



LISMORE CITY COUNCIL

STRATEGIC ASSET MANAGEMENT PLAN (SAMP)

JUNE 2023

www.lismore.nsw.gov.au

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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

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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 (2021/22) 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 councils' infrastructure risk management approach, particularly in disaster sensitive area 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 (\$412m 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 significant relocation of people and assets within the Local Government Area (LGA) currently under review by the State. The asset financial model will be updated in future SAMP's as the detailed costings and clarity of direction for the new infrastructure become available. The financial impacts including depreciation, maintenance, operational costs will be updated in future annual updates of Council's SAMP, AMPs and Long-Term Financial Plan (LTFP).

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 \$2.3 billion. The asset values are estimates of the value of assets, as at 30 June 2022, 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

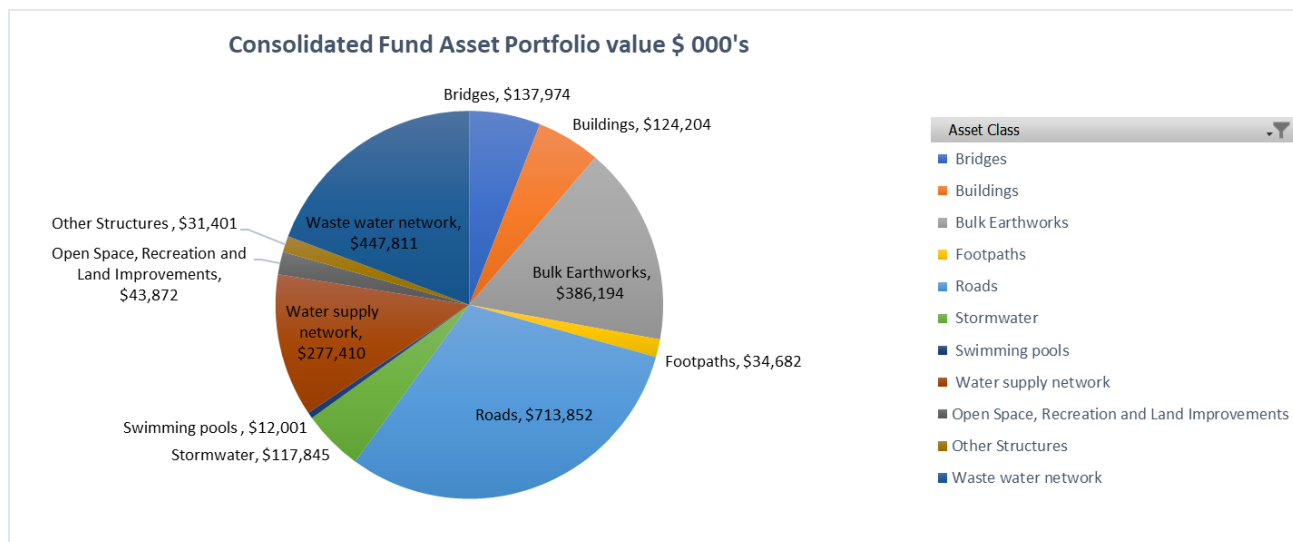
Category	Asset	Gross Carrying Amount
Open Space, Other Structures, Land Improvements and Pools	110 Parks 24 Sports fields 33 Playgrounds 4 Skate Parks 14 Basketball/Netball 50 Monuments 8 Artwork	\$87m
Stormwater	152 km pipe 5,871 pits 46 Treatment devices	\$118m
Transport	800 km Roads 142 Bridges 29 km Cycleways 16 Carparks 76 km Footpaths	\$1,273m
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	\$124m
Water Supply	354km Water Mains 7 Pumping stations 18 Reservoirs 1 Dam 1 Weir 2 Water Treatment Plants	\$277m
Waste Water	376km Sewer Mains 84 Pumping stations 3 Waste water treatment plants	\$448m

Table 2: Asset classes and values

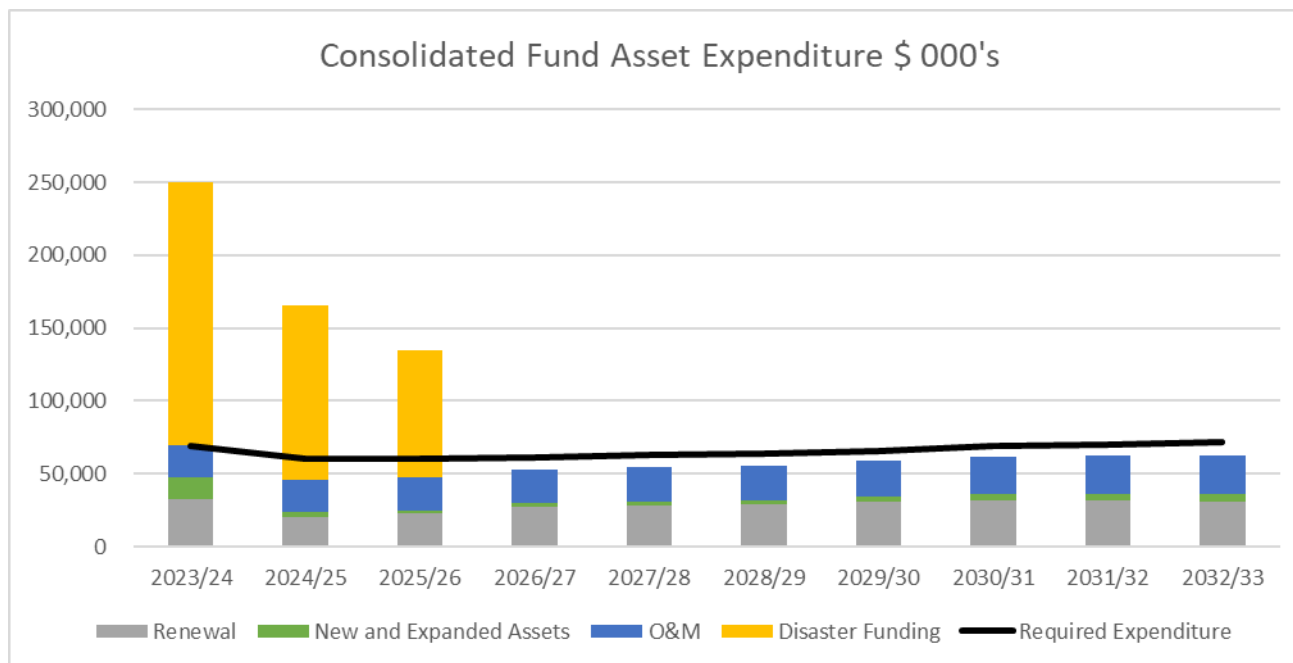
Asset Class	Gross Replacement Cost (CRC)	Written Down Value (WDV)	Annual Depreciation Expense	Asset Management Plan
	\$ (000's)	\$ (000's)	\$ (000's)	
Buildings	\$124,204	\$65,266	-\$1,533	Buildings, Other Structures and Land Improvements
Other Structures	\$31,401	\$18,004	-\$1,226	Buildings, Other Structures and Land Improvements
Roads	\$713,852	\$400,386	-\$15,921	Transport Assets
Bridges	\$137,974	\$76,392	-\$1,407	Transport Assets
Footpaths	\$34,682	\$24,531	-\$448	Transport Assets
Bulk Earthworks	\$386,194	\$386,194	\$0	Transport Assets
Stormwater	\$117,845	\$74,617	-\$633	Stormwater Assets
Water supply network	\$277,410	\$156,519	-\$3,240	Water Assets
Wastewater network	\$447,811	\$279,373	-\$5,779*	Wastewater Assets
Swimming pools	\$12,001	\$4,824	-\$158	Buildings, Other Structures and Land Improvements
Open Space and Recreation (inc. Land Improvements)	\$43,872	\$16,932	-\$2,321	Buildings, Other Structures and Land Improvements
Total	\$2,327,246	\$1,503,039	-\$32,666	

**Annual depreciation for Council's Wastewater assets has been adjusted from the published 21/22 Annual Financial Statements to reflect the changes in the Wastewater revaluation.*

Figure 1: Council Asset Portfolio



Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding gap \$000's
Infrastructure Renewals ratio	649.40%	76.61%	Yr 1 \$179,621
			5 Yr Average \$68,552
			10 Yr Average \$30,194
Infrastructure Backlog Ratio	12.53%	9.97%	Yr 1 (-\$158,689)
			5 Yr Average (-\$136,593)
			10 Yr Average (-\$134,273)
Infrastructure Maintenance Ratio	103.59%	102.01%	Yr 1 \$784
			5 Yr Average \$194
			10 Yr Average \$320
Total Infrastructure Funding Gap			Yr 1 \$21,717
			5 Yr Average (-\$67,847)
			10 Yr Average (-\$103,759)



1.2 Asset backlog

In 2021/22, Council had a combined asset backlog of \$226 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 2022 is shown in the following table.

Table 3: Asset backlog summary

Estimated cost to satisfactory	Backlog \$ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	29,724	45.5%
Other Structures	266	1.5%
Roads	74,266	18.5%
Bridges	7,780	10.2%
Footpaths	282	1.1%
Bulk Earthworks	-	0.0%
Stormwater	1,660	2.2%
Water Assets	24,657	15.8%
Wastewater Assets	84,745	30.3%
Swimming Pools	2,666	55.3%
Open Space and Recreation (inc. Land Improvements)	89	0.5%
Total	226,135	15.05%

In 2021/22, only Council's Other Structures, Recreation 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 15%. It is worth noting that in the past 3 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.

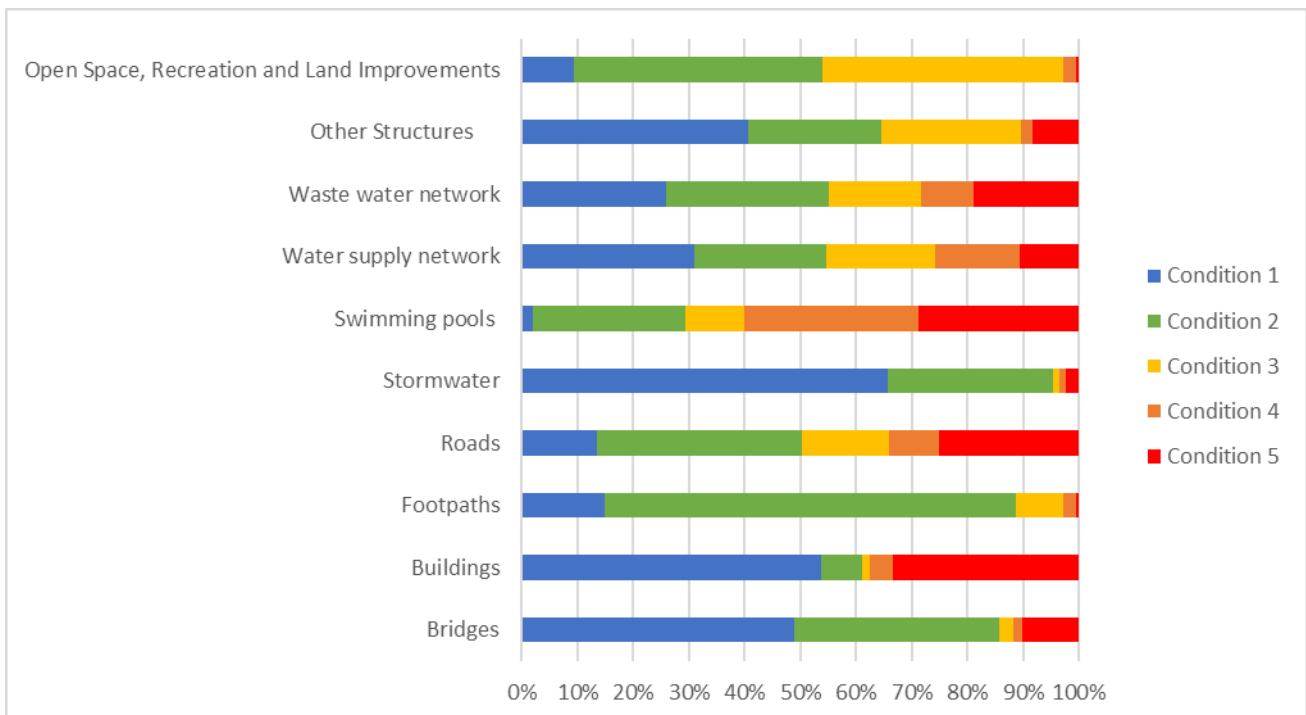
1.3 Asset condition

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
Bridges	49%	37%	3%	1%	10%
Buildings	54%	8%	1%	4%	33%
Footpaths	15%	74%	8%	3%	0%
Roads	14%	37%	15%	9%	25%
Stormwater	66%	30%	1%	1%	2%
Swimming pools	2%	27%	11%	31%	29%
Water supply network	31%	24%	20%	15%	10%
Other Structures	41%	24%	25%	2%	8%
Open Space, Recreation (Inc. Land Improvements)	9%	45%	43%	2%	1%
Wastewater network	26%	29%	17%	9%	19%
Combined	37.9%	25.8%	13.0%	6.9%	16.3%

Figure 2: Asset condition summary



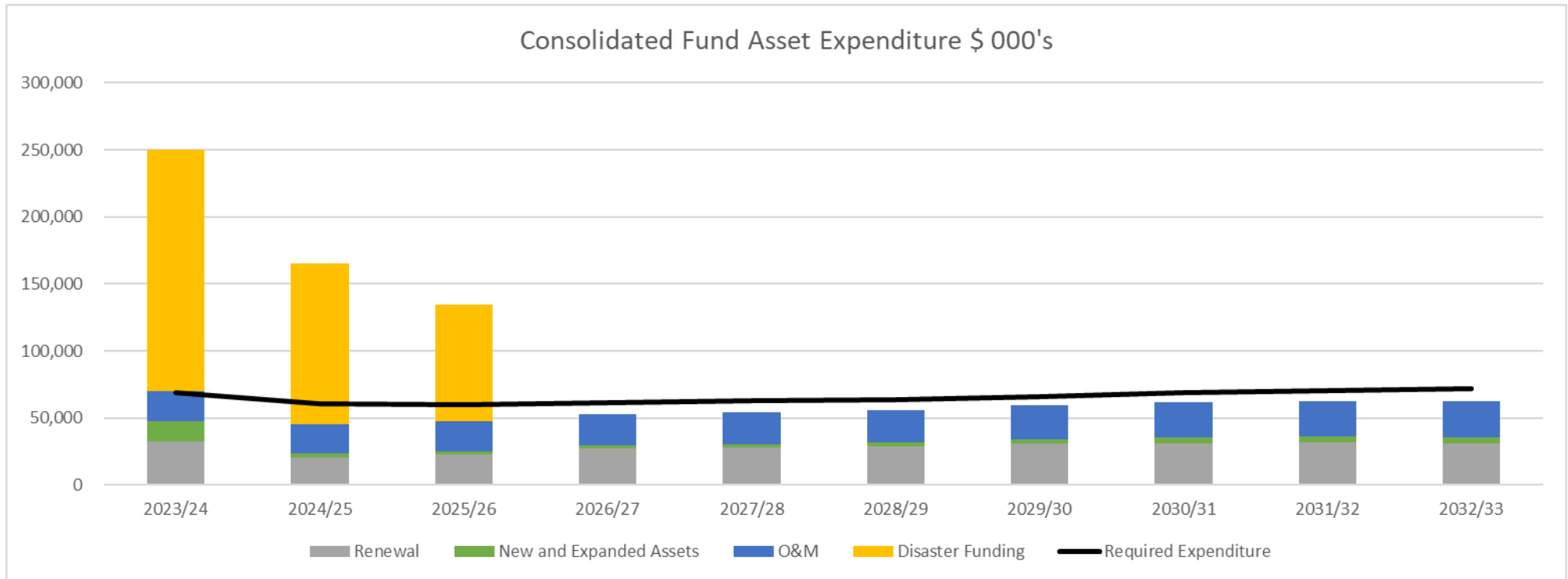
1.4 Expenditure and reporting

Table 5: Combined asset expenditure projections – base case

Expenditure projections (\$,000s) – combined assets		2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/32	2032/33
Actual	Renewal	35,416	32,562	20,266	22,604	27,254	28,070	28,975	31,293	31,384	31,551	31,306
	Disaster Funding	31,550	179,753	120,000	87,000	0	0	0	0	0	0	0
	New and expanded assets	17,998	14,768	3,548	2,317	2,577	2,590	2,505	3,011	4,530	4,548	4,567
	Maintenance and operational	22,588	22,611	21,737	22,761	23,270	23,792	24,397	25,019	25,663	26,319	26,996
	Total expenditure	107,551	249,694	165,552	134,683	53,101	54,452	55,878	59,324	61,576	62,418	62,870
Required	Required renewal (depreciation)	33,385	32,015	33,792	34,292	34,800	35,314	36,016	36,734	37,464	38,209	38,970
	New and expanded assets	17,998	14,768	3,548	2,317	2,577	2,590	2,505	3,011	4,530	4,548	4,567
	Required maintenance and operational	18,745	19,872	20,155	20,448	20,746	21,156	21,576	22,002	22,437	22,881	23,478
	Total	70,128	66,655	57,495	57,058	58,122	59,060	60,097	61,747	64,431	65,638	67,015
Maintenance gap		3,842	2,739	1,582	2,313	2,524	2,636	2,821	3,017	3,226	3,438	3,518
Renewals gap		33,581	180,300	106,475	75,312	-7,545	-7,244	-7,041	-5,441	-6,080	-6,658	-7,663
Overall gap		37,423	183,040	108,057	77,625	-5,022	-4,608	-4,219	-2,423	-2,854	-3,220	-4,146
Overall GAP (Excluding Disaster Funding)		5,873	3,287	-11,943	-9,375	-5,022	-4,608	-4,219	-2,423	-2,854	-3,220	-4,146

* 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 (\$31.1m) and a small surplus in OPEX (\$2.7m) 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 (\$50m) over this time, reducing the overall backlog % from 15.5% down to 9.97%. 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

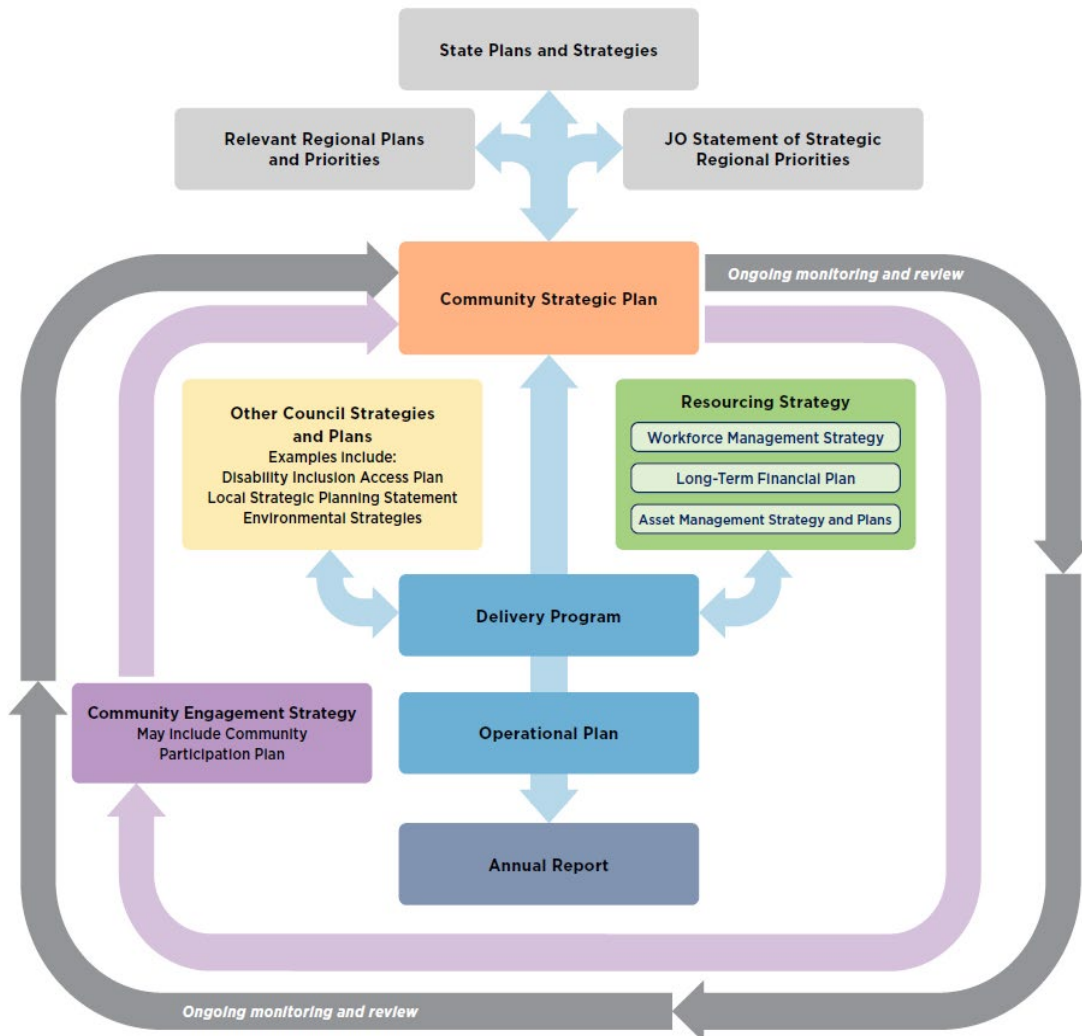
2.1 Asset planning

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 2022/23 – 2031/32. The key findings for each asset class are included in the asset management plans section of this strategy (Appendices) and are covered in a concise but detailed manner.

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

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

Figure 4: Council asset management planning framework



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

Figure 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 IPR Framework and sets actions to be included in the Delivery Program
Delivery Program	Outlines the actions Council will undertake to meet the CSP goals over four years
Resourcing Strategy	Companion documents to the Delivery Program, outlines how Council will resource the actions (addressing Council’s finances, assets and workforce)
Operational Plan and Budget	Maps what programs, projects and activities Council will undertake each financial year to 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)	<p>This Asset Management Plan includes all of Council's Buildings and Facilities, Other Structures, Recreational Area's and Land Improvement Assets.</p> <p>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.</p> <p>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.</p>
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 2021 population of 44,334 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 \$413 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

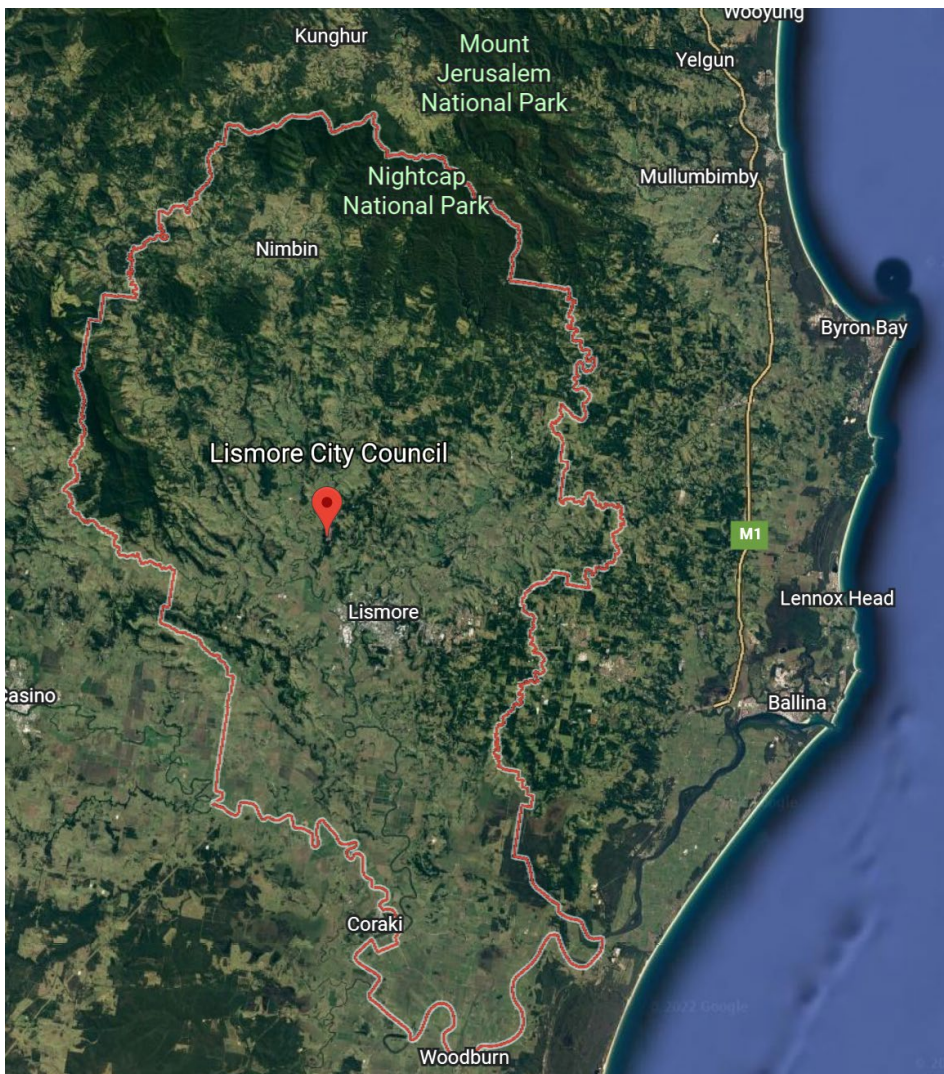
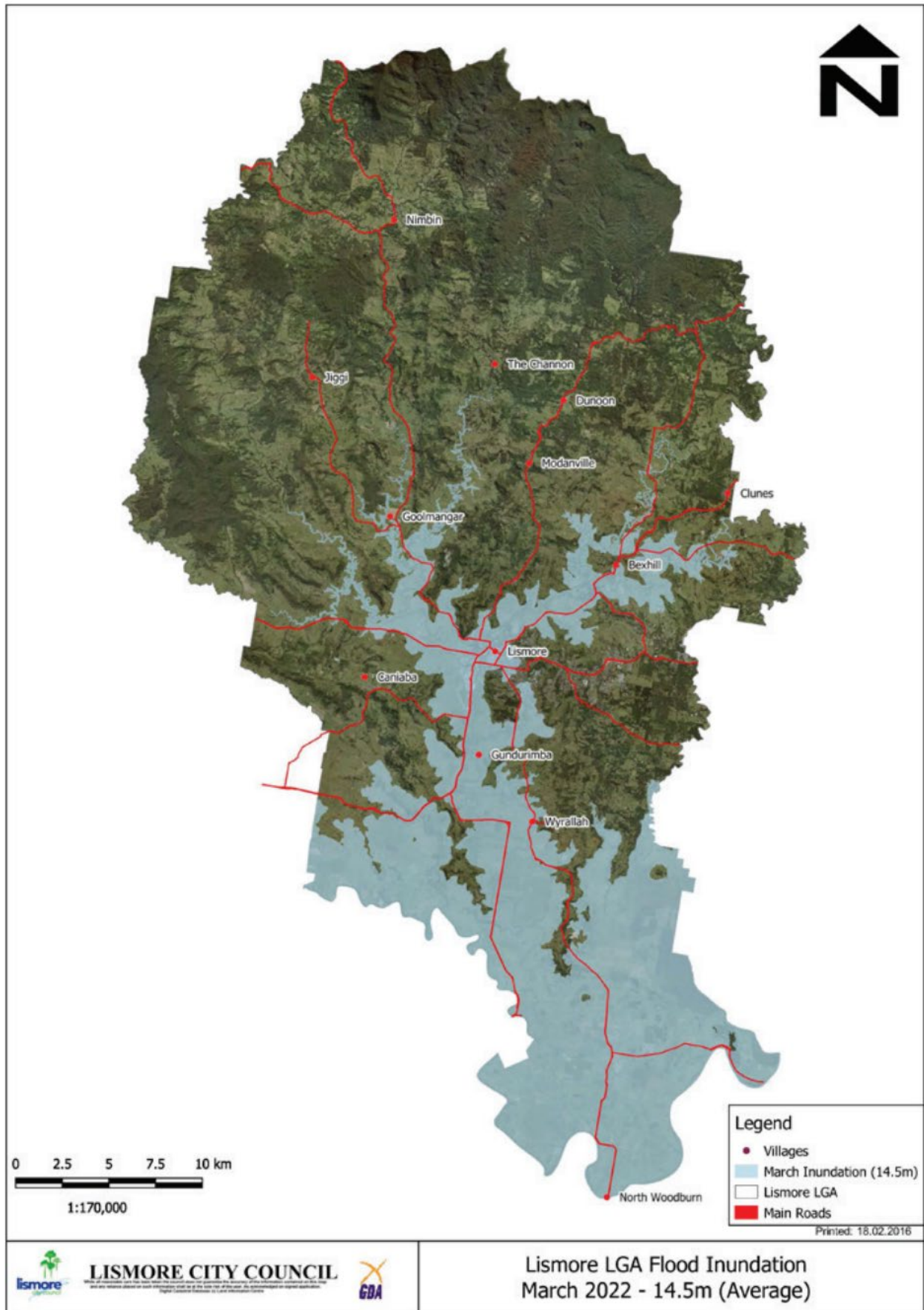


Figure 7: Inundation due to March 22 Flood Event



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 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.

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
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.

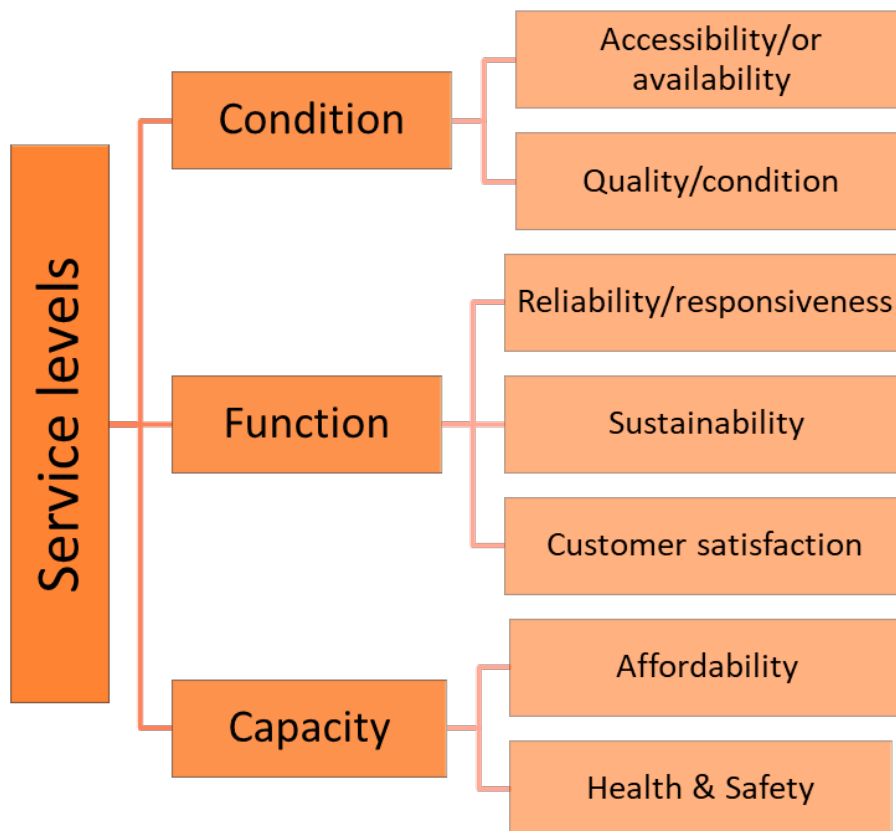
Health and safety

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 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 bring 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 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:

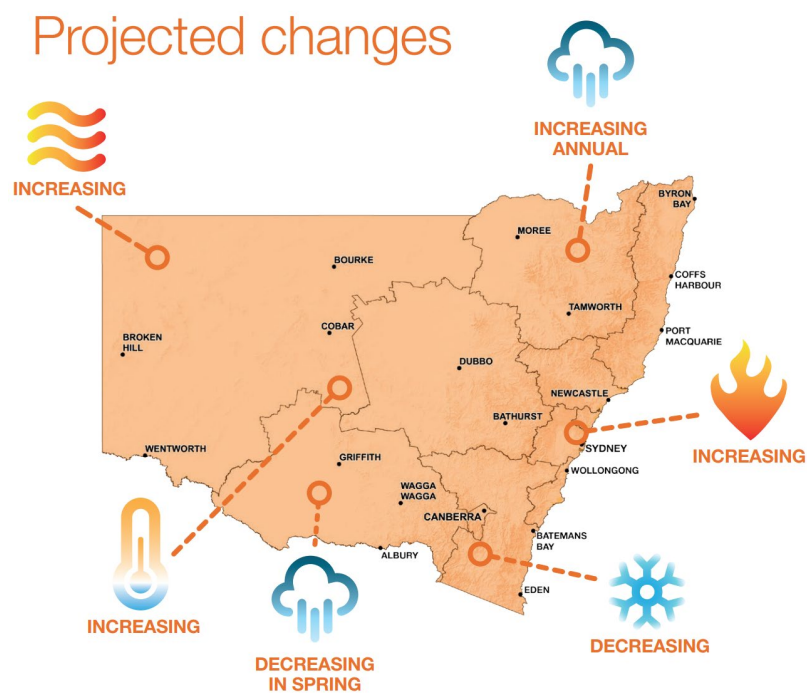
- population growth
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

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 (ld.)	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 seven. This includes: <ul style="list-style-type: none"> • 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 ensure 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.

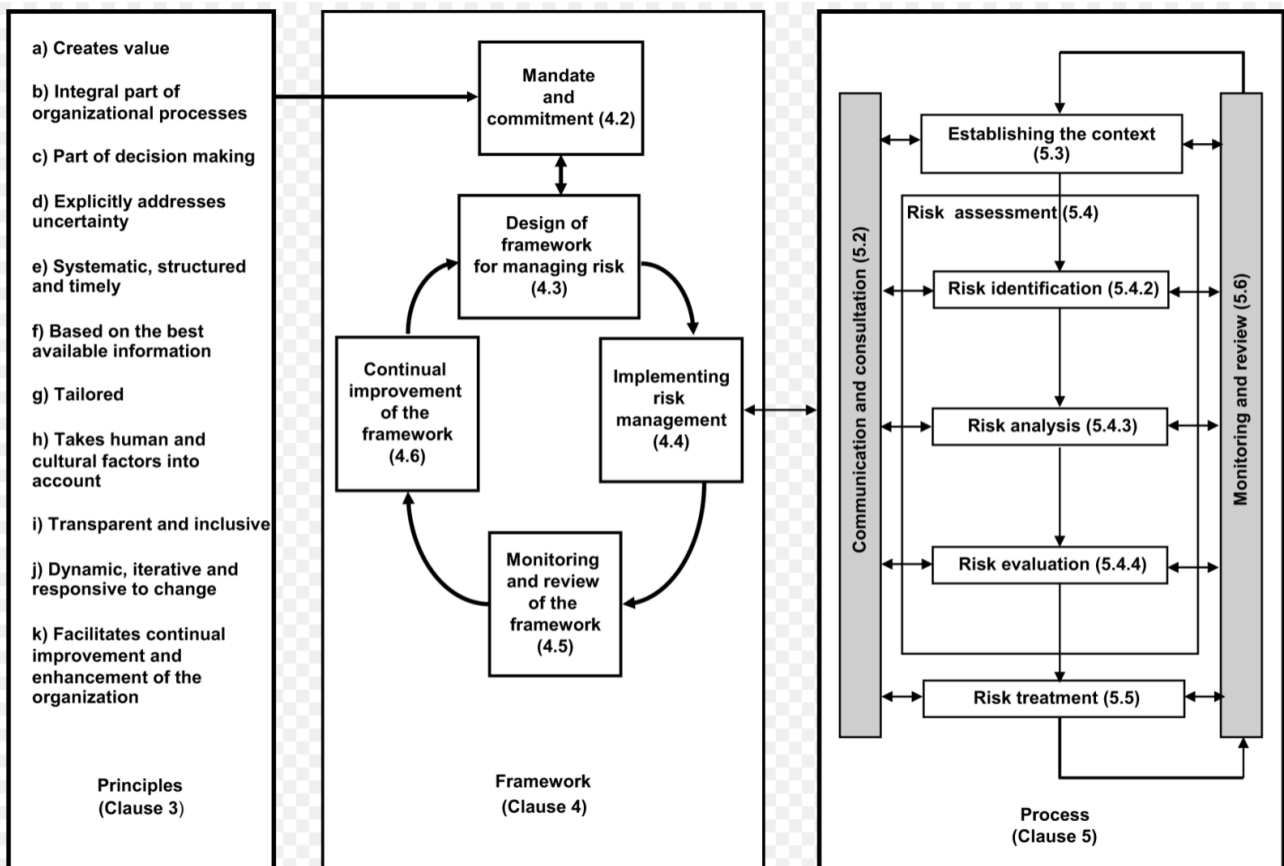
7 Risk management

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
<p>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.</p>	<p>Civic Services - Water</p>	<p>High</p>	<p>Council has identified the following:</p> <ul style="list-style-type: none"> - 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) 	<p>High</p>
<p>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.</p>	<p>Civic Services - Roads</p>	<p>Extreme</p>	<p>Guiding Principles for interaction and communication between program areas within Infrastructure Services</p> <ul style="list-style-type: none"> - 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. 	<p>High</p>

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	<p>Council has a quarterly inspection and maintenance program to ensure all aspects of the levee system function as intended.</p> <ul style="list-style-type: none"> - Alarms via telemetry - Routine maintenance of all electrical and mechanical equipment - Equipment redundancy (Browns Creek and Gasworks creek) <p>Proposed</p> <ul style="list-style-type: none"> - 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	<p>Undertake scheduled condition inspections of parks equipment/ facilities and playgrounds.</p> <p>Asset condition inspections undertaken by suitably qualified staff.</p> <p>Installation of appropriate advisory / warning signage.</p>	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	<p>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).</p> <p>Increase extent of capital renewals.</p>	Medium

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
<p>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.</p>	Technology Services	High	There has been projects planned for the migration from JobEx to Reflect.	Medium
<p>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.</p>	Civic Services - Water	High	<p>Reviewing trade waste policy to ensure compliance with Water NSW best practice guidelines</p> <p>Undertake routine facility inspections and ensure compliance with policy and procedures</p>	Medium
<p>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.</p>	Commercial Services - Waste	Extreme	Review alternate waste collection and disposal options with neighboring LGAs and Waste Facilities	Extreme

Risk Summary	Category	Inherent Risk	Mitigation Strategy	Residual Risk
<p>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.</p>	<p>Civic Services - Water</p>	<p>High</p>	<ul style="list-style-type: none"> - 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 	<p>Medium</p>

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 \$2.3 billion. The asset values are estimates of the value of assets, as at 30 June 2022, 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	\$124,204	\$65,266	-\$1,533	Buildings, Other Structures and Land Improvements
Other Structures	\$31,401	\$18,004	-\$1,226	Buildings, Other Structures and Land Improvements
Roads	\$713,852	\$400,386	-\$15,921	Transport Assets
Bridges	\$137,974	\$76,392	-\$1,407	Transport Assets
Footpaths	\$34,682	\$24,531	-\$448	Transport Assets

Asset Class	Gross Replacement Cost (CRC)	Written Down Value (WDV)	Annual Depreciation Expense	Asset Management Plan
	\$ (000's)	\$ (000's)	\$ (000's)	
Bulk Earthworks	\$386,194	\$386,194	\$0	Transport Assets
Stormwater	\$117,845	\$74,617	-\$633	Stormwater Assets
Water supply network	\$277,410	\$156,519	-\$3,240	Water Assets
Wastewater network	\$447,811	\$279,373	-\$5,779*	Wastewater Assets
Swimming pools	\$12,001	\$4,824	-\$158	Buildings, Other Structures and Land Improvements
Open Space and Recreation (inc. Land Improvements)	\$43,872	\$16,932	-\$2,321	Buildings, Other Structures and Land Improvements
Total	\$2,327,246	\$1,503,039	-\$32,666	

*Annual depreciation for Council's Wastewater assets has been adjusted from the published 21/22 Annual Financial Statements to reflect the changes in the Wastewater revaluation.

8.2 Asset backlog

In 2021/22, Council had a combined asset backlog of \$226 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 2022 is shown in the following table.

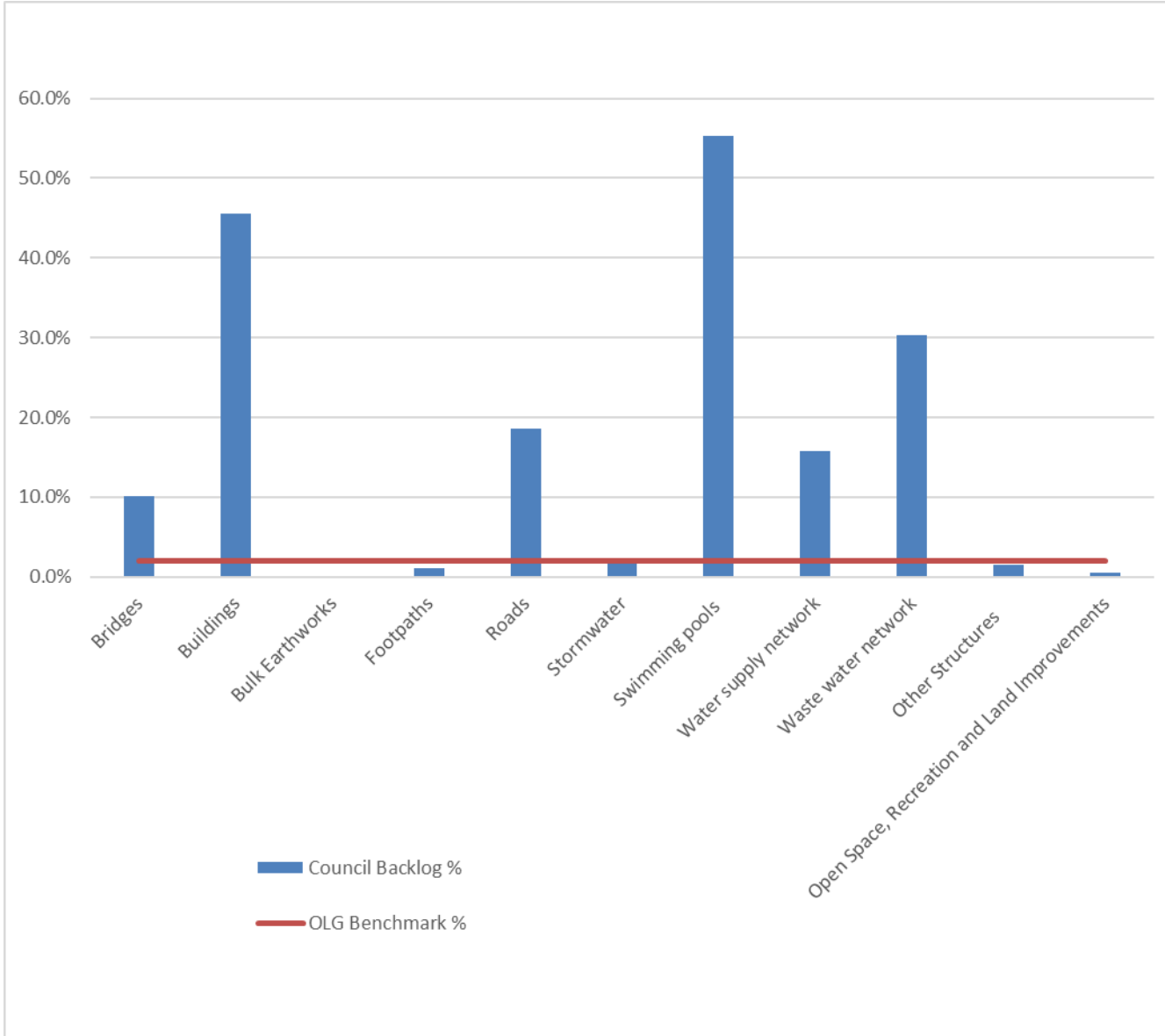
Table 18: Asset backlog summary

Estimated cost to satisfactory	Backlog \$ (000's)	Backlog ratio % (Backlog / WDV)
Buildings	29,724	45.5%
Other Structures	266	1.5%
Roads	74,266	18.5%
Bridges	7,780	10.2%
Footpaths	282	1.1%
Bulk Earthworks	-	0.0%
Stormwater	1,660	2.2%
Water Assets	24,657	15.8%
Wastewater Assets	84,745	30.3%
Swimming Pools	2,666	55.3%
Recreation Assets (Inc. Land Improvements)	89	0.5%
Total	226,135	15.05%

In 2021/22, only Council's Other Structures, Recreation 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 15%. It is worth noting that in the past 3 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

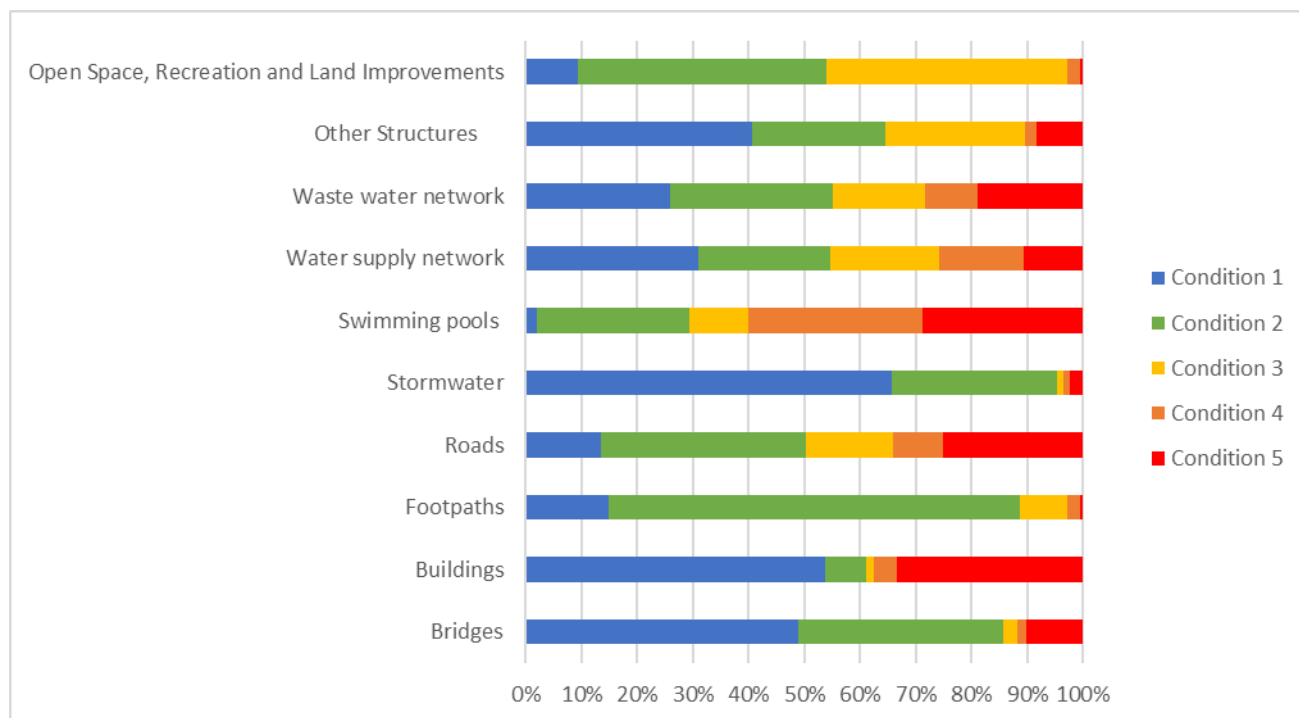
Asset class	Condition
Buildings	Acceptable
Other Structures, Recreation and Land Improvements	Acceptable
Transport (Roads, Bridges, Footpaths)	Acceptable
Stormwater	Uncertain
Water	Acceptable
Wastewater	Acceptable

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 roads with 23% of the portfolio being unsatisfactory. Further, Council’s Bridges, Buildings, 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
Bridges	49%	37%	3%	1%	10%
Buildings	54%	8%	1%	4%	33%
Footpaths	15%	74%	8%	3%	0%
Roads	14%	37%	15%	9%	25%
Stormwater	66%	30%	1%	1%	2%
Swimming pools	2%	27%	11%	31%	29%
Water supply network	31%	24%	20%	15%	10%
Other Structures	41%	24%	25%	2%	8%
Open Space, Recreation (Inc. Land Improvements)	9%	45%	43%	2%	1%
Wastewater network	26%	29%	17%	9%	19%
Combined	37.9%	25.8%	13.0%	6.9%	16.3%

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 \$96 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$61.7 million per year.

The projections indicate that due to the disaster recover funding, Council has adequate funds to maintain and improve its portfolio of assets. There is a surplus in CAPEX (\$31.4m) and a small surplus in OPEX (\$2.7m) 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		2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/32	2032/33
Actual	Renewal	35,416	32,562	20,266	22,604	27,254	28,070	28,975	31,293	31,384	31,551	31,306
	Disaster Funding*	31,550	179,753	120,000	87,000	0	0	0	0	0	0	0
	New and expanded assets	17,998	14,768	3,548	2,317	2,577	2,590	2,505	3,011	4,530	4,548	4,567
	Maintenance and operational	22,588	22,611	21,737	22,761	23,270	23,792	24,397	25,019	25,663	26,319	26,996
	Total expenditure	107,551	249,694	165,552	134,683	53,101	54,452	55,878	59,324	61,576	62,418	62,870
Required	Required renewal (depreciation)	33,385	32,015	33,792	34,292	34,800	35,314	36,016	36,734	37,464	38,209	38,970
	New and expanded assets	17,998	14,768	3,548	2,317	2,577	2,590	2,505	3,011	4,530	4,548	4,567
	Required maintenance and operational	18,745	19,872	20,155	20,448	20,746	21,156	21,576	22,002	22,437	22,881	23,478
	Total	70,128	66,655	57,495	57,058	58,122	59,060	60,097	61,747	64,431	65,638	67,015
Maintenance gap		3,842	2,739	1,582	2,313	2,524	2,636	2,821	3,017	3,226	3,438	3,518
Renewals gap		33,581	180,300	106,475	75,312	-7,545	-7,244	-7,041	-5,441	-6,080	-6,658	-7,663
Overall gap		37,423	183,040	108,057	77,625	-5,022	-4,608	-4,219	-2,423	-2,854	-3,220	-4,146
Overall GAP (Excluding Disaster Funding)		5,873	3,287	-11,943	-9,375	-5,022	-4,608	-4,219	-2,423	-2,854	-3,220	-4,146

* 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

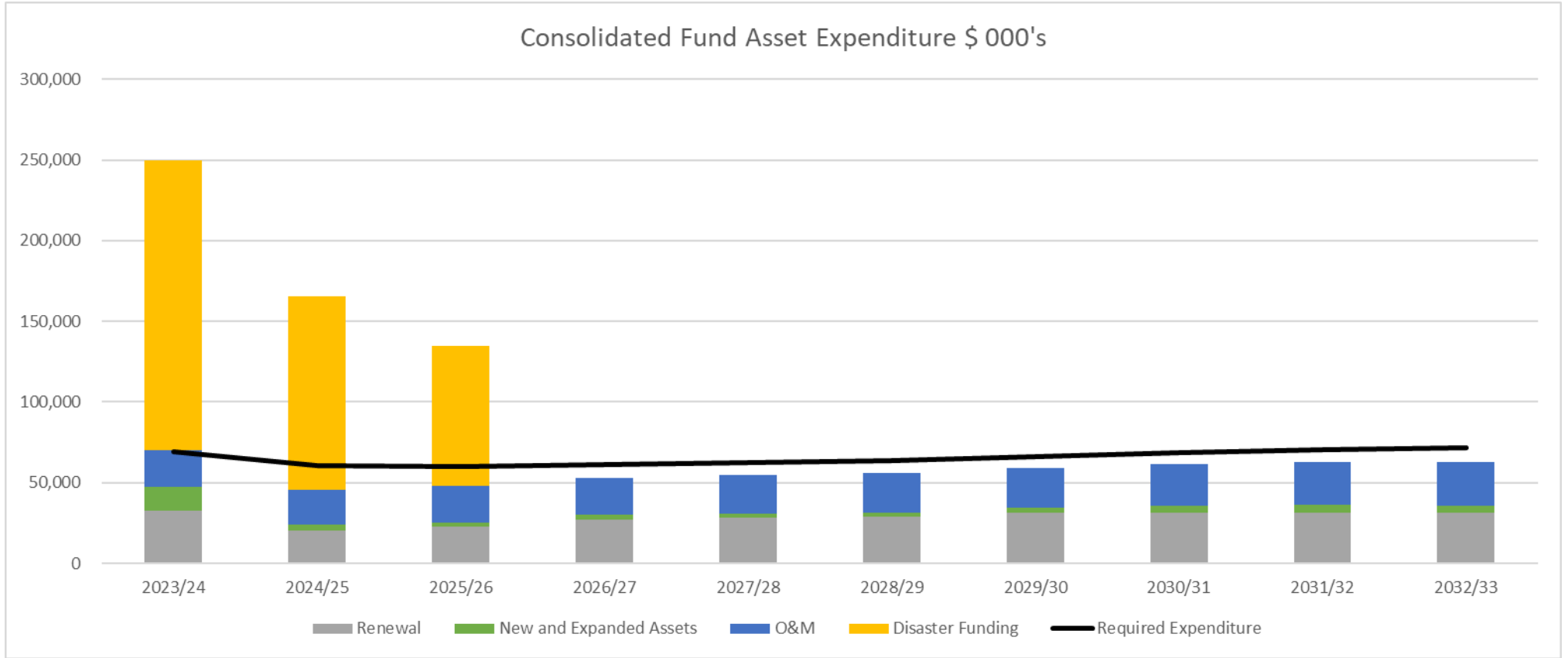


Table 22: General Fund expenditure projections

Expenditure projections (\$,000s)		2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/32	2032/33
– General Fund												
Actual	Renewal	28,123	25,877	13,538	15,404	16,984	17,673	18,397	20,530	20,433	20,408	19,967
	Disaster Funding	27,200	142,228	109,000	80,000	0	0	0	0	0	0	0
	New and expanded assets	14,960	6,439	3,531	2,299	2,558	2,571	2,486	2,992	4,510	4,528	4,546
	Maintenance and operational	15,651	15,891	14,865	15,188	15,520	15,862	16,259	16,667	17,087	17,519	17,962
	Total expenditure	85,935	190,436	140,934	112,891	35,063	36,106	37,143	40,189	42,029	42,454	42,476
Required	Required renewal (depreciation)	24,167	23,015	23,936	24,289	24,647	25,009	25,505	26,012	26,528	27,054	27,592
	New and expanded assets	14,960	6,439	3,531	2,299	2,558	2,571	2,486	2,992	4,510	4,528	4,546
	Required maintenance and operational	12,565	13,060	13,247	13,437	13,630	13,898	14,173	14,452	14,736	15,026	15,451
	Total	51,692	42,515	40,714	40,026	40,836	41,478	42,164	43,456	45,774	46,608	47,589
Maintenance gap		3,086	2,831	1,618	1,751	1,890	1,964	2,086	2,215	2,351	2,492	2,511
Renewals gap		31,156	145,090	98,602	71,114	-7,662	-7,336	-7,108	-5,482	-6,095	-6,647	-7,624
Overall gap		34,243	147,921	100,220	72,865	-5,772	-5,372	-5,022	-3,267	-3,745	-4,154	-5,113
Overall GAP (Excluding Disaster Funding)		7,043	5,693	-8,780	-7,135	-5,772	-5,372	-5,022	-3,267	-3,745	-4,154	-5,113

* 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

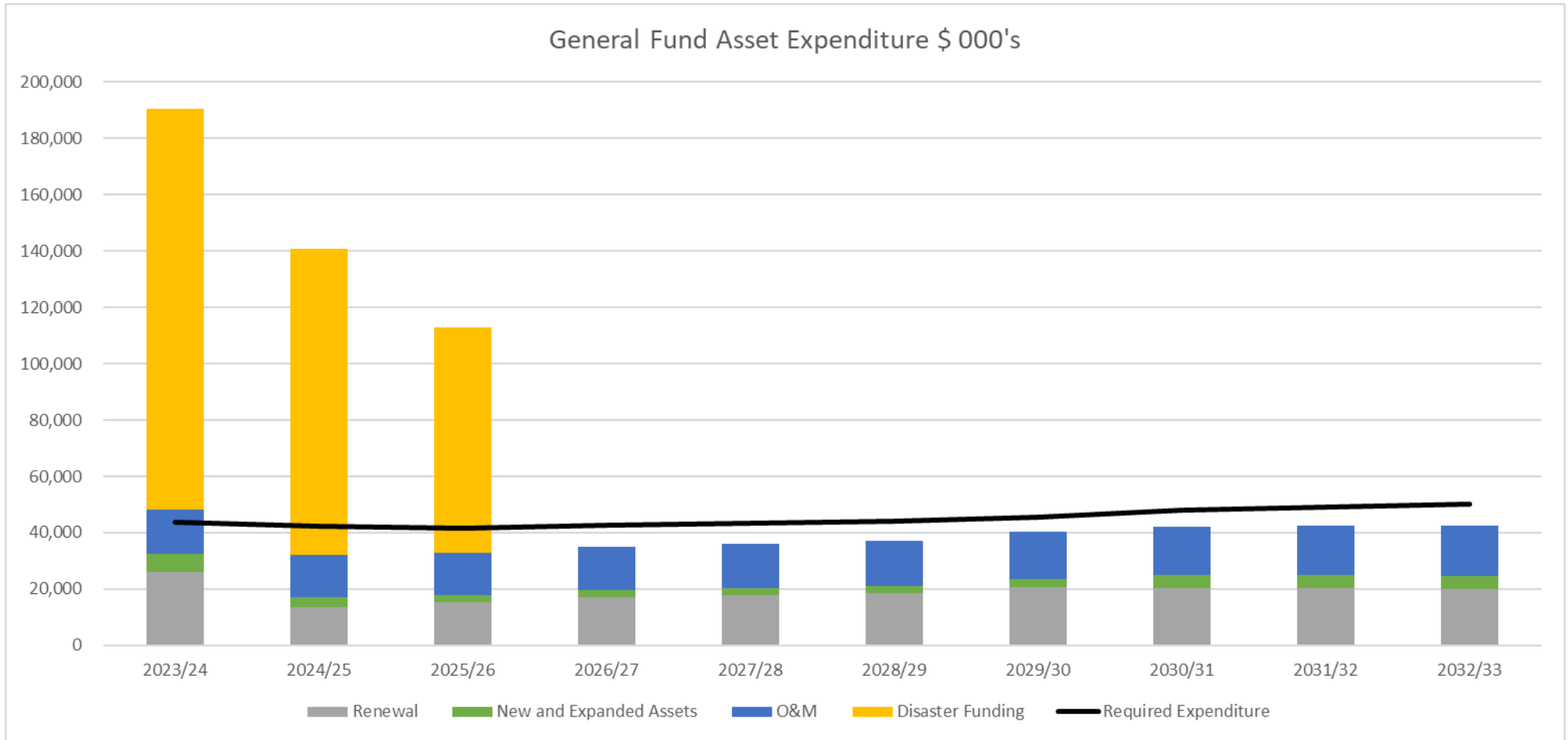


Table 23: Water Fund expenditure projection

Budget Gap by Asset Group (\$,000s)		2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Water	Actual											
	Renewal	2,567	3,573	3,613	3,672	3,731	3,792	3,875	3,961	4,048	4,138	4,230
	Disaster Funding	1,350	5,450	0	0	0	0	0	0	0	0	0
	New and Expanded Assets	350	5,767	17.61	17.96	18.31	18.68	19.11	19.55	20	20	21
	Maintenance and Operations	1,989	2,123	2,172	2,220	2,268	2,317	2,375	2,434	2,498	2,558	2,622
	Total Expenditure	6,256	16,912	5,803	5,909	6,017	6,128	6,269	6,415	6,567	6,716	6,873
	Required											
	Required Renewal (Depreciation)	3,311	3,798	3,855	3,913	3,972	4,031	4,112	4,194	4,278	4,364	4,451
	New and Expanded Assets	350	5,767	18	18	18	19	19	20	20	20	21
	Required O&M	1,782	1,807	1,834	1,861	1,889	1,927	1,965	2,004	2,044	2,085	2,131
	Total	5,443	11,372	5,707	5,792	5,879	5,977	6,096	6,218	6,342	6,469	6,603
	Overall (GAP)	812	5,540	96	117	138	151	173	197	224	247	270
	Overall (GAP) excluding Disaster Funding	-538	90	96	117	138	151	173	197	224	247	270

* 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

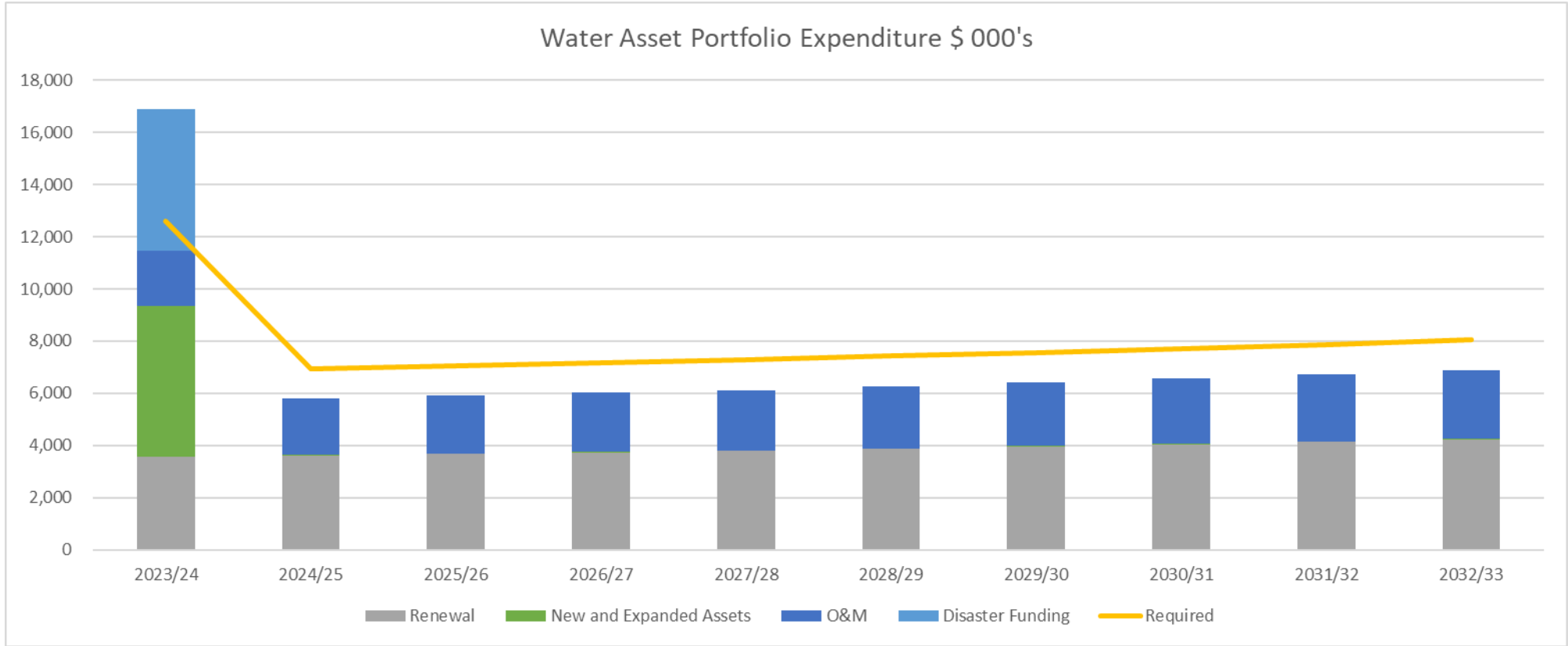
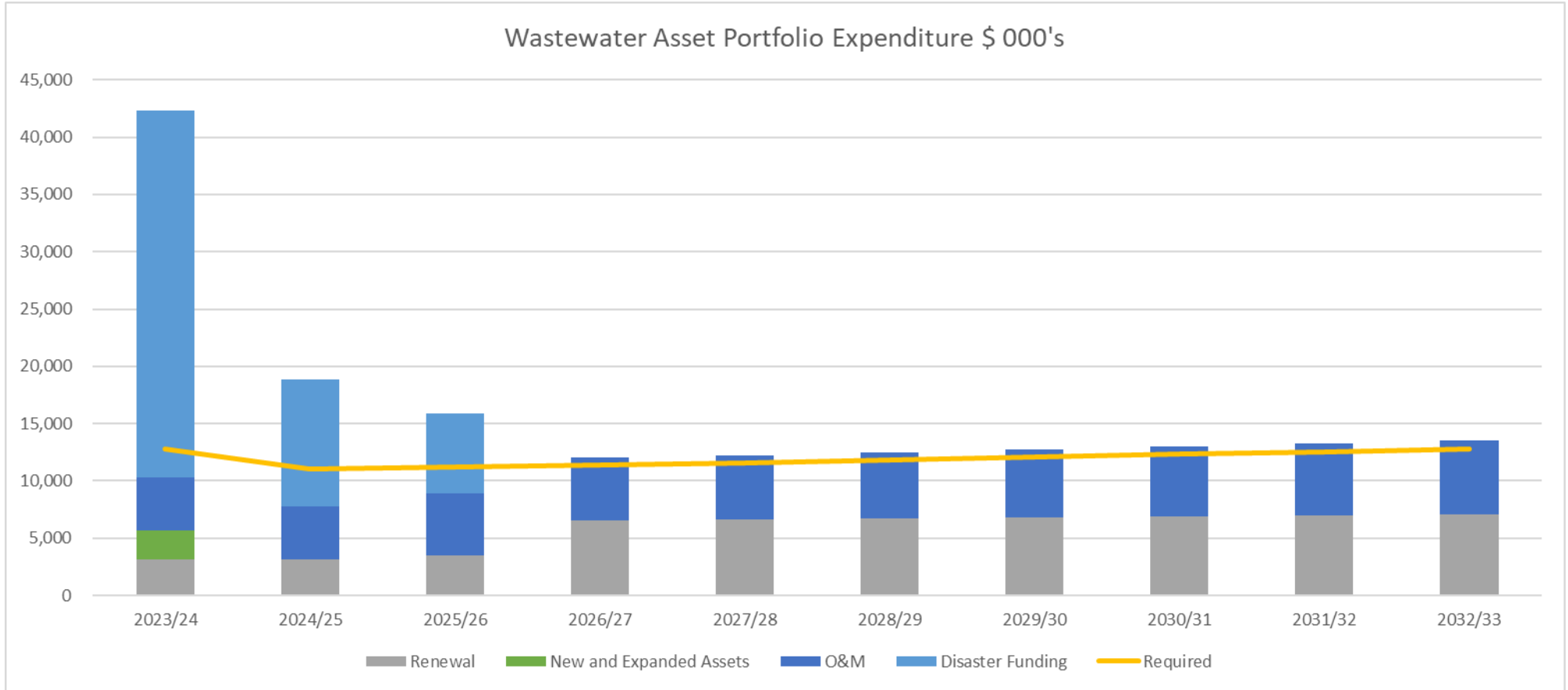


Table 24: Wastewater Fund expenditure projection

Budget Gap by Asset Group (\$,000s)		2022/23 (Budget)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Wastewater	Actual											
	Renewal	4,726	3,113	3,115	3,529	6,539	6,605	6,703	6,802	6,903	7,005	7,109
	Disaster Funding *	3,000	32,075	11,000	7,000	0	0	0	0	0	0	0
	New and Expanded Assets	2,688	2,561	0	0	0	0	0	0	0	0	0
	Maintenance and Operations	4,947	4,597	4,700	5,354	5,481	5,613	5,763	5,918	6,078	6,242	6,412
	Total Expenditure	15,360	42,346	18,815	15,883	12,020	12,218	12,466	12,720	12,981	13,248	13,521
	Required											
	Required Renewal (Depreciation)	5,906	5,202	6,000	6,090	6,181	6,274	6,400	6,528	6,658	6,791	6,927
	New and Expanded Assets	2,688	2,561	0	0	0	0	0	0	0	0	0
	Required O&M	4,398	5,004	5,074	5,150	5,226	5,331	5,437	5,546	5,656	5,769	5,896
	Total	12,992	12,767	11,074	11,240	11,408	11,605	11,837	12,073	12,315	12,561	12,823
	Overall (GAP)	2368	29579	7740	4643	612	613	629	647	666	687	698
	Overall (GAP) excluding Disaster Funding	-632	-2,496	-3,260	-2,357	612	613	629	647	666	687	698

* 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.

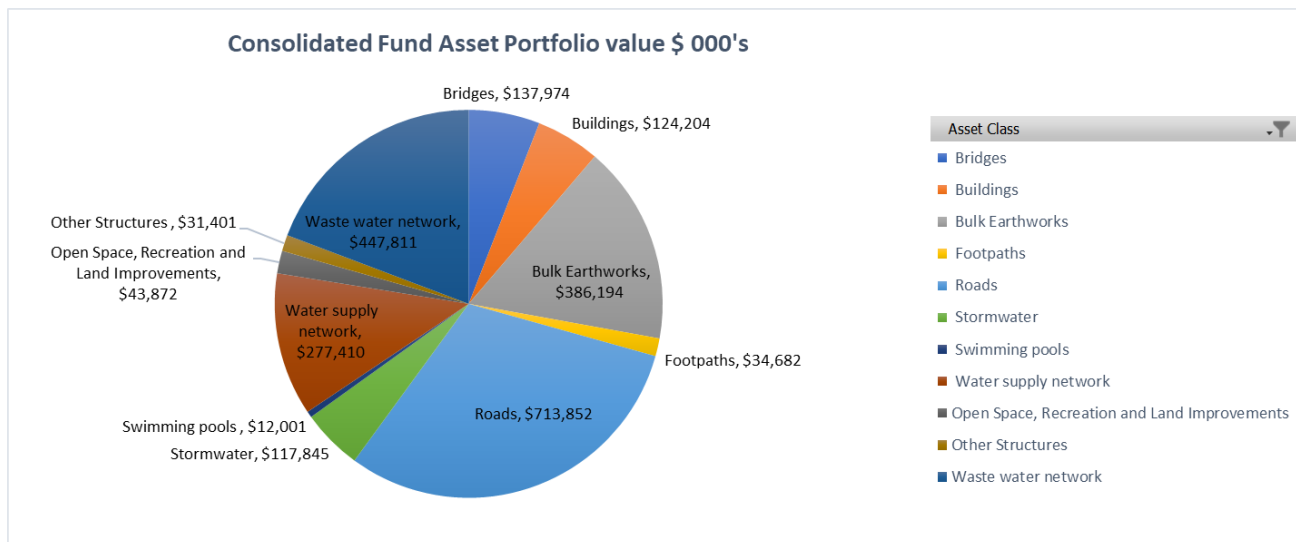
Figure 17: Wastewater Fund asset expenditure projections



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 2023/24	Estimated 2032/33	Funding gap \$000's	
Infrastructure Renewals ratio	649.40%	76.61%	Yr 1	\$179,621
			5 Yr Average	\$68,552
			10 Yr Average	\$30,194
Infrastructure Backlog Ratio	12.53%	9.97%	Yr 1	(-\$158,689)
			5 Yr Average	(-\$136,593)
			10 Yr Average	(-\$134,273)
Infrastructure Maintenance Ratio	103.59%	102.01%	Yr 1	\$784
			5 Yr Average	\$194
			10 Yr Average	\$320
Total Infrastructure Funding Gap			Yr 1	\$21,717
			5 Yr Average	(-\$67,847)
			10 Yr Average	(-\$103,759)

Figure 19: Consolidated OLG asset expenditure ratios

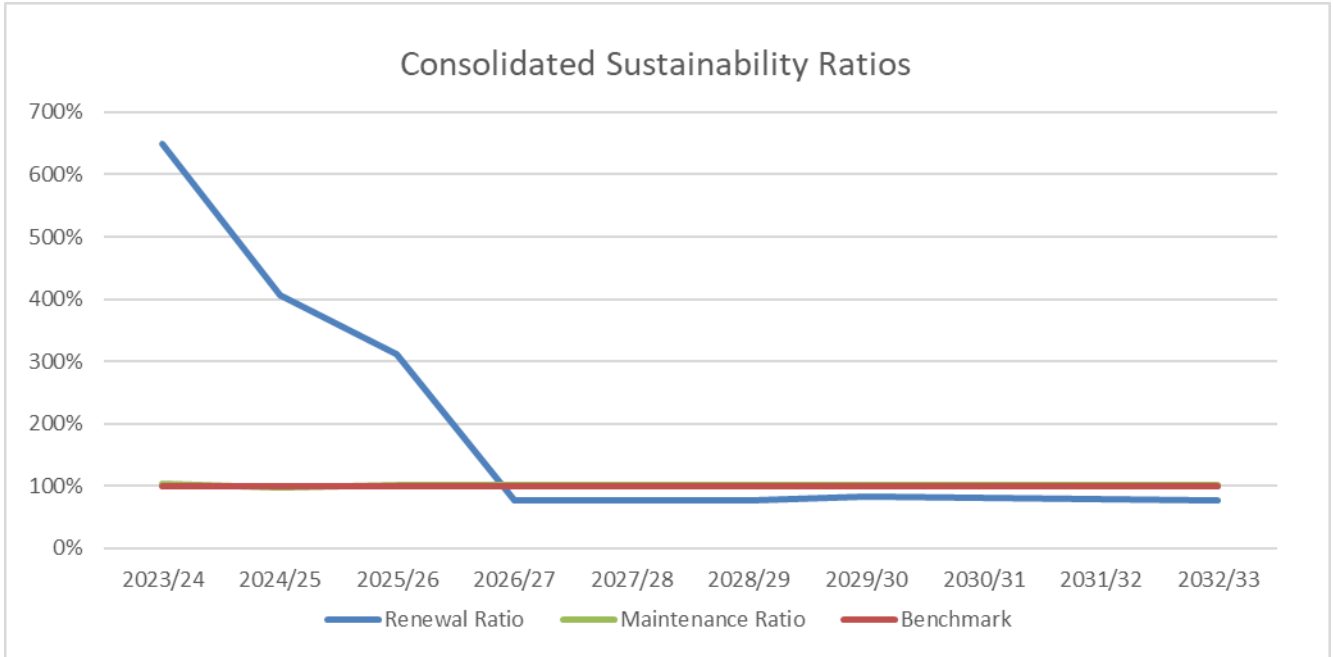
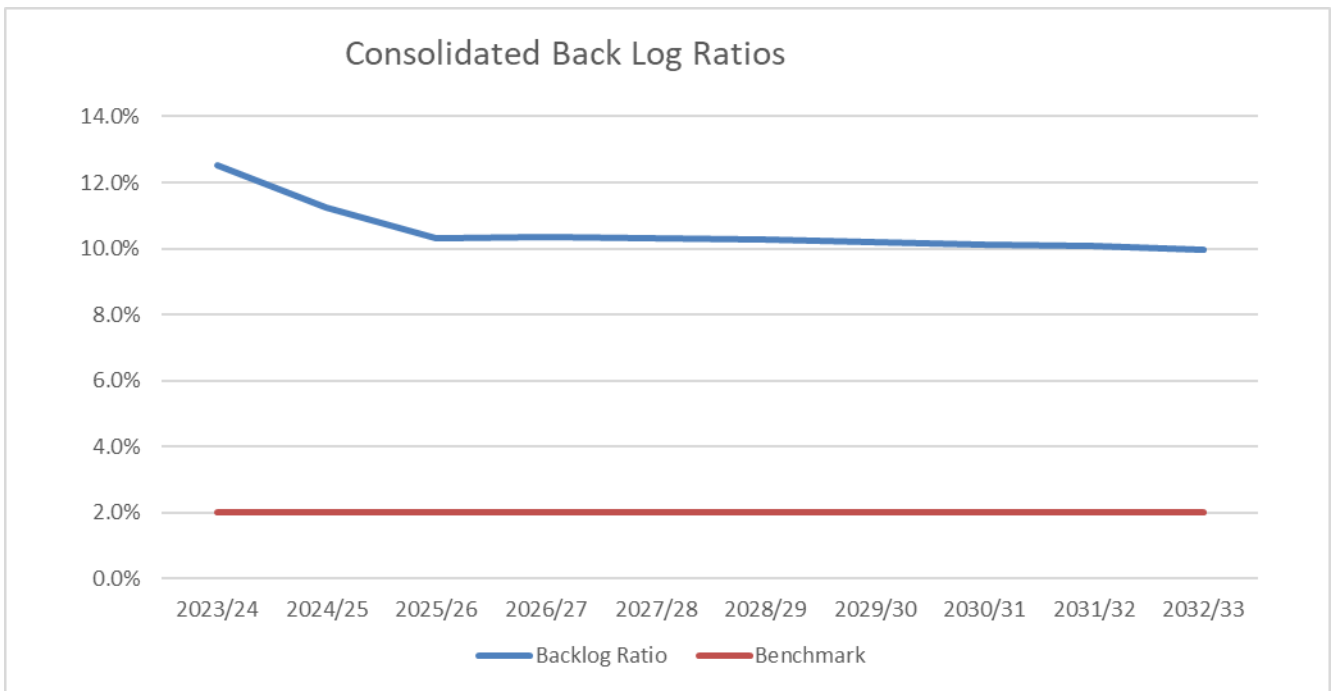
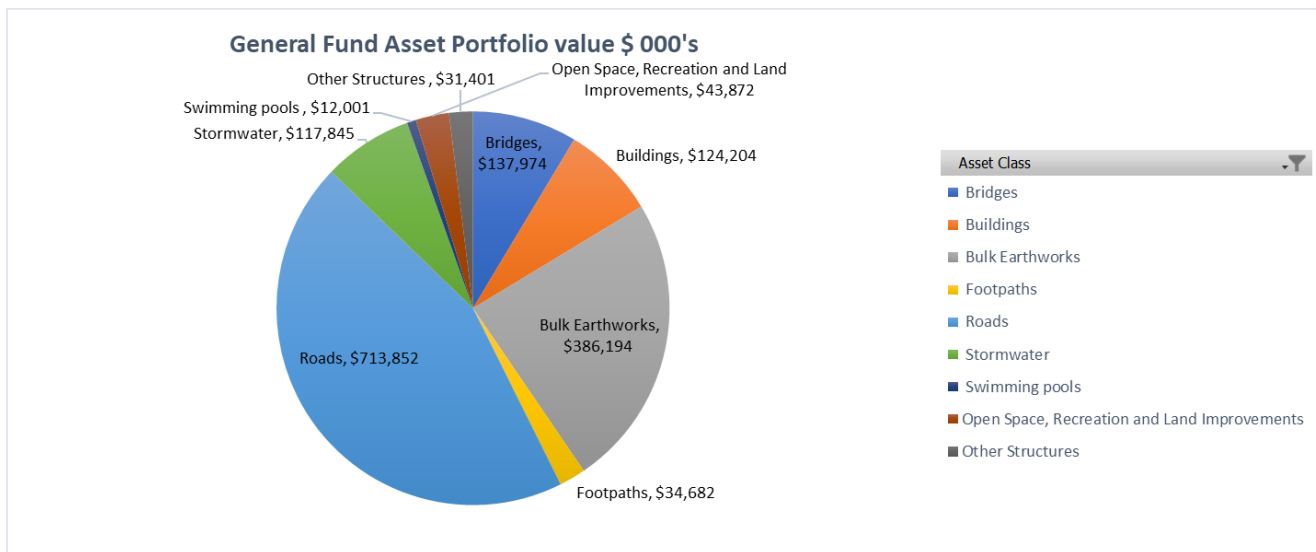


Figure 20: Consolidated OLG backlog ratio



The injection of DRF funding significantly exceeds the OLG benchmark expenditure for renewal funding however this falls to just under 60% 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 9.4%.

Figure 21: General Fund Portfolio



Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding gap \$000's	
Infrastructure Renewals ratio	713.34%	68.67%	Yr 1	\$144,539
			5 Yr Average	\$59,208
			10 Yr Average	\$25,677
Infrastructure Backlog Ratio	8.27%	5.79%	Yr 1	(-\$65,190)
			5 Yr Average	(-\$44,769)
			10 Yr Average	(-\$43,025)
Infrastructure Maintenance Ratio	115.55%	107.66%	Yr 1	\$2,139
			5 Yr Average	\$1,200
			10 Yr Average	\$1,200
Total Infrastructure Funding Gap			Yr 1	\$81,488
			5 Yr Average	\$15,639
			10 Yr Average	(-\$16,148)

Figure 22: General Fund OLG asset expenditure ratios

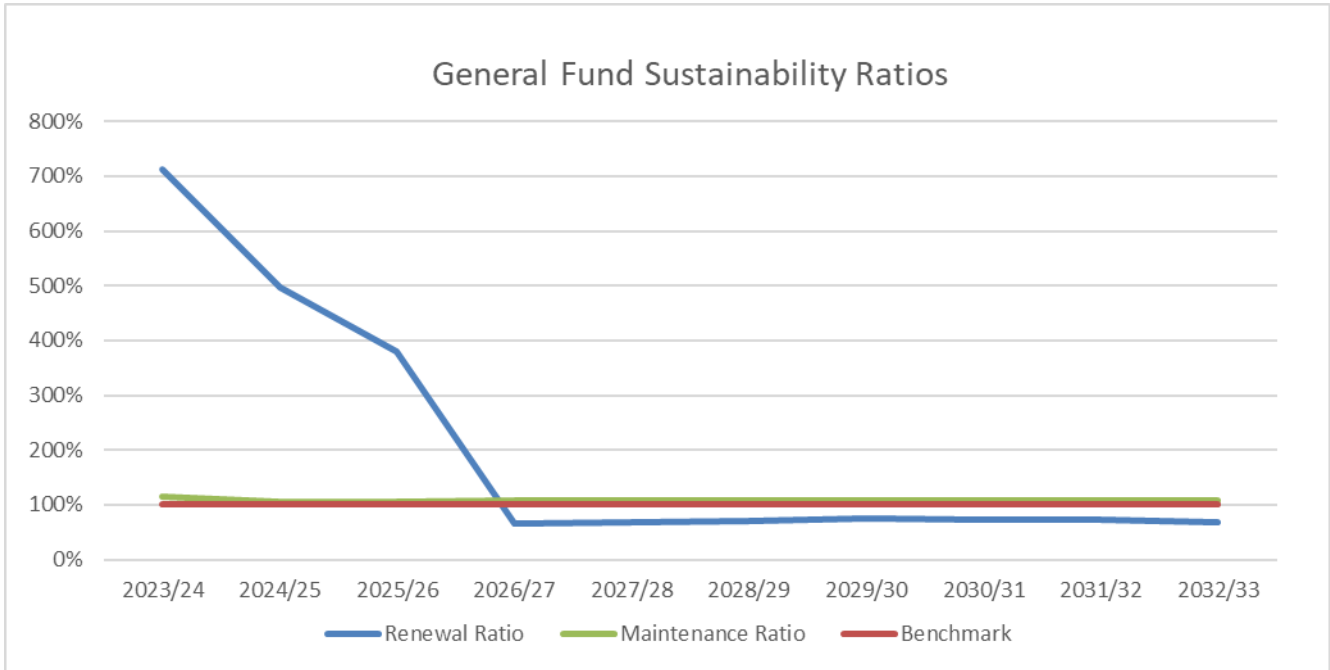
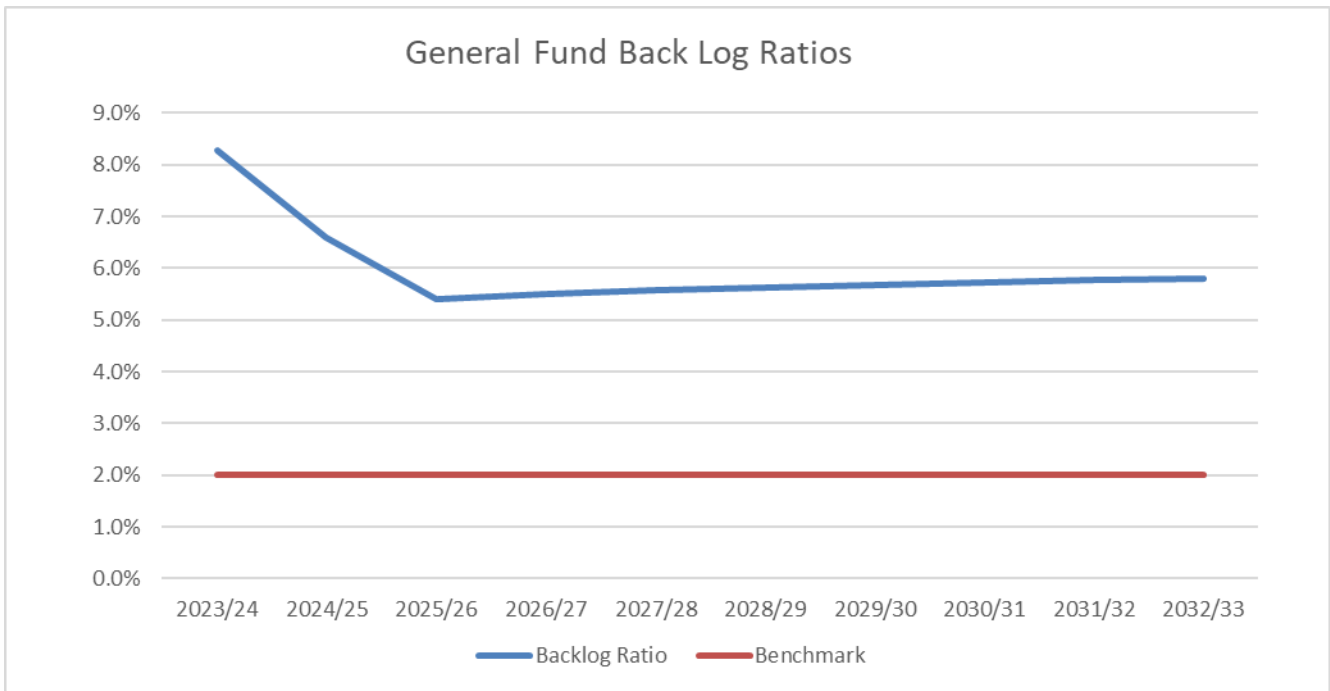


Figure 23: General Fund OLG backlog ratio

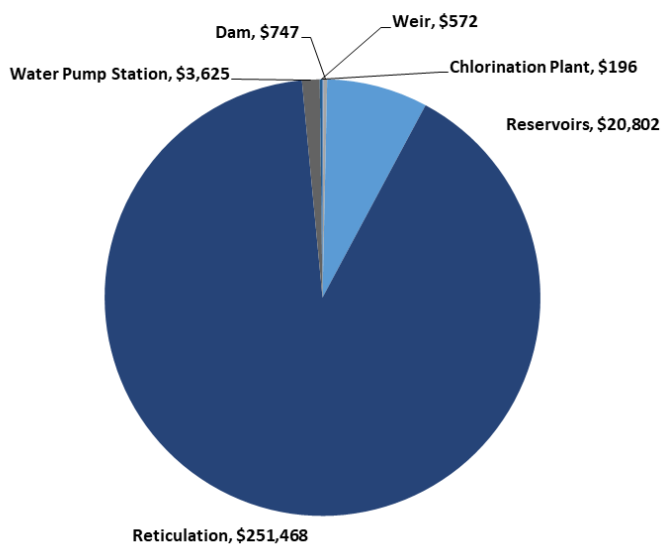


Overall, over the forecasting period, Council falls short of the OLG Benchmark for the backlog benchmark however there is a significant improvement due to the injection of DRF funding. Council’s maintenance ratio currently slightly exceeds (110%) the OLG benchmark of 100% and Council’s renewal ratio falls below 60% over the forecast. The level of backlog in Council’s assets remains well above the 2% threshold hovering around 5.5%.

Figure 24: Water Fund Portfolio

Asset Class ▾

WATER ASSET PORTFOLIO VALUE \$ 000'S



Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding gap \$ 000's	
Infrastructure renewals ratio	237.55%	95.04%	Yr 1	\$5,224
			5 Yr Average	\$852
			10 Yr Average	\$312
Infrastructure Backlog Ratio	12.10%	11.10%	Yr 1	(-\$19,728)
			5 Yr Average	(-\$19,767)
			10 Yr Average	(-\$19,749)
Infrastructure Maintenance Ratio	70.10%	73.42%	Yr 1	(-\$906)
			5 Yr Average	(-\$903)
			10 Yr Average	(-\$917)
Total Funding Gap			Yr 1	(-\$15,410)
			5 Yr Average	(-\$19,818)
			10 Yr Average	(-\$20,355)

Figure 25: Water Fund OLG asset expenditure ratios

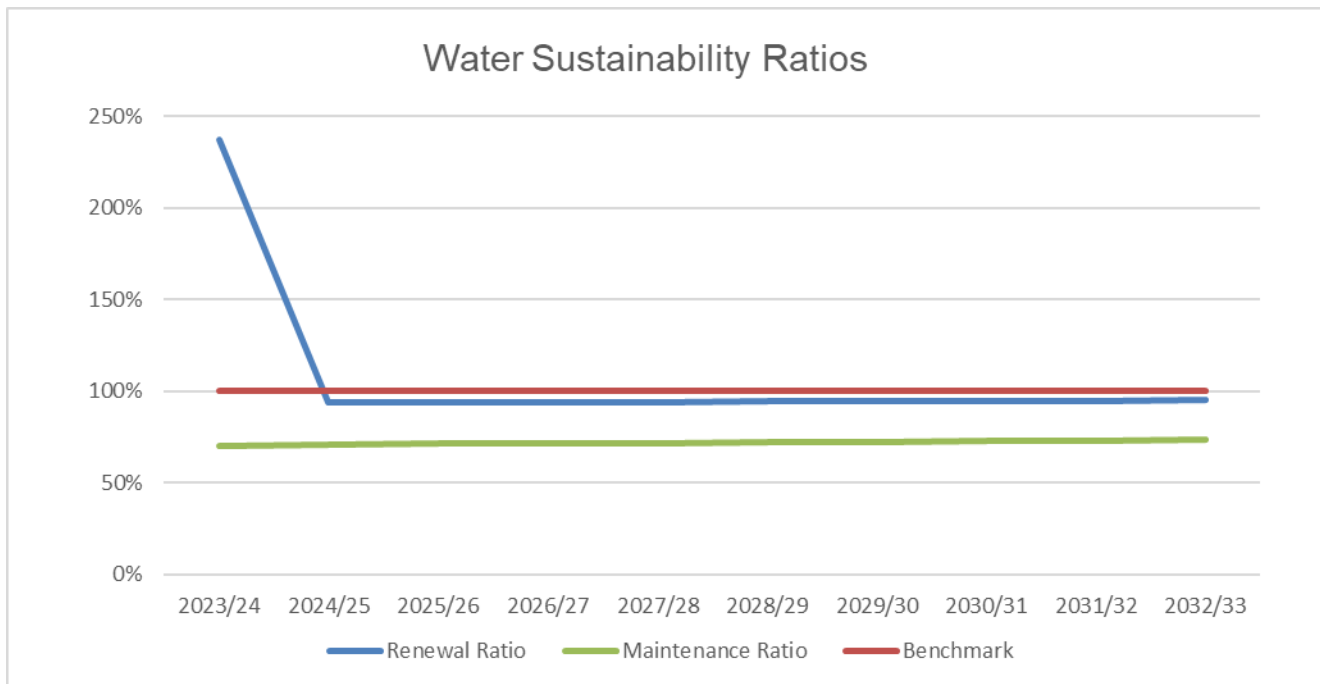


Figure 26: Water Fund OLG backlog ratio

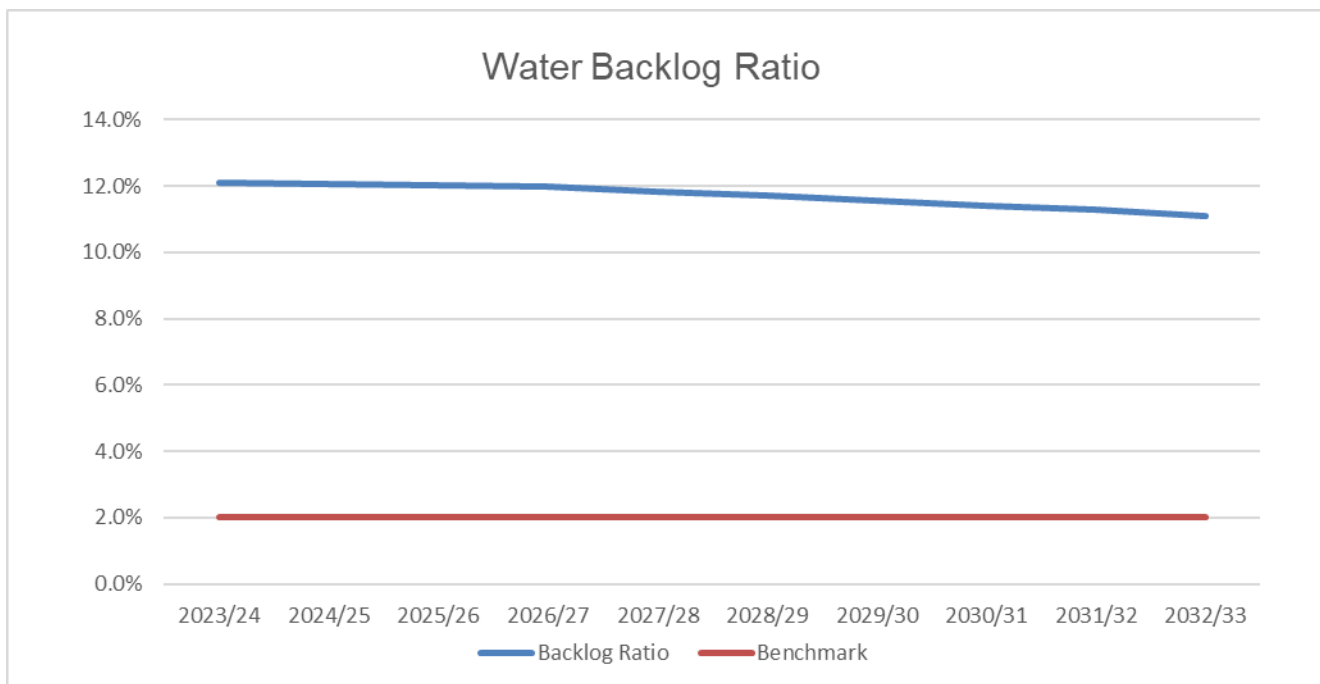
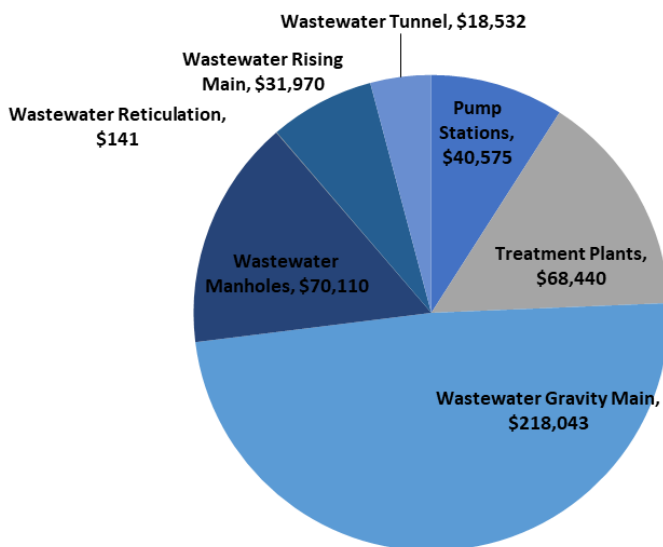


Figure 27: Wastewater Fund Portfolio

Asset Class

WASTEWATER ASSET PORTFOLIO VALUE \$ 000'S



Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding gap \$ 000's	
Infrastructure renewals ratio	676.49%	102.63%	Yr 1	\$29,986
			5 Yr Average	\$8,646
			10 Yr Average	\$4,445
Infrastructure Backlog Ratio	29.59%	26.48%	Yr 1	(-\$73,827)
			5 Yr Average	(-\$72,159)
			10 Yr Average	(-\$71,621)
Infrastructure Maintenance Ratio	91.86%	108.74%	Yr 1	(-\$407)
			5 Yr Average	(-\$8)
			10 Yr Average	\$207
Total Funding Gap			Yr 1	(-\$44,248)
			5 Yr Average	(-\$63,521)
			10 Yr Average	(-\$66,969)

Figure 28: Wastewater Fund OLG asset expenditure ratios

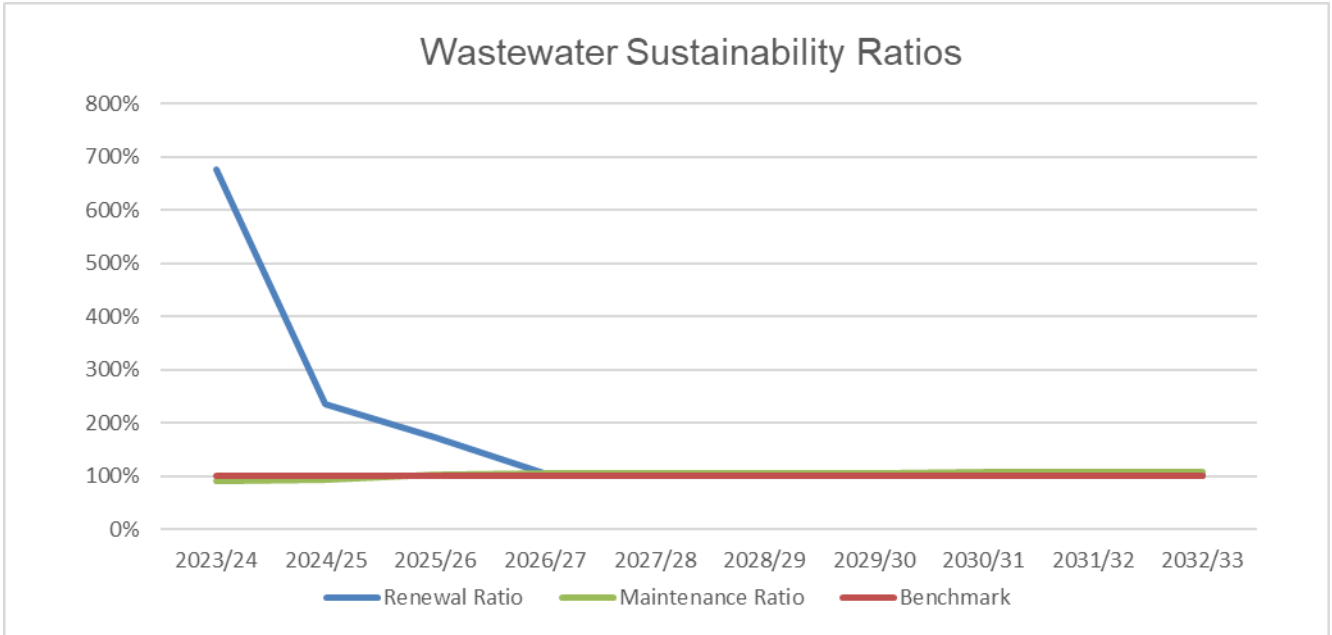
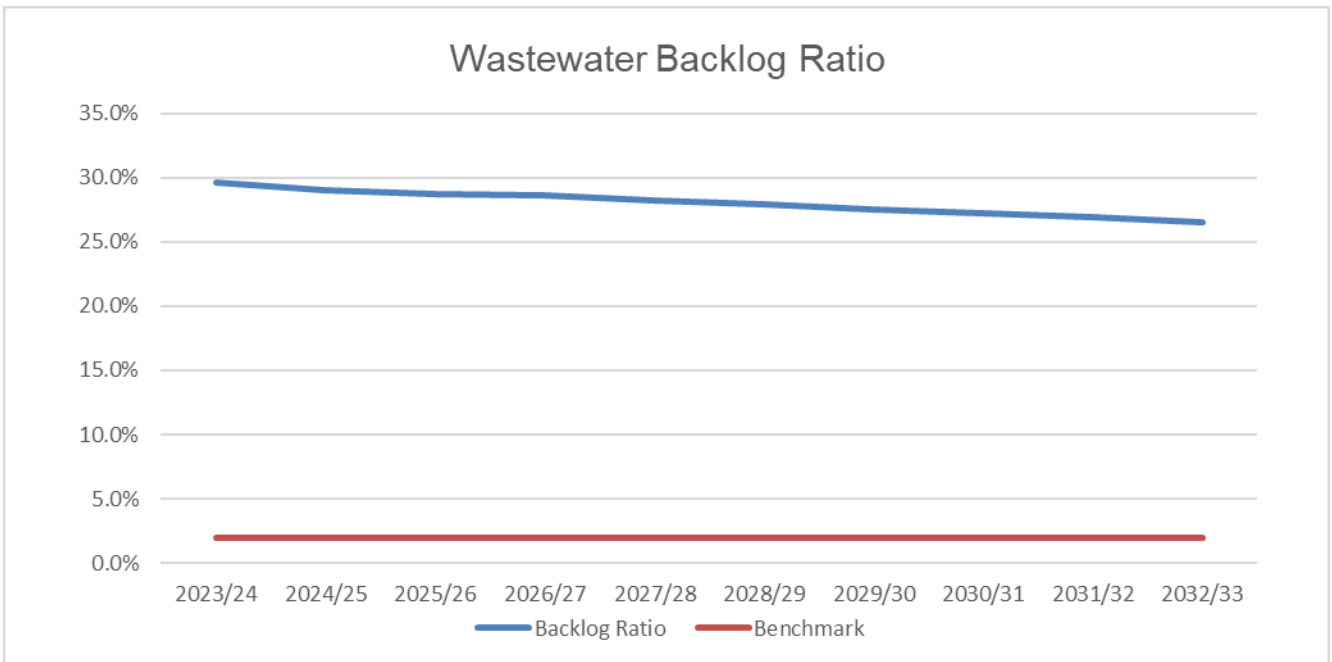


Figure 29: Wastewater Fund OLG backlog ratio



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. 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 \$412 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 Councils' 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 2023	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 2023	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

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