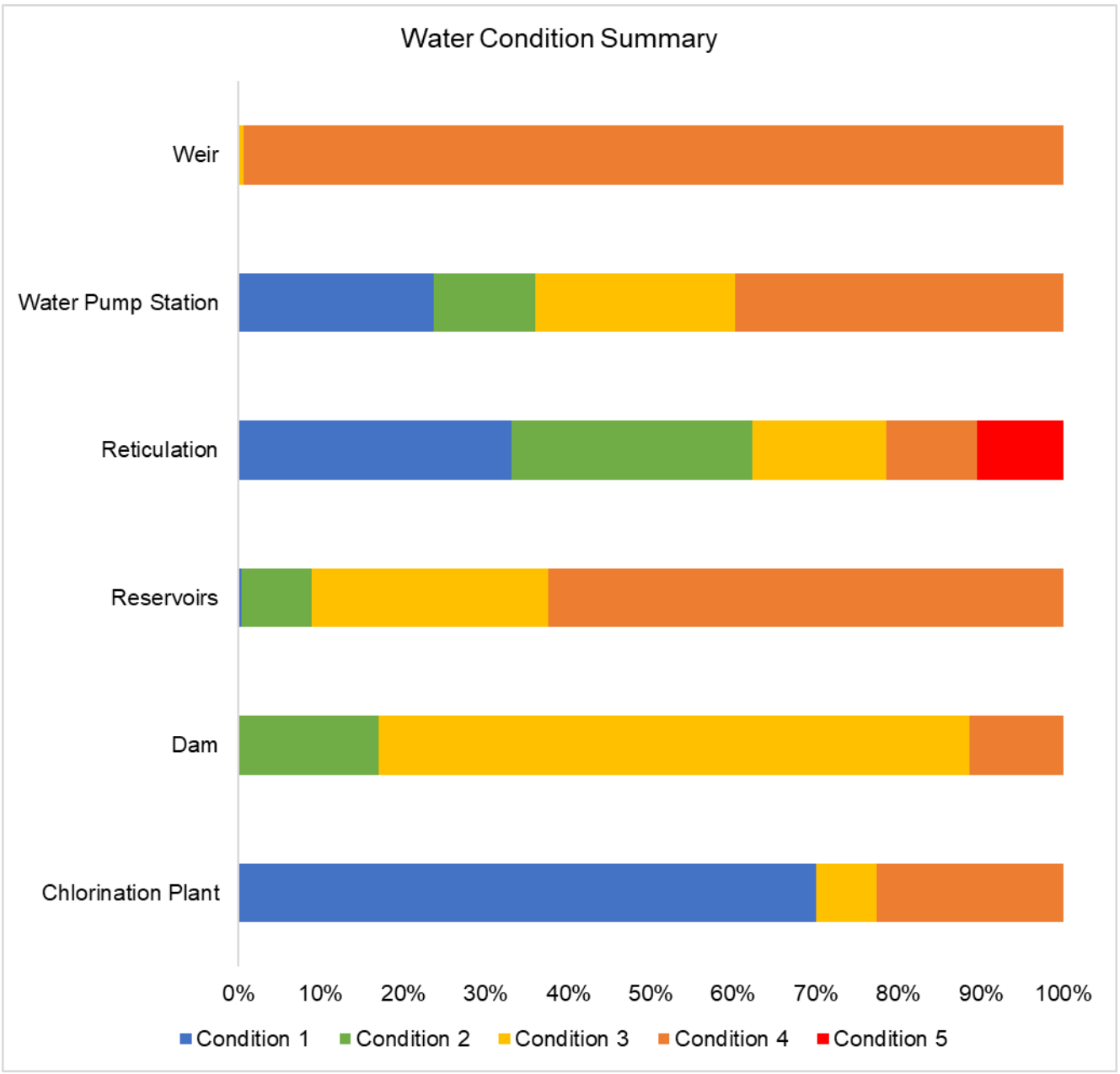
Table 1 Water Inventory

Asset Class	Asset	Unit of Measure	Units
Water	Reticulation Mains	KM	368
Water	Pump Stations	No.	7
Water	Reservoirs	No.	18
Water	Dam	No.	1
Water	Weir	No.	1
Water	Chlorination Plants	No.	2

Table 2 Water Portfolio Valuation

Asset	Gross Replacement Cost $000's	Written Down Value $000's	Annual Depreciation $000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Water	$297,824	$166,869	$-2,980	31.8%	24.4%	19.5%	15.1%	9.2%

Figure 2 Water Condition Summary



D1.5 ROLES AND RESPONSIBILITIES

Council has adopted the following roles and responsibilities matrix for its Water assets.

Table 3 Water Roles and Responsibilities

Position	Role	Asset Class	Responsibilities	Functions
Manager Assets	Asset Owner	Water Active Water Passive	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters
Asset Engineer	Asset Custodian	Water Active Water Passive	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program
Manager Water and Wastewater	Asset Delivery – OPEX Service Delivery – Operations	Water Active Water Passive	Responsible for the day-to-day maintenance, operations and services delivered by assets	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service
Capital Delivery Engineer	Asset Delivery CAPEX	Water Active Water Passive	Responsible for the day-to-day delivery of capital works.	Controls asset use, in line with policy Deliver and/or manage capital works

D1.6 ASSET BASED LEVELS OF SERVICE

Table 4 Water Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Provision of a reliable water service where water supply services are available	Customer complaints	Provision of a reliable water service to properties where water supply services are available	
			Water main breaks per 100km in line with IPART accountability measures.	
Quality/condition	Provide clean and safe drinking water.	Water Quality Sampling & Customer complaints	100% compliance with drinking water standard.	
			Drinking water quality complaints for 1000 properties in line with IPART accountability measures	
	Percent of assets in condition 4 or better	Condition assessment	95% of assets in satisfactory condition or better.	
Reliability/ responsiveness	Percent compliance with Council's documented response time	CRMS data	90% of requests are completed within Council's customer charter.	
Community satisfaction and involvement	Customers are happy with the services provided	Community satisfaction survey	The net differential between importance and performance is positive.	
Affordability	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils	Total operating costs per volume of water distributed is equal or less than the industry average.	
Sustainability	Long-term plans are prepared	Lifecycle approach to managing assets	Achieve compliance with 2022 Department of Planning and Environment strategic planning assurance framework.	
	Water resources are used efficiently and sustainably	Water consumption/usage records	Per capita peak water consumption remains constant (or reduces by 5%).	
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%.	
		Renewal funding ratio	Between 90% and 110%.	
		Long term funding ratio	Between 95% and 105%.	
Health and safety	A safe working environment provided for people involved in providing the service	Health and Safety - reported incidents	Zero personal injury incidents associated with system operation and maintenance	
			Health and safety manual and contract specification are 100% compliant with HSE act.	

D1.7 FUTURE DEMAND

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Currently, Rous Water is responsible for the implementation of the Regional Water Management Strategy – Future Water Project 2060 – which will impact Lismore by shifting to groundwater and recycled water as the future water sources for the region. Council will need to adapt and accommodate its portfolio accordingly.

Currently, there is significant uncertainty around the way forward following the devastating 2022 floods, with guidance being sought around any 'planned retreat' and potential relocation of households and infrastructure. In the short term, Council's new and upgraded infrastructure will address the damage sustained during the flood events as well as focus on replacing assets with resilient infrastructure where appropriate. As further guidance and a better understanding of expected growth in the LGA is attained, Council will incorporate demand strategies to address the key growth drivers in the next iteration of Council's asset management plans.

Table 5: Future demand

Demand factor	Impact on assets
Internal Migration	Council will need to regularly assess whether the current portfolios are fit for purpose and have the functionality and capacity to provide the current range of services and any additional services required into the future.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations, particularly with grant funding delivering 'like for like' replacement for assets damaged during the 2022 flood events. It is likely that these assets will have to be 'upgraded' to deliver a resilient level of service.
Environment and climate	It is likely that the frequency, severity and intensity of natural disaster events will increase, and council will need to plan its infrastructure accordingly.

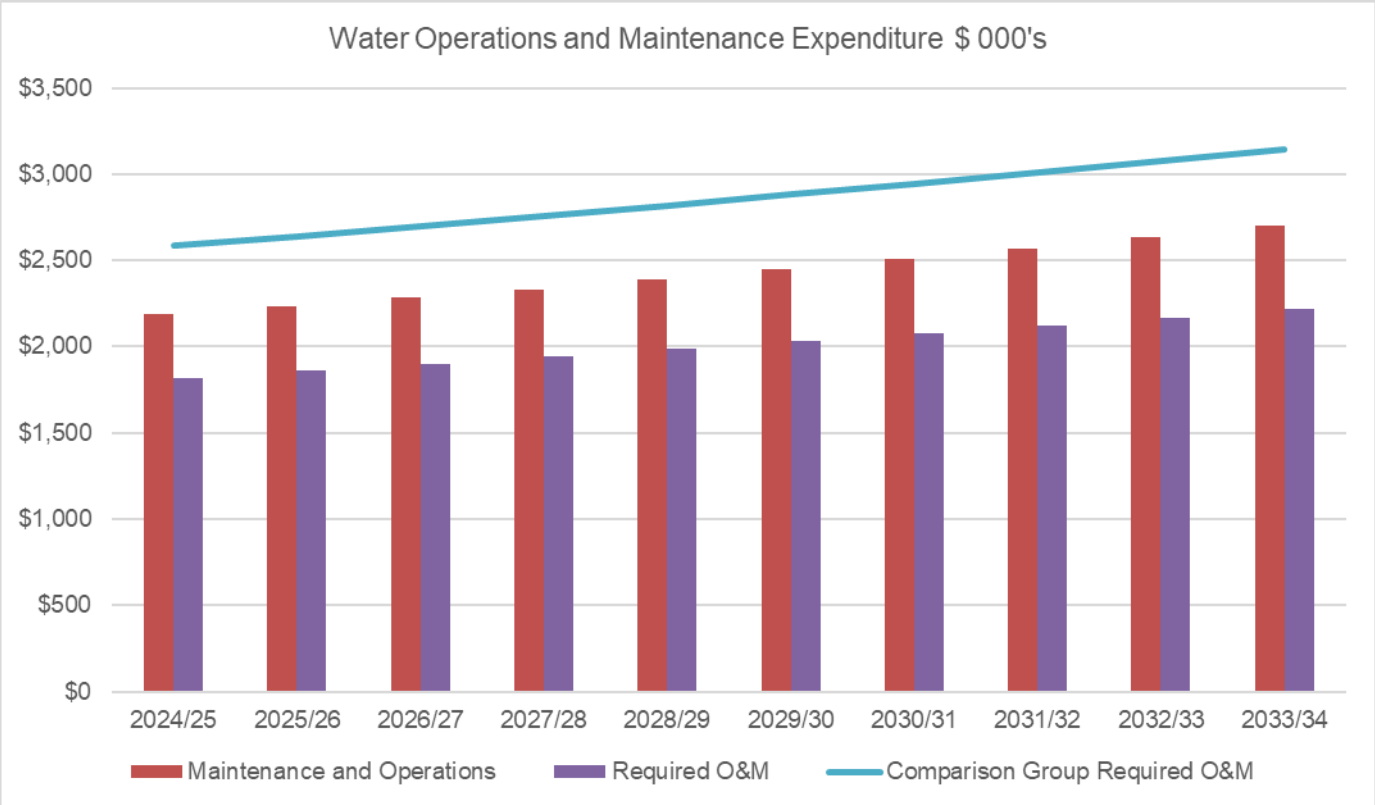
D1.8 LIFECYCLE – MAINTENANCE STRATEGY

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and/or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently has no documented maintenance strategy for its reticulation assets with maintenance work being highly reactive to identified faults and customer complaints. Council's active asset network is, however, managed in a highly proactive manner with significant scheduled and planned works programmed in Council's maintenance management system.

Figure 3 OPEX Projections

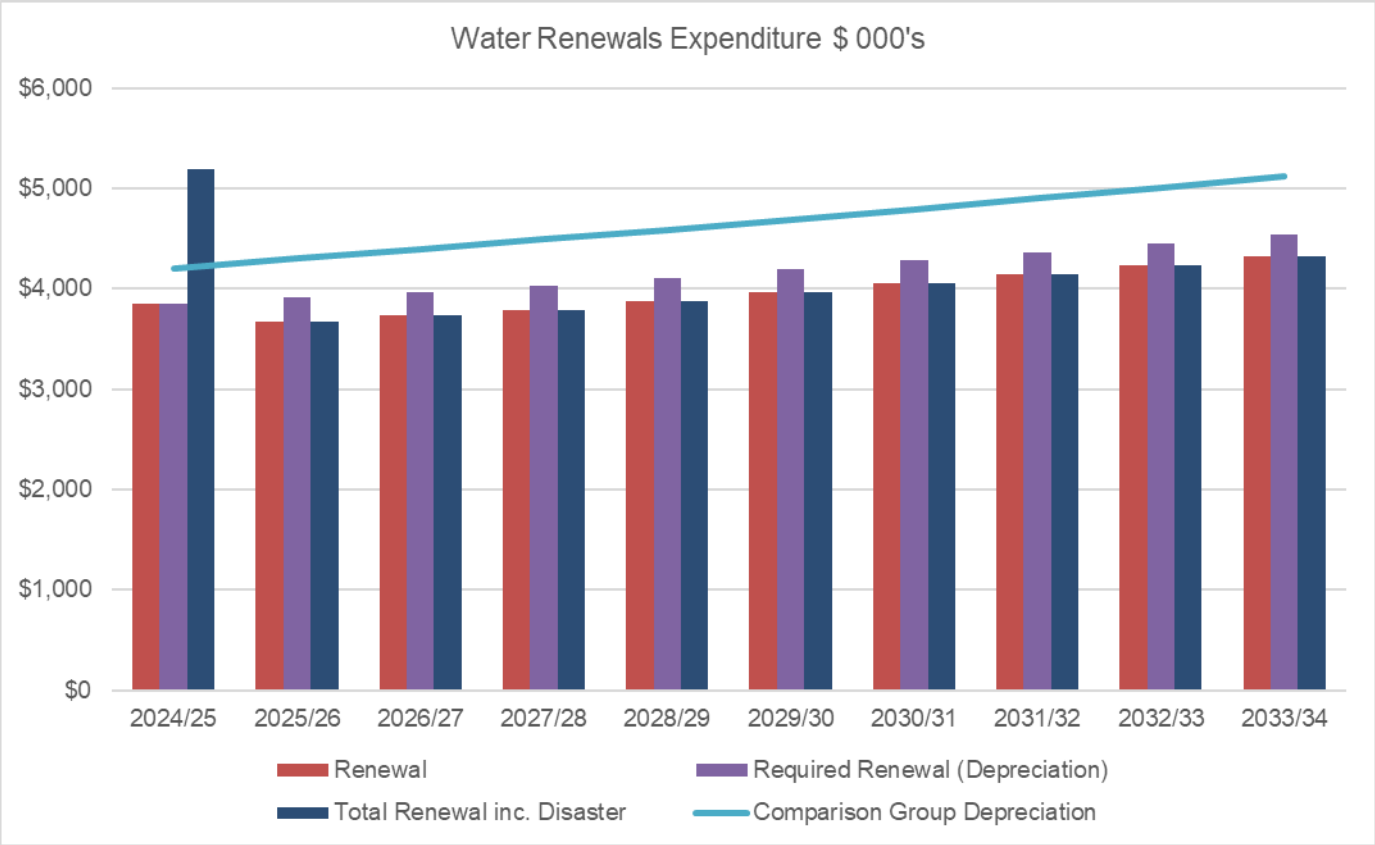


Council's budgeted/actual OPEX expenditure for its Water portfolio is higher than the calculation for the required maintenance. This can be explained by saying that as Council has a significant portion of its 'active' portfolio in poor condition (25% in condition 4 and 5), it will typically result in a higher level of maintenance activity such as leak repairs etc. Further, it should be noted that the emergency repair and clean-up costs following the 2022 flood events have been excluded from this comparison. This model predicts the actual maintenance to track higher over the life of the plan as forecast renewal expenditure is not sufficient to improve the condition profile of the Water portfolio.

D1.9 LIFECYCLE – RENEWAL/REPLACEMENT STRATEGY

Council's asset renewal strategy is documented in the water and wastewater strategic business plan. The 30-year capital program considers the expected future growth, assets in poor condition, as well as whether there needs to be changes in levels of service provided.

Figure 4 CAPEX Projections



Council compared its budgeted/actual CAPEX expenditure for its water supply portfolio against its annual depreciation requirements. This showed that excluding the disaster funding, Council currently has a minor shortfall in funding to meet the anticipated degradation of the network. However, it should be noted that Water infrastructure has extended economic lives and Council's capital program spans 30 years with major infrastructure replacement planned outside the 10-year AMP window. Further, Council also compared its depreciation against similarly categorised councils by the OLG, which showed that Council depreciates its assets at a rate slightly lower than that of the comparison group.

D1.10 EXPENDITURE PROJECTIONS

Table 6 Water Expenditure Projections

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Water Supply	**Actual**											
		Renewal	$3,851	$3,672	$3,731	$3,792	$3,875	$3,961	$4,048	$4,138	$4,230	$4,324
		Disaster Funding	$1,343	$0	$0	$0	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$168	$18	$18	$19	$19	$20	$20	$20	$21	$21
		Maintenance and Operations	$2,188	$2,235	$2,284	$2,333	$2,391	$2,450	$2,510	$2,571	$2,634	$2,700
		Total Expenditure	**$7,550**	**$5,925**	**$6,033**	**$6,144**	**$6,286**	**$6,430**	**$6,578**	**$6,730**	**$6,885**	**$7,045**
	Required											
		Required Renewal (Depreciation)	$3,855	$3,913	$3,972	$4,031	$4,112	$4,194	$4,278	$4,364	$4,451	$4,540
		New and Expanded Assets	$168	$18	$18	$19	$19	$20	$20	$20	$21	$21
		Required O&M	$1,822	$1,862	$1,903	$1,945	$1,988	$2,032	$2,077	$2,123	$2,170	$2,218
		Total	**$5,845**	**$5,793**	**$5,893**	**$5,995**	**$6,119**	**$6,246**	**$6,375**	**$6,507**	**$6,641**	**$6,779**
		OPEX Balance (GAP)	$365	$373	$380	$388	$403	$417	$433	$448	$465	$482
		RENEWAL Balance (GAP)	$1,339	-$241	-$241	-$239	-$237	-$233	-$230	-$225	-$221	-$216
		Overall (GAP)	**$1,705**	**$131**	**$139**	**$148**	**$166**	**$184**	**$203**	**$223**	**$244**	**$266**
		Overall (GAP) *excluding Disaster Funding*	**$361**	**$131**	**$139**	**$148**	**$166**	**$184**	**$203**	**$223**	**$244**	**$266**
		Comparison Group – Depreciation	$2,584	$2,641	$2,700	$2,759	$2,820	$2,882	$2,946	$3,011	$3,077	$3,145
		Comparison Group - Total	$6,955	$6,957	$7,111	$7,268	$7,428	$7,592	$7,759	$7,930	$8,105	$8,284
		Comparison Overall (GAP)	**$594**	**-$1,033**	**-$1,078**	**-$1,124**	**-$1,142**	**-$1,162**	**-$1,181**	**-$1,201**	**-$1,220**	**-$1,240**

Figure 5 Water Sustainability Ratios

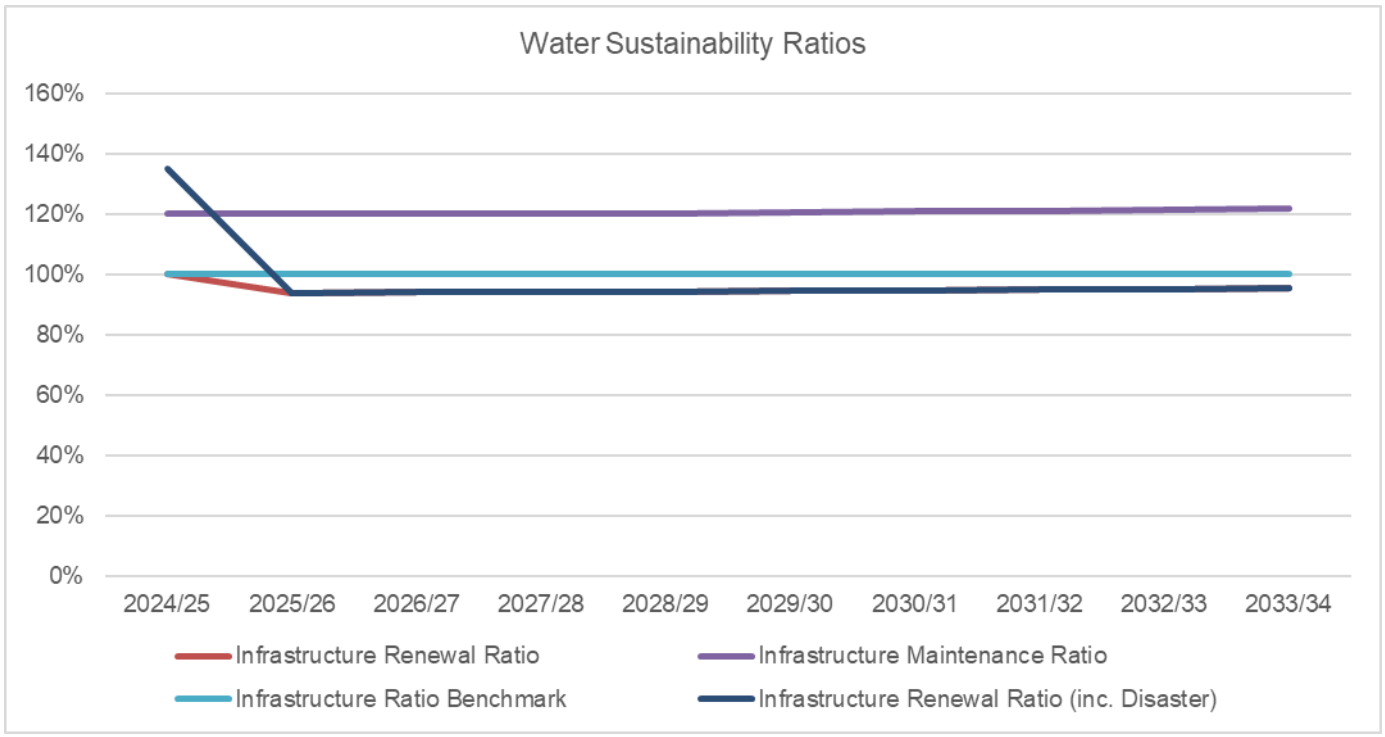
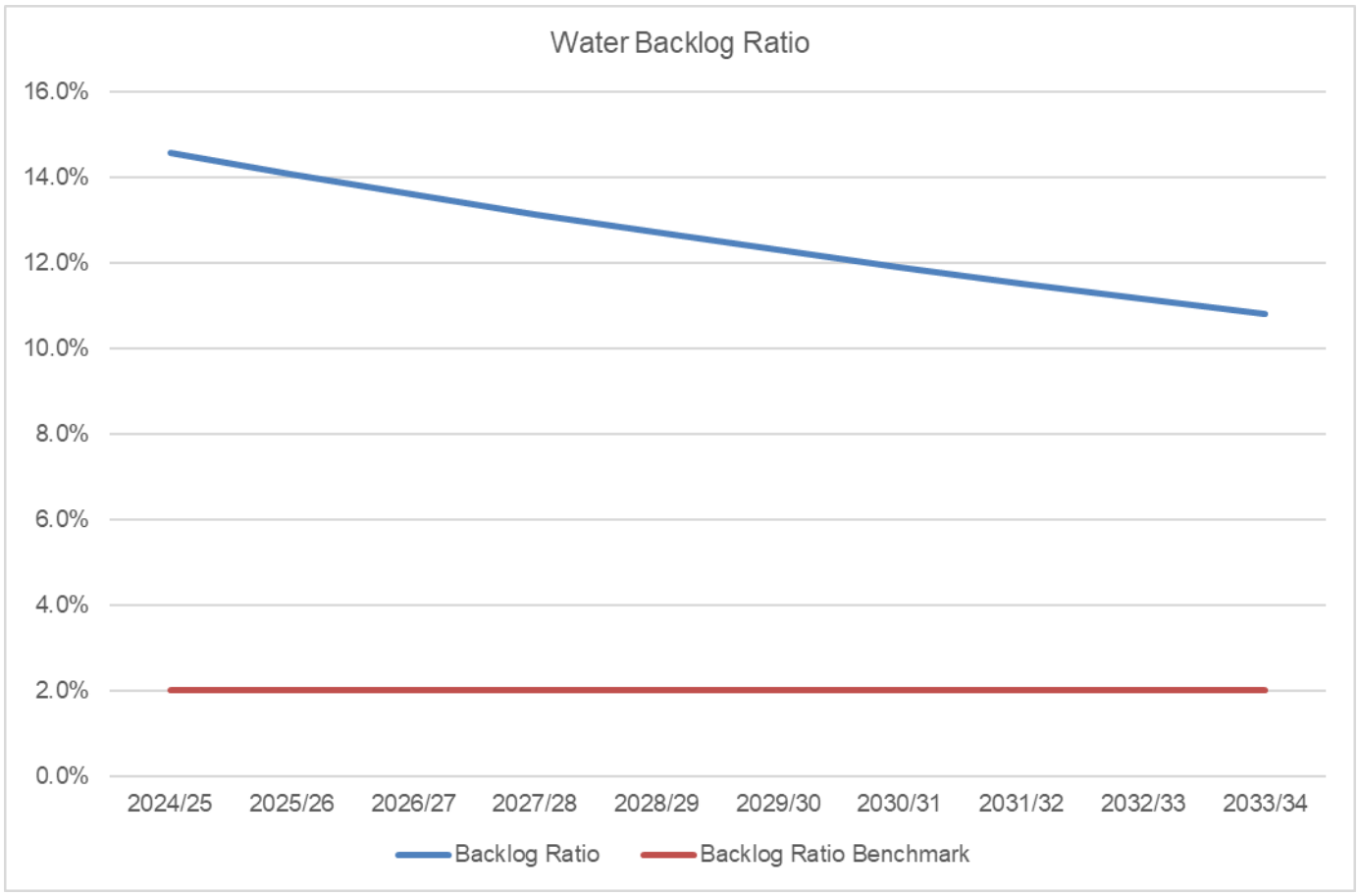


Figure 6 Water Backlog Ratio



D1.11 CRITICAL ASSETS

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas. Council is currently in the process of assessing and documenting the criticality of its Water portfolio.

The following attributes are currently being considered as part of this analysis:

Table 7 Criticality Criteria

Attribute	High	Medium	Low
Reticulation	Supply	Trunk	Residential Reticulation
Material	AS	CLS / PVC	
Flood zone	Yes		
Water Way	Line runs parallel to waterway	Line runs perpendicular to waterway	
Size	> 150mm Diameter	50 - 150mm Diameter	< 50mm Diameter
Pressure Pump			
Backup pump and power	No	Yes	Yes
Catchment	Large	Medium	Small
Storage Capacity			
Storage Capacity	Small	Medium	Large
Catchment	Large	Medium	Small

D1.12 RISK MANAGEMENT

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's Water assets and highlights the strategic risks which impact Council's asset portfolio.

Table 8 Risk Framework

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Not meeting drinking water guidelines	High levels of naturally occurring minerals result in water guideline standards not being met	High	Monitor levels. Develop Drinking Water Quality Management Plan	Risk remains, but the information will allow appropriate planning to be developed
Premature aging of water distribution pipelines	Deterioration of pipelines at a greater rate than expected	High	Continue to improve data by carrying out sample inspections Required renewal of water supply system components is being achieved in the short to medium term Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities	Medium
Deterioration of water supply system	Underfunding of renewals in the future can have a significant impact on increased costs, environmental impacts, and compliance	High	Additional analysis of data inventory, assessment of useful lives will be critical to ensure the long-term financial planning for water supply systems is reliable	Medium
Deterioration of water supply system	Underfunding of renewals in the future	High	Continue to develop the detail of the costs to manage the water supply system so that a strong case can be made for adequate funding	Medium

D1.13 CONFIDENCE LEVELS

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

Table 9: Asset data confidence scale

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

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

Table 10: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Water	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**reliable**'.

D1.14 IMPROVEMENT PLAN

Council is currently in the process of recovering from the 2022 flood and determining the way forward for its community and the LGA, and as such has been operationally focused to ensure the day-to-day functions of Council can get back on track following the impacts of the natural disaster. Future iterations of this asset management plan will focus on a more strategic approach to managing the Water portfolios. The improvement plan below sets out the pathway for Council to achieve this.

Table 11 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/12/23
Council to identify assets with performance/capacity deficiencies to be prioritised for upgrade	M	Assets	30/09/23
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX as well as the depreciation and maintenance requirements of Water portfolio.	H	Assets Finance	28/02/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	28/02/24
Council to review impact on infrastructure for Rouse Water's transition to groundwater	M	Assets	30/06/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	28/02/24
Council to engage community on developed service levels.	H	Assets	30/09/24
Council to undertake risk and criticality assessment of its asset portfolios. In particular, assets likely to be impacted by natural disasters and develop a suite of potential intervention/treatment options to increase asset resilience.	H	Assets Operations	30/09/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/09/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/09/24
Council to review OPEX expenditure and whether funding can be optimised through CAPEX	M	Assets Operations Finance	30/09/23
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/09/23

D1.15 CAPITAL WORKS PROGRAM

Refer to 2024/25 Adopted Budget by program.

APPENDIX E – WASTEWATER – ASSET MANAGEMENT PLAN

This asset management plan covers the portfolio of Wastewater assets that deliver a wide range of services to the Lismore City Council community.

This asset management plan includes all of Council's treatment, water reuse, pumping and reticulation infrastructure.

As the owner and operator of Wastewater assets, Council has a responsibility for a number of functions including:

- maintenance
- renewal and refurbishment
- upgrades and improvements
- disposal of assets.

The planning of these functions is outlined in this asset management plan.

E1.1 PURPOSE OF THIS PLAN

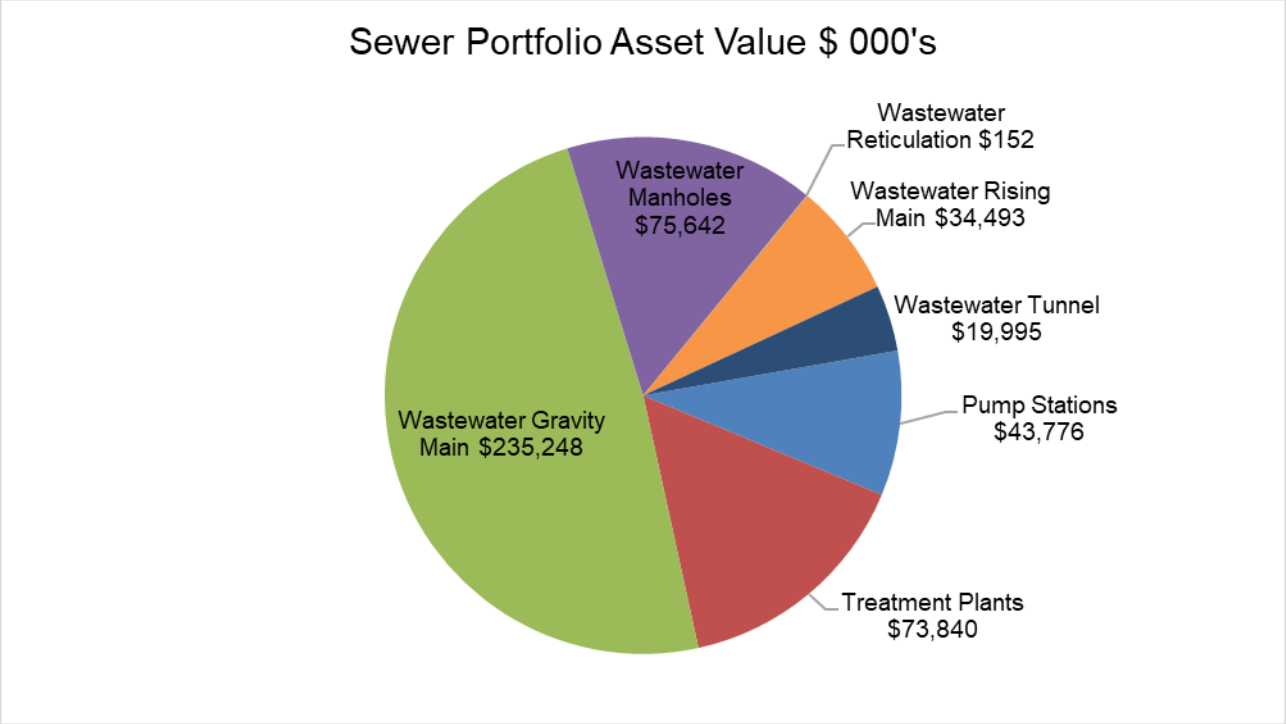
The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of Wastewater assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

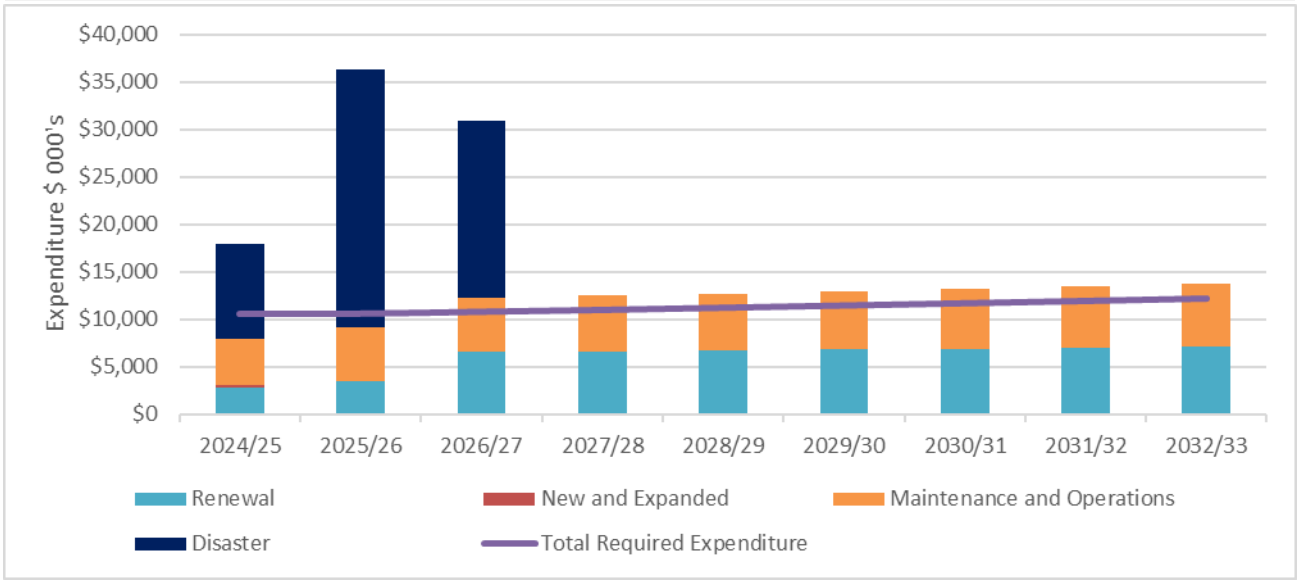
- asset inventory, values and condition
- asset based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of Wastewater assets.

E1.2 PORTFOLIO OVERVIEW

Figure 1 Wastewater Portfolio Overview



Infrastructure Ratios	Budget 2024/25	Estimated 2033/34	Funding Gap $ 000's	
Infrastructure renewals ratio	213.0%	103.0%	Yr 1	$6,781
Benchmark 100%			Yr 5 Average	$10,232
(Includes Disaster Funding)			Yr 10 Average	$5,241
Infrastructure Backlog Ratio	27.6%	16.9%	Yr 1	-$81,306
Benchmark 2%			Yr 5 Average	-$74,746
			Yr 10 Average	-$72,805
Infrastructure Maintenance Ratio	111.1%	126%	Yr 1	$499
Benchmark 100%			Yr 5 Average	$929
			Yr 10 Average	$1,103
Total Funding Gap			Yr 1	-$74,025
			Yr 5 Average	-$63,585
			Yr 10 Average	-$66,461



E1.3 ASSET CLASS SUMMARY

Council's wastewater portfolio has been significantly impacted by the 2022 flood events with $24m worth of infrastructure impaired during the event including Council's recently built East Lismore Treatment plant. While long term CAPEX requirements were mapped out in Council's 30-year Water and Wastewater capital works program, the plan maintains the status quo and does not address the current backlog in the portfolio. Council will need to review whether the current provision of infrastructure meets the needs of the community, if there is a relocation of homes and businesses and to ensure that resilience is the key factor in the replacement of the impaired assets.

E1.4 ASSET INVENTORY, VALUES AND CONDITION

The assets covered by this Asset Management Plan are shown below:

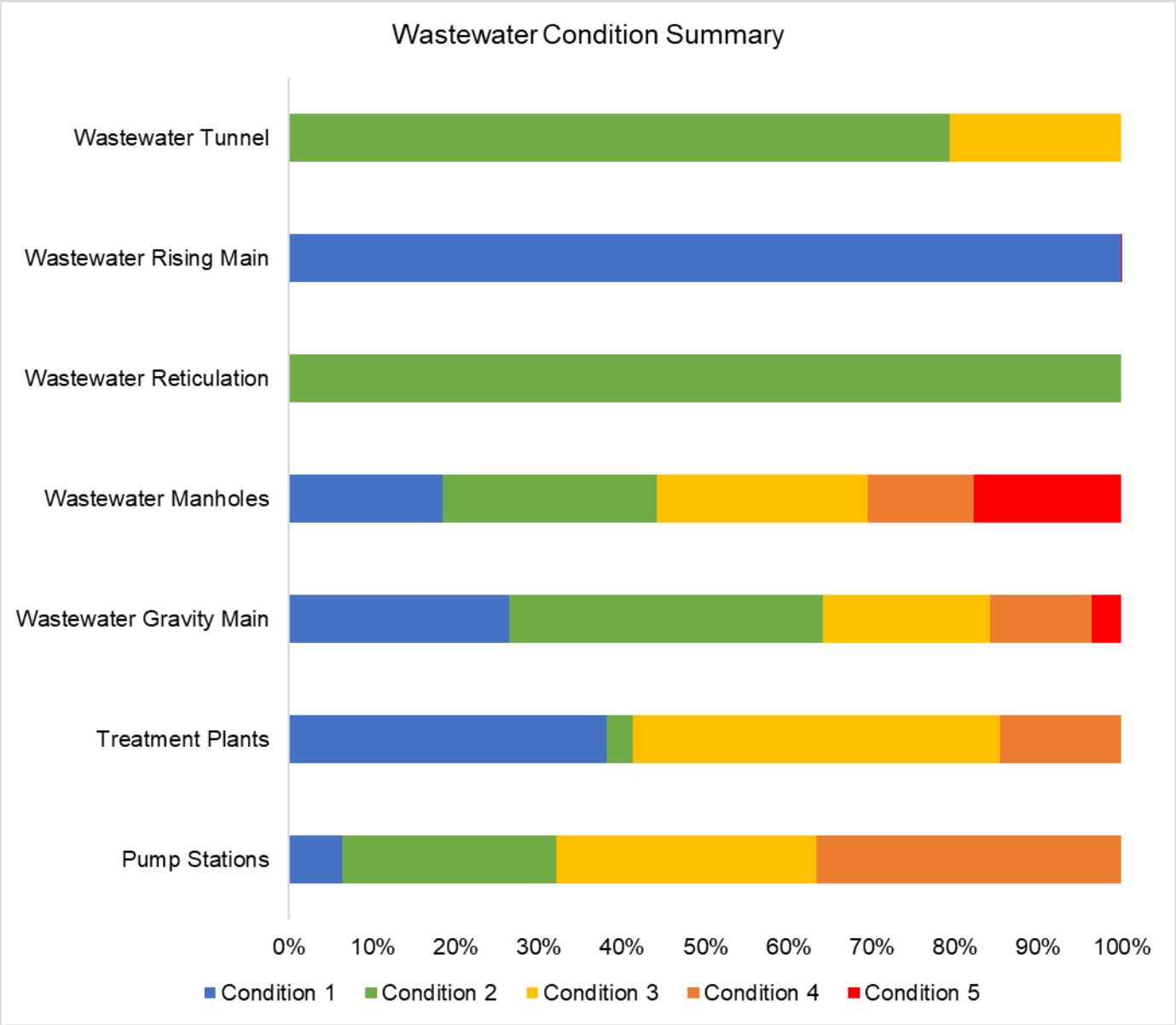
Table 1 Wastewater Inventory

Asset Class	Asset	Unit of Measure	Units
Wastewater	Gravity Mains	KM	332
Wastewater	Rising Mains	KM	46
Wastewater	Sewer Tunnels	LM	1,098
Wastewater	Pump Stations	No.	35
Wastewater	Treatment Plants	No.	3

Table 2 Wastewater Portfolio Valuation

Asset	Gross Replacement Cost $000's	Written Down Value $000's	Annual Depreciation $000's	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Wastewater	$483,147	$300,272	-$5,070	26.5%	29.1%	16.4%	9.2%	18.8%

*Figure 2 Wastewater Condition Summary**



**A significant portion of Council's Active Wastewater assets were severely impaired during the 2022 flood event. These assets are likely to be replaced under Disaster Recovery Grant funding and as such are overstating the long-term backlog of the wastewater portfolio. As further details on the replacement of these assets is determined, council will update the AMP accordingly.*

E1.5 ROLES AND RESPONSIBILITIES

Council has adopted the following roles and responsibilities matrix for its Wastewater assets.

Table 3 Wastewater Roles and Responsibilities

Position	Role	Asset Class	Responsibilities	Functions
Manager Assets	Asset Owner	Wastewater Active Wastewater Passive	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters
Asset Engineer	Asset Custodian	Wastewater Active Wastewater Passive	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program
Manager Water and Wastewater	Asset Delivery – OPEX Service Delivery – Operations	Wastewater Active Wastewater Passive	Responsible for the day-to-day maintenance, operations and services delivered by assets	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service
Capital Delivery Engineer	Asset Delivery CAPEX	Wastewater Active Wastewater Passive	Responsible for the day-to-day delivery of capital works.	Controls asset use, in line with policy Deliver and/or manage capital works

E1.6 ASSET BASED LEVELS OF SERVICE

Table 4 Wastewater Levels of Service

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Operation of reliable sewerage network in an environmentally responsible manner	Network performance data and customer complaints.	Wastewater overflows per 100km of main in line with IPART accountability measures.	
			Wastewater overflows for 100km of main reported to the environmental regulator in line with IPART accountability measures.	
			Wastewater main breaks and chokes per 100km if main in line with IPART accountability measures.	
Quality/condition	Effective treatment and disposal of sewage	Regulatory reporting	Compliance with Environmental Protection Licence concentration and load limits.	
Reliability/responsiveness	Percent compliance with council's documented response time	CRMS data	90%.	
Community satisfaction and involvement	Customers are happy with the services provided	Community satisfaction survey	The net differential between importance and performance is positive.	
Affordability	The services are affordable and managed at lowest possible cost for required level of service	Review of service agreements and benchmark with other councils	Total operating costs equal or less than the industry average benchmark.	
Sustainability	Long term plans are prepared	Life cycle approach to managing assets	Achieve compliance with 2022 Department of Planning and Environment strategic planning assurance framework.	
	Assets meet financial sustainability ratios	Consumption ratio	Between 50% and 75%	
	Assets meet financial sustainability ratios	Renewal funding ratio	Between 90% and 110%	
	Assets meet financial sustainability ratios	Long term funding ratio	Between 95% and 105%	
Health and safety	A safe working environment provided for people involved in providing the service	Health and Safety - reported incidents	Zero personal injury incidents associated with system operation and maintenance	
			Health and safety manual and contract specification are 100% compliant with WHS act.	

E1.7 FUTURE DEMAND

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets, and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset condition.

Currently there is significant uncertainty around the way forward following the devastating 2022 floods, with guidance being sought around any 'planned retreat' and potential relocation of households and infrastructure. In the short term, Council's new and upgraded infrastructure will address the damage sustained during the flood events as well as focus on replacing assets with resilient infrastructure where appropriate. As further guidance and a better understanding of expected growth in the LGA is attained, Council will incorporate demand strategies to address the key growth drivers in the next iteration of Council's asset management plans.

Table 5: Future demand

Demand factor	Impact on assets
Internal Migration	Council will need to regularly assess whether the current portfolios are fit for purpose and have the functionality and capacity to provide the current range of services and any additional services required into the future.
Increasing costs	Will be a requirement to continue to maximise service delivery within the funding limitations, particularly with grant funding delivering 'like for like' replacement for assets damaged during the 2022 flood events. It is likely that these assets will have to be 'upgraded' to deliver a resilient level of service.
Environment and climate	It is likely that the frequency, severity and intensity of natural disaster events will increase, and council will need to plan its infrastructure accordingly.

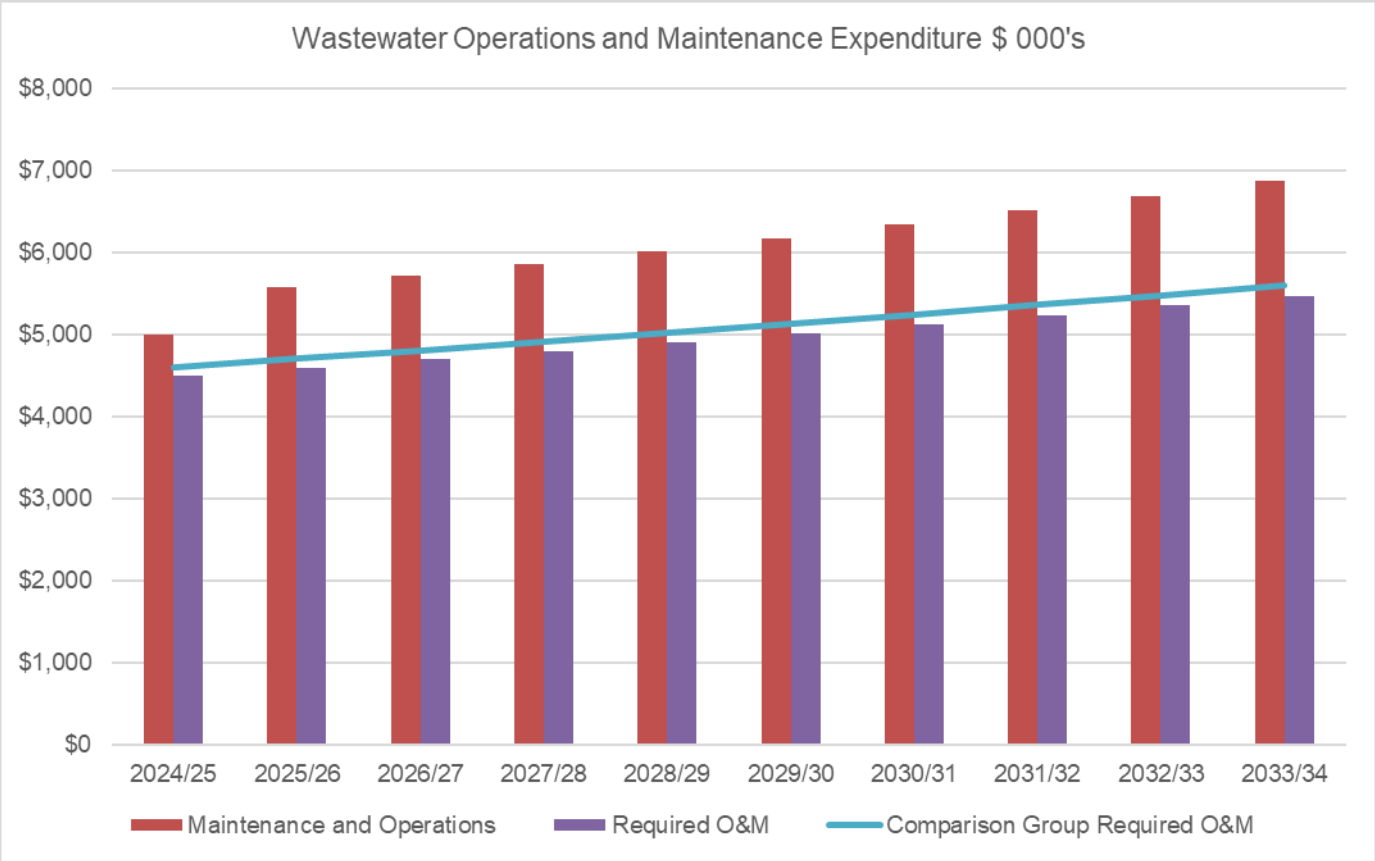
E1.8 LIFECYCLE – MAINTENANCE STRATEGY

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functioning but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life. Typically, this can be categorised as:

- Operations - regular activities to provide services such as public health, safety and amenity.
- Reactive Maintenance - work on breakdowns, failures and/or damaged assets that are not operating or are about to fail on an ad hoc basis.
- Planned Proactive and Cyclical Maintenance – works identified through scheduled maintenance/asset inspections whereby assets are not operating as designed or to 100% capacity.

Council currently has no documented maintenance strategy for its reticulation assets with maintenance work being highly reactive to identified faults and customer complaints. Council's active asset network is, however, managed in a highly proactive manner with significant scheduled and planned works programmed in Council's maintenance management system.

Figure 3 OPEX Projections

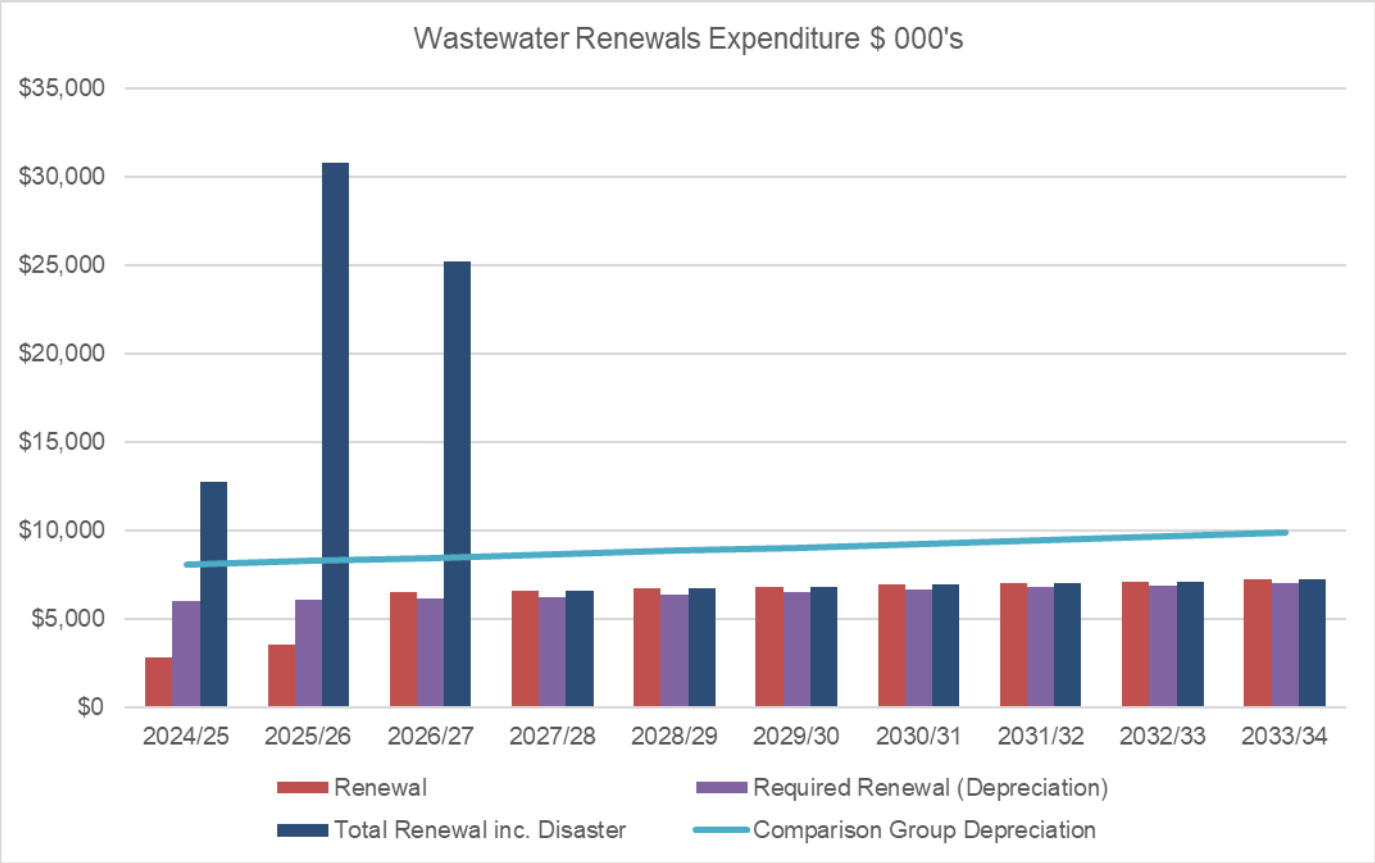


Council compared its budgeted/actual OPEX expenditure for its Wastewater portfolio against similarly categorised councils by the Office of Local Government. Due to the current high level of backlog and poor condition of the portfolio, Council has budgeted operations and maintenance expenditure above the level of spend of comparative Councils. As council finalises it's 30-year plan for its water and sewer portfolios, addressing the backlog and optimising life of assets by prioritising asset renewals over reactive maintenance will be a priority in future iterations of this asset plan.

E1.9 LIFECYCLE – RENEWAL/REPLACEMENT STRATEGY

Council's asset renewal strategy is documented in the Water and Wastewater strategic business plan. The 30-year capital program considers the expected future growth, assets in poor condition as well as whether there needs to be changes in levels of service provided.

Figure 4 CAPEX Projections



Council compared its budgeted/actual CAPEX expenditure for its wastewater portfolio against its annual depreciation requirements. This showed that Council is currently meeting the funding to maintain the existing condition of the network. However, it should be noted that wastewater infrastructure has extended economic lives and Council's capital program spans 30 years with major infrastructure replacement planned outside the 10-year AMP window.

During the flood event, significant damage was sustained by the East Lismore Wastewater Treatment Plant which is anticipated to be renewed through flood recovery funding. Preliminary renewal and grant funding estimates have been incorporated into these iterations of this asset management plan. As further details become available to Council they will be incorporated into future iterations.

Further, Council also compared its depreciation against similarly categorised councils by the OLG which showed that Council depreciates its assets at a rate lower than that of the comparison group.

E1.10 EXPENDITURE PROJECTIONS

Table 6 Wastewater Expenditure Projections

Budget Gap by Asset Group ($,000s)			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Wastewater	**Actual**											
		Renewal	$2,872	$3,559	$6,569	$6,635	$6,733	$6,832	$6,933	$7,035	$7,139	$7,280
		Disaster Funding	$9,909	$27,218	$18,612	$0	$0	$0	$0	$0	$0	$0
		New and Expanded Assets	$150	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Maintenance and Operations	$4,996	$5,575	$5,710	$5,849	$6,008	$6,171	$6,338	$6,511	$6,689	$6,872
		Total Expenditure	**$17,926**	**$36,352**	**$30,890**	**$12,484**	**$12,741**	**$13,003**	**$13,271**	**$13,546**	**$13,828**	**$14,152**
	Required											
		Required Renewal (Depreciation)	$6,000	$6,090	$6,181	$6,274	$6,400	$6,528	$6,658	$6,791	$6,927	$7,066
		New and Expanded Assets	$150	$0	$0	$0	$0	$0	$0	$0	$0	$0
		Required O&M	$4,496	$4,595	$4,696	$4,799	$4,905	$5,013	$5,123	$5,236	$5,351	$5,469
		Total	**$10,646**	**$10,685**	**$10,878**	**$11,074**	**$11,305**	**$11,541**	**$11,781**	**$12,027**	**$12,278**	**$12,535**
		OPEX Balance (GAP)	$499	$979	$1,014	$1,049	$1,103	$1,158	$1,215	$1,275	$1,338	$1,404
		RENEWAL Balance (GAP)	$6,781	$24,687	$18,999	$361	$333	$305	$275	$244	$212	$214
		Overall (GAP)	**$7,280**	**$25,667**	**$20,013**	**$1,410**	**$1,436**	**$1,462**	**$1,490**	**$1,519**	**$1,550**	**$1,618**
		Overall (GAP) *excluding Disaster Funding*	**-$2,629**	**-$1,551**	**$1,401**	**$1,410**	**$1,436**	**$1,462**	**$1,490**	**$1,519**	**$1,550**	**$1,618**
		Comparison Group – Depreciation	$8,109	$8,290	$8,472	$8,658	$8,849	$9,044	$9,243	$9,446	$9,654	$9,866
		Comparison Group - Total	$12,863	$12,995	$13,281	$13,573	$13,872	$14,177	$14,489	$14,807	$15,133	$15,466
		Comparison Overall (GAP)	**$5,064**	**$23,357**	**$17,610**	**-$1,089**	**-$1,131**	**-$1,174**	**-$1,218**	**-$1,261**	**-$1,305**	**-$1,314**

Figure 5 Wastewater Sustainability Ratios

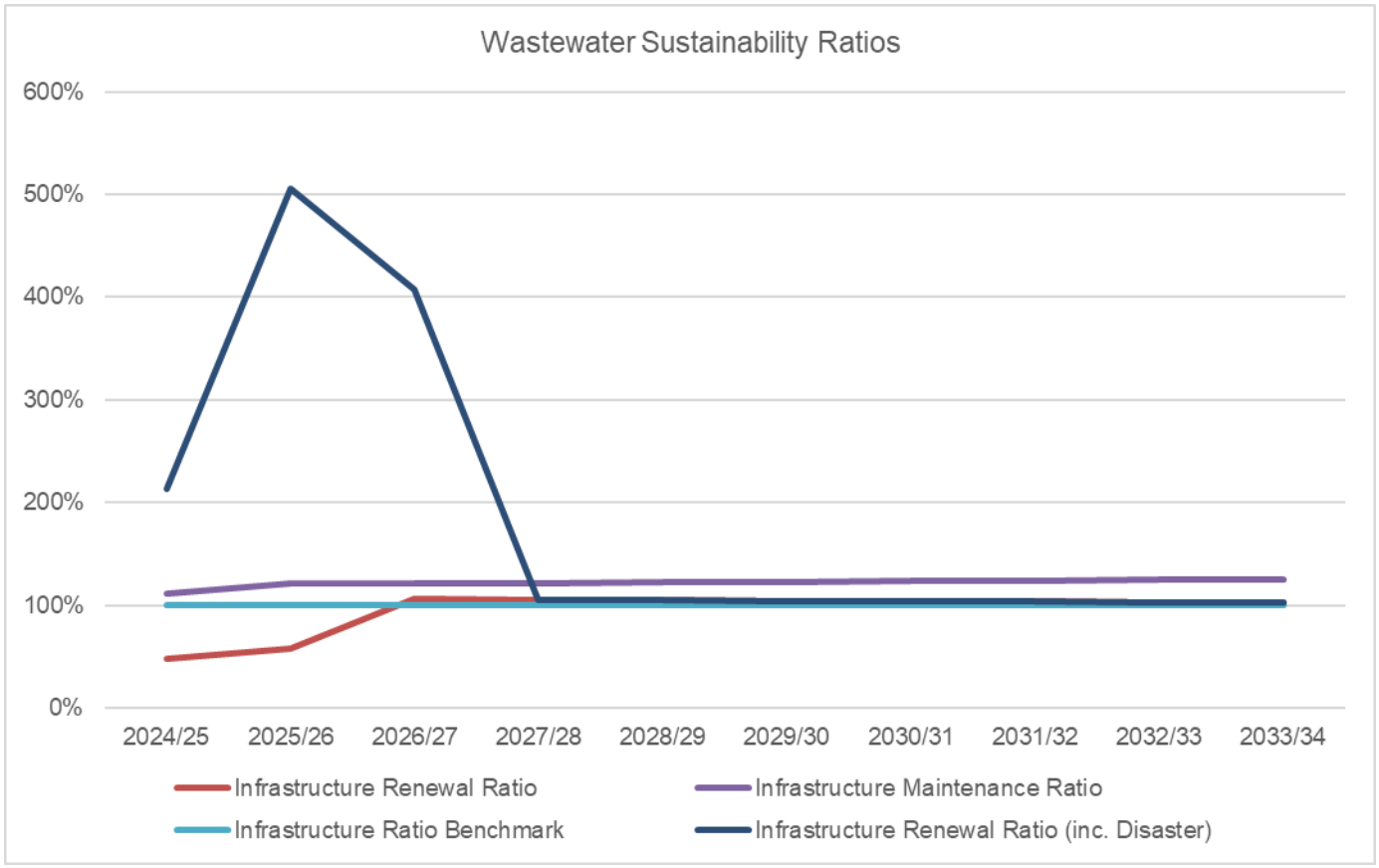
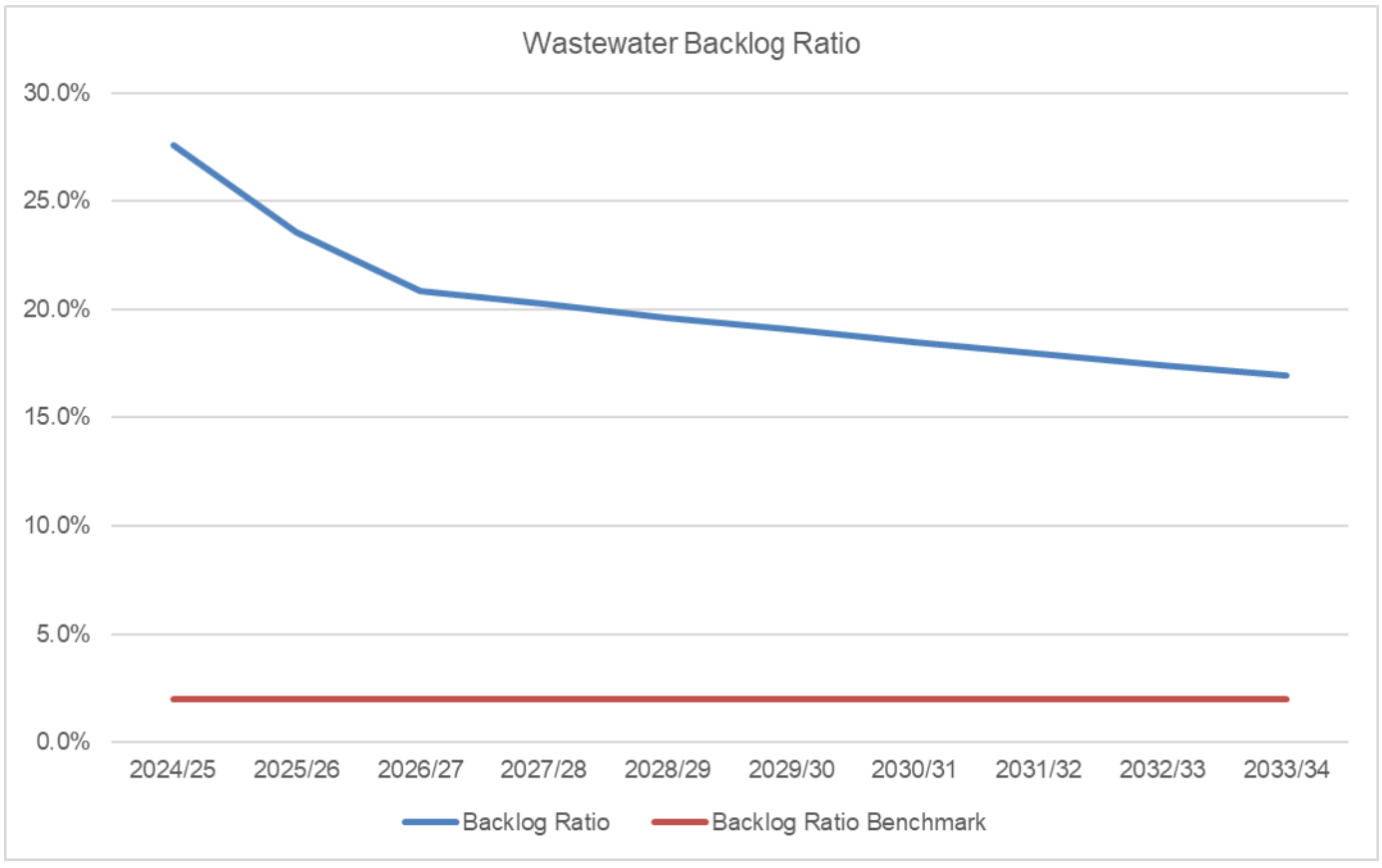


Figure 6 Wastewater Backlog Ratio



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The following attributes are currently being considered as part of this analysis:

Table 7 Criticality Criteria

Criteria	High	Medium	Low
Reticulation			
Rising main	Yes		
Carrier	Yes		
Material	VC/AS	Concrete / PVC	
Flood zone			Yes
Water Way	Line runs parallel to waterway	Line runs perpendicular to waterway	
Size	> 300mm Diameter	200 - 300mm Diameter	150mm diameter
Pump Stations			
Storage Capacity	Small	Medium	Large
Backup pump and power	No	Accessible	Yes
Catchment	Large	Medium	Small
Flood zone	Yes		

E1.12 RISK MANAGEMENT

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's Wastewater assets and highlights the strategic risks which impact Council's asset portfolio.

Table 8 Risk Framework

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk
Deterioration of wastewater systems	Blockages	High	Continue to improve data by carrying out sample inspections on a regular basis Required renewal of sewer system components is being achieved in the short to medium term Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities	
Deterioration of wastewater systems	Structural failures, increased maintenance	High	Additional analysis of data inventory, assessment of useful lives will be critical to ensure the long-term financial planning for wastewater systems is reliable	
Deterioration of wastewater system asset components	Structural failures, increased maintenance	High	Continue to develop the detail of the costs to manage the sewer system so that a strong case can be made for adequate funding	
Sewer system not available	Public health or environmental issues	High	Monitor works requirements and land use planning requirements so that future needs can be anticipated	

E1.13 CONFIDENCE LEVELS

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

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

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

Table 10: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Wastewater	Reliable	Acceptable	Reliable	Reliable

The overall confidence level of the plan is considered to be '**reliable**'.

E1.14 IMPROVEMENT PLAN

Council is currently in the process of recovering from the 2022 flood and determining the way forward for its community and the LGA, and as such has been operationally focused to ensure the day-to-day functions of councils can get back on track following the impacts of the natural disaster. Future iterations of this asset management plan will focus on a more strategic approach to managing the Wastewater portfolios. The improvement plan below sets out the pathway for council to achieve this.

Table 11 Improvement Plan

Action	Priority	Responsible	Timing
Asset knowledge and data			
Council to develop and document guidelines and adopt a consistent approach for condition and defect assessment.	M	Assets	30/12/23
Council to identify assets with performance/capacity deficiencies to be prioritised for upgrade	M	Assets	30/09/23
Strategic asset planning processes			
Council to review long-term (ten-year) lifecycle costing requirements including CAPEX and OPEX as well as the depreciation and maintenance requirements of Wastewater portfolio.	H	Assets Finance	28/02/24
Council to develop comprehensive maintenance and renewal strategy for the management of its assets.	H	Assets	28/02/24
Council to review current service levels and SLAs and develop outcome-based service levels which align with IP&R Framework.	H	Assets Operations	28/02/24
Council to engage community on developed service levels.	H	Assets	30/09/24
Council to undertake risk and criticality assessment of its asset portfolios. In particular assets likely to be impacted by natural disasters and develop a suite of potential intervention/treatment options to increase asset resilience.	H	Assets Operations	30/09/23
Operations and maintenance work practices			
Council is to implement a maintenance management system that records maintenance activity outputs against defined assets.	H	Internal	30/09/24
Following criticality assessment, Council to develop management strategies for critical infrastructure.	H	Assets Operations	30/09/24
Organisational context			
Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are being carried out.	H	Executive	30/09/23

E1.15 CAPITAL WORKS PROGRAM

Refer to 2024/25 Adopted Budget by program.