BLAYNEY SHIRE COUNCIL

Strategic Asset Management Plan (SAMP)

	Date	Minute
Adopted:	23/01/2024	2401/003
	23/06/2025	2506/008
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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 and Other Structures, Transport, including Urban Stormwater, Sewerage Network and Swimming pools and Open Space and Recreation infrastructure 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 Blayney Shire 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 (2023/24) 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.

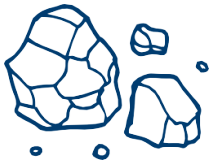
This strategy includes Council's Asset Management Policy. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

1.1 Our Assets

Our infrastructure and asset portfolio has a current replacement cost of approximately $455.7 million. The asset values are estimates as at 30 June 2025, based on Council's audited annual financial statements.

Buildings and Structures

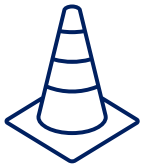
Sealed Roads



Unsealed Roads

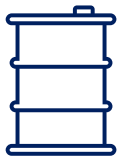
Bridges

Pathways



Other Transport Infrastructure – Signs, Crash Barriers

Stormwater



Sewer

Aquatic Centre

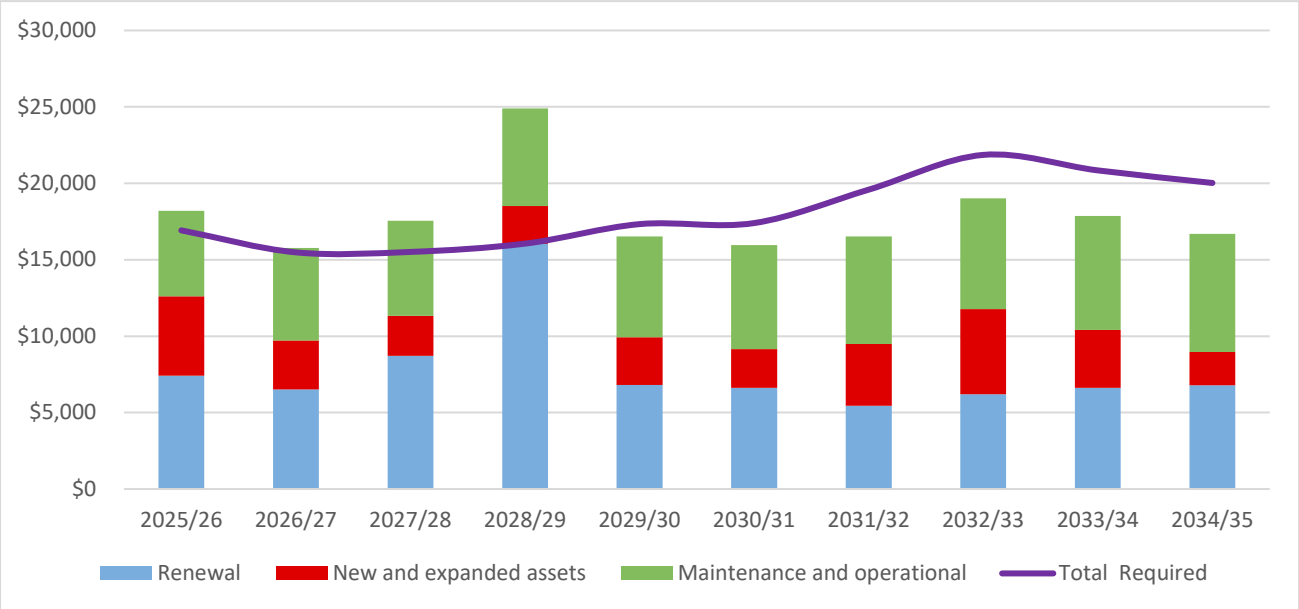
Open Space and Recreational Assets

Table 1: Asset classes and values [1]

Asset Class	Gross Replacement Cost $m	Written Down Value $m	Annual Depreciation Expense $m	Asset Management Plan
Buildings and Other Structures	49.4	32.8	0.95	Buildings and Other Structures
Pools	3.6	3.3	0.06	Buildings and Other Structures
Roads	255.0	213.4	2.90	Transportation
Bridges	39.3	27.0	0.40	Transportation
Footpaths	11.8	8.0	0.15	Transportation
Bulk Earthworks	16.2	16.2	0.00	Transportation
Stormwater	23.6	18.1	0.20	Transportation
Sewer	38.4	28.0	0.71	Sewer
Open Space and Rec	8.1	5.6	0.19	Parks and Gardens
Land Improvements	10.4	8.5	0.16	Parks and Gardens
Total	**455.7**	**360.9**	**5.7**	

[1] *Table 1 includes Land Improvements that are reported as Land assets in C1-7*

Figure 1: Assets 10 – year Expenditure Summary



1.2 Asset backlog

In 2024/25, Council had a combined asset backlog of $18.81 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 2025 is shown in the following table.

Table 2: Asset backlog summary

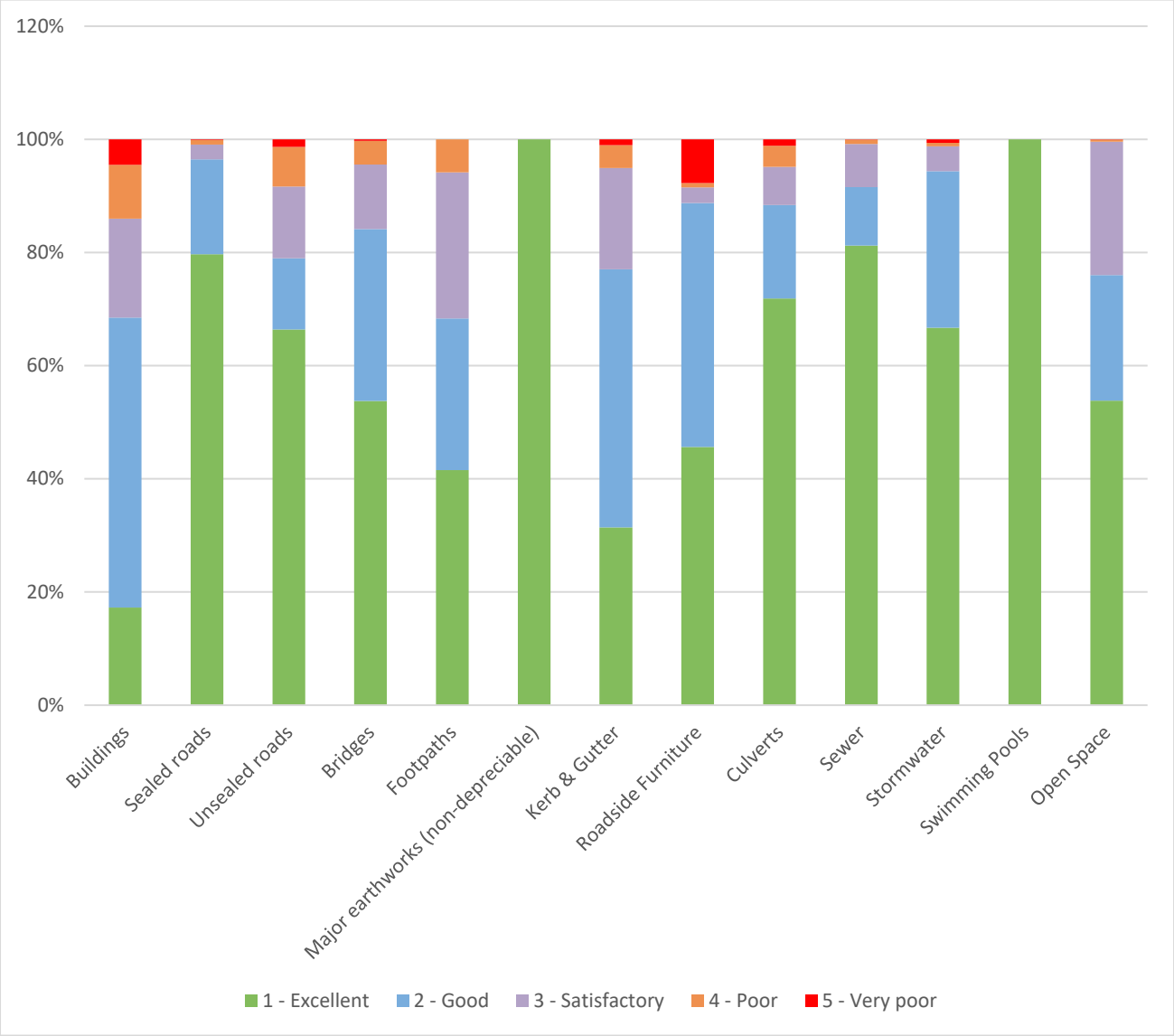
Estimated cost to satisfactory	Backlog $m	Backlog ratio % (Backlog / WDV)
Buildings	6.49	20%
Transport Assets	11.98	3%
Sewerage Network	0.31	1%
Swimming pools and Open Space and Recreation infrastructure	0.03	0%
Total	**18.81**	**5%**

Our condition data reflects the significant capital works that council has undertaken in the previous term of council with a significant portion of new assets particularly in the buildings and open space assets classes with significant success in securing grant funding to deliver on the Sports and Recreation Plan. (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 = very poor/impaired.

Table 3: Asset condition

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	17%	51%	17%	10%	5%
Sealed roads	80%	17%	3%	1%	0%
Unsealed roads	66%	13%	13%	7%	1%
Bridges	54%	30%	11%	4%	0%
Footpaths	42%	27%	26%	6%	0%
Major earthworks (non-depreciable)	100%	0%	0%	0%	0%
Kerb & Gutter	31%	46%	18%	4%	1%
Roadside Furniture	46%	43%	3%	1%	8%
Culverts	72%	17%	7%	4%	1%
Sewer	81%	10%	8%	1%	0%
Stormwater	67%	28%	4%	1%	1%
Swimming Pools	100%	0%	0%	0%	0%
Open Space	54%	22%	24%	0%	0%
Combined	**66%**	**22%**	**8%**	**3%**	**1%**

Figure 2: Asset condition summary



1.3 Expenditure and reporting

Table 4: Consolidated asset expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$7,420	$6,526	$8,710	$16,034	$6,816	$6,627	$5,457	$6,206	$6,618	$6,795
	New and expanded assets	$5,193	$3,200	$2,629	$2,470	$3,113	$2,530	$4,031	$5,559	$3,782	$2,181
	Maintenance and operational	$5,592	$6,040	$6,215	$6,398	$6,597	$6,803	$7,027	$7,247	$7,475	$7,715
	Total expenditure	**$18,205**	**$15,766**	**$17,554**	**$24,902**	**$16,526**	**$15,960**	**$16,515**	**$19,012**	**$17,875**	**$16,691**
Required	Required renewal (depreciation)	$5,965	$6,323	$6,702	$7,104	$7,531	$7,982	$8,461	$8,969	$9,507	$10,078
	New and expanded assets	$5,193	$3,200	$2,629	$2,470	$3,113	$2,530	$4,031	$5,559	$3,782	$2,181
	Required maintenance and operational	$5,764	$5,961	$6,181	$6,481	$6,687	$6,887	$7,094	$7,332	$7,555	$7,764
	Total	**$16,922**	**$15,484**	**$15,512**	**$16,055**	**$17,331**	**$17,399**	**$19,586**	**$21,860**	**$20,844**	**$20,022**
Maintenance gap		-$172	$79	$35	-$83	-$91	-$84	-$67	-$84	-$80	-$49
Renewals gap		$1,455	$203	$2,008	$8,930	-$715	-$1,355	-$3,004	-$2,763	-$2,889	-$3,283
Overall gap		**$1,283**	**$282**	**$2,043**	**$8,847**	**-$805**	**-$1,439**	**-$3,072**	**-$2,847**	**-$2,970**	**-$3,331**

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $17.9 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $18.1 million per year.

The projections indicate that Council currently has insufficient funds to maintain and improve its portfolio of assets. There is a shortfall in CAPEX ($1.4m) and OPEX ($0.6m) over the life of the plan and this will result in a likely deterioration in the condition of Council's assets portfolio.

Table 5 General Fund expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$6,639	$6,031	$8,360	$7,091	$6,651	$6,477	$5,307	$6,056	$6,433	$6,610
	New and expanded assets	$5,178	$3,140	$2,629	$2,406	$3,113	$2,460	$4,031	$5,484	$3,782	$2,099
	Maintenance and operational	4,983.18	5,326.23	5,506.51	5,678.69	5,856.70	6,039.45	6,227.75	6,422.71	6,623.59	6,836.34
	Total expenditure	**$16,800**	**$14,497**	**$16,496**	**$15,176**	**$15,621**	**$14,976**	**$15,566**	**$17,963**	**$16,839**	**$15,545**
Required	Required renewal (depreciation)	$5,182	$5,493	$5,823	$6,172	$6,543	$6,935	$7,351	$7,793	$8,260	$8,756
	New and expanded assets	$5,178	$3,140	$2,629	$2,406	$3,113	$2,460	$4,031	$5,484	$3,782	$2,099
	Required maintenance and operational	$5,318	$5,501	$5,709	$5,900	$6,096	$6,285	$6,481	$6,707	$6,919	$7,115
	Total	**$15,679**	**$14,134**	**$14,161**	**$14,478**	**$15,752**	**$15,680**	**$17,863**	**$19,984**	**$18,961**	**$17,970**
Maintenance gap		-$335	-$175	-$202	-$221	-$240	-$245	-$253	-$284	-$296	-$279
Renewals gap		$1,457	$538	$2,537	$919	$108	-$458	-$2,044	-$1,737	-$1,827	-$2,146
Overall gap		**$1,121**	**$363**	**$2,335**	**$698**	**-$131**	**-$704**	**-$2,298**	**-$2,021**	**-$2,123**	**-$2,424**

The average capital and maintenance expenditure on Council General Fund assets over the ten-year forecast period is approximately $15.9 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $16.4 million per year.

The projections indicate that Council currently has insufficient funds to maintain and improve its portfolio of assets. There is a shortfall in CAPEX ($0.3m) and OPEX ($0.3m) over the life of the plan and this will result in a likely deterioration in the condition of Council's assets portfolio.

Table 6 Sewer Fund expenditure projections – base case

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$781	$495	$350	$8,943	$165	$150	$150	$150	$185	$185
	New and expanded assets	$15	$60	$0	$64	$0	$70	$0	$75	$0	$82
	Maintenance and operational	$609	$714	$709	$719	$740	$764	$799	$825	$851	$879
	Total expenditure	**$1,405**	**$1,269**	**$1,059**	**$9,726**	**$905**	**$984**	**$949**	**$1,050**	**$1,036**	**$1,146**
Required	Required renewal (depreciation)	$782	$829	$879	$932	$988	$1,047	$1,110	$1,176	$1,247	$1,322
	New and expanded assets	$15	$60	$0	$64	$0	$70	$0	$75	$0	$82
	Required maintenance and operational	$446	$460	$472	$581	$591	$602	$613	$625	$636	$649
	Total	**$1,243**	**$1,350**	**$1,351**	**$1,577**	**$1,579**	**$1,719**	**$1,723**	**$1,876**	**$1,883**	**$2,053**
Maintenance gap		$163	$254	$237	$138	$149	$162	$186	$200	$215	$230
Renewals gap		-$1	-$334	-$529	$8,011	-$823	-$897	-$960	-$1,026	-$1,062	-$1,137
Overall gap		**$162**	**-$81**	**-$292**	**$8,149**	**-$674**	**-$735**	**-$774**	**-$826**	**-$847**	**-$907**

The average capital and maintenance expenditure on Council Sewer Fund assets over the ten-year forecast period is approximately $1.9 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $1.6 million per year.

The projections indicate that Council currently has sufficient funds to maintain its portfolio of assets. There is a surplus in CAPEX ($0.1m) and OPEX ($0.2m) over the life of the plan and this will result in maintaining the condition of Council's assets portfolio.

1.4 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 an Asset Management Policy to ensure that adequate provision is made for the long-term replacement of major assets by:

- Ensuring that Council's infrastructure is maintained in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Implementing appropriate asset management strategies and providing financial resources required to safeguard Council assets.
- Creating and sustaining an asset management awareness throughout the organisation by way of training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibilities for asset management are allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

Figure 3 Service Level Pyramid

1.5 Asset management principles

Council has developed twelve principles to guide asset management activities.

Table 7: Asset management principles

No	Principle
1	A consistent Asset Management Strategy (The Strategic Asset Management Plan) must exist for implementing systematic and appropriate asset management best practice throughout all departments of Council.
2	All relevant legislative requirements and Office of Local Government Long Term Financial Indicators are considered in asset management.
3	Asset management principles will be integrated within existing planning and operational processes.
4	Asset Management Plans will be developed for major asset categories. The plans will be informed by community consultation and financial planning and reporting.
5	An inspection regime will ensure agreed service levels are maintained and to identify asset renewal priorities.
6	Asset renewals required to meet agreed service levels are identified in adopted asset management plans and funded in Councils Long Term Financial Plan.
7	Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
8	Renewal works will use current engineering and construction technology (Modern engineering equivalent), and consider intergenerational equity, current and future population growth and social amenity.
9	Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards, including Australian Accounting Standards (AASB).
10	Future life cycle costs will be reported and considered in all decisions relating to new services and assets or upgrading of existing assets and services.
11	Future service levels will be determined in consultation with the community.
12	Training in asset and financial management will be provided for Councilors and relevant staff.

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 2025/26 – 2034/35. 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.

Figure 4: Council asset management planning framework

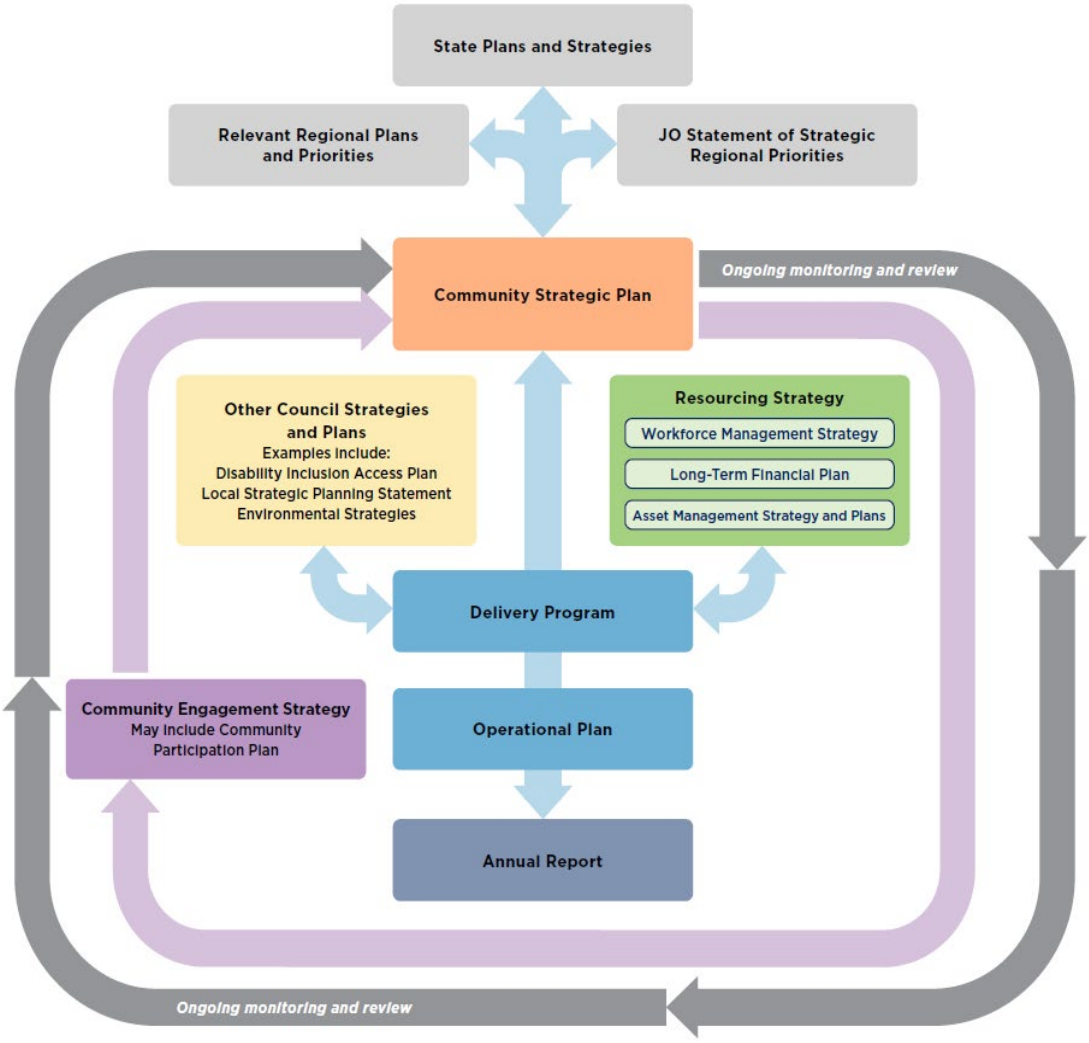


Figure 5: Relationship between Council's plans and resourcing strategies

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:

- Blayney Shire Community Strategic Plan 2024-2034
- Blayney Shire Council Resourcing Strategy:
    - 2024/25 – 2033/34 Long Term Financial Plan
    - Workforce Management Plan 2022/23 – 2025/26
    - Delivery Program and Operational Plan 2023/24-2026/27
- Blayney Showground and Equestrian Sports Facilities Strategic Plan 2020-2025
- Blayney Shire Roads Strategy
- Blayney Shire Sport and Rec Plan
- Councils Community and Master plans for its Town, villages and precincts.

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 *Integrated Planning and Reporting Framework* (IP&R) 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:

- Maintain and Improve Public Infrastructure and Services
- Build the Capacity and Capability of Local Governance and Finance
- Diversify and Grow the Blayney Shire Local and Visitor Economy
- Enhance recreational facilities and networks that support health and wellbeing of the community, sport, heritage, and cultural interests
- Protect Our Natural Environment

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

This strategy supports Council's aim to have systematic and appropriate asset management best-practice throughout all departments of Council. 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.

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

Table 8: 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 9: Range of infrastructure assets and services

Asset Plan	Description
Buildings and Other Structures	Community, cultural, commercial, council operational and leisure facilities.

Transportation Assets	Roads, bridges, culverts, footpaths, shared paths, kerb & gutter, urban stormwater, rural drainage, and signage.
Sewerage Network	Reticulation network, pumping stations, rising mains, trunk mains, and treatment plant, excluding Buildings.
Swimming pools and Open Space and Recreation infrastructure	Active and passive recreation areas, sports facilities, playgrounds, surfaces, fencing and memorial assets, including Cemeteries.

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

2.4 About Blayney Shire Council

Blayney Shire Council has an area of 1,524 km2 and is located in the Central Tablelands of New South Wales, approximately three hours by road from the centre of Sydney. The principal town in the Shire is Blayney, situated some 37km southwest of Bathurst, 35km southeast of Orange and approximately 244km by road from Sydney.

It is the centre of a district, which stretches east to Bathurst, southwest to Cowra and north to Orange. Blayney Shire comprises a number of villages and localities including Millthorpe; Carcoar; Mandurama; Lyndhurst; Neville; Newbridge; Hobbys Yards, Forest Reefs and Barry.

Figure 6: Blayney Shire Council LGA

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 Blayney Shire Community Strategic Plan 2025-2035 (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 10: Linkages to the Corporate Strategic Plan

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
Future Direction 1. Prioritise transparency, financial sustainability and strong partnerships with and for our community				
1.1. Transparent and accountable council trusted by the community				
1.1.1. Implement and promote best practice governance levels				
1.1.2. Monitor, evaluate and update Council's strategic planning documents and policies				
1.1.3. Provide access to Council information, services and facilities	✓			✓
1.2. **Local priorities are championed through advocacy**				
1.2.1. Engage with state and federal governments, agencies and associations for the betterment of the community				
1.3. The community is informed and engaged				
1.3.1. Ensure effective communication throughout the Shire.				
1.3.2. Provide support and opportunities for town and village associations				
1.3.3. Inform and encourage community input into decision making				
1.4. **Finances are managed sustainably and responsibly**				
1.4.1. Council meets all statutory and regulatory compliance obligations	✓	✓	✓	✓
1.4.2. Council operates in a financially sustainable manner and seeks ongoing efficiencies				
1.4.3. Creation of new and upgraded public assets is balanced with the needs of the greater community	✓	✓	✓	✓
Future Direction 2. A connected, healthy and inclusive community				
2.1. Community groups are capable, resilient and well-supported				
2.1.1. Community groups are supported to actively represent their community or group	✓			✓
2.1.2. Explore opportunities to address the decline of volunteers				

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
2.2. Social connection and learning opportunities are available for all				
2.2.1. Encourage and facilitate youth participation, engagement and employment opportunities	✓			✓
2.2.2. Provide library services, community spaces and facilities that create social connection opportunities	✓			✓
2.2.3. Support and assist with the promotion of community events and activities				
2.3. A safe and healthy community				
2.3.1. Engage with and support agencies (including Emergency Services) to ensure adequate service levels throughout the Blayney Shire	✓			
2.3.2. Enhanced health and medical services for the Blayney Shire				
2.4. An inclusive and liveable community				
2.4.1. Provide and promote access and inclusion for people with a disability	✓	✓		✓
2.4.2. Financial decisions are sensitive to the impact on vulnerable groups				
2.4.3. Public transport services are adequate for the communities needs		✓		
Future Direction 3. Infrastructure is resilient, fit for purpose and maintained to support our community				
3.1. Safe, resilient and well-maintained road and transportation infrastructure				
3.1.1. Ensure transport infrastructure is planned, well maintained and safe		✓		
3.1.2. Ensure pedestrian networks are planned, well maintained and safe		✓		
3.1.3. Advocate to the NSW Government for improved transportation networks		✓		
3.1.4. Ensure renewal of existing and future infrastructure is affordable, funded and maintained to ensure inter-generational equity.	✓	✓	✓	✓
3.2. Facilities and open spaces that promote and encourage a healthy lifestyle				
3.2.1. Ensure public and sporting facilities are planned, well maintained, fit for purpose and safe	✓			✓
3.2.2. Provide a range of recreational and sporting facilities which enable the community to pursue recreational activities	✓			✓
3.2.3. Ensure renewal of existing and future infrastructure is planned and fit for purpose	✓	✓	✓	✓
3.3. Utility services meet the growing needs of the community				

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
3.3.1. Ensure provision of stormwater drainage and sewer assets are adequate and facilitate growth		✓	✓	
3.3.2. Ensure everyone within the community has access to an appropriate water supply				
3.3.3. Advocate to authorities and communication service providers				
Future Direction 4. A diverse, vibrant and sustainable economy				
4.1. **Our economy is strong and diverse**				
4.1.1. Support existing and new business to encourage economic growth				
4.1.2. Support the agriculture sector to be productive and sustainable		✓		
4.1.3. Seek to leverage economic growth from large scale development opportunities				
4.2. **Mining industry balances prosperity and sustainability**				
4.2.1. Engage and advocate in relation to social, corporate and environmental responsibilities of the mining sector				
4.2.2. Advocate for the wider community benefit in relation to any change (new, expanded or closure) in mining activities				
4.3. **A growing tourism industry**				
4.3.1. Leverage the strengths of a regional tourism industry approach with our neighbouring councils				
4.3.2. Collaborate with key stakeholders representing the tourism industry				
4.3.3. Support and encourage events, businesses and experiences which add value to the local visitor economy				
4.4. **Sustainable growth of our community**				
4.4.1. Assess and process developments in a timely manner				
4.4.2. Council infrastructure is not negatively impacted in an unsustainable manner by proposed developments	✓	✓	✓	✓
4.4.3. Land use strategies and plans are reviewed to meet the needs of the community				
Future Direction 5. Protecting our assets for future generations				
5.1. **Natural ecosystems, including waterways, bushland, and wildlife, are preserved and enhanced**				
5.1.1. Natural environment is well managed and preserved for current and future generations				✓

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
5.1.2. The impact of weeds and pest animals is minimised.				
5.1.3. Pet and livestock owners responsibly manage their animals.				
5.2. **Heritage and cultural sites are valued and protected**				
5.2.1. Built heritage items and heritage conservation areas are preserved and maintained	✓	✓		✓
5.2.2. Work with cultural groups when significant places of interest are identified				
5.3. **Sustainable waste management**				
5.3.1. Minimise the amount of landfill waste deposited to landfill				
5.3.2. Promote opportunities for waste diversion and reduction within kerbside collection services				
5.4. **Climate Change adaptation and mitigation**				
5.4.1. Transition to a sustainable, secure and affordable energy future				
5.4.2. Disaster risk preparedness, reduction, response and recovery		✓		

3 Asset Management Policy

Adopted: 14/11/2011

Reviewed: 08/06/2022

3.1 Scope

This policy applies to all physical infrastructure assets owned, controlled or managed by Council.

3.2 Objectives

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

1. Ensuring that Council's infrastructure is maintained in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
2. Implementing appropriate asset management strategies and providing financial resources required to safeguard Council assets.
3. Creating and sustaining an asset management awareness throughout the organisation by way of training and development.
4. Meeting legislative requirements for asset management.
5. Ensuring resources and operational capabilities are identified and responsibilities for asset management are allocated.
6. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.3 Policy Background

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

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

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

A strategic approach to asset management will ensure that the Council delivers the required levels of service through its assets. This will provide positive impact on:

- Members of the public and staff,
- Council's financial sustainability over the medium to long term,
- The ability to provide expected levels of service and required infrastructure,
- The political environment in which Council operates, and

- The legal liabilities of Council.

3.4 Principles

1. A consistent Asset Management Strategy (The Strategic Asset Management Plan) must exist for implementing systematic and appropriate asset management best practice throughout all departments of Council.
2. All relevant legislative requirements and Office of Local Government Long Term Financial Indicators are considered in asset management.
3. Asset management principles will be integrated within existing planning and operational processes.
4. Asset Management Plans will be developed for major asset categories. The plans will be informed by community consultation and financial planning and reporting.
5. An inspection regime will ensure agreed service levels are maintained and to identify asset renewal priorities.
6. Asset renewals required to meet agreed service levels are identified in adopted asset management plans and funded in Council's Long Term Financial Plan.
7. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
8. Renewal works will use current engineering and construction technology (Modern engineering equivalent), and consider intergenerational equity, current and future population growth and social amenity.
9. Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards, including Australian Accounting Standards (AASB).
10. Future life cycle costs will be reported and considered in all decisions relating to new services and assets or upgrading of existing assets and services.
11. Future service levels will be determined in consultation with the community.
12. Training in asset and financial management will be provided for Councillors and relevant staff.

3.5 Responsibility

Councillors are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

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 Council.

3.6 Review Date

This policy is scheduled for review in June 2026

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:

- Council's corporate system, "Synergysoft" - financial module
- Council's asset management system is Univerus Assets (Formally AssetFinda).

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. This document 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 11: Asset data confidence scale

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

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

Table 12: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings and Other Structures	Reliable	Acceptable	Uncertain	Acceptable
Transport Assets	Reliable	Acceptable	Uncertain	Acceptable
Sewerage Network	Reliable	Reliable	Uncertain	Reliable
Swimming pools and Open Space and Recreation infrastructure	Reliable	Acceptable	Uncertain	Acceptable

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 Resourcing Strategy, 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
    - 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.

4.6 Asset management roles and functions

Council is currently facing challenges in providing linkages between long term planning for all asset classes, which is being driven out of Council's assets division with limited involvement and input from Council's asset custodians. 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 Blayney. As with most council functions at a high level, there is an activity continuum, as shown in the following figure.

Figure 7: 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 13: 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.

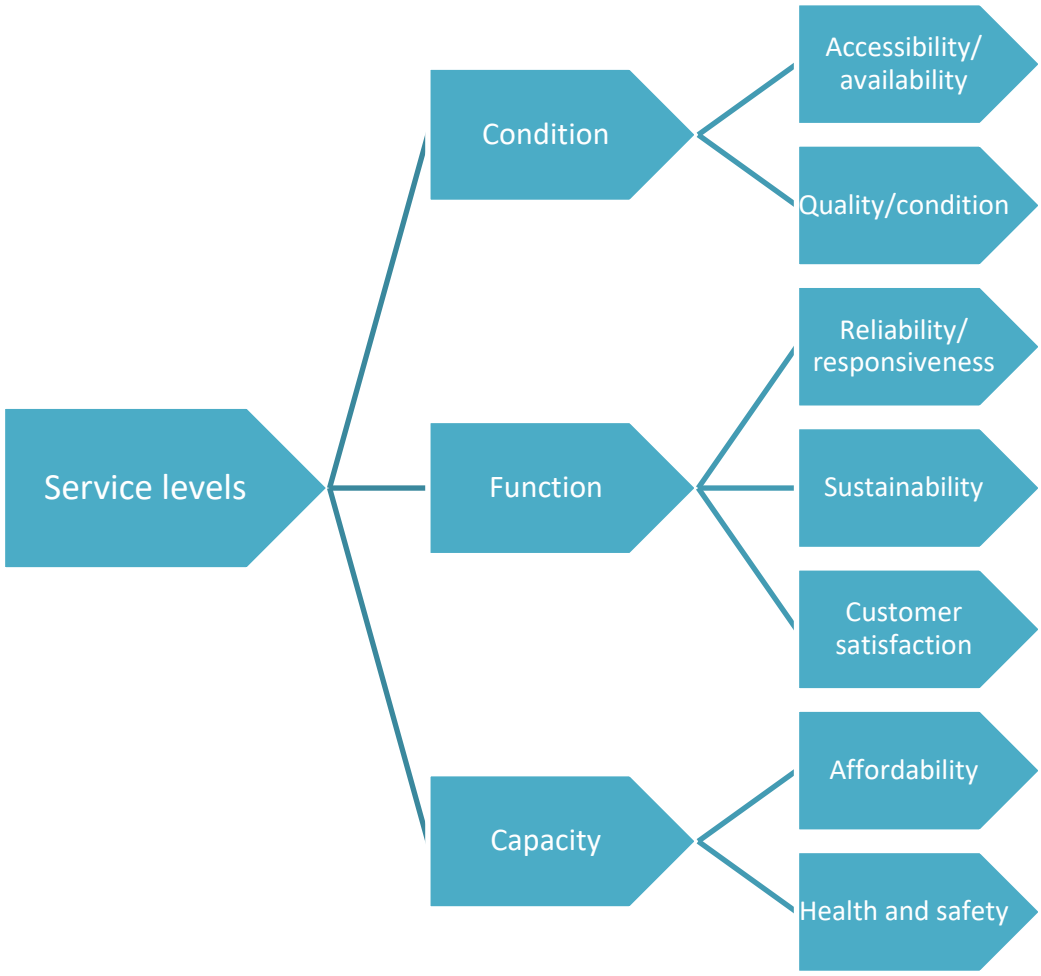
Health and safety

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 8: 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 program identified within this SAMP.

5.4.1 Asset backlog ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a councils 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 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).

5.4.4 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 14: Service levels

Key performance indicator	Level of service	Performance measurement process	Performance target
Accessibility	Provision of quality of assets to meet community needs	Condition of assets are measured and reported annually	No net decrease in condition across all asset classes
	Community has confidence in Council to manage assets	Community satisfaction survey and Community engagement strategy	Increased level of confidence from previous survey
Quality/condition	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to brig asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%
Reliability/ responsiveness	Provision of sufficient assets to meet community needs	Number of requests for additional/increased level of service	Number of requests for additional/ increased level of service less than rolling previous three-year average
Customer satisfaction	Be responsive to the needs of customers using asset	No 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

Over time, the community's demand for Council services changes. The reasons for changes can be varied, but often include demographic and workforce trends, changes in community preferences, technological changes, economic factors, and changes in regulations.

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.

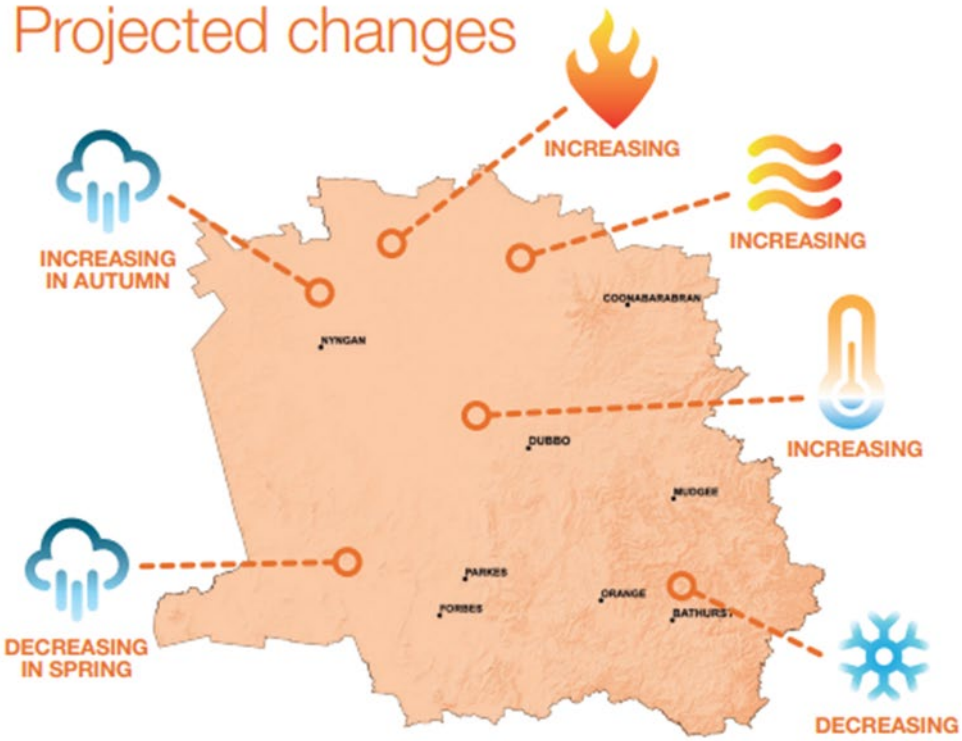
Table 15: Future demand impacts

Demand drivers	Present position	Projection	Impact on services
Population growth and residential development	Current estimated population is around 7,500[1] with approximately 40% of the population over the age of 50.	Growth projections to 8,000 residents by 2036 as well as a continued increase in the age profile of the population.	Anticipated population growth requires new development and supporting infrastructure primarily in Blayney and Milthorpe.

[1] NSW Department of Regional NSW, Orange, Blayney and Cabonne Regional Economic Development Strategy – 2023 update, https://www.nsw.gov.au/sites/default/files/2023-03/Orange-Blayney-and-Cabonne-REDS-2023-Update.pdf

Demand drivers	Present position	Projection	Impact on services
Industry and Critical Infrastructure	Blayney Shire is predominately rural in nature, supporting primary industries such as dairying, beef, lamb, wool, viticulture, orchards, potatoes, canola, and other grains. Mining is also a key industry and the area supports other industrial activities such as manufacturing, transportation, and food processing.	Targets include to enable growth in the agriculture, mining and manufacturing industries.	Enabling infrastructure will be required to facilitate these growth industries and ensure adequate linkages to suppliers and markets. Increases in the visitor economy will also require improved and sustainable infrastructure.
Environment	The NSW and ACT Regional Climate Modelling (NARCliM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079	Expected climatic changes can be found in figure 10. This includes: • overall increased temperatures • increased risk and intensity of natural disaster (fire) events • decreasing spring rainfall.	Increased frequency of significant weather events and natural disaster events will put increase the strain on the existing portfolio.

Figure 9: NARClim Modelling and Expectations



Projected **temperature** changes	
Maximum temperatures are projected to increase in the near future by 0.4 – 1.0°C	Maximum temperatures are projected to increase in the far future by 1.8 – 2.7°C
Minimum temperatures are projected to increase in the near future by 0.5 – 0.9°C	Minimum temperatures are projected to increase in the far future by 1.5 – 2.6°C
The number of hot days will increase	The number of cold nights will decrease
Projected rainfall changes	
Rainfall is projected to decrease in spring	Rainfall is projected to increase in autumn
Projected Forest Fire Danger Index (FFDI) changes	
Average fire weather is projected to increase in summer, spring and winter	Severe fire weather is projected to increase in summer, spring and winter

6.2 Demand management strategies

Demand management strategies have been developed to effectively manage the change in Blayney Shire. 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 16: Demand management strategies

Demand Description	Projected Change	Impact on Services	Demand Management Plan
Population growth	Increased urban development. Increased rural / residential development.	Increased need for urban services. Increased desire for sealed roads.	Development and implementation of infrastructure strategies for key asset groups (e.g., Sewerage Business Plan, Active Movement Strategy, Master Plans). Blayney Shire Settlement Strategy, 2020.
Population change	Aging population and smaller household size.	Change in use of urban services	Development and implementation of infrastructure strategies for key asset groups (e.g., Active Movement Strategy, Master Plans).
Technological changes	Significant demand for larger and heavier vehicles.	Damage to road pavements. Risk to Bridge structures.	Implementation of Blayney Shire Roads Strategy.
Industrial developments	Growth in Logging operations in and around the Shire. Growth in the mining industry.	Damage to road pavements. Wider and sealed roads.	Implementation of Blayney Shire Roads Strategy.
Regulations	Accessibility standards	Requirement for upgrading facilities	Upgrades to contemporary standards during project scoping
Climate change	Increased number and severity of storms.	Overloading of urban stormwater systems. Increased inundation of bridge and culvert structures.	Inclusion of Climate change projections in future flood and drainage studies and bridge designs. Regular inspections of Bridge and Culvert structures.
Covid-19	Continuance of 'social distancing' rules.	Reduction in capacity of public halls etc	Monitor impacts on major facilities, including Blayney Shire Community Centre and CentrePoint Sport and Leisure Centre.

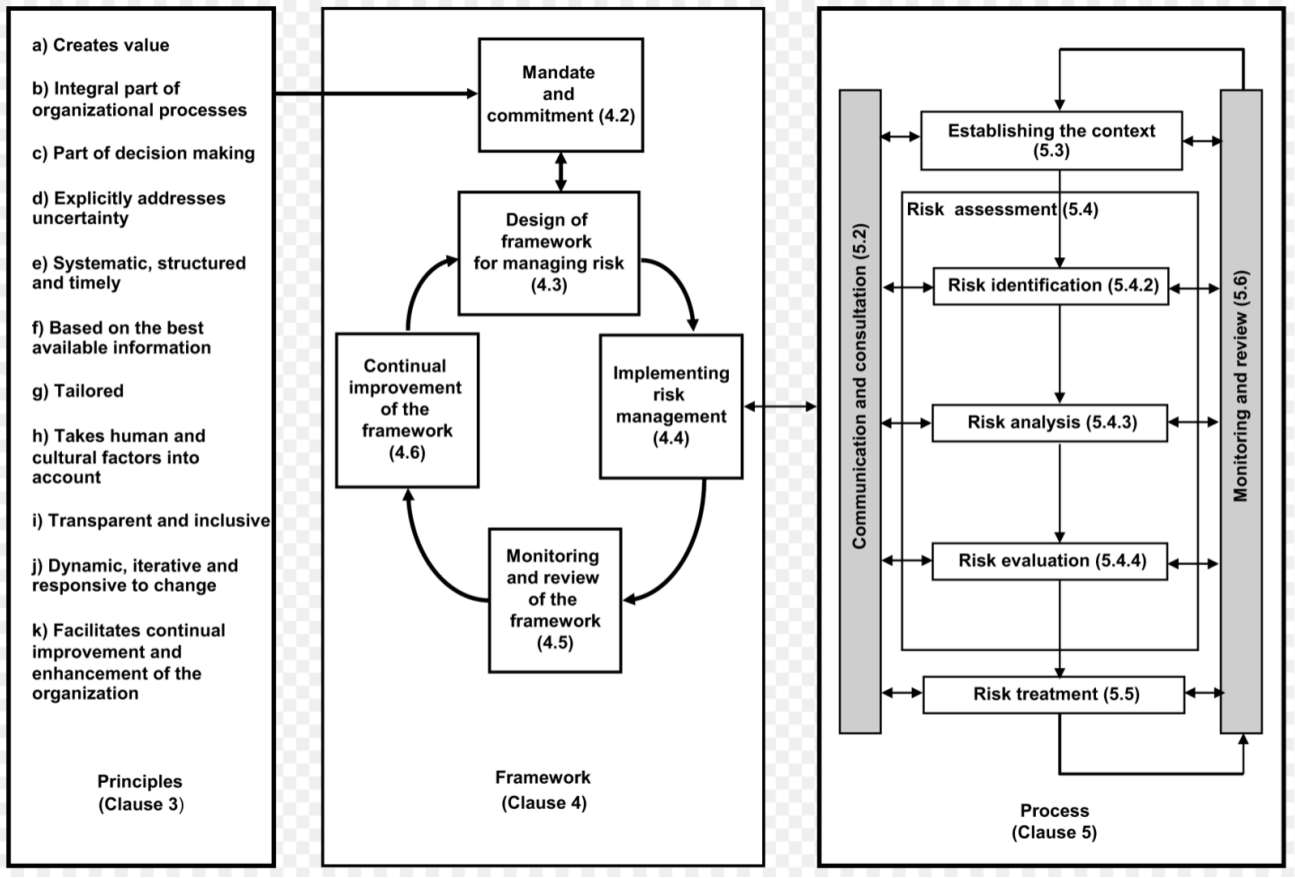
7 Risk management

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 10: 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 Strategic infrastructure risks

To understand and mitigate the risk of Council not being able to maintain current levels of service and provide new assets as demanded, Council considers these risks through its Enterprise Risk Management Policy and Plan (ERMP). Significant risks are elevated to the Corporate Risk Register, which is reviewed on a regular basis and oversighted by Council's Audit, Risk and Improvement Committee (ARIC).

7.2 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 $446.4 million. The asset values are estimates of the value of assets, as at 30 June 2023 based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 17: Asset classes and values [1]

Asset Class	Gross Replacement Cost $m	Written Down Value $m	Annual Depreciation Expense $m	Asset Management Plan
Buildings and Other Structures	49.4	32.8	0.95	Buildings and Other Structures
Pools	3.6	3.3	0.06	Buildings and Other Structures
Roads	255.0	213.4	2.90	Transportation
Bridges	39.3	27.0	0.40	Transportation
Footpaths	11.8	8.0	0.15	Transportation
Bulk Earthworks	16.2	16.2	0.00	Transportation
Stormwater	23.6	18.1	0.20	Transportation
Sewer	38.4	28.0	0.71	Sewer
Open Space and Rec	8.1	5.6	0.19	Parks and Gardens
Land Improvements	10.4	8.5	0.16	Parks and Gardens
Total	**455.7**	**360.9**	**5.7**	

[1] *Table 17 includes Land Improvements that are reported as Land assets in C1-7*

8.2 Asset backlog

In 2024/25, Council had a combined asset backlog of $18.81 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 2025 is shown in the following table.

Table 18: Asset backlog summary

Estimated cost to satisfactory	Backlog $m	Backlog ratio % (Backlog / WDV)
Buildings	6.49	20%
Transport Assets	11.98	3%
Sewerage Network	0.31	1%

Swimming pools and Open Space and Recreation infrastructure	0.03	0%
Total	**18.81**	**5%**

In 2024/25, Council's Sewerage network and Swimming pools and Open Space and Recreation infrastructure met the OLG benchmark of 2%. The other asset classes exceeded this level with an overall Backlog Ratio of council sitting at 4.7%.

8.3 Asset condition

Our condition data reflects the significant capital works that council has undertaken in the previous term of council with a significant portion of new assets particularly in the buildings and open space assets classes with significant success in securing grant funding to deliver on the Sport and Recreation Plan. (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.

Table 19: Confidence in condition data

Asset class	Condition
Buildings and Other Structures	Reliable
Transport Assets	Acceptable
Sewerage Network	Reliable
Parks and Gardens	Acceptable

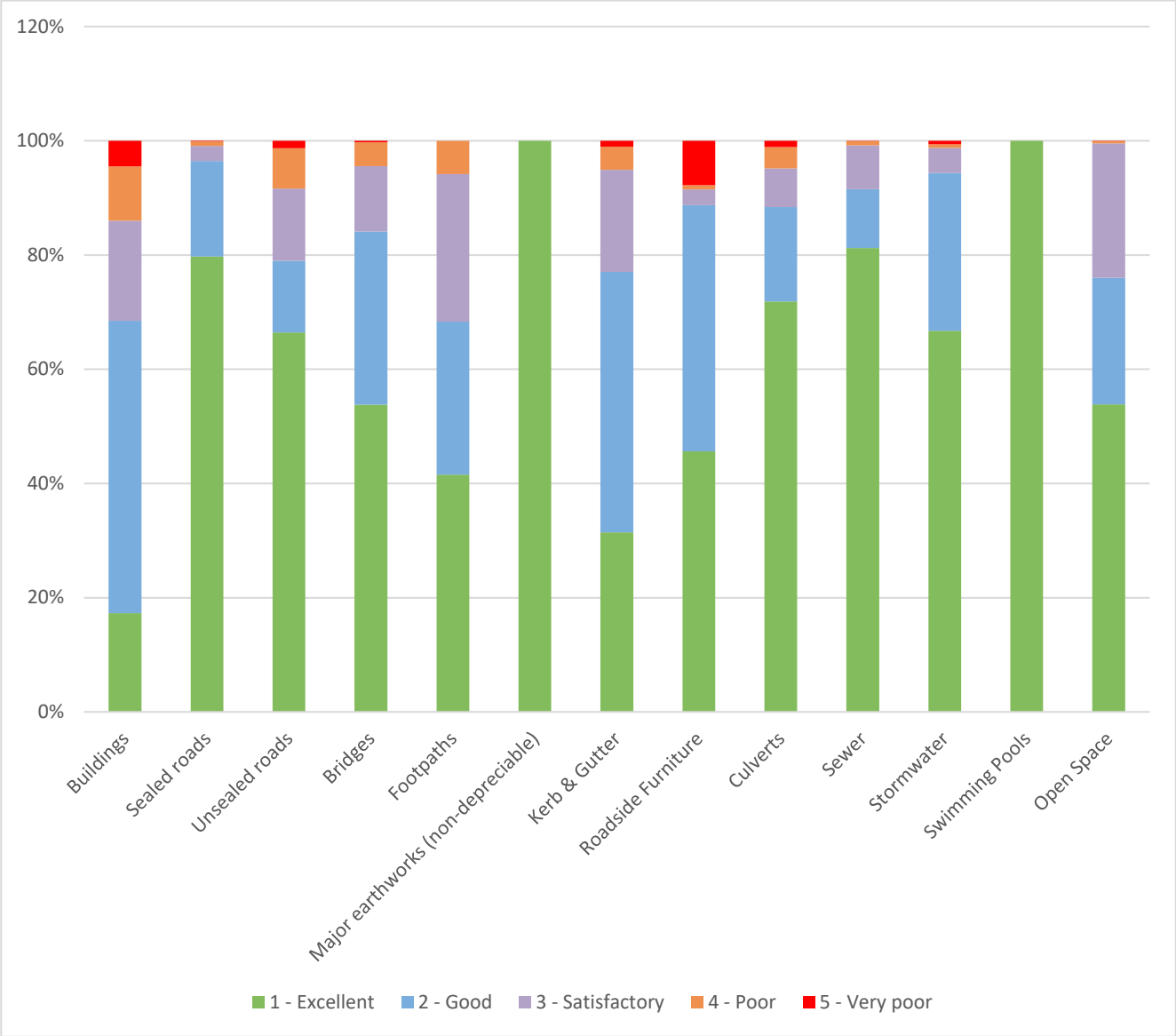
Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets.

Table 20: Asset Condition Data

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	17%	51%	17%	10%	5%
Sealed roads	80%	17%	3%	1%	0%
Unsealed roads	66%	13%	13%	7%	1%
Bridges	54%	30%	11%	4%	0%
Footpaths	42%	27%	26%	6%	0%
Major earthworks (non-depreciable)	100%	0%	0%	0%	0%
Kerb & Gutter	31%	46%	18%	4%	1%
Roadside Furniture	46%	43%	3%	1%	8%
Culverts	72%	17%	7%	4%	1%
Sewer	81%	10%	8%	1%	0%
Stormwater	67%	28%	4%	1%	1%
Swimming Pools	100%	0%	0%	0%	0%
Open Space	54%	22%	24%	0%	0%
Combined	**66%**	**22%**	**8%**	**3%**	**1%**

**Formation and Sub-base condition excluded*

Figure 11: Condition summary



8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately $17.9 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being $18.1 million per year.

The projections indicate that Council currently has insufficient funds maintain and improve its portfolio of assets. There is a shortfall in CAPEX ($1.4m) and OPEX ($0.6m) over the life of the plan and this will result in a likely deterioration in the condition of Council's assets portfolio.

A summary of the projected expenditure requirements can be found in the following tables for Council's consolidated assets, general fund assets as well as its sewer fund assets.

Table 21: Combined asset expenditure projections

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$7,420	$6,526	$8,710	$16,034	$6,816	$6,627	$5,457	$6,206	$6,618	$6,795
	New and expanded assets	$5,193	$3,200	$2,629	$2,470	$3,113	$2,530	$4,031	$5,559	$3,782	$2,181
	Maintenance and operational	$5,592	$6,040	$6,215	$6,398	$6,597	$6,803	$7,027	$7,247	$7,475	$7,715
	Total expenditure	**$18,205**	**$15,766**	**$17,554**	**$24,902**	**$16,526**	**$15,960**	**$16,515**	**$19,012**	**$17,875**	**$16,691**
Required	Required renewal (depreciation)	$5,965	$6,323	$6,702	$7,104	$7,531	$7,982	$8,461	$8,969	$9,507	$10,078
	New and expanded assets	$5,193	$3,200	$2,629	$2,470	$3,113	$2,530	$4,031	$5,559	$3,782	$2,181
	Required maintenance and operational	$5,764	$5,961	$6,181	$6,481	$6,687	$6,887	$7,094	$7,332	$7,555	$7,764
	Total	**$16,922**	**$15,484**	**$15,512**	**$16,055**	**$17,331**	**$17,399**	**$19,586**	**$21,860**	**$20,844**	**$20,022**
Maintenance gap		-$172	$79	$35	-$83	-$91	-$84	-$67	-$84	-$80	-$49
Renewals gap		$1,455	$203	$2,008	$8,930	-$715	-$1,355	-$3,004	-$2,763	-$2,889	-$3,283
Overall gap		**$1,283**	**$282**	**$2,043**	**$8,847**	**-$805**	**-$1,439**	**-$3,072**	**-$2,847**	**-$2,970**	**-$3,331**

Figure 12: Consolidated Fund asset expenditure projections.

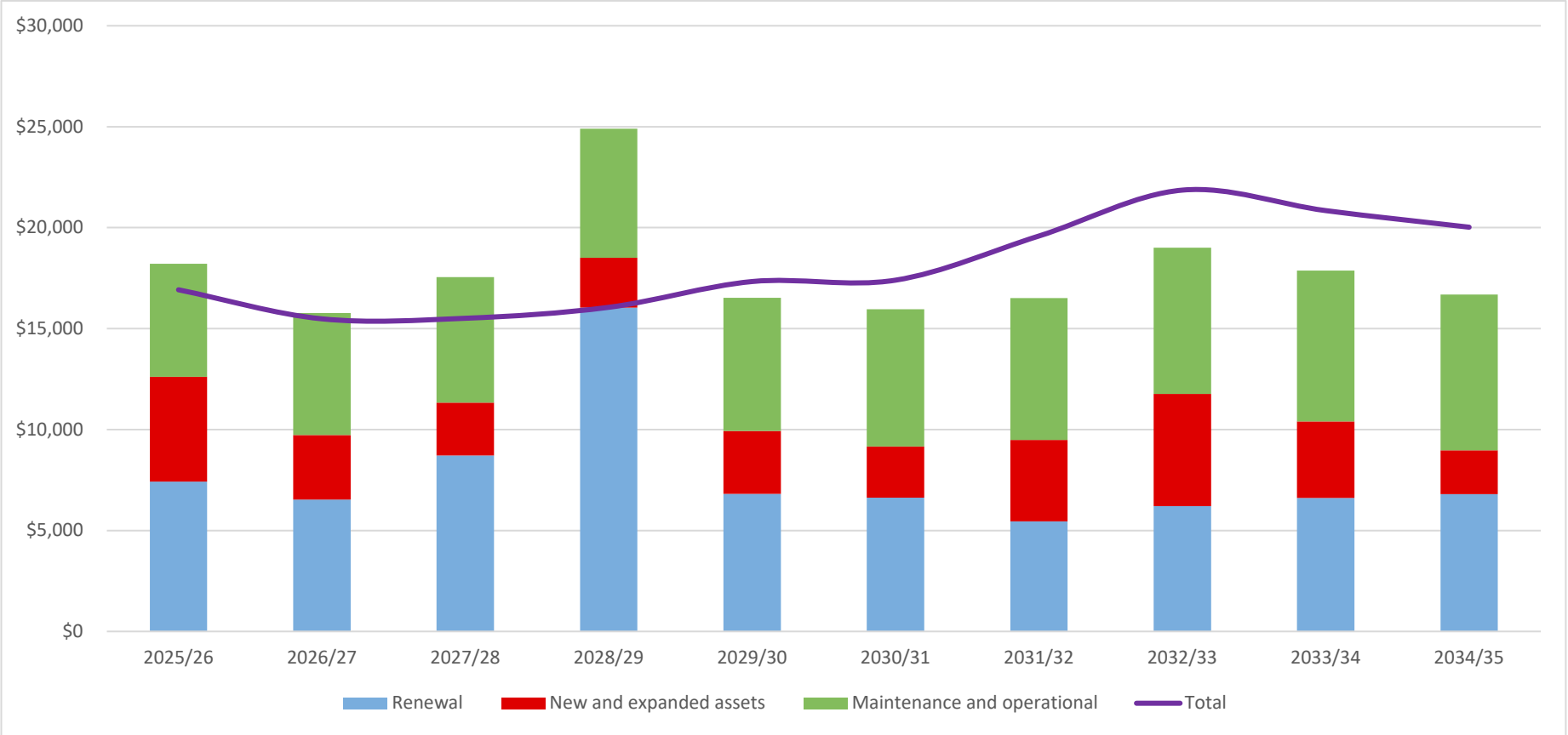


Table 22 General Fund expenditure projections

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$6,639	$6,031	$8,360	$7,091	$6,651	$6,477	$5,307	$6,056	$6,433	$6,610
	New and expanded assets	$5,178	$3,140	$2,629	$2,406	$3,113	$2,460	$4,031	$5,484	$3,782	$2,099
	Maintenance and operational	4,983.18	5,326.23	5,506.51	5,678.69	5,856.70	6,039.45	6,227.75	6,422.71	6,623.59	6,836.34
	Total expenditure	**$16,800**	**$14,497**	**$16,496**	**$15,176**	**$15,621**	**$14,976**	**$15,566**	**$17,963**	**$16,839**	**$15,545**
Required	Required renewal (depreciation)	$5,182	$5,493	$5,823	$6,172	$6,543	$6,935	$7,351	$7,793	$8,260	$8,756
	New and expanded assets	$5,178	$3,140	$2,629	$2,406	$3,113	$2,460	$4,031	$5,484	$3,782	$2,099
	Required maintenance and operational	$5,318	$5,501	$5,709	$5,900	$6,096	$6,285	$6,481	$6,707	$6,919	$7,115
	Total	**$15,679**	**$14,134**	**$14,161**	**$14,478**	**$15,752**	**$15,680**	**$17,863**	**$19,984**	**$18,961**	**$17,970**
Maintenance gap		-$335	-$175	-$202	-$221	-$240	-$245	-$253	-$284	-$296	-$279
Renewals gap		$1,457	$538	$2,537	$919	$108	-$458	-$2,044	-$1,737	-$1,827	-$2,146
Overall gap		**$1,121**	**$363**	**$2,335**	**$698**	**-$131**	**-$704**	**-$2,298**	**-$2,021**	**-$2,123**	**-$2,424**

Figure 13 General Fund Expenditure Projection

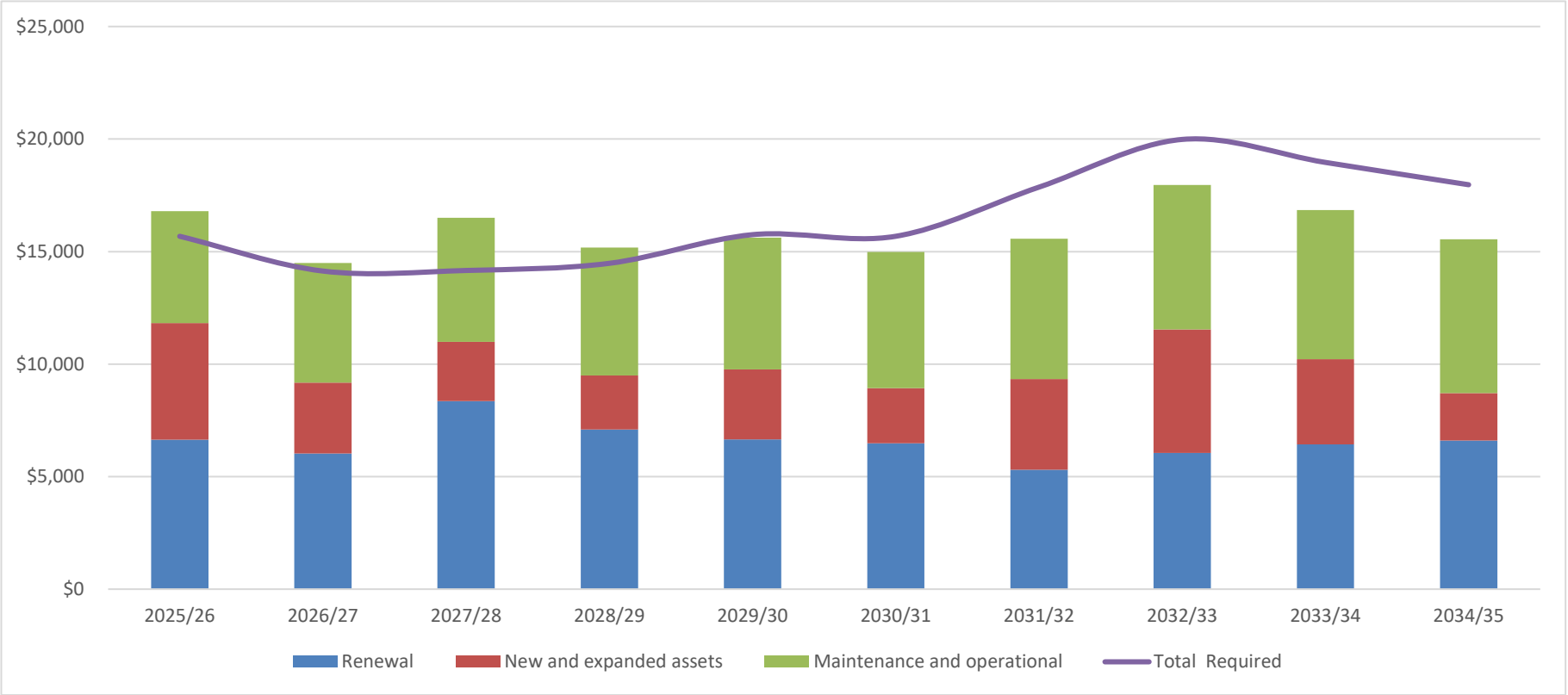


Table 23 Sewer Fund Projections

Expenditure projections ($,000s) – combined assets		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Actual	Renewal	$781	$495	$350	$8,943	$165	$150	$150	$150	$185	$185
	New and expanded assets	$15	$60	$0	$64	$0	$70	$0	$75	$0	$82
	Maintenance and operational	$609	$714	$709	$719	$740	$764	$799	$825	$851	$879
	Total expenditure	**$1,405**	**$1,269**	**$1,059**	**$9,726**	**$905**	**$984**	**$949**	**$1,050**	**$1,036**	**$1,146**
Required	Required renewal (depreciation)	$782	$829	$879	$932	$988	$1,047	$1,110	$1,176	$1,247	$1,322
	New and expanded assets	$15	$60	$0	$64	$0	$70	$0	$75	$0	$82
	Required maintenance and operational	$446	$460	$472	$581	$591	$602	$613	$625	$636	$649
	Total	**$1,243**	**$1,350**	**$1,351**	**$1,577**	**$1,579**	**$1,719**	**$1,723**	**$1,876**	**$1,883**	**$2,053**
Maintenance gap		$163	$254	$237	$138	$149	$162	$186	$200	$215	$230
Renewals gap		-$1	-$334	-$529	$8,011	-$823	-$897	-$960	-$1,026	-$1,062	-$1,137
Overall gap		**$162**	**-$81**	**-$292**	**$8,149**	**-$674**	**-$735**	**-$774**	**-$826**	**-$847**	**-$907**

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 14: Consolidated Portfolio

Infrastructure Ratios	Budget 2025/26	Estimated 2032/33		Funding Gap $ 000's
Infrastructure renewals ratio	124.40%	67.43%	Budget year	$1,455
Benchmark 100%			5-year average	$2,376
			10-year average	-$141
Infrastructure Backlog Ratio [1]	4.81%	5.60%	Budget year	-$17,359
Benchmark 2%			5-year average	-$12,563
			10-year average	-$13,362
Infrastructure Maintenance Ratio	97.01%	99%	Budget year	-$172
Benchmark 100%			5-year average	-$46
			10-year average	-$60
Total Funding Gap			Budget year	$1,283
			5-year average	$2,330
			10-year average	-$201

[1] *The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 5.2% Backlog Ratio to the OLG benchmark of 2.0%.*

Figure 15 General Fund Portfolio

Infrastructure Ratios	Budget 2025/26	Estimated 2032/33		Funding Gap $ 000's
Infrastructure renewals ratio	128.10%	75.49%	Budget year	$1,457
Benchmark 100%			5-year average	$1,112
			10-year average	-$265
Infrastructure Backlog Ratio 1	5.12%	6.36%	Budget year	-$17,050
Benchmark 2%			5-year average	-$14,708
			10-year average	-$15,976
Infrastructure Maintenance Ratio	94%	96%	Budget year	-$335
Benchmark 100%			5-year average	-$234
			10-year average	-$253
Total Funding Gap			Budget year	$1,121
			5-year average	$877
			10-year average	-$518

[1] *The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 5.6% Backlog Ratio to the OLG benchmark of 2.0%.*

Figure 16 Sewer Fund Portfolio

Infrastructure Ratios	Budget 2025/26	Estimated 2032/33		Funding Gap $ 000's
Infrastructure renewals ratio	99.82%	14.00%	Budget year	-$1
Benchmark 100%			5-year average	$1,265
			10-year average	$124
Infrastructure Backlog Ratio 1	1.10%	0.00%	Budget year	-$310
Benchmark 2%			5-year average	$2,145
			10-year average	$2,614
Infrastructure Maintenance Ratio	137%	135%	Budget year	$163
Benchmark 100%			5-year average	$188
			10-year average	$193
Total Funding Gap			Budget year	$162
			5-year average	$1,453
			10-year average	$317

[1] *Councils Sewer Fund Infrastructure Backlog Ratio is below the OLG benchmark of 2%.*

Figure 17: Consolidated OLG asset expenditure ratios

Figure 18: Consolidated OLG backlog ratio

Figure 19 General Fund OLG asset expenditure ratios

Figure 20 General Fund Backlog Ratio

Figure 21 Sewer OLG asset expenditure ratios

Figure 22 Sewer backlog ratio

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 24: Asset management strategic actions

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

Table 25: Improvement plan

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
0	**Existing Data Improvement Plan**		
0.1	Calculation and disclosure of data input confidence levels for all assets classes (per AMPs).	Low	2027
0.2	Develop Data improvement plans for all asset classes within individual AMPs.	High	2026
0.3	Assess and include Functionality and Capacity scores (1 to 5) for all relevant assets, as per asset class revaluations.	Low	2026
0.4	Develop age data for assets, were construction date unknown, as per asset class revaluations.	Medium	Per Revaluation
1.	**Asset Management Maturity**		
1.1	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	High	2026
2.	**Asset Data and Knowledge**		
2.1	Separate non-depreciable components from reported condition profiles	High	Per Revaluation
3.	**Asset Knowledge Processes**		
3.1	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	Ongoing
3.2	Implementation of 1:1 relationship between financial and technical register.	Very High	Ongoing Quarterly
3.3	Develop Asset Accounting Manual to provide guidance on asset accounting policies and functions e.g. (Capitalisation, Thresholds, Valuation etc.)	High	2026
4.	**Strategic Asset Planning Processes**		
4.1	Ensure that all asset classes have up to date asset management plans.	Very High	2026
4.2	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Very High	Ongoing
4.3	Review the Asset Management Strategy to ensure that it incorporates the most up to date and relevant information on each asset class.	Very High	2029
5.	**Operations and Maintenance Work Practices**		
5.1	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	High	2026
6.	**Information Systems**		
6.1	Feasibility review of self-hosted asset management system	High	2025
6.2	Feasibility review of integrated maintenance management/work order system	Medium	2025
7.	**Organisational Context**		
7.2	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.	Medium	2025

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
7.3	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	High	2025
7.4	Develop and document project management framework	High	2026

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