Narromine Shire Council
Asset Management Policy

Resolution #: /

Year: 2023

OBJECTIVE

The objective of this policy is to ensure that Narromine Shire Council develops and maintains appropriate systems, processes, organisational structure, resources (both Financial and Human) and organisational commitment (Culture) to deliver a consistent and sustainable level of service delivery in line with community expectation, and asset requirements.

SCOPE

Narromine Shire Council has care, control and responsibility for infrastructure assets with a fair value of in excess of $360 million.[1] These assets are used to underpin the delivery of services to the community. If assets fail, service delivery is threatened.

This policy sets the framework for ensuring that service delivery is not threatened and that replacement, upgrade and provision of assets is carried out in a planned manner. The policy also ensures that non-asset ownership options are considered when considering changes in service levels.

POLICY

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

VISION

Narromine Shire Council's Vision for Asset Management is to provide and manage an appropriate mix of infrastructure at the lowest life cycle cost in a sustainable manner to support our community and future generations.

KEY COMMITMENTS

The following is a set of key commitments that the Narromine Shire Council will adhere to in relation to total asset management:

- Narromine Shire Council will develop, maintain and adopt Asset Management Plans covering all major Asset Classess for:
  - Water;
  - Sewerage;
  - Waste;
  - Aerodrome;
  - Open Spaces and Recreation Facilities;
  - Transport;
  - Buildings and Other Equipment; and
  - Stormwater Drainage.

[1] June 2022 General Purpose Financial Statements.

KEY COMMITMENTS (Cont.)

- The format of Asset Management Plans will align with the Institute of Public Works Engineering's International Infrastructure Management Manual (IIMM) and AS 55000, which ensures that best practices are incorporated. This includes community consultation for levels of service.

- Narromine Shire Council will develop and maintain an Asset Management Strategy (AMS) with a planning horizon of 4 years and which sets out continual improvement for asset management systems and processes which should be in line with the State Government's Integrated Planning and Reporting Framework.

- Prior to considering changes to services levels and / or new capital works, Council will consider the following:
  - Alignment with the strategic objectives of the community (Community Strategic Plan).
  - Options for service delivery without Council owning an asset (third party asset ownership).
  - Options to renew assets before acquiring new assets.
  - The full lifecycle cost of owning the assets (whole of life cost).
  - Whether the whole of life cost of asset ownership can be accommodated within the Long Term Financial Plan.
  - Annual reviews of Asset Management Plans.

- Narromine Shire Council will regularly review (in line with the AMIS) the need for asset ownership and will implement a process to dispose of redundant or poor performing assets.

- Narromine Shire Council will internally consult with departments to guide the development of asset management practices, systems and processes.

- All new, upgrade and/or disposal of Assets will be in accordance with Operational procedures, which require approval from the Council and the General Manager.

- When required, grant applications must be submitted for approval by the General Manager prior to submission to ensure that the Asset Whole of Life Cycle (including asset disposal) is taken into consideration.

LINKAGE TO OTHER CORPORATE DOCUMENTS

This policy should be read with reference to the following documents:

- The Community Strategic Plan;
- Asset Management Strategy;
- Asset Management Plans (AMPs);
- Long Term Financial Plan (LTFP);
- Workforce Management Strategy (WMS);
- Asset Acquisition Procedure; and
- Asset Disposal Procedure

ROLES AND RESPONSIBILITIES

Council will:

- Set Asset Management policy and vision.
- Act as stewards for all Council owned assets on behalf of the community.
- Adopt the Asset Management Policy and support the Asset Management Strategy and monitor their outcomes.
- Allocate necessary resources to support appropriate asset management processes.
- Approve levels of service, risk and cost standards in consultation with the community.
- Support continuous improvement programs.

Executive Staff will:

- Ensure that the strategic direction meets Community and Council aims.
- Implement the asset management policy, strategy and plans, across the Organisation as part of the overall Resourcing Strategy.
- Monitor implementation progress of the Asset Management Strategy and identify corrective actions if required.
- Provide relevant and timely professional advice to Council on asset management issues for decision-making, and present information in terms of life cycle risks and costs.
- Identify relevant benchmarks and opportunities to achieve best practice.
- Ensure availability of appropriate resources for asset management activities.
- Ensure that assets are managed in compliance with industry guidelines and standards.
- Ensure that staff responsible for managing assets are trained appropriately.

Engineering Services - Asset Management (represents the management and asset planning expertise within Council) will:

- Oversee the development, monitoring and review of the Asset Management Policy, Strategy and plans using best practice asset management principles.
- Develop operational procedures to ensure the capture and management of asset information.
- Implement plans (such as maintenance programs, capital works programs) in accordance with Asset Management Plans.
- Report implementation and performance progress and effectiveness to the Executive Leadership Team.

Council Staff (to the extent that they have asset management related responsibilities) will:

- Employ up to date technologies, methodologies and continuous improvement processes in asset management.
- Have asset management responsibilities reflected in input/output documentation and position descriptions as appropriate.
- Undertake actions and programs consistent with the adopted Asset Management Policy, Strategy and Plans.

TRAINING

Asset Management Training is to be read in conjunction with the Workforce Management Strategy which outlines the Workforce Planning Process.

Council will:

- Receive regular training via workshops and information sessions regarding general Asset Management and Council related Asset Management status by a suitably qualified person.
- Participate in and support appropriate research and development activities to ensure continuous improvement and continued understanding of asset management and performance.

Executive Staff will:

- Be included in Council information sessions;
- Be informed and be familiar in Asset related sessions / workshops; and
- Continually improve our practices by assessing performance against regulatory requirements, corporate commitments and stakeholder expectations.

Engineering Services - Asset Management (represents the management and asset planning expertise within Council) will:

- Have at least one person competent in an Asset Management or field related course.
- Attend Career development in Asset related sessions / workshops.
- Continually improve our practices by assessing performance against regulatory requirements, corporate commitments and stakeholder expectations.
-

Council Staff (to the extent that they have asset management related responsibilities) will:

- Be familiar in Asset management for their area of responsibility.
- Continually improve our practices by assessing performance against regulatory requirements, corporate commitments and stakeholder expectations.

Narromine Shire Council

Draft

Asset Management Strategy

2022/23 – 2025/26

Adopted by Council XXth XXXXXXX 2023)
Resolution No 2023/XX

Contents

1. Executive Summary

As part of the preparation for this Strategy, a high-level review of Council's Asset Management policy, practices and systems, has been undertaken in order to provide both strategic direction and guidance for improving asset management planning and performance. Council is responsible for infrastructure and other assets that have a replacement value of approximately $449 million. Asset Management Plans have been developed for each of the eight (8) main categories of assets under Council's control.

This Strategy provides key information that can be used in the determination of levels of service and funding requirements. **Table 1.1** provides a snapshot of the organisation's asset groups, ten (10) year Renewal and Upgrade Budget, upcoming Financial Year Renewal and Upgrade Budget and Annual Depreciation between the available renewal budget and predicted renewal requirements. Note that a funding analysis has not been undertaken for Land and Fleet Assets. **Figure 1.1** shows the financial overview for the next 10 years for each asset category.

Table 1.1: Council's Asset Portfolio Overview

Asset Category	Sub-Classes	Fair Value	Operation & Maintenance Budget[1] (10 Years)	Renewal & Upgrade Budget[1] (10 Years)	Renewal & Upgrade Budget (4 Years)	Annual Depreciation
Water	- Treatment - Service Reservoir - Reticulation - Trunk - Bores	$23,010,731	$26,838,064	$39,377,100	$36,987,532	$433,492
Sewer	- Pump Station - Sewerage Treatment - Network	$25,151,134	$15,952,160	$3,042,815	$2,844,399	$355,376
Waste	- Site Buildings - Internal Road - Fencing	$908,583	$16,157,546	$1,775,511	$625,148	$41,510
Aerodrome	- Runway - Internal Roads - Fence - Internal Roads	$18,790,224	$6,539,743	$2,652,419	$994,567	$233,910
Recreation and Community Facilities	- Parks - Gardens - Ovals - Sports Centre - Cemetery - Showground - Pool	$18,460,986	$17,932,912	$1,959,280	$968,395	$632,743
Transport	- Roads - Bridges - Footpaths - Signs	$289,755,079	$36,053,224	$43,382,269	$16,287,735	$4,164,165

Buildings and other equipment	– -Specialised – Non-Specialised – Equipment	$47,169,006	$21,681,841	$1,462,207	$709,780	$1,448,256
Drainage	– Kerb and Gutter – Underground Pipe Network – Culverts – Lined and Unlined Open Channel Drainage – Dams – Basins	$25,782,192	$5,148,907	$9,393,581	$5,444,044	$254,578

Note: Excludes Land (Operational and Community) and Fleet Management

It needs to be stressed that we are considering long-term averages in this strategy and accordingly in some years the cost to renew will be higher, and some years lower, dependent upon the number of assets that are due for renewal in that particular year.

The 10 Year forecasts presented in this Asset Management Strategy (AMS) are based on the modelling undertaken and achieving the levels of service presented in the plan, and are intended to assist Council when considering future Community Strategic Plans, Delivery Programs and Operational Plans. If changes are made to the Long-Term Financial Plan, those changes will be reflected in the next AMS and Asset Management Plans (AMPs).

A number of options are available to address the asset renewal expectations including adjustment to service levels, extending asset life (i.e. changing the acceptable condition levels prior to renewal), obtaining increased grant funding, increases in rate revenue i.e. Special Rate Variation and borrowing strategies.

Levels of Service, Intervention Levels, Condition Rating and Useful Life

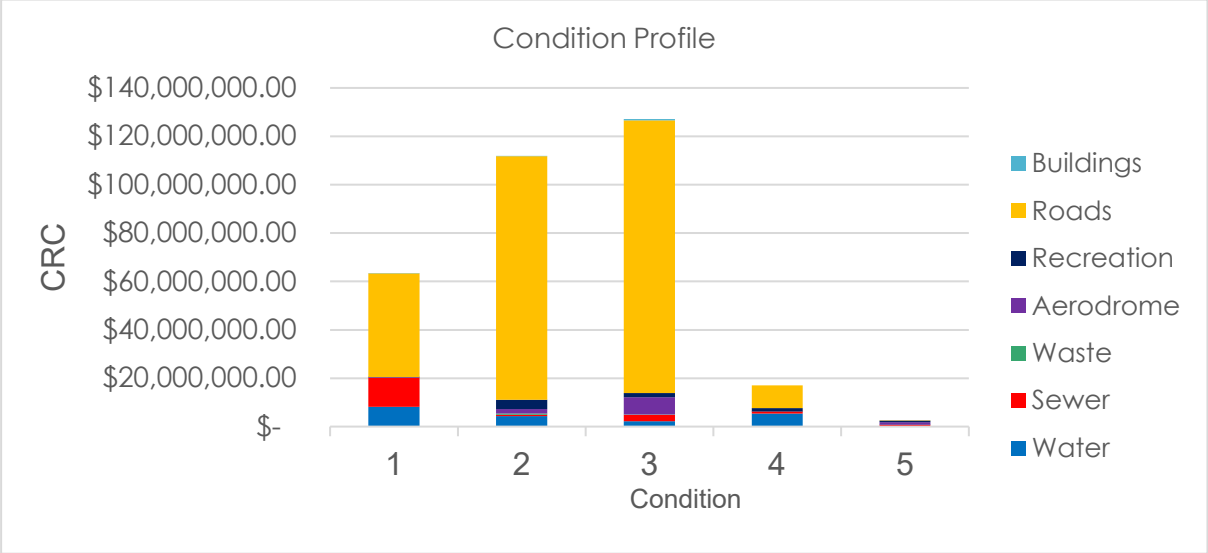
The determination of **Levels of Service** (LOS) is crucial in the calculation of the gap between required funds for asset service delivery and available budgets. The levels will be determined by defining the outcomes as agreed with the community, identifying the services required to meet those outcomes and the infrastructure required to support those services. Details on proposed LOS are contained within each of the eight (8) Asset Management Plans.

In order to allocate limited funds responsibly, renewal or rehabilitation of assets will only be undertaken once they reach a certain condition, referred to as the **intervention level**. Typically, assets will not be renewed until they are between a condition rating of 3 and 4 depending on the utilisation, function and / or criticality of the asset.

Condition Rating Assessments, on individual assets, are undertaken on a regular basis depending on the component, its current age, previous condition and criticality. Additionally, condition ratings are updated periodically for revaluation.

The following graph presents a snapshot of the current condition of Council's assets based on the value of each asset component in each of five (5) conditions ranging from one (1) being near new, to five (5) as a completely failed component or asset. Note that this only includes the assets that have been condition rated and modelled in the most current Asset Management Plans.

Figure 1.1: Councils Asset Condition Profile Based on Replacement Value



The **Useful Life** of an asset is the period from construction until it reaches its defined intervention level. The modelling undertaken is based on information, which is a 'best estimate', with the actual life, dependant on numerous factors that influence the rate of deterioration of the asset (e.g. construction methods, materials, weather, usage, and worker skill). Appendix B provides an example calculation of this.

Risk Management

Section 16 outlines the management of risk in delivery of assets to the community with the delivery of an Enterprise Risk Management Policy, Plan and Strategic Risk Register.

Improvement Program

The process of managing assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings and the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

2. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and

troughs in expenditure for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.[1]

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycles.[2]

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding, comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the councillors and:
  - Bringing together asset management and long term financial plans,
  - Demonstrating how council intends to resource the plan, and
  - Consulting with communities on the plan.
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
  - Explanation to the community about variations between the budget and actual results,
  - Any impact of such variances on the strategic longer-term plan, and
  - Reporting of operations with review on the performance of the council against strategic objectives.[3]

Framework 2 Asset Planning and Management has seven elements to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

The seven elements of Framework 2 Asset Planning and Management are:

- Asset management policy,
- Strategy and planning:
  - Asset management strategy, and
  - Asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.[4]

The asset management strategy is used to enable Council:

- To show how its asset portfolio will meet the service delivery needs of its community into the future,
- Ensure asset management policies can be achieved, and

[1] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 2.
[2] LGPMC, 2009, Framework 3 *Financial Planning and Reporting*, pp 2-3.
[3] LGPMC, 2009, Framework 3 *Financial Planning and Reporting*, pp 4-5.
[4] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

- To ensure the integration of asset management with its long-term strategic plan.[5]

The goal of asset management is to ensure that services are provided:
- In the most cost effective manner,
- Through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets, and
- For present and future consumers.

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide services to the community.

Legislative reform

The requirements of **Local Government Act 1993, Section 402** are summarised as follows:

- Each local government area must have a community strategic plan that has been developed and endorsed by the council. A community strategic plan is a plan that identifies the main priorities and aspirations for the future of the local government area covering a period of at least 10 years from when the plan is endorsed.
- A community strategic plan is to establish strategic objectives together with strategies for achieving those objectives.
- Following an ordinary election of councillors, the council must review the community strategic plan before 30 June following the election. The council may endorse the existing plan, or develop or endorse a new community strategic plan, as appropriate, to ensure that the area has a community strategic plan covering at least the next 10 years.

The requirements of **Local Government Act 1993, Section 403** are summarised as follows:
- A council must have a long-term strategy (called is resourcing strategy) for the provision of the resources required to perform its functions (including implementing the strategies set out in the community strategic plan.

The requirements of **Local Government Act 1993, Section 404** are summarised as follows:

- A council must have a program (called its ***delivery program***) detailing the principal activities to be undertaken by the council to perform its functions (including implementing the strategies set out in the community strategic plan) within the resources available under the resourcing strategy.
- The council must establish a new delivery program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

[5] LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

The requirements of **Local Government Act 1993, Section 405** are summarised as follows:

- A council must have a plan (called its ***operational plan***) that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.

The Integrated Planning and Reporting Guidelines provide that content of Council's annual statement of revenue policy shall include details of:

- a statement containing a detailed estimate of the council's income and expenditure
- a statement with respect to each ordinary rate and each special rate proposed to be levied
- a statement with respect to each charge proposed to be levied
- a statement of the types of fees proposed to be charged by the council and, if the fee concerned is a fee to which Division 3 of Part 10 of Chapter 15 of the Act applies, the amount of each such fee
- a statement of the council's proposed pricing methodology for determining the prices of goods and the approved fees under Division 2 of Part 10 of Chapter 15 of the Act for services provided by it, being an avoidable costs pricing methodology determined by the council in accordance with guidelines issued by the Director-General
- a statement of the amounts of any proposed borrowings (other than internal borrowing), the sources from which they are proposed to be borrowed and the means by which they are proposed to be secured.

Local Government (General) Regulation 2005, Clause 203 requires that budget review statements and a revision of estimates must be reported to Council within two months after the end of each quarter (except the June quarter).

The requirements of Local Government Act 1993, Section 428 are as follows:

- Within 5 months after the end of each year, a council must prepare a report (its "annual report") for that year reporting as to its achievements in implementing its delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed.
- The annual report in the year in which an ordinary election of councillors is to be held must also report as to the council's achievements in implementing the community strategic plan over the previous 4 years.
- An annual report must be prepared in accordance with the guidelines under section 406 of the Act.

- An annual report must contain the following--
    - a copy of the council's audited financial reports prepared in accordance with the *Local Government Code of Accounting Practice and Financial Reporting* published by the Department, as in force from time to time,
    - such other information or material as the regulations or the guidelines under section 406 of the Act may require.

- A copy of the council's annual report must be posted on the council's website and provided to the Minister and such other persons and bodies as the regulations may require. A copy of a council's annual report may be provided to the Minister by notifying the Minister of the appropriate URL link to access the report on the council's website.

Local Government (General) Regulation 2021), Clause 217 requires the following information to be included in the annual report:

- Details of overseas visits by councillors and council staff
- Details of mayoral and councillor fees, expenses and facilities
- Contracts of over $150,000 awarded by council
- Amounts incurred in relation to legal proceedings
- Private works and financial assistance
- Details of external bodies, companies and partnerships
- Statement of activities undertaken to implement the EEO management plan
- Details of the General Manager's total remuneration
- Details of the total expenditure on Senior Staff remuneration
- Statement of total number of persons employed by Council
- Information on stormwater management levies and charges
- Information on companion animals management

3. Strategic Framework

Narromine Shire Council developed a comprehensive Community Engagement Strategy to ensure that a broad range of opinions, ideas and visions was considered to help shape the Narromine Shire Council Community Strategic Plan. A number of key outcomes of the Plan are supported by the effective management of assets. These key outcomes include, but are not limited to:

- Ongoing maintenance and levels of service for Shire Local Road network;
- Maintaining and improving parks;
- Improving sport and recreational facilities (multi-purpose centre);
- Footpaths and cycleway.

To assist in delivering these outcomes, Council will operate and maintain its assets to:

- Ensure adequate provision for the long-term management of assets, the delivery of new assets and the renewal or upgrading of existing assets to meet service delivery objectives.
- Ensure that the assets are maintained in a safe and functional condition.
- To encourage and support the economic and social development in and around Narromine Shire Council.
- Ensure that infrastructure is managed to deliver the requirements of Council's Asset Management Policy and Community Strategic Plan.

These objectives can be achieved by:

- Maximising the service potential of existing assets by ensuring that they are appropriately used and maintained;
- Identifying opportunities to reduce demand for new / upgraded assets by implementing demand management techniques and considering alternative service delivery options;
- Increasing value for money in the identification and delivery of new works by considering life cycle costing and / or alternative construction techniques;
- Focusing attention on results by clearly assigning responsibility, accountability and reporting requirements in relation to asset management.

The key principles guiding the development of Council's Asset Management Strategy are:

- Sound information and systems are needed to influence decision making;
- Comprehensive asset management planning is required to ensure decisions are based on an evaluation of alternatives that take into account life cycle costs, benefits and risks of assets;
- The Community will be informed and have an opportunity to have involvement in establishing levels of service standards based on a willingness to pay;
- Responsibility for asset management, including accountability and reporting requirements, is clearly established, communicated and implemented;
- An effective Policy Framework is established for the strategic management of assets.

To assist in the delivery of the objectives in this Plan, a number of key documents and systems have been prepared, and should be referred to in considering the findings presented. These key documents and systems are listed in **Table 3.1**.

Table 3.1: Where can I find additional information?

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community and includes the delivery, operational plan, annual report and resourcing strategy
Council Asset Management Policy	How we manage assets
Asset Management Plans	Detailed analysis for each asset portfolio including Transport, Buildings, Water, Sewer, Urban Stormwater, and Parks & Landcare
Asset Management Manual	Procedures and Processes that guide the management of assets
Asset Inspection Manual	Details on the process of assessing condition, including photographic examples of various conditions
Enterprise Risk Management Plan	The identification and management of risks across Council operations
Civica Asset Management System (AM)	Electronic system that contains the asset register, condition ratings and used to model future renewals

The Strategy is influenced by the following factors, but not limited to:

1. The increasing community expectations for a higher quality but affordable service to be provided by Council;
2. An increasing focus on lifestyle and environmental issues;
3. The combination of ageing asset stock and increased community expectations will make risk management an increasingly important asset management activity;
4. The trend for the cost of materials, labour, and risk management will continue to be much greater than CPI in the short to medium term due to, but not limited to:
   a) The cost of materials due to a range of factors - increasing production, wages, cartage, insurances, quality assurance and other ancillary costs.
   b) Escalations in the price of petroleum products will continue to have a significant impact because of the high proportion of the budget allocated to maintaining the road network, an area highly sensitive to the price of oil;
   c) The continuing increased cost of risk management processes and public liability insurance;
   d) The increased cost of workplace health and safety regulation and superannuation contributions.
5. The impact environmental factors have upon the rate of deterioration.

6. The ageing infrastructure will require renewal in future if service levels are to be maintained.
7. Continuing volatility in the global supply chain market.
8. Large unplanned in flux of property development

To effectively manage the long-term financial impact of new assets developed as the Shire grows, an increase in maintenance, operational and renewal costs will be factored into the plan.

The Shire's population is projected to grow at -1.19% per annum, based on the latest projections developed by NSW.

The population, according to ABS can be seen in the following table:

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

The survey area did not change over the different survey periods.

4. Services Provided

Council recognises the importance of asset management planning. The preparation of this Asset Management Strategy is another step in providing guidance to Council on improving its asset management systems and practices.

The establishment of a classification system for asset groups will be included in each Asset Management Plan (AMP) to ensure the efficient allocation of resources to maintain levels of service appropriate to their function. These classifications will be developed within each AMP specifically based on functionality, utilisation, and community requirements.

The fair value of infrastructure assets managed by Council are summarised in **Table 4.1**.

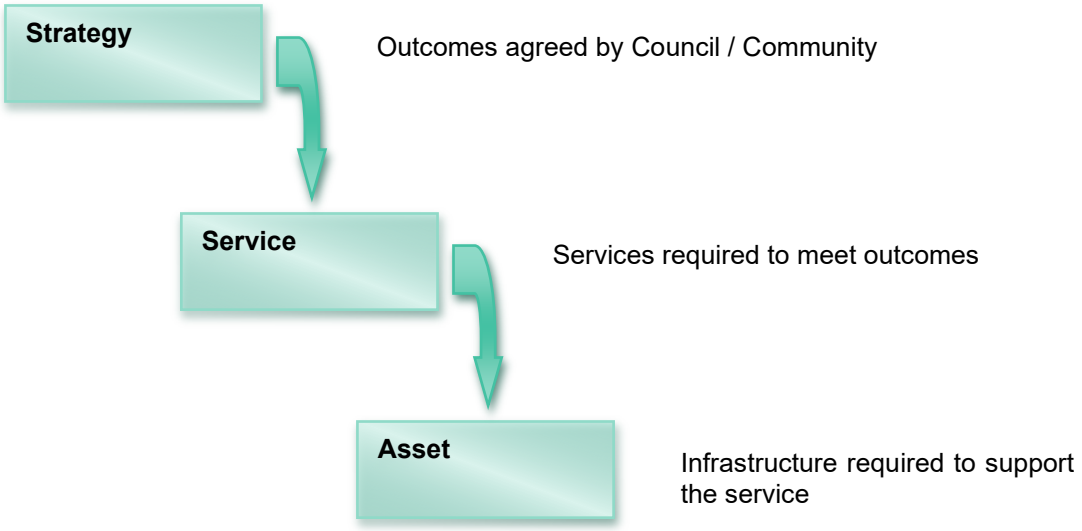
Table 4.1: Council Asset Portfolio

AMP #	Asset Category	Fair Value
1	Water	$23,010,731
2	Sewer	$25,151,134
3	Waste	$908,583
4	Aerodrome	$18,790,224
5	Recreation & Community Facilities	$18,460,986
6	Transport	$289,755,079
7	Buildings	$47,169,006
8	Drainage	$25,782,192
	Total	**$449,027,935**

5. Levels of Service

One of the basic tenets of sound, asset management practice is to provide the level of service the current and future community want and are prepared to pay for, in the most cost effective way (NZ NAMS 2007). The final determination of service levels will be undertaken in conjunction with the community as the Superior Asset Management Project progresses. This will enable Council to make informed decisions on the allocation of community resources in accordance with community priorities and willingness to pay.

Figure 5.1 – How we develop Levels of Service:



The level of service and the cost to deliver services at that level is an essential component in strategic asset management planning. Council must know the true cost of service delivery, priorities placed by the community on infrastructure, the service levels desired by the community and at what level they are willing to pay.

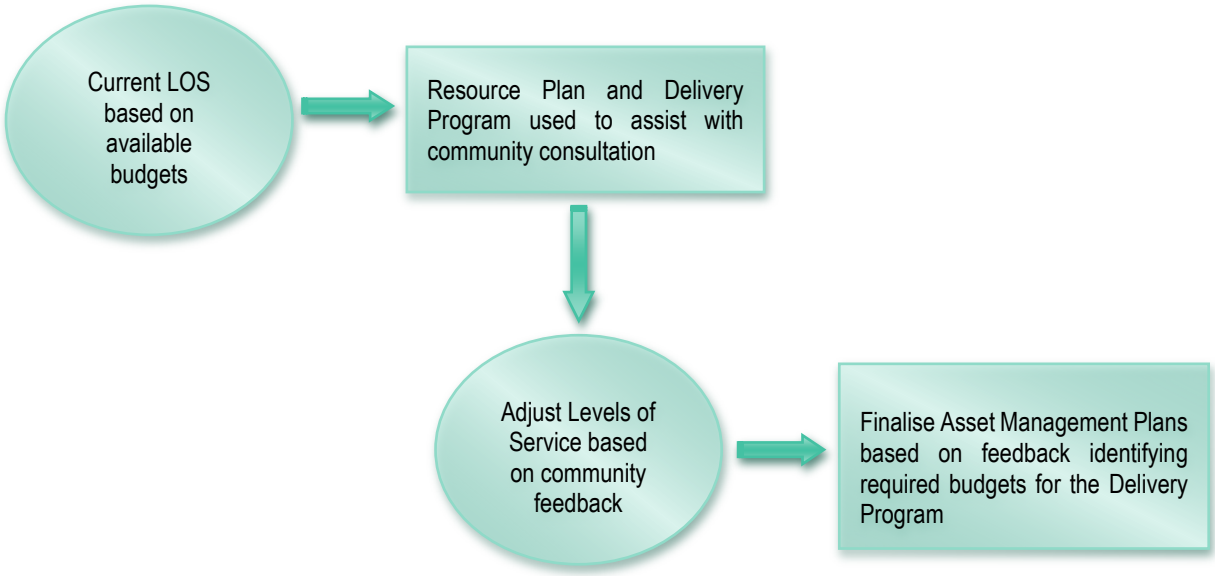
Figure 5.2 – How we determine a framework for a sustainable Level of Service:

The development of each Asset Management Plan, historical defined levels of service will be identified, together with options to increase, or decrease these levels and the cost savings/increases associated with those options. This will provide an excellent starting point for the consultation required as indicative costs for various service levels will be available.

Council will continue to develop service levels in the future revisions of each Asset Management Plan and link these service levels to the Delivery Program. This will provide the link between service levels and costs of service delivery, providing a tool for community consultation on these levels to enable Council to make decisions on service levels and costs in setting budgets and rate levels.

To assist in this process, consideration of life cycle costing and funding models is required to better inform Council and the Community.

Figure 5.3 – How Levels of Service influence the Delivery Program:



Two primary types of level of service are defined in the AMP's:

- Community LOS – relates to how the community receives the service in terms of safety, quality, quantity, reliability responsiveness, cost efficiency and legislative compliance; and

- Technical LOS – are the technical measures of performance developed to ensure the minimum community levels of service are met.

6. Condition of Council's Assets

Council maintains an Inspection Assessment Manual that details the frequency of inspection, and condition rating to be used for all assets. This data is recorded in Council's Asset Management System, and used to predict the timing of renewal / maintenance requirements, in the Long-Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the Practice Note models and advanced asset management practices as outlined in the Institute of Public Works and Engineering Australia (IPWEA) International Infrastructure Management Manual. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual.

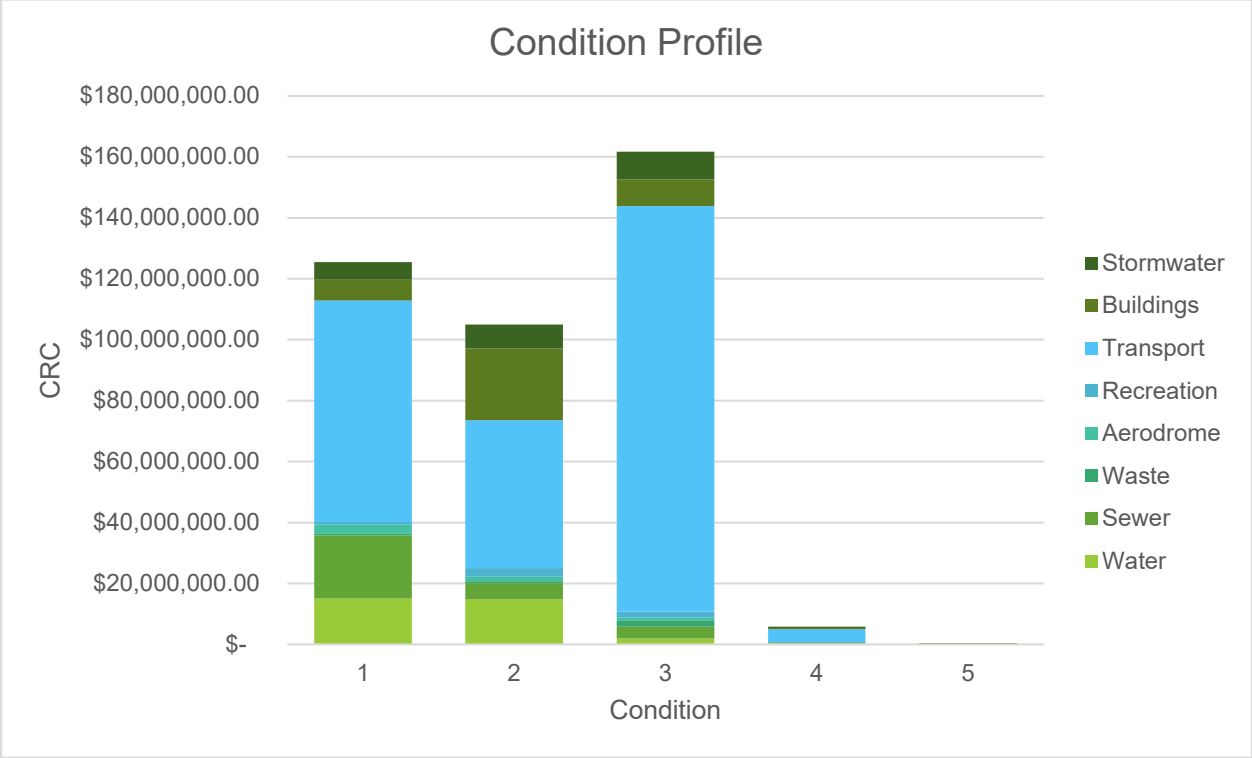
The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'; that is the condition at which the community has determined renewal is required based on the LOS analysis. Typically, assets will be renewed between condition rating 3 and 4, which ranges from fair to poor depending on their classification. Details of the intervention level and useful lives will be contained within each of the AMPs, a sample from each is presented in **Table 6.1** below:

Table 6.1: What are Council's Intervention Levels to Renew an Asset?

Component	Classification	Intervention Level
Water Reticulation network	1	3 - 4
Sewer collection network	1	3 - 4
Playground Equipment	2	3 - 4
Road Seals	1	3 - 4
Ducted Air Conditioning	3	4
Drainage collection network	3	4

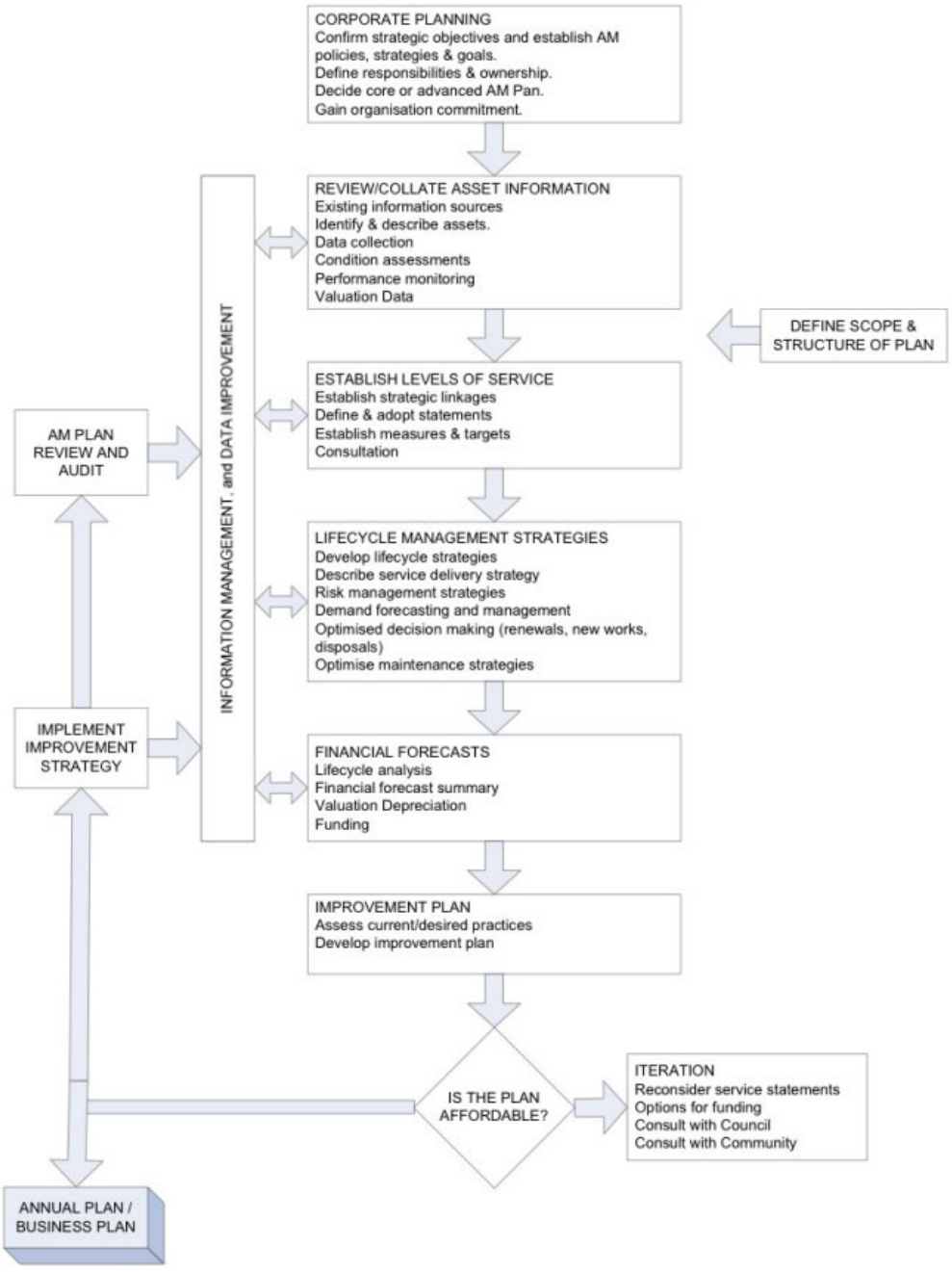
The condition of each Asset is documented in the Asset Register and the graph below details the condition profile.

Figure 6.1: What Condition Are Council's Assets in ($,000)?



7. Asset Management Plans

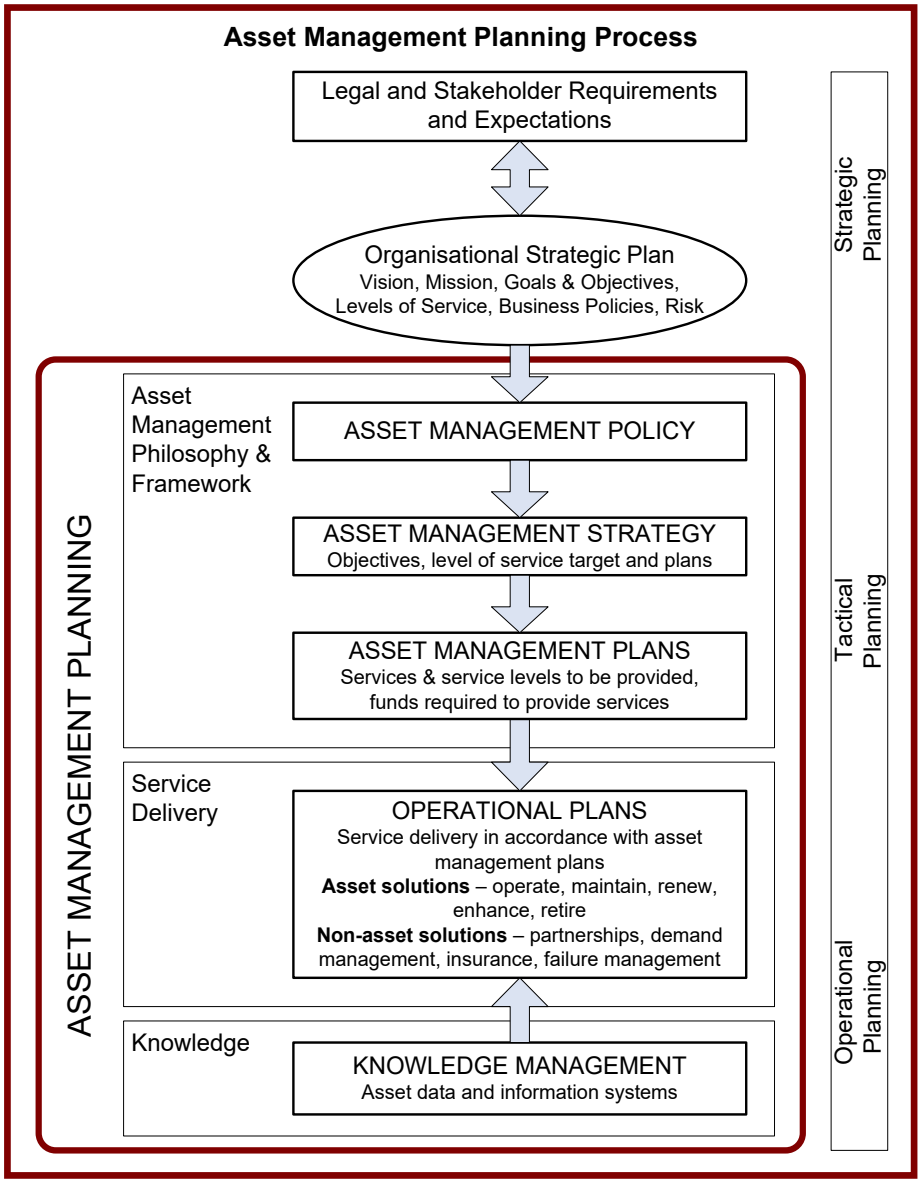
An Asset Management Plan provides a long-term assessment of the asset activities and actions required to deliver services related to Civil Infrastructure. Council utilises the guidelines for the development of Asset Management Plans as show in the IPWEA International Infrastructure Management Manual (IIMM)6.



Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with varying proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.[6]



[6] IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

Narromine Shire Council Asset Management Plans

Council's Asset Management Plans are considered to be 'core' asset management plans in accordance with this International Infrastructure Management Manual (IIMM). Whilst they have been prepared to meet minimum legislative and organisation requirements for sustainable service delivery, and long term financial planning and reporting, core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

Future revisions of the plans will move towards 'advanced' or 'superior' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

The objective of the Asset Management Plan is to outline the particular actions and resources required to provide a defined level of service in the most cost effective manner.

This Asset Management Strategy is a summary of our detailed Asset Management Plans and provides guidance in their development. Individual plans are evolving and an ideal Asset Management Plan will only be achieved after many stages of development and knowledge improvement.

Council's detailed Asset Management Plans have been based on the following group of assets:

- Water (AMP1)
- Sewer (AMP2)
- Waste (AMP3)
- Aerodrome (AMP4)
- Recreation & Community Facilities (AMP5)
- Transport (AMP6)
- Buildings and Other (AMP7)
- Drainage (AMP8)

Council recognises that there are improvements that need to be made to achieve ideal asset management planning and the asset management framework is to support improved asset management performance and sustainability.

A key issue facing Narromine Shire Council and all local government areas throughout Australia is the management of ageing assets in need of renewal and replacement. Infrastructure assets such as roads, drains, water and sewerage assets, bridges and public buildings present particular challenges as their condition and longevity can be difficult to determine, and the increasing demands in terms of quality and standards. The creation of new assets also presents challenges in terms of funding for initial construction and ongoing service costs.

In March 2007 the Local Government and Planning Ministers' Council published 'Nationally Consistent Framework 2 Asset Planning and Management'. The objective was to enhance the effectiveness of local government and planning in Australia and New Zealand.

The paper outlines why a national asset management framework is important for the overall financial sustainability of local governments:

- Presents key challenges that councils face in managing their assets;
- Identifies the key principles that underpin a national asset management framework; and
- Identifies the proposed elements of a national asset management framework.

Council's asset management planning, management and operation is consistent with the national framework. It is a transparent and accountable management of infrastructure assets and takes a strategic approach to meet current and emerging challenges.

Asset Expenditure Definitions

Council provides a wide range of infrastructure assets and services, and knowledge of the type of expenditure is an important requirement for preparing an Asset Management Plan. The Asset Management Plan distinguishes between Operations, Maintenance, Capital Renewal, Capital Upgrade and Expansion, which enhance Council's existing operating capacity.

- **Operating Expenditure**

  Expenditure on providing a service, which is continuously required, including staff salaries and wages, plant hire, materials, power, fuel, accommodation and equipment rental, on-costs and overheads. Operating Expenditure excludes maintenance and depreciation.

- **Maintenance**

  Expenditure on an asset which maintains the asset in use but does not increase its service potential or life, e.g. repairing a pothole in a road, repairing the decking on a timber bridge, repairing a simple pipe in a drainage network, repairing work to prevent early failure of an asset.

- **Capital Renewal**

  Expenditure on renewing an existing asset or a portion of an infrastructure network which returns the service potential or the life of the asset up to which it had originally, e.g. resurfacing a sealed road, pavement rehabilitation, Resheeting a gravelled road, renewing a section of a drainage system, major maintenance on bridge pylons, etc.

- **Capital Upgrade / Expansion**

  Capital upgrade of an existing asset or infrastructure network to provide a higher level of service to users, e.g. widening the pavement and sealed area of an existing road, sealing an existing gravelled road, replacing drainage pipes with pipes of a greater capacity, replacing an existing bridge with one having a greater carrying capacity, etc.

  Capital expansion of an asset to a new group of users at the same standard as currently enjoyed by others (e.g. extending a drainage or road networks). This expenditure is generally limited to new subdivisions or new links in the network.

8. Operations

Operational Activities are those regular activities that are required to continuously provide the service including asset inspection, electricity costs, fuel and overheads. Inspections are an important operational activity and details of some of those undertaken are provided below. Further information is available in each AMP and in the Asset Inspection Manual.

Table 8.1: When do we undertake an Asset Inspections?

AMP #	Inspection	Frequency
1	Water – Condition of above ground assets	Biannually
2	Sewer – Condition of above ground assets	Biannually
3	Waste – Internal Roads	Annually
4	Aerodrome – Runway	Annually
5	Recreation & Community Facilities – Condition assessments	Annual
6	Transport (Hierarchy One Roads)	Fortnightly
7	Buildings – safety for medium / high classed buildings	Annually
8	Drainage – CCTV inspection of underground pipe network	5 yearly

9. Maintenance

Routine maintenance is the regular on-going work that is necessary to keep assets operating to ensure they reach their useful life. It includes work on an asset where a portion may fail and need immediate repair to make it operational again. It may be either planned where works are programmed in or cyclic in nature or reactive in response to storm damage, vandalism etc.

Maintenance is either planned or reactive, defined as:

- ***Reactive maintenance*** – unplanned repair work carried out in response to service requests.
- ***Planned maintenance*** – repair work that is identified and managed through a Maintenance Management System (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting actions to develop a maintenance history, and improvement of maintenance and service delivery performance.

Maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this Strategy will include linking required maintenance expenditures with required service levels in the Community Strategic Plan. The level of service and standards of care for maintenance is carried out in accordance with details in each AMP.

Example maintenance activities are outlined in **Table 9.1**.

Table 9.1: Examples of Maintenance Activities and the frequency we undertake them are:

Asset Group	Activity	Class	Frequency
Transport	Maintenance Grading	Hierarchy 3 (Unsealed)	Annual (as per Roads Strategy)
Water	Valve Exercise	All	Annual
Sewer	CCTV Inspections	All	10 Yearly
Waste	Grade of internal road	All	Yearly
Aerodrome	Line marking	All	4 Yearly
Recreation and Community Facilities	BBQ Repairs	Regional	Reactive
Buildings	Fire Systems	All	Yearly
Drainage	Underground pipe network cleaning	All	5 yearly

Adjusting Levels of Service

Council can adjust the level of service and reduce the cost of providing the service by either reducing the time to respond to maintenance requests (e.g. only undertaking work during business hours), or by reducing the frequency of maintenance activities (e.g. grading roads on a less frequent basis). Conversely increasing the frequency of maintenance activities will increase the cost of providing the service.

The proposed Maintenance Programs are detailed within each AMP.

10. Capital Renewal / Rehabilitation

Renewal or rehabilitation includes work on an existing asset to replace or rehabilitate it to a condition that restores the capability of the asset back to that which it had originally.

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

This Asset Management Strategy contains an analysis based on broad assumptions and best available knowledge to date. Modelling is not an exact science so we deal with long term averages across the entire asset stock. Work will continue on improving the quality of Council's asset registers and systems to increase the accuracy of Council's renewal models.

Assets requiring renewal will be generally identified from estimates of remaining life and condition assessments obtained from the Asset Register and models. Asset renewal proposals will be inspected to verify the accuracy of the remaining life estimate, and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds, and then scheduled in future works programmes.

Details of planned renewal activities proposed over the next 4 years are contained in each Asset Management Plan. The first year of the program will be considered in the development of the next Operational Plan and the remaining 3 years of work will be assessed each year to confirm that the asset has reached its intervention level prior to the work being scheduled.

A number of options are available to manage this required funding, including:

- Improving knowledge of the condition of assets and their remaining life, thereby deferring renewal as late as possible;
- Improving maintenance to extend the life of assets and defer projected renewal;
- Improving efficiency and introducing innovative practices for carrying out maintenance and renewal works;
- Using lower cost renewal / rehabilitation methods;
- Rationalising (disposing of unnecessary assets);
- Lowering service levels;
- Increasing funding; and / or a
- Combinations of each option.

Asset Management Plans for each asset class consider these options in the analysis of service levels.

It should also be recognised that the acquisition of additional assets (expansion and upgrade) will add to the funding constraints for projected renewal and to annual operating and maintenance costs.

Figure 10.1: What will we spend over the next 4 years on Renewal (2022 $)?

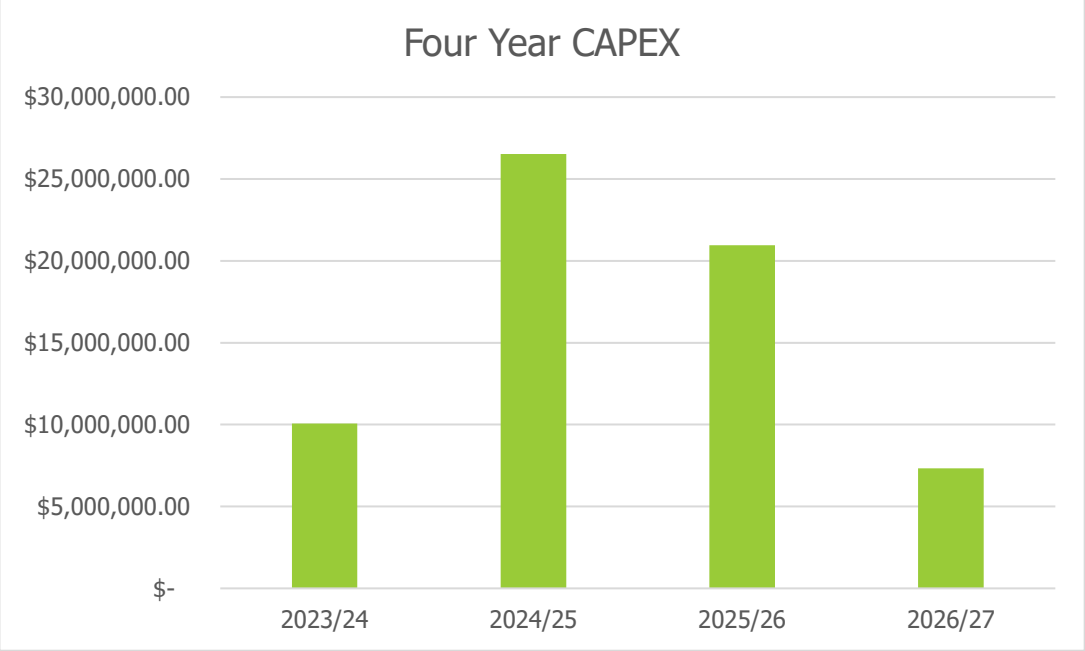


Figure 10.1 indicates that, based on current projections, Council will spend approximately on average $5 million per annum on renewals across the 8 major asset groups.

Lifecycle costs

The lifecycle costs are determined based on the total cost of ownership of each asset including operations, maintenance, renewal and disposal costs. The average annualised lifecycle costs for a number of components is presented in each of the individual Asset Management Plans.

11. Capital Creation / Acquisition / Upgrade

Upgrades enhance an existing asset to provide a higher level of service, for example widening an existing road seal. New assets are those created to meet an additional service level requirement or increase the size of a network, for example, new subdivisions, or extension of the stormwater drainage network.

Capital upgrade and expansion expenditure adds to future liabilities. These works commit Council to fund ongoing budget liabilities for operations, maintenance, depreciation and finance costs (where applicable) for the life of the asset. They are discretional expenditure, which increases future operating and maintenance costs because it increases Council's asset base, but may be associated with additional revenue from the new user group.

The requirements for new assets may result from growth, social or environmental needs. The impact from growth is included and will be further developed in the next suite of Asset Management Plans and this Strategy.

Upgrades or new assets may be funded, at least in part, through Developer Contributions in the form of a Section 7.11 or 7.12 Contribution, a Voluntary Planning Agreement, or as part of a subdivision development.

New assets and upgrade/expansion of existing assets are identified from various sources such as Council or community requests, proposals identified by strategic plans or partnerships with other organisations. Project proposals are assessed to verify need and to develop a preliminary lifecycle cost estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Council has developed a framework for the prioritisation of capital projects and that information is used in the consideration of all new projects above the threshold set in the framework. Included in the analysis is the identification of life cycle costs as outlined in **Appendix B**.

12. Disposal Plan

Disposal is any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets with a condition rating of 4 (poor condition), where Council has received no contact through the Customer Request System, indicating that the community don't require the asset (as they have raised concerns or complaints about the asset condition), may be considered to be a redundant asset or not utilised, and therefore decommissioned and disposed, unless considered critical infrastructure.

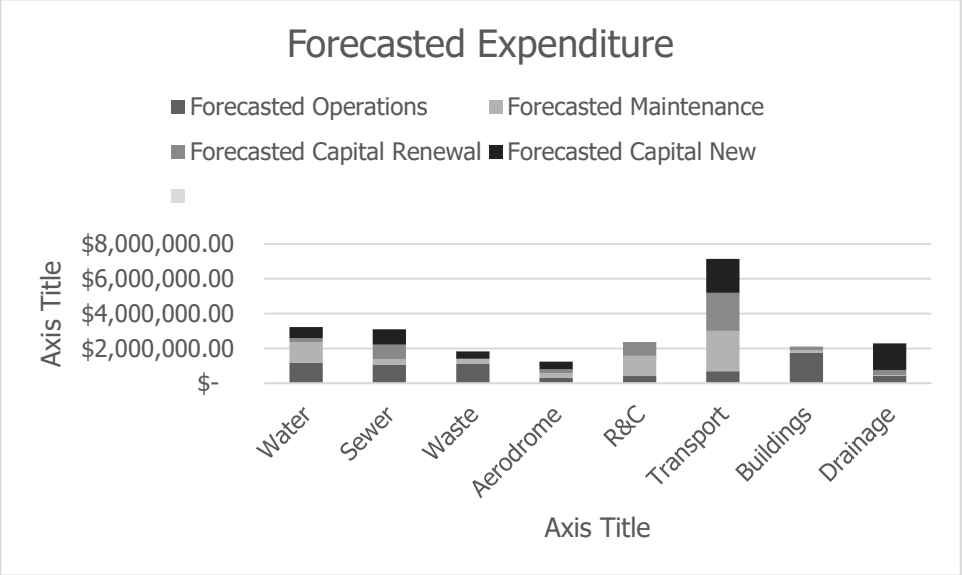
Through careful analysis of all the existing assets Council may become aware of assets no longer required, and finance can, therefore, be raised through their disposal. An example of this may be surplus areas of land. An added advantage is that, if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

Prior to consideration of any proposed disposal, a detailed report will be presented to Council.

13. Financial Plan

It is important to recognise that the forecasts developed in each AMP, and therefore, this Strategy are based on delivering the levels of service identified in each Plan. This information will be used to assist in the development of the overall Council Long-Term Financial Plan that is adopted with the Community Strategic Plan, Delivery Program and Operational Plan. Any changes made to the overall Long-Term Financial Plan, adopted by Council, will be reflected in the next Asset Management Strategy and AMP's. Figure 13.1 outlines the expenditure on Assets in 2022 Financial Year.

Figure 13.1: 2017 Asset Expenditure Summary



Implications of Capital Decisions

Capital upgrade and expansion expenditure adds to future liabilities. These works commit Council to fund ongoing budget liabilities for operations, maintenance, depreciation and finance costs (where applicable) for the life of the asset. They are discretional expenditure, which increases future operating and maintenance costs because it increases Council's asset base, but may be associated with additional revenue from the new user group.

Capital renewal works restore existing service levels, and do not add to budget liabilities. Well-planned capital renewal works can reduce operating and maintenance costs by reviewing service levels, use of automation and more energy efficient equipment.

It is critical that Council and the community understand the financial effect of capital project decisions and that if a rate revenue increase is required, this information is known and considered, as part of the decision to approve the project.

14. Key Performance Measures

AMPs document the linkage between levels of service and life cycle costs. Performance Levels are target Levels of Service. The performance measures for Council services typically are:

- Quality
- Functionality
- Safety
- Condition
- Accessibility
- Cost Effectiveness

To monitor these performance standards, the following asset knowledge needs to be assembled:

- Demand projections and forecasts;
- A description of the current asset portfolio;
- A broad description of the management activities (operations and maintenance, renewals, capital works and asset disposals) required to deliver the defined service levels;
- Identification of strategies and actions required to ensure service sustainability, including resources and timeframes;
- A cash-flow forecast outlining the asset related expenditure required over the term of the plan;
- Compliance and risk strategies and costs.
- Customer Request Management

As part of identifying the best value mix of service, there needs to be a clearly understood link between the economic, social and environmental prosperity for the community and the asset stock needed and revenues needed to deliver these objectives.

This information allows Council to make better informed decisions on the allocation of limited resources based on community values of service and cost. It stands to reason that the provision of services, providing the highest benefit, at the least cost will give the greatest value.

15. Plan Improvements

It is not the intention of this strategic document to identify recommendations for individual areas of Council's operations, but to establish the key areas for asset management improvement.

Figure 15.1: Improvement Program at a High Level

Ref	Task	Responsibility	Target Date
1	Succession Planning (Work Force Management Plan)	Human Resources	On-going
2	Corporate Risk Management	Governance	On-going
3	Asset Management Plan Updates	Services	On-going
4	Technical Levels of Service	Services	On-going
5	Update condition information of Assets	Services	On-going
6	Maturity Assessment Report	Services	On-going
7	Link Spatial Database to the Asset Register	Services	On-going
8	Implement IOT within KPI measures	Services	On-going

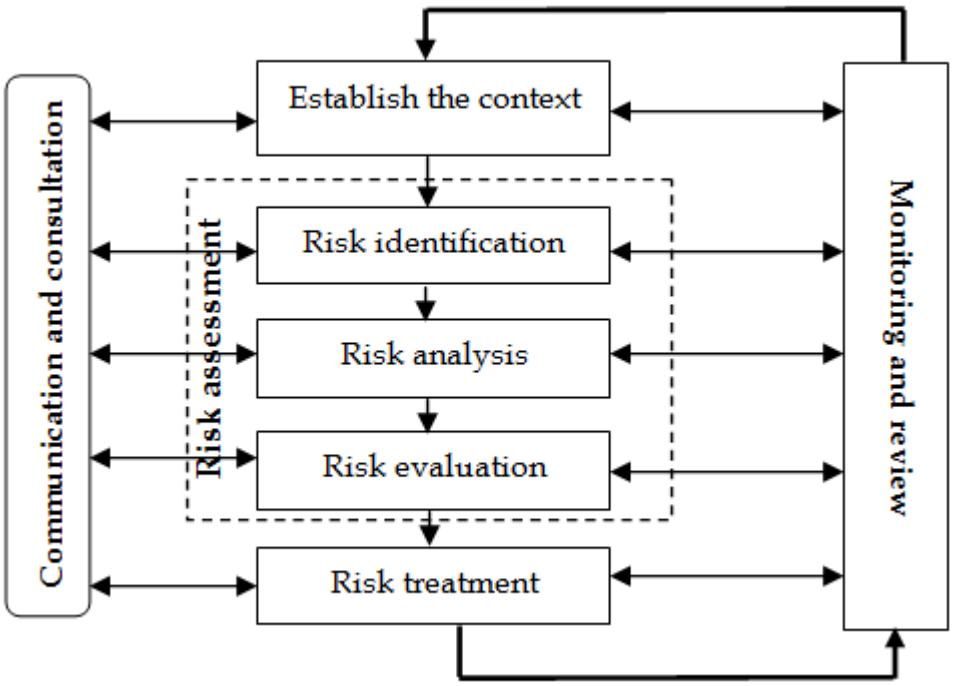
The action plan has been updated to incorporate the priorities. This Plan will ensure that Council fulfils its legal Asset Management obligations, maintains its current level and guides Council to the next level of Asset Management.

16. Risk Management Plan

Council is committed to the identification and elimination or reduction of risks in relation to the performance of Council's functions and the delivery of services. Council's management of risk will be in accordance with the processes set out in AS/NZ ISO 31000:2018 – *Risk management – Guidelines*.

Council has developed an Enterprise Risk Management Plan, which integrates the processes for managing Council's risk into overall governance, strategy and planning, management, reporting processes, policies, value and culture.

The Risk Management process in accordance with AS/NZ ISO 31000:2018 will involve a seven step processes as outlined below-



Communication and consultation with external and internal stakeholders take place during all stages of the risk management process.

The following risks will be considered within the context of the internal and external environment and consider internal and external stakeholders:

- Local, regional or national political, legal, regulatory, financial, technological, economic, social and cultural environment
- Key drivers and trends which impact Council's objectives
- Relationships with, perceptions and values of external and internal stakeholders
- Governance, organisational structure, roles and accountabilities
- Policies, objectives, and strategies
- Capabilities (e.g. capital, time, people, processes, systems and technologies)
- Council's culture

- Information systems, information flows and decision making processes
- Standards, guidelines and models adopted by Council
- Form and extent of contractual relationships

Key stakeholders include but are not limited to the following:

- Government (Federal and State)
- Local Citizens
- Local Businesses
- Local Communities
- Councillors
- Contractors
- Employees
- Other Government Agencies (e.g. police, planning, emergency, health, fire etc)
- Local Media
- Trade Unions
- Lobby/Advocacy Groups

Risk Assessments include the processes of risk identification, risk analysis and risk evaluation and will use the qualitative method (i.e. determining the respective likelihood and consequence for each identified risk).

Risk assessments will be undertaken for each Asset to determine risks that can potentially impact on the achievement of Council's strategic objectives; and to identify key operational risks that are inherent in the main functions performed by Council.

On completion of the Risk Assessment for each Asset, critical assets will be determined according to the severity of the impact on Council's functions and delivery of services if use of the asset were lost.

Risk treatment for critical assets may include increased inspection frequency, higher maintenance intervention levels, increased allocation of funding and resources etc.

The Executive Leadership Team and Audit, Risk and Improvement Committee will be responsible for monitoring and periodically reviewing the Enterprise Risk Management Plan under which risks are managed as well as the process of risk management.

17. Asset Management Practices

17.1 Accounting/Financial

Accounting and financial systems

Council currently uses Authority to record financial transactions which link to its Asset Registers. The linked financial information is used to formulate the Asset Capital Values outlined within the Annual Financial Statements.

Accountabilities for financial systems

The Finance and Corporate Strategy Department is responsible for the financial systems of council.

Accounting standards and regulations

Council is required to prepare their financial statements in accordance with all relevant Australian Accounting Standards. Council must comply with but not limited to the following accounting standards:

- AASB 116 Property, Plant & Equipment – prescribes requirements for the recognition and depreciation of property, plant and equipment assets.
- AASB 136 Impairment of Assets – ensures that assets are carried at amounts that are not in excess of their recoverable amount.
- AASB 1001 Accounting Polices – specifies the polices that Council is to have recognition of assets and depreciation.
- AASB 1041 Accounting for the revaluation of Non-Current Assets – specifies the frequency and basis of calculating depreciation and revaluation basis used for assets.
- AAS27 Financial reporting by Local Governments

Capital/maintenance threshold

Items of infrastructure, property, plant and equipment are capitalised in accordance specified in A1-1 of Council Financial Statements.

Required changes to accounting financial systems arising from this AM Plan

Council is continually reviewing its financial systems, this may include a process of acquiring new/additional software to assist in the storing and managing asset data.

17.2 Asset Management Systems

Asset management system

Currently, Council has the following systems for its Asset Management System:

- CIVICA – registers, depreciation, Capitalisation, financial records, defects, scheduling etc.
- Intramaps / QGIS – GIS data that is GPS tagged and contains metadata of that Asset
- REFLECT – Road Associated asset component defect monitoring system
- Mobile Apps – formal inspection logging etc.

Asset registers

Council maintains asset registers in the database CIVICA Authority.

Linkage from asset management to financial system

The asset registers are used to determine the input for C1-6 in the council financial reports.

Accountabilities for asset management system and data

The Director of Infrastructure and Engineering Services is directly responsible for maintaining the asset management data. The managers (generally in the Engineering Directorate) are responsible for providing details of capital works proposed and/or undertaken.

Information Flow Requirements and Processes

The key information that flows into this asset management plan is:

- Council strategic and operational plans,
- Service requests from the community,
- Network assets information,
- The unit rates for categories of work/materials,
- Current levels of service, expenditures, service deficiencies and service risks,
- Projections of various factors affecting future demand for services and new assets acquired by Council,
- Future capital works programs,
- Financial asset values.
- Key Performance Indicators information

The key information flows from this asset management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

These will impact the Long-Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

Standards and Guidelines

Standards, guidelines and policy documents referenced in this asset management plan are:

- IPWEA, 2009, Australian Infrastructure Financial Management Guidelines, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.
- IPWEA, 2006, International Infrastructure Management Manual, Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au.
- IPWEA, 2002, Practice Note 1: Footpath & Cycleways
- IPWEA, 2002, Practice Note 2: Kerb & Channel (Gutter)
- IPWEA, 2002, Practice Note 3: Buildings
- IPWEA, 2002, Practice Note 5: Stormwater Drainage
- IPWEA, 2002, Practice Note 6: Long Term Financial Planning
- IPWEA, 2002, Practice Note 7: Water Supply & Sewerage
- IPWEA, 2002, Practice Note 9: Pavement
- IPWEA, 2002, Practice Note 10.1: Parks
- Narromine Shire Council Asset Management Policy
- Narromine Shire Council Asset Management Strategy
- Narromine Shire Council Asset Management Manual
- Narromine Shire Council Asset Inspection Manual
- NSW Department of Local Government, Integrated Planning and Reporting Manual
- NSW Department of Local Government, Integrated Planning and Reporting Guidelines

18. APPENDIX A: Glossary & Abbreviations

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

Asset class
Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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

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

Assets
Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*
The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**
Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure
Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretional expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

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

Capital funding
Funding to pay for capital expenditure.

Capital grants
Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure
See capital expenditure definition

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

Capital renewal expenditure
Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value

compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure
Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretional and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

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

Class of assets
See asset class definition

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

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

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

Current replacement cost "As New" (CRC)
The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

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

Depreciable amount
The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

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

Depreciation / amortisation
The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life
See useful life definition.

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

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

Greenfield asset values **
Asset (re)valuation values based on the cost to initially acquire the asset.

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

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

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

Investment property
Property held to earn rentals or for capital appreciation or both, rather than for:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of business (AASB 140.5)

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

Life Cycle Cost **
The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

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

Loans / borrowings
Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap
Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (eg 5, 10 and 15 years).

Maintenance and renewal sustainability index
Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

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

Materiality
An item is material is its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.
A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

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

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

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

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

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

Rate of annual asset consumption*
A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

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

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

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

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

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

Recurrent funding
Funding to pay for recurrent expenditure.

Rehabilitation
See capital renewal expenditure definition above.

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

Renewal
See capital renewal expenditure definition above.

Residual value
The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

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

Risk management
The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment
A self-contained part or piece of an infrastructure asset.

Service potential
The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*
A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

Strategic Management Plan (SA)**
Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

Sub-component
Smaller individual parts that make up a component part.

Useful life
Either:
(a) the period over which an asset is expected to be available for use by an entity, or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use
The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary
Note: Items shown * modified to use DA instead of CRC
Additional glossary items shown **

19. APPENDIX B: Example of Annual Service Costs

This **example** details the costs to provide, operate (including daily cleaning), and maintain a new public Barbeque that is expected to have a life of 10 years. The annual service cost is detailed in Table B.1.

Table B.1 Annual Service Cost for a Public BBQ

	Capital Cost	Annual Service Cost	Remarks
Capital Cost	8,000		
Finance/Opportunity cost		320	4% pa
Depreciation		800	10 years
Operations (cleaning)		7,300	Daily cleaning
Maintenance		400	
Demolition		100	$1,000 @ 10 yrs
Revenue		0	
TOTAL	$8,000	**8,920**	

The Annual Service Cost for the provision of the public barbeque is $8,920 for the 10 year life required. The cost per use can be calculated by dividing the Annual Service Cost by the number of uses.

The Costs shown in **bold** are the ongoing budget commitments that the Council must fund in future budgets for the service provided by the new barbeque. These total $8,920 per annum for the next 10 years (depreciation, operations, and maintenance).

The Annual Service Cost is a tool for evaluating capital works projects. Council should be satisfied that it will obtain value or community benefits greater than $8,920 per annum for this project, otherwise the project should not be approved.

This information will be used when considering annual capital works programs to assist in assessing projects. This shows the project estimate, apportioned into renewal and new asset components, the budget commitment and equivalent rate increase required to fund the budget commitment and the annual service cost.

In determining its capital works program, Council will make a policy decision to allocate funds for asset renewal in accordance with its Asset Management Plans under the principle of allocating the value of depreciation expense progressively for asset renewals

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Water
(AMP1)

Contents

1. Executive Summary

Council's intention is to provide the residents in the townships of Narromine, Trangie and Tomingley with safe reticulated drinking water through infrastructure serviced and maintained to a level reflective of the community's expectations. The standard achieved must meet the requirements of statutory and regulatory bodies that regulate Drinking Water in NSW they. The NSW Department of Planning and Environment Water and NSW Department of Health. These systems must operate in a manner that is both functional, cost effective and sustainable.

The water reticulation system currently has a Gross Carrying Value (GCV) of approximately $29,812,000 as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision-making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements, etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy

A review of the 2013 Integrated Water Cycle Management (IWCM) Plan is underway and this Asset Management Plan will be updated after completion and acceptance by Council, which will involve stakeholder consultation and detailed financial analyses.

1.1 Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet required or increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

- Provide water to a standard that supports the outcomes identified in Council's Community Strategic Plan, Drinking Water Quality Policy 2019 and meets regulatory standards set out in the Australian Drinking Water Guidelines 2022 and the NSW Public Health Regulation 2012.
- Ensure the maintenance of infrastructure at a safe and functional standard as set out in this Asset Management Plan as well as other guideline and Policy documents published from time to time including all Safe Work NSW Codes of Practice.
- Ensure the management of water infrastructure assets deliver to the requirements of Council's Asset Management Policy and Strategic Asset Management Plan.
- Providing a defined level of service and monitoring of performance in line with Councils stated policy objectives.
- Managing the impact of growth through demand management and infrastructure investment.
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service.

- Identifying, assessing and appropriately controlling risks, and
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

The Gross Carrying Value (GCV) of Council's asset is defined as the initial cost to Council or the price Council will repay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

Council's Water Asset class has a $29,812,000 GCV and a $23,011,000 NCV, which represents 6.60% of Councils total assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2 Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff – Asset Management Working Group, etc.

1.3 Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and Operational Management of Risk
- Asset Management Improvement Plan.

1.4 Water Supplies

Council supplies drinking water in Narromine, Trangie and Tomingley.

In Narromine, the lowering of water levels currently experienced in the aquifers supplying the town is resulting in increasing levels of aquifer stress, i.e, reduction in yield and deterioration in water quality.

This occurs particularly during the warmer months, therefore decreasing the ability of Council to meet Peak Day Demand and Peak Week Demand conditions. It also has a flow on effect on reservoir recovery and maintaining adequate network pressure for firefighting and water quality (backflow prevention, etc.) therefore increasing the risk profile. Network redundancy is inadequate in the event of failure in supply due to the above.

These risk factors have led to DPE -Water ranking the Narromine Water Supply System at the highest level (5) on the DPE Eligible Risks and Issues List (ERIL) for Water Quality and Water Security under the NSW Safe and Secure Grant Funding Program. This score guarantees Council 75% funding for the complete resolution of the risks. Council must however be able to fund the remaining 25% required for the government funding to be granted.

A river sourced raw water system comprising of water pumps and a storage reservoir, supplies water to a standpipe and the irrigation of playing fields and parks on the Northern side of Narromine. This raw water supply system has reached its end of useful life and is due for a major upgrade and refurbishment due to age and Work Health and Safety concerns. A report on the feasibility of rehabilitating the concrete reservoir for continued use is currently being sought.

Trangie had experienced a similar effect however, an augmentation in 2015, including drilling of three new bores and the construction of rising trunk mains and a disinfection system has alleviated the stress and improved water quality considerably. A currently redundant Concrete Reservoir will be assessed at the same time as the Nymagee St reservoir for possible rehabilitation to provide a Raw Water storage and standpipe for Trangie.

Tomingley water supply has recently been upgraded with construction of a NSW Local Government Section 60 approved Drinking Water Treatment Plant. A new reticulation network is also under construction and scheduled for completion in June 2023.

Safe, reliable and sustainable water supply is critical to community health and economic development. Therefore, the security of the water supply systems must not deteriorate to a level where community health and prosperity is at risk or compromised.

It is noted that Council will need to expand Narromine Water Supply by means of constructing a water treatment plant, reservoir and trunk mains. This Asset Management Plan will be reviewed and updated after completion of the Integrated Water Cycle Management (IWCM) Plan and currently underway ERIL - Options Studies of Water Quality and Water Security Risks. These studies will address financial as well as other impacts and the timing of these works.

1.5 The Water Supply Service

In summary, the water supply network comprises of the following major assets:

- **Bores and river pumping station**
- **Trunk Supply Mains including valves and hydrants**
- **Treatment Plants**
- **Pumping Stations**
- **Service Reservoirs**
- **Reticulation network including vales and hydrants**
- **Water Services, including the water meter fleet.**

A breakdown of the major assets, within the Shire of Narromine, is given in the table below:

Table 1: Breakdown of Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (years)
Bores	Ea.	8	5
Storage Dam	Ea.	1	30
Trunk Main	Km	6	19
Treatment Plant	Ea.	2	13
Pumping Station	Ea.	1	36
Service Reservoir	Ea.	3	16
Reticulation Network (<150mm Dia.)	Km	119	20

While several assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing their end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, puts further additional strain on existing assets. Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable drinking water to its customers while meeting legislative requirements.
2. Provide reliable and sustainable bulk non- drinking water to its customers via standpipes when conditions permit.
3. Operate, maintain, renew and upgrade :
    - Bores
    - River pumping equipment
    - Trunk supply mains
    - Treatment plants
    - Pumping stations
    - Service reservoirs
    - Reticulation network
    - Water services
    - Water meters

    to meet all statutory requirements and agreed service levels set by Council.
4. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long term plans to ensure a sustainable water business.

It should be appreciated that Council does not have sufficient funds in the Water Reserve to provide some services to the desired service levels (technical or community expectations).

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently unserviced areas without substantial investigation or capital expansion and investment.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades as funding opportunities become available.

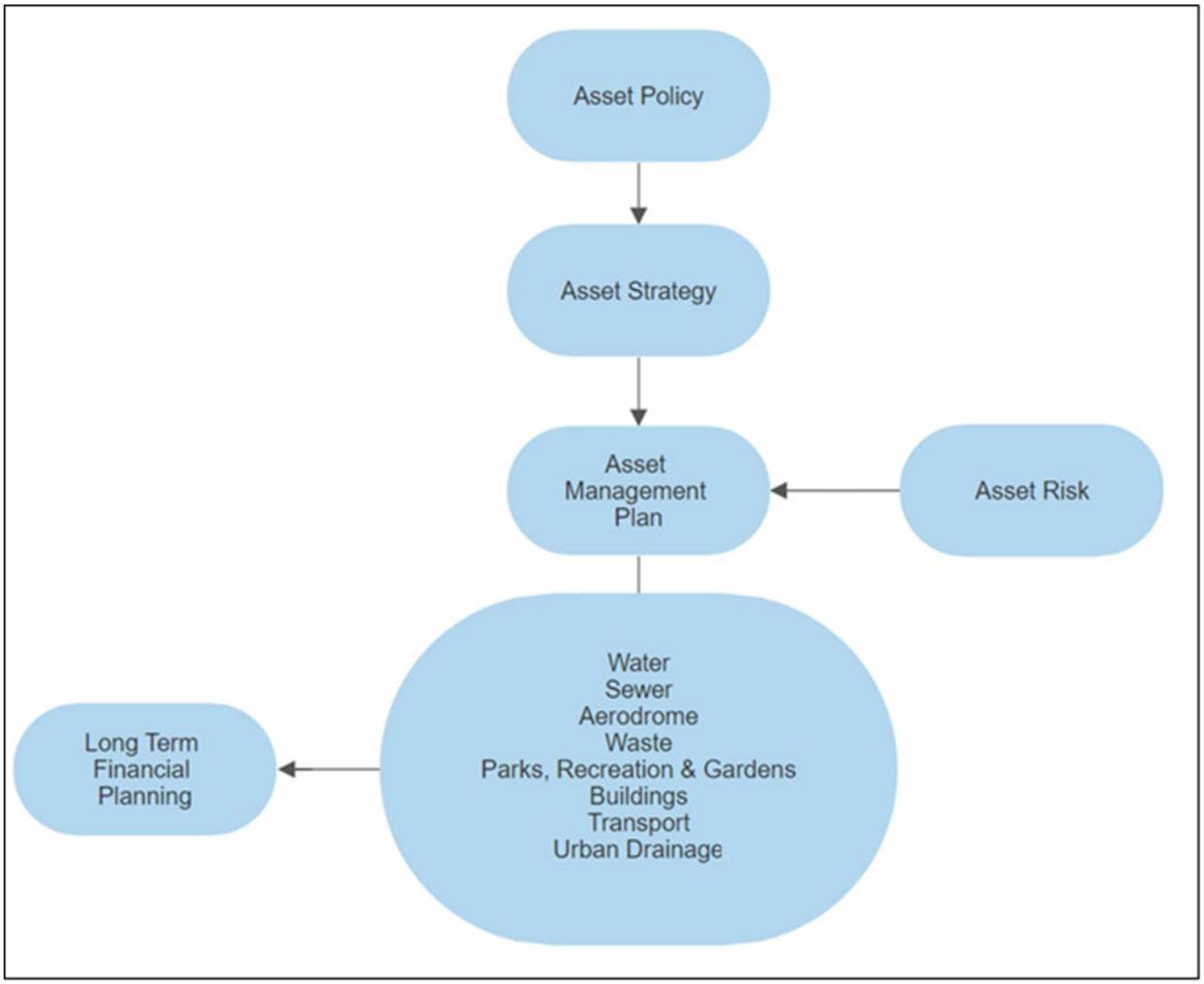
2 Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. The framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- **Levels of Service**
- **Future Demand**
- **Life Cycle Management**
- **Monitoring**

Figure 1: Asset Management Framework

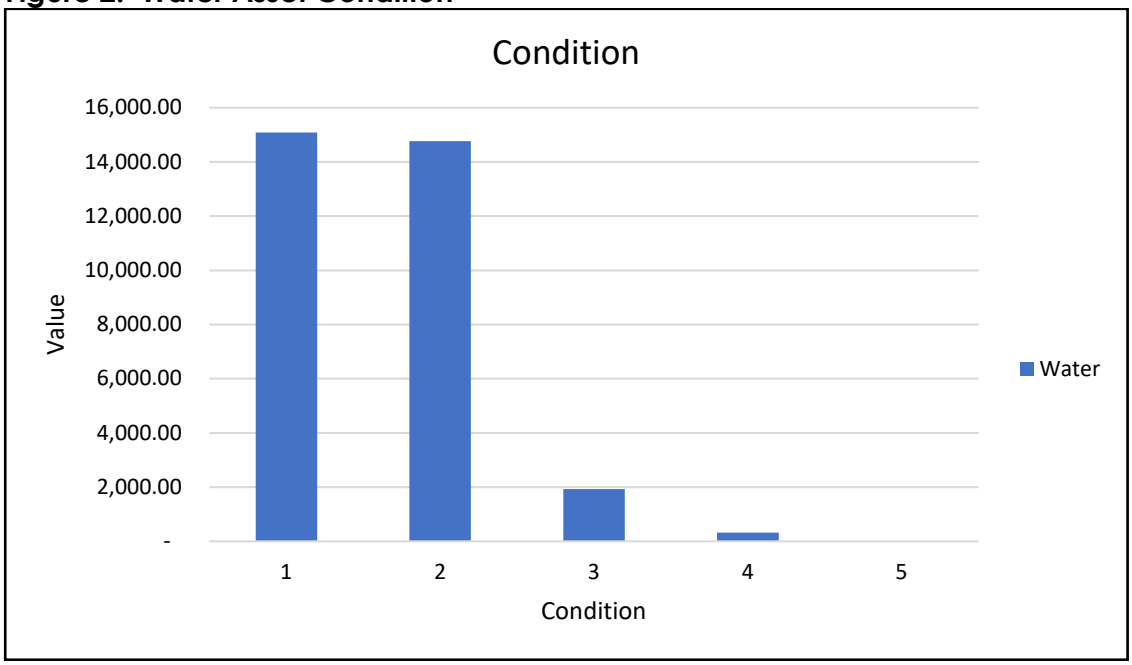


3. Asset Conditions

3.1 Value based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Water assets have been condition rated externally during the revaluation in 2022.

Figure 2: Water Asset Condition



3.2 Other criteria

The process of managing our Water assets is one of continually improving the knowledge Council has, including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the Asset and not used for determining the condition of an asset.

The Asset Register contains the condition information of assets.

4 Future Planning for Water Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices
Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy.

Ultimately, final decisions and management of Assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5 Supporting Documentation.

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Water and Sewerage Strategic Business Plan	Gives details and supporting information for Council's Community Strategic Plan, Delivery Program and Operational Plan and Budget.
Demand Management Plan (Narromine & Trangie)	Council is responsible for the water supply reticulation, sewerage and stormwater management services within the Narromine Local Government Area (LGA). As a local water utility (LWU), Council aims to be consistent with the NSW Government DPEWater, Best Practice Management of Water Supply and Sewerage Guidelines (DWE, 2007). This Demand Management Plan addresses one of the six "best practice" criteria set out by the guidelines by recommending an appropriate demand management strategy for implementation across Council's water supply systems.
APV -Valuers Valuation Report	2022 Revaluation of all Water and Sewer Assets
Drinking Water Management System Annual Report	Annual Report that documents Narromine Shire Council's Drinking Water Management System (DWMS) implementation and drinking water performance for that financial year. This document is an NSW Department of Health requirement.

Document / System	Content
Strategic Business Plan: Water and Sewer	The Strategic Business Plan covers the development and operation of Council's Water System. It provides supporting information for Council's Management Plan.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Drinking Water Management System	Document that demonstrates Narromine Shire Council's compliance with the requirement of the Public Health Act 2010 to develop a Quality Assurance Plan in line with the "Framework for Drinking Water Quality Management" in the Australian Drinking Water Guidelines (ADWG).
Integrated Water Cycle Management Strategy	Integrated Water Cycle Management (IWCM) Evaluation Study (Hydro Science, 2010a) of Council identifying a number of issues that require actions from Council's water and wastewater services section.
Drinking Water Quality Management Plan	Document that records risks identified and actions to be undertaken by Council through the Drinking Water Quality Risk Assessment process.
Water Quality Risk Assessment	Document compiled by a working group including external facilitators, engineering and field staff and stakeholders identifying risks to the provision of Drinking Water that meets ADWG
Australian Drinking Water Guidelines	Provides a framework for the management of drinking water supplies appropriate for local conditions.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition
Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity

Table 2: Supporting documentation

6 Services Provided and their Classification.

6.1 Services Provided

Council provides the towns of Narromine and Trangie with a reticulated water supply that meets current drinking water standards, at minimum pressures, as outlined in our Customer Levels of Service. Assets covered within this Asset Management Plan can be seen in the attachments.

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units
Bores	ea.	8
Storage Dam	ea.	1
Trunk Main	Km	5.90
Treatment Plant	Ea.	2
Pumping Station	Ea.	1
Service Reservoir	Ea.	3
Reticulation Network (<150mm Dia.)	Km	119.20
Automated Meter Reading (as of14/03/2023	Ea.	2109

6.2 Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Asset Class	Asset Type	Asset Subtype	Component	Theoretical Useful Life (years)
Water Passive Asset	Water Main	UPVC	Pipework	120
Water Passive Asset	Water Node	Sluice Valve	Sluice Valve	80
Water Passive Asset	Water Main	AC	Pipework	80
Water Passive Asset	Water Main	CICL	Pipework	140
Water Passive Asset	Water Main	Copper	Pipework	100
Water Passive Asset	Water Main	DICL	Pipework	140
Water Passive Asset	Water Main	FRC	Pipework	140
Water Passive Asset	Water Main	Gal	Pipework	30
Water Passive Asset	Water Main	GRP	Pipework	100
Water Passive Asset	Water Main	MSCL	Pipework	140
Water Passive Asset	Water Main	PE	Pipework	100
Water Passive Asset	Water Meters	Water Meter	Water Meter	7
Water Passive Asset	Water Services	Water Service	Water Service	40
Water Passive Asset	Water Node	Air Valve	Air Valve	90
Water Passive Asset	Water Node	Altitude Valve	Altitude Valve	90

Asset Class	Asset Type	Asset Subtype	Component	Theoretical Useful Life (years)
Water Passive Asset	Water Node	Backflow Prevention	Backflow Prevention	90
Water Passive Asset	Water Node	Ball Valve	Ball Valve	30
Water Passive Asset	Water Node	Blank Cap	Blank Cap	90
Water Passive Asset	Water Node	Butterfly Valve	Butterfly Valve	40
Water Passive Asset	Water Node	Gate Valve	Gate Valve	90
Water Passive Asset	Water Node	Hydrant	Hydrant	90
Water Passive Asset	Water Node	Non-Return Valve	Non-Return Valve	30
Water Passive Asset	Water Node	Other	Other	90
Water Passive Asset	Water Node	Reducer	Reducer	90
Water Passive Asset	Water Node	RPZ	RPZ	20
Water Passive Asset	Water Node	Scour Valve	Scour Valve	90
Water Passive Asset	Water Node	Stop Valve	Stop Valve	90

6.3 Classification

The classifications of Water Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of Assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5: Service Classification

Asset Description	Classification
Service Reservoir	1
Trunk Main	1
Bores	2
Treatment Plant	2
Reticulation Network (<150mm Dia.)	2
Storage Dam	3
Pumping Station	4
Water Services and Water metres	5

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the water assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders - ongoing; and
- Analysis of community service requests and customer request management.

The table below describes stakeholder roles and responsibilities.

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• **Have a say in proposed strategy**	• **This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry.** • **The system determines the requirement and priority of the work.** • **Regular benchmarking and quality management and measuring KPI's, ensures Council is getting value for money.** • **A strategy and a fair planning and delivery mechanism in place.** • **Certainty and trust of project delivery when proposed.**	Councillor Workshop, and community consultation
Residents	• **Have a say in proposed strategy** • **Perception of fairness** • **Getting value for money**		Community consultation
State Government	• **Regulation of LWU provision of Water and Sewage services**		Review of Best Practice and DWQM documentation Provision of Capital Funding via Grants
Council Indoor Staff	• **Have a say in proposed strategy,** • **Minimal additions to current workloads**		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• **Have a say in proposed strategy,** • **Structured programs** • **Want to understand place in process**		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The AMP provides clear guidelines for the effective management of the assets owned and operated by Council. Local authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- **Demonstrating responsible stewardship;**
- **Taking a life cycle approach to asset ownership;**
- **Defining the infrastructure assets physically and financially;**
- **Providing a defined Level of Service and monitoring the performance against service levels and service expectations;**
- **Understanding and meeting the demands of growth through demand management and infrastructure investment;**
- **Managing risks associated with asset failure; and**
- **Support long term financial planning.**

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long-term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium-term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of service. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by Asset Management Plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources, farm water resources, and the mitigation of erosion and land degradation. Preservation of watercourse environments.

Legislation	Requirement
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.
Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of Safe Drinking Water
NSW Public Health Regulation 2012	Part 5 Safety measures for drinking water
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.

Table 7: Legislative Requirements

10. Levels of Service

10.1 Introduction

Council is responsible for providing a safe, reliable, and cost-effective drinking water supply, which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the potable water supply is acceptable to the wider community.

Levels of service indicators have been developed for the services provided by the Water Supply Network based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured provide the detail on how we determine whether we are delivering what the community are asking for.

Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it. The CSP Ref column identifies the Community Strategic Plan objective that is being supported by the asset group and the LOS defined.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted drinking water supply
Function	Ensure the water service meets Department of Health approval conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate water services to meet user requirements
Function/Accessibility	Ensure water services are available to all occupied properties
Cost Effectiveness	Provide Water services in a cost-effective manner
Safety	Effectiveness of WH & S programs and Work Method Statements/Standard Operating Procedures

Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

Technical Levels of Service
Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes to best achieve the desired community outcomes.

Technical levels of service measures align with annual budgets covering:

- **Operations**
  The regular activities to provide services such as administration, electricity.

- **Maintenance**
  The activities necessary to retain an asset as near as practicable to its original condition (e.g. cleaning, pump maintenance, breaks etc.)

- **Acquisition**
  The activities required to ensure that new assets and acquired assets are to the required service level.

- **Expansion**
  The activities and assets required to ensure that the needs are met by future developments.

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally (e.g. pipeline replacement, reservoir external coating and bore casing etc.).

- **Upgrade**
  The activities to provide a higher level of service (e.g. increase reservoir capacity, replacing a pipeline with a larger size etc.) or a new service that did not exist previously (e.g. network extension or new reservoir.)

All Levels of Service will be examined as part of the 2021-23 IWCM Strategy Review which includes all Community and Technical Levels of Service. Stakeholder Engagement, Community Engagement and good Stakeholder Management Practices are crucial to quality Asset Management.

Levels of Criticality Service and Intervention should also align with Councils Business Continuity Plans and all NSW Legislative Disaster Management Plans and Practice.

10.2 Intervention Levels

Council maintains a Condition Assessment Manual outlining the frequency of inspection and condition rating, used for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal/maintenance requirements in the Long-Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA Condition Assessment & Asset Performance Guidelines Practice Note 7 Water Supply & Sewerage and advanced asset management practices as outlined in the International Infrastructure Management Manual (IIMM). Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required based on the LOS analysis. Typically, assets are renewed between condition 3 and 4, ranging from fair to poor depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Levels

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each asset's condition is kept in the Water Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel and overheads.

Some of the Operational services identified relevant to Water Services include:

- **Asset Inspections**
- **Land Rates**
- **Electrical Supply**
- **Engineering Management**
- **Telemetry and Other System Monitoring**
- **Insurances**
- **Customer Request Management**
- **Emergency Management**
- **Supply of Water Treatment Chemicals**

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations and delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council is currently developing a condition inspection programme that is to be completed by an independent consultant or internal specialised staff. This condition inspection programme includes the above ground infrastructure on all of Councils Water and Sewerage Asset sites.

Below Ground Assets: Due to the sensitivity of contamination of the Water Supply Service and available technologies Council does not inspect the reticulation network. The current cost of inspections for underground assets is not affordable.

Some of the condition inspections are summarised below:

Table 10: Summary of inspections

Inspection	Frequency
Condition Assessments of all Above Ground External Assets	Four Yearly
Visual Inspection of all Above Ground External Assets	Annually
Hydrants	Annually
Gas Chlorination Equipment	Annually
Valves	Triannualy
Back Up Power Generators	Quarterly
Water Quality Monitoring Instruments	Quarterly
Safety Inspections	Annually
Condition inspection of failed asset (i.e. water main break) incl. CR	Per occurrence

All Assets are reviewed and recommended by external consultants during the revaluation period.

Daily Monitoring and Periodic Water Quality Inspections: Over recent years increases in quality standards and regulations have meant that water quality monitoring is carried out online and continually utilising highly complex instruments. These are serviced by specialty Technicians on a quarterly schedule. Readings are manually verified either daily or twice weekly dependent on site locations and Critical Control Point Procedures. These instruments report via a complex Telemetry Monitory Network using a variety of radio and communications equipment.

Telemetry Systems: Councils Telemetry System is responsible for the operation of all (SCADA) Supervisory Control and Data Acquisition to and from Council water supply assets and monitoring instruments. This is a highly technical and complex system, that necessitates the supply of extensive external online and physical specialist support services. As a result of intellectual property and systems integration and Cyber Security issues this service requires long term continuity of suppliers and regular system upgrade and maintenance.

12 Maintenance

Maintenance Work is the regular on-going work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation. These activities are required to ensure that the asset reach their expected useful life with no addition to their existing useful life and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. **Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset.**
2. **Predictive Maintenance – condition monitoring activities used to predict failure.**
3. **Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based.**

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11: Planned Maintenance Activities

Activity	Frequency	Category
Standby Generator Servicing	Quarterly - Annually	Periodic/ Preventative
Bore Camera Inspection and Cleaning of 8 Bores	2 Bores Each Year 4 Yearly Rotation	Periodic/ Preventative
Reservoir Inspection & Cleaning	Every Three Years	Periodic / Preventative
Valve Easing and Inspection	1/3 of Valves Each Year	Preventative
Mains Cleaning	Annually	Periodic / Preventative
Hydrant Maintenance	Annually	Periodic
Dead End Hydrant Flushing	Annually	Preventative
Pumps Maintenance	Biannually	Preventative

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replace sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

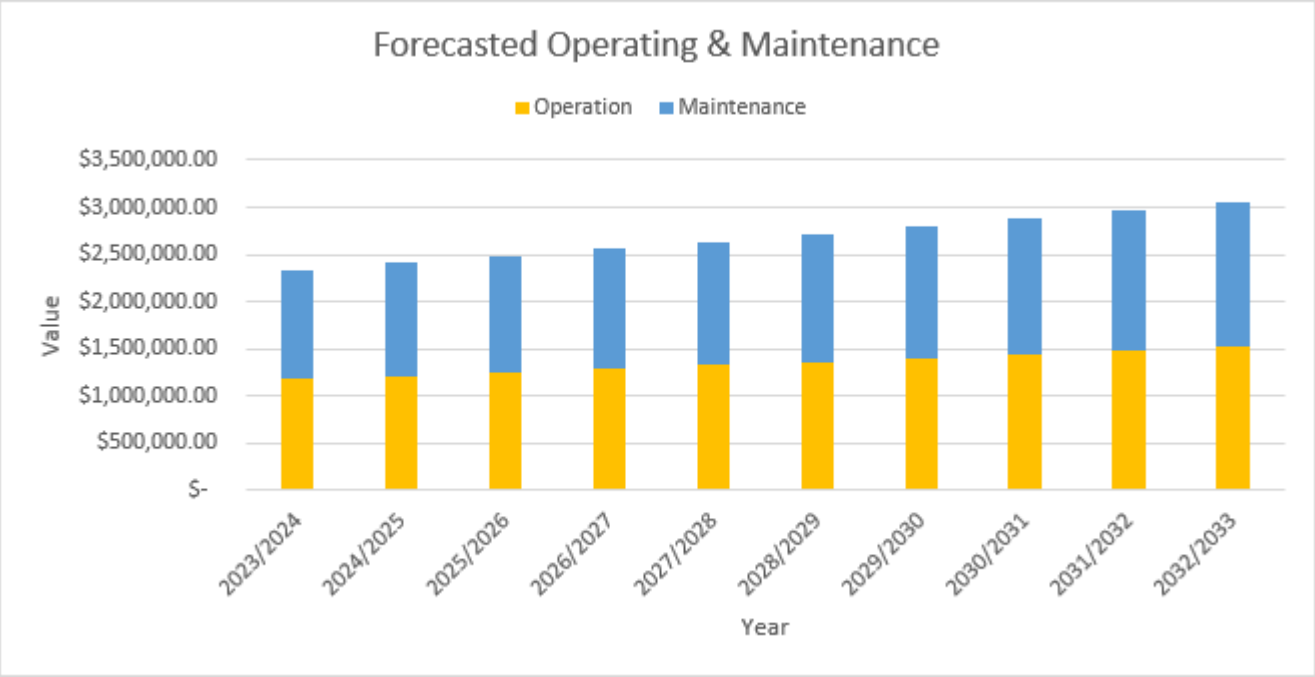
Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

The adjustment of LOS is for a critical service as potable water supply is only undertaken after consultation with the community, ensuring it is still within statutory regulations and health guidelines.

Figure 3 outlines the increase using a four (4) year average to project the following ten years.

Figure 3: Projected Operations & Maintenance Expenditure



13 Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The Acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

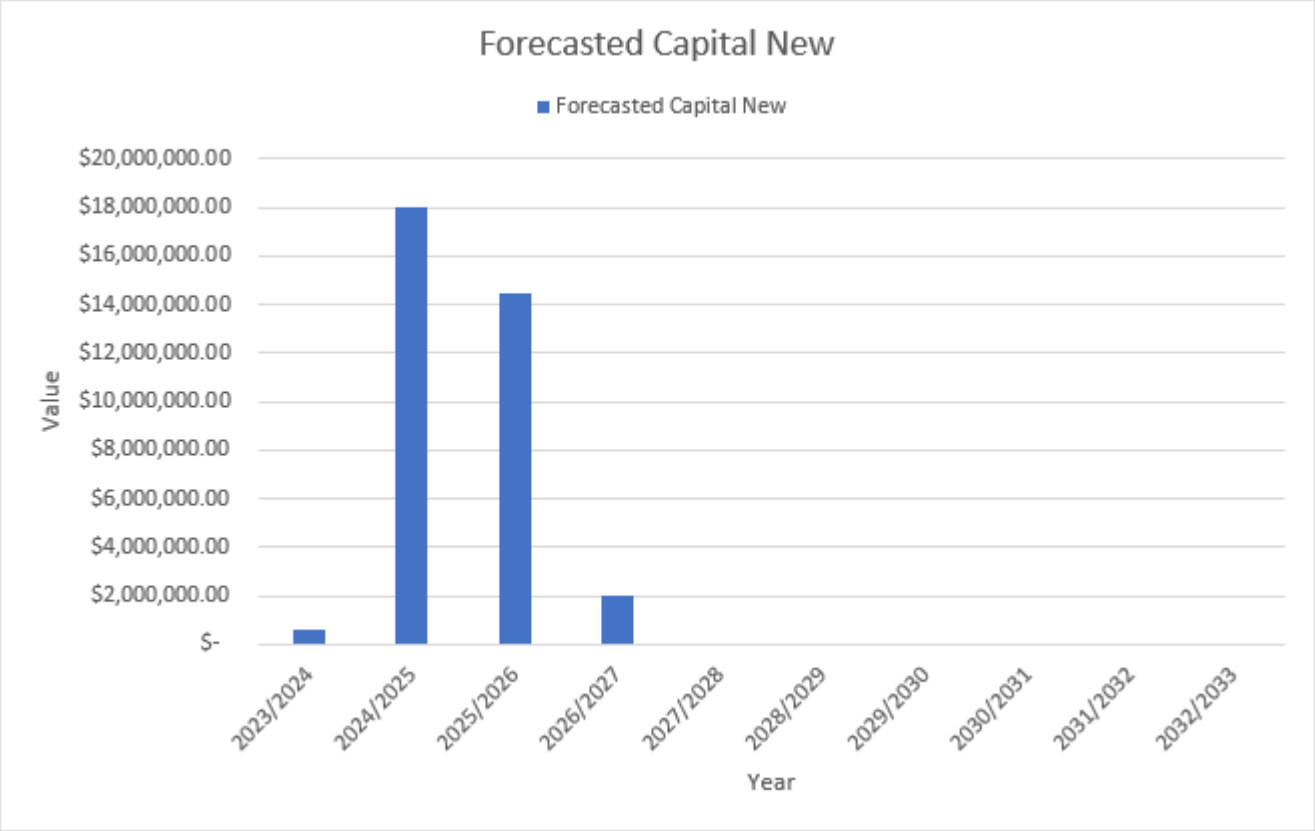
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1 New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations. Risk analysis of statutory regulatory requirements, business improvements are used to develop candidate proposals. These proposals are inspected and evaluated to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4: Ten (10) Year Capital Works Value



A detailed table of the ten year works program can be seen in Appendix A.

The total value of new / upgrade / expansion of infrastructure is $39,377,100.

13.2 Capital Renewal Asset

Renewal expenditure is major work that restores, rehabilitates, or replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g., Replacement of aged and failing water mains and services.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- **Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or**
- **Method 2 uses capital renewal expenditure projections from external condition modelling systems, or**
- **Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.**

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3 Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- **Water Services Association of Australia (WSAA)**
- **Relevant Australian Standards**

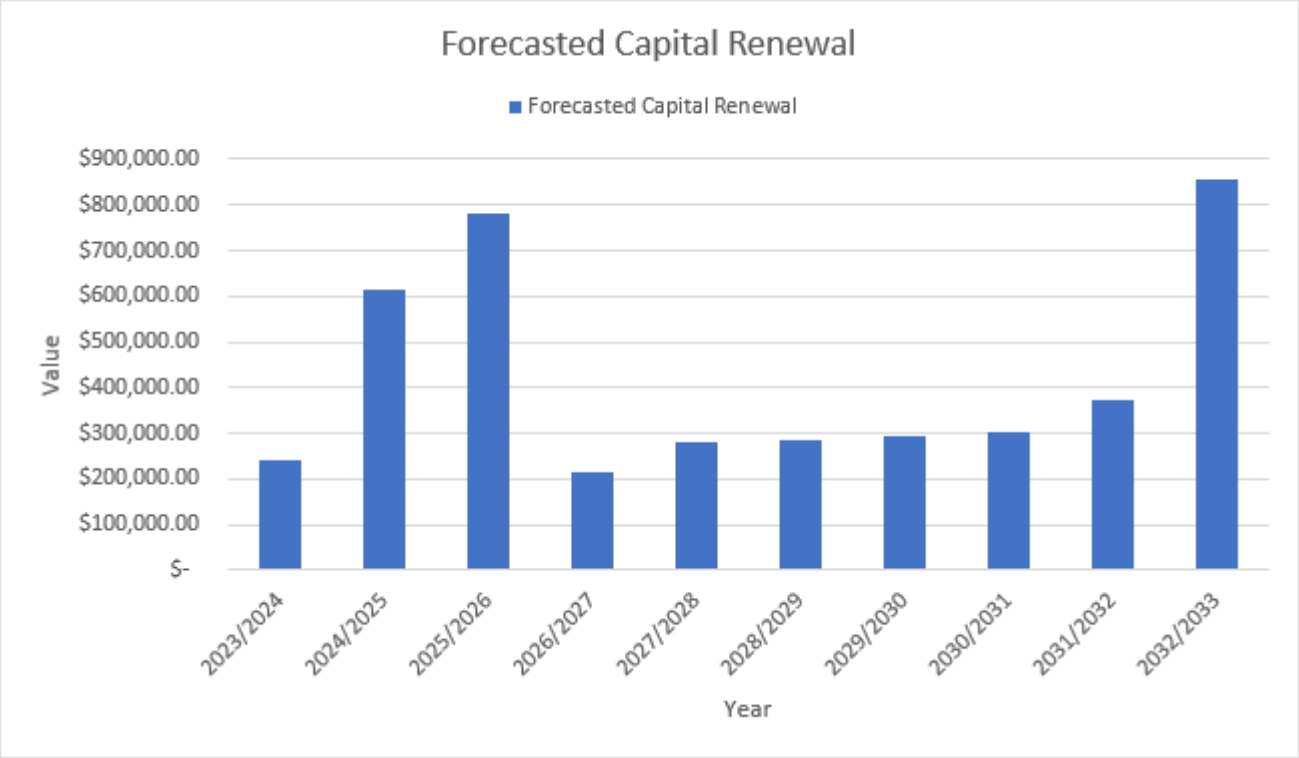
13.4 Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- **Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.**
- **The projected capital renewal program is shown in Appendix A.**

Figure 5 indicates that, based on current projections, Council will spend approximately $4,240,560 on renewals over the next ten years.

Figure 5: Proposed Renewal Allocations Delivery Program



13.5 Disposal Plan

The Disposal lifecycle activity identifies any significant costs associated with the decommissioning of an asset when it is removed from service.

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System, analysis of usage and a cost analysis indicates that the community doesn't require the asset any further. These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can, therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets that are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently plans for the disposal of:

- Housing block in Manildra Street (former Narromine Bore No 1)
- Investigations into the future disposal of the Raw Water Treatment Assets.

14. Future Demand

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory or environmental needs.

14.1 Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

14.2 Demand Forecast

ABS census data statements regarding demand within the shire can be seen below:

2016:

The 2016 Census data indicates that there were 6,451 people in Narromine (A) (Local Government Areas). Of these 49.9% were male and 50.1% were female. Aboriginal and/or Torres Strait Islander people made up 19.9% of the population.

2021:

The 2021 Census data indicates that there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49 % were female. Aboriginal and/or Torres Strait Islander people made up 20.4% of the population.

The total dwellings in Narromine Shire Council as per the ABS website.

Table 12 - Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

14.2.1 Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments and the availability of land.

Narromine's total dwelling information can be seen in the following table:

Table 13 – Total data for dwellings in Township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.2.2 Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.

It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township. The water assets in any future private developments will be handed over to Narromine Shire Council to maintain and manage increasing current total water asset value and maintenance costs over the period of this Asset Management Plan, which is expected to be no greater than 1%.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14 – Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.2.3 Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15 – Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.3 Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the water related assets indicates that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of water assets

service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.4 Demand Impacts on Water Assets

A steady development growth in the existing suburbs of Narromine will lead to an increase in water usage through the existing water network. Council must ensure they understand their water network capacity requirements to allow for increased volumes.

14.5 Demand Management

14.5.1 Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its water assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major water assets.

14.5.2 Asset Programs to Meet Demands

Asset programs to meet future demands within existing water networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine. A clear understanding of the existing network capacity will be essential in this process.

14.5.3 Key Considerations/Recommendations

- Options studies initiated by DPE Water and Council due to the identification of risks and constraints in the existing water treatment and distribution network are currently underway. The findings of these studies will need to be considered when assessing demand increases due to development.

- Effective control over the water assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.

- Review the history of development applications within existing areas of Narromine to predict infill development and the increased demand more accurately to the existing water networks. Ensure existing water network restrictions do not prevent land development and economic growth in Narromine. The recent creation of a Hydraulic Model will assist in this the model though must be maintained and updated as changes are made.

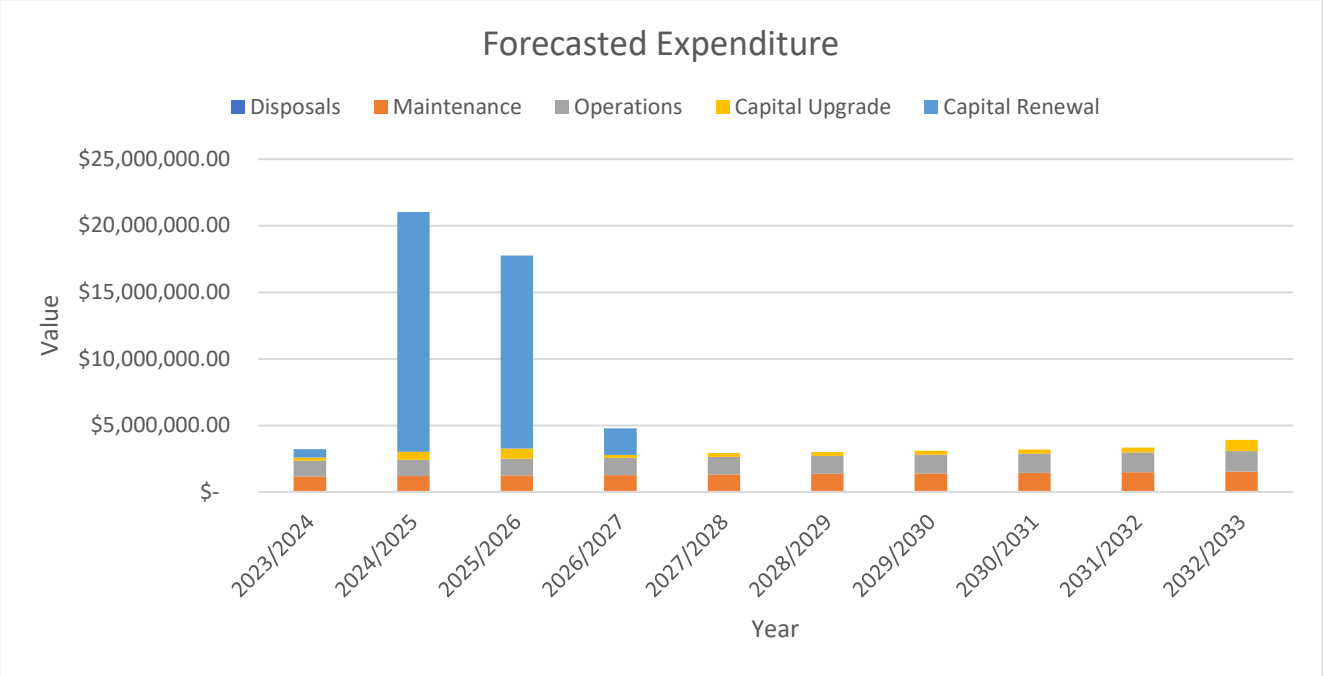
15 Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1 Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2 Financial Sustainability in Service Delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3 Long Term Life Cycle Cost

Life cycle costs (or whole of life costs) are the average cost estimates that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or reductions in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the Asset Management Plans and long-term financial plan including strategies that are required to attempt to bridge the gap associated, such as, but not limited to:

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Funding Strategy
Projected expenditure identified is to be funded from future operating and capital budgets from reserves and grant funding. The funding strategy is detailed in the organisation's 10 year long-term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16 Key Performance Measures

Key Performance Measures (KPM's) have been extracted from the Strategic Business Plan (2013) which considered the statutory regulated quality of potable water and agreed customer service levels at that time. Regulatory changes in 2022 have necessitated modifications to these levels which is now to be done as required during the annual IP&R review process. The 2022 DPE- Town Water Risk Reduction Program review of strategic planning now requires this to occur on an annual basis if required. Council will complete the currently under way IWCM Strategic planning review which will include community consultation on these Performance Measures after which time the annual strategic planning review will replace the Strategic Business Plan. Although some key performance measures are operational, they are still classified as an Asset delivery indicator.

DESCRIPTION	UNIT of Measure	TARGET
AVAILABILITY OF SUPPLY		
Quantity Available		
• **Domestic Peak Day**	L/tenement/ day	<5,000
• **Domestic Annual**	kL/tenement / year	< 215
• **Total Annual Average Consumption**	ML/yr	<660
• **Total Peak Daily Consumption**	L/tenement/day	<5,000
Water for Fire Fighting:		
• **Availability from hydrants at minimum flow rates at determined by LG Regulations and NSW Fire and Rescue and relevant Australian Standards and Plumbing Code**	% Urban Area Serviced	100%
Pressure:		
• **Minimum pressure at the water meter when delivering 0.1L/sec**	Meters Head	> 12 for 90% of Properties
Consumption Restrictions		
• **Long run proportion of time with water restrictions applied**	%	<5%
• **Average frequency of restriction events**		<1 event per 3 years
• **Supply capacity during of normal worst recorded drought demand**	% of Normal Demand	90%
Water Quality (Potable Water)		
Compliance with 2022NHMRC & NRMMC Australian Drinking Water Quality Guidelines including Health Based Targets		

Physical parameters	%	100
Chemical parameters	%	100
Faecal coliforms	%	100
Microbiological Parameters:		
• **E-coliforms**	Mean CFU/100m1	< 1
• **Sampling frequency**	Samples/wk./ zone	1
Physical-chemical Parameters:		
• **pH**	Unit	6.5 — 8.5
• **Colour**	HU	<15 Hazen Units
• **Turbidity**	NTU	< 2.0
• **Fluoride**	mg/L	<1.5 mg/L
• **Free available chlorine (WTP)**	mg/L	1.3 to 2.5mg/L
• **Free available chlorine (Reticulation)**	mg/L	0.2 — 1.3 mg/L
• **Iron**	mg/L	< 0.3 mg/L
• **Manganese**	mg/L	<0.5 mg/L
RESPONSE TIME TO CUSTOMER COMPLAINTS OF SUPPLY FAILURE		
1. Priority 1: failure to maintain continuity or quality of supply to a large number of customers or to a critical use at a critical time		
All Customers:		
• **During working hours**	Minutes	60
• **Out of working hours**	Minutes	120
2. Priority 2: failure to maintain continuity or quality to a critical use at a non-critical time		
All Customers:		

• **During working hours**	Minutes	180
• **Out of working hours**	Minutes	240
3. Priority 3: failure to maintain continuity or quality of supply to a single customer		
All Customers:	Working Days	1
4. Priority 4: a minor problem or complaint that can be dealt with at a mutually convenient time		
All Customers:	Working Days	14
Catastrophe		
		Immediate Action
CUSTOMER COMPLAINTS & GENERAL INQUIRIES		
i.e. complaints other than a supply failure		
• **Written complaints or enquiries: 95% response time**	Working Days	10
• **Personal complaints or enquiries: 95% response time**	Working Days	1
SPECIAL CUSTOMERS		
• **Specific service levels and associated charges will be negotiated with customers on an individual basis.**		

Table 16: Performance Measures

Reporting to the NSW Health Department and DPE-Water on these KPMs is mandatory and is done via the Drinking Water Management System Annual Report and the DPE-Water Annual Performance Monitoring Report. In each case it is carried out as follows:

1. *Drinking Water Management Report:* This outlines Council's Drinking Water Management System implementation, outcomes and drinking water performance and management of agreed critical control limits at specific points in each system for each calendar year.
2. *DPE-Annual Performance Management Report: This substantive report is compiled and lodged every financial year. It details all aspects* of the operations, finance, maintenance and performance of Councils assets and the delivery of Water and Sewer services to the community. Data from this report is also reported to federal government via the Bureau of Meteorology

17 Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

- **Increase the likelihood of Council achieving its objectives;**
- **Create an environment where all employees have a key role in managing risk;**
- **Encourage proactive management;**
- **Improve the identification of opportunities and threats;**
- **Improve stakeholder confidence and trust;**
- **Improve financial stability and minimise losses; and**
- **Improve organisational performance.**

Council is committed to the identification, elimination and/or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18 Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1 Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2 Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Konect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work and valuation;
- Valuation and depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work order.

18.3 Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its primary GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4 Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5 Workforce Planning and Training

Council currently employs trained operators in Water Asset Class as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy and is in progress of developing a position/skills matrix that is to be employed within its operations.

18.6 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents.
- The degree to which the four (4) year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan.
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services
- Telemetry Data is primarily used for measuring the operational performance of the Asset and ensuring that the infrastructure is delivering the performance requirements of the customer.
- Operational data in association with the Key Performance Measures
- Customer Request Management vs Operational delivery time

In addition to the Asset Management Strategy, Table 17 includes improvements to the management and planning of Water assets.

18.7 Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plan is categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvement Plan – Water

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	Completed
2	Performance	Review Renewal of all Assets	1	Ongoing
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	Ongoing
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	2022/23
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	In progress
11	Service Focus	LOS Performance Measurement	1	Ongoing
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Water Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	Complete

19.1 Monitoring and Review Procedures

This asset management plan will be reviewed annually during budget preparation and will be amended to recognise any material changes in levels of service and/or resources available to provide those services as a result of the budget decision process and the requirement for annual review of Strategic Planning for delivery of water services as part of the NSW Water Supply Regulatory Framework via: Division 2 Part 3 Chapter 6 of the Local Government Act 1993

The Asset Management Plan has a life of 4 years along with the Long Term Financial Plan.

20 References

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21 Appendix A: Ten Year Capital Works Program

Table 1 Life Cycle Renewal Normally 100% Council Funded

Ten Year Capital Works Program											
	1	2	3	4	5	6	7	8	9	10	
Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Comment /Recommendation
					Life Cycle Renewal Major						
Network Mains Replacement	196,267	202,155	208,220	214,466	220,900	227,527	234,353	241,384	248,625	256,084	Ongoing program to replace old Assbestos Cement and Cast Iron Pipes
Automated Meters -Capital Replacement Program					59,703	59,703	59,703	59,703	59,703	59,703	Commence 5 Years after last bulk installations
Harris Street Trangie main replacment and relocation of Treated Water Standpipe		67,980									Postpone to 2024/26
Trangie Drinking Water Reservoir Rehabilitation		318,270	546,364								Postpone to 2025/27
Telemetry Capital Renewal Program										500,000	Based on 30 Sites Plus Repeater
					Life Cycle Renewal Minor						
Water Quality Online Monitoring Systems	25,000	25,750	26,523						38,003	39,143	
Telemetry High End Server, Drives and Software	20,000								25,335		Total $40,000-50% Water and 50% Sewer Capex
Total Council Funded Capex	241,267	614,155	781,106	214,466	280,603	287,230	294,056	301,087	371,666	854,930	

Table 2 New Acquisitions Grant and Council Co-Funded

Ten Year Capital Works Program												
	1	2	3	4	5	6	7	8	9	10		
Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Comment /Recommendation	
New Acquisitions Grant Funded												
Pressure Management Booster Northern Zone DMA	636540										$500,000 Grant Carry Over R4R R9 Balance Council Funded	
Concept and Detailed Design WTP	750000										75% NSW Safe and Secure Grant Funded	
Concept and Detailed Design Reservoir and Rising Mains	300000										75% NSW Safe and Secure Grant Funded	
Concept and Detailed Design River Offtake for Raw Water to WTP	400000										75% NSW Safe and Secure Grant Funded	
Water Treatment Plant New			15000000	10000000							75% NSW Safe and Secure Grant Funded	
Reservoir and Rising Mains			3000000	3000000							75% NSW Safe and Secure Grant Funded	
River Offtake for Raw Water to WTP				1500000	2000000						75% NSW Safe and Secure Grant Funded	
Grant Funding	1587500	500000	13500000	10875000	1500000	0	0	0	0	0	Total Grant Component	26375000
Council Funding	499040	136540	4500000	3625000	500000	0	0	0	0	0	Total Council Funding	8761540
Total	2086540	636540	18000000	14500000	2000000	0	0	0	0	0	Total Over TenYears	37223080

22 Appendix B: Ten Year Opex Works Program

Table 1 Grant and Council Co-Funded Opex Studies, Reports and Audits

Grant Funded Opex Studies, Reports and Audits												
	1	2	3	4	5	6	7	8	9	10		
Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Comment /Recommendation	
Opex Capital Works Studies												
SSWP 2061WCM Strategy	461,493										75% Grant Funded	
SSWP443 Water Secuiy Options Study	116,892										75% Grant Funded	
SSWP444 Water Quality Options Study	112,170										75% Grant Funded	
Grant Funding	517,916	0	0	0	0	0	0	0	0	0	Total Grant Component	517,916
Council Funding	172,639	0	0	0	0	0	0	0	0	0	Total Council Funding Component	172,639
Total	690,555	0	0	0	0	0	0	0	0	0	Total	690,555

Table 2 Ongoing Opex Requirements for Regulatory Compliance and Asset Maintenance to Meet Agreed Service Levels

Ongoing Opex Requirements for Regulatory Compliance and Asset Maintenance to Meet Agreed Service Levels												
	1	2	3	4	5	6	7	8	9	10		
Description	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**Comment /Recommendation**	
Standby Power Generator Serviceing	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	Vital to ongoing Water Supply Security as dictated in Council BCP and Fire Regulations	
Bore Inspection and Cleaning of 2 Bores Annually	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	Vital to ensure ongoing security of supply and nil contamination	
Reservoir Inspection and Cleaning	16,000			17,484			19,105			20,877	Required to meet health regulation requirements	
Annual Valve Easing 3 Yearly Rotation	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	Ensures operability of valves in emergency situations	
Water Quality Critical Control Point Watch System	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	Required to meet health regulation requirements	
Annual Drinking Water Quality Reporting and Audit Reporting	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	Required to meet health regulation requirements	
Emergency Telemetry Hardware Replacement	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	Vital to ongoing Water Supply Security	
Annual Telemetry Support including licensing and security	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	Vital to ongoing Water Supply Security	
Smart Meter Data Service Agreement	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972	Replaces Annual meter reading fee previously $42,000per Annum	
Provision of Drinking Water via SCI-Dev and Council Owned System for the Narromine System Only	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148	Cost to treat bulk drinking water to required standard with current systems does not include ditribution and Maintenance	
Grand Total	**664,000**	**667,440**	**687,463**	**725,571**	**729,330**	**751,210**	**792,851**	**796,958**	**820,867**	**866,370**	**Total Funding Requirement Over 10 Years**	**7,502,060**

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Sewer
(AMP2)

Contents

1. Executive Summary

Council provides sewerage services to the Narromine and Trangie communities through the sewerage collection network. Tomingley does not have a sewerage service and consists of localised septic tanks.

The sewerage network currently has a Gross Carrying Value (GCV) of approximately $32,222,000 on the 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision-making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy

A review of the 2013 Integrated Water Cycle Management (IWCM) Plan is underway and this Asset Management Plan will be updated after completion and acceptance by Council of the updated IWCM, which will involve stakeholder consultation and detailed financial analyses.

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the sewerage assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan, Councils Water and Sewer Policy and that all regulatory standards in line with obligations imposed by the Protection of the Environment Operations Act 1997Act
- Ensure the maintenance of infrastructure at a safe and functional standard as set out in this Asset Management Plan as well as other guideline and Policy documents published from time to time including all Safe Work NSW Codes of Practice.
- Ensures the management of sewer infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring of performance in line with Councils stated policy objectives;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.

The Gross Carrying Value (GCV) of Council's Assets is defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

The Councils Sewerage Network Asset Class has a $32,222,000 and a $25,151,000 NCV, which represents 7.22% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2. Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff – Asset Management Working Group, etc.

1.3. Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and Operational Management of Risk
- Asset Management Improvement Plan.

1.4. Sewerage Services

Narromine Shire Council supplies sewerage services to the township of Narromine and Trangie only.

The supply of sustainable sewerage services is critical to community and environmental health. It is critical that systems do not deteriorate to a level where community or environmental health is at risk or compromised.

In summary, the sewerage collection network comprises of the following major assets:

- Sewer Trunk Mains;
- Sewer Collection Mains;
- Sewer Manholes
- Sewer Rising Mains;
- Pump stations; and
- Treatment Plants.

A breakdown of the major assets is given in the table below:

Table 1 – Breakdown of Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Sewer trunk mains	Km	3,317	17
Sewer collection mains	Km	41,120	20
Sewer rising mains	Km	4,906	22
Sewer pump stations	Ea.	15	5
Sewer manholes	Ea.	620	35
Sewer Treatment plants	Ea.	2	35

While a number of assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing their end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, puts further additional strain on existing assets.

1.5. Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable sewerage services to its customers and environment and to meet legislative requirements.

2. Operate, maintain, renew and the upgrade of:
- Sewer Trunk Mains;
- Sewer Collection Mains;
- Sewer Manholes
- Sewer Rising Mains;
- Pump stations; and
- Treatment Plants.

to meet all statutory requirements and agreed service levels set by Council.

3. Within a 10-year planning horizon, and going forward, continue with the implementation of relevant strategies and long term plans to ensure a sustainable sewerage business.

It should be appreciated that Council may not have sufficient funds in the Sewer Reserve to provide some services to the desired service levels (technical or community expectations).

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently unserviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

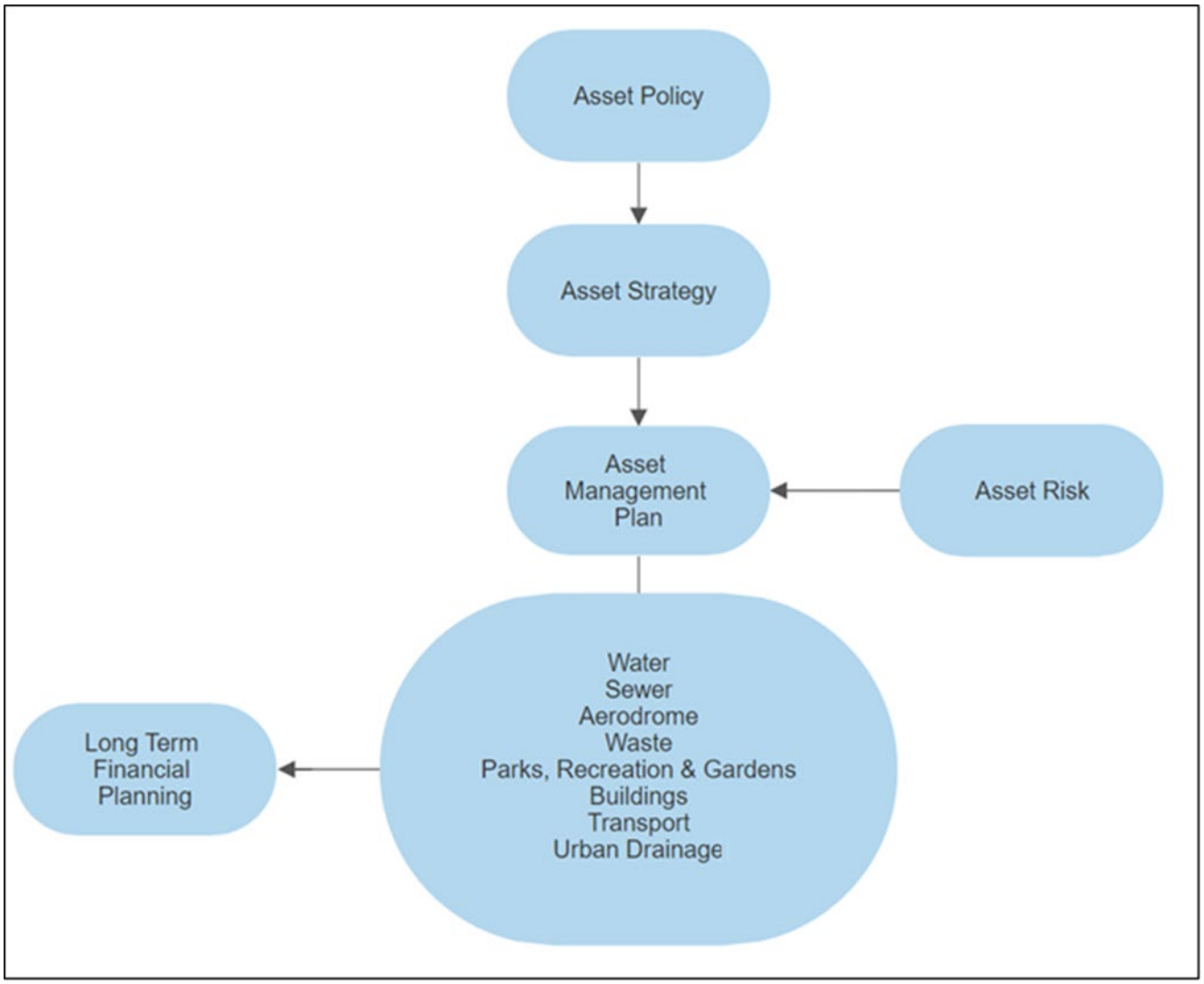
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1 – Asset Management Framework

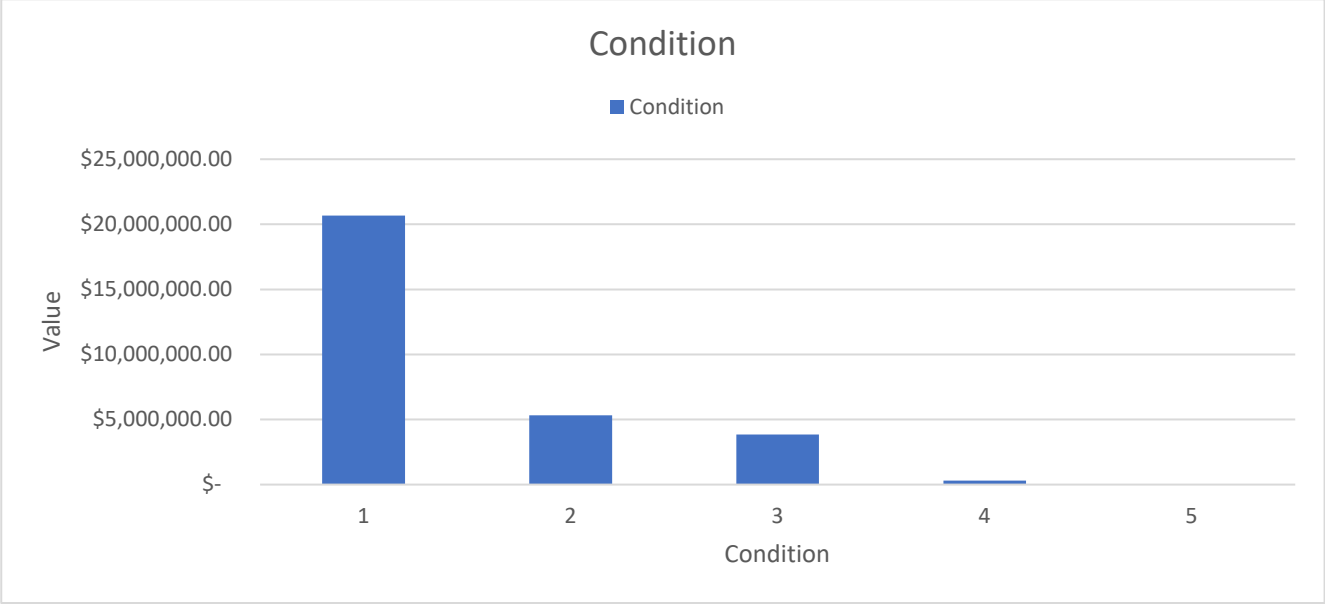


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2, based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Sewer assets have been condition rated externally during a revaluation in 2022.

Figure 2 - Current condition of assets – Value based.



3.2. Other Criteria

The process of managing our sewer assets is one of continually improving the knowledge Council has, including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the Asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition information of assets.

4. Future Planning for Sewer Assets

Table 16 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy.

Ultimately, final decisions and management of Assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting Documentation

Supporting documentation is presented in the table below:

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Water and Sewerage Strategic Business Plan	Gives details and supporting information for Council's Community Strategic Plan, Delivery Program and Operational Plan and Budget.
Demand Management Plan (Narromine & Trangie)	Council is responsible for the water supply reticulation, sewerage and stormwater management services within the Narromine Local Government Area (LGA). As a local water utility (LWU), Council aims to be consistent with the NSW Government DPI Water, Best Practice Management of Water Supply and Sewerage Guidelines (DWE, 2007). This Demand Management Plan addresses one of the six "best practice" criteria set out by the guidelines by recommending an appropriate demand management strategy for implementation across Council's water supply systems.
APV Valuers Valuation Report	2022 Revaluation of all Water and Sewer Assets
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition

Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity

Table 2 - Supporting Documentation

6. Services Provided and their Classification

6.1. Services Provided

Council provides the communities of Narromine and Trangie with sewer systems that meet current standards as outlined in our Customer Levels of Service.

Assets covered within this Asset Management Plan can be seen in the appendix. The following table is a summary of these assets.

Table 3 – Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Sewer trunk mains	Km	3,317	17
Sewer collection mains	Km	41,120	20
Sewer rising mains	Km	4906	22
Sewer pump stations	Ea.	15	5
Sewer manholes	Ea.	620	35
Sewer Treatment plants	Ea.	2	35

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4 – Useful Life

Asset Class	Asset Type	Asset Subtype	Component	Theoretical Useful Life (years)
Sewer Passive Asset	Gravity Main	UPVC	Pipework	120
Sewer Passive Asset	Manhole	1050	Structure	85
Sewer Passive Asset	Rising Main	DICL	Pipework	140
Sewer Passive Asset	Sewer Point	Air Valve	Air Valve	70
Sewer Passive Asset	Gravity Main	AC	Pipework	85
Sewer Passive Asset	Gravity Main	CICL	Pipework	140
Sewer Passive Asset	Gravity Main	DICL	Pipework	140
Sewer Passive Asset	Gravity Main	MSCL	Pipework	140
Sewer Passive Asset	Gravity Main	PE	Pipework	100
Sewer Passive Asset	Gravity Main	RCP	Pipework	85
Sewer Passive Asset	Gravity Main	VC	Pipework	120
Sewer Passive Asset	Manhole	1200	Structure	85
Sewer Passive Asset	Manhole	1500	Structure	85
Sewer Passive Asset	Manhole	900	Structure	85
Sewer Passive Asset	Rising Main	AC	Pipework	85
Sewer Passive Asset	Rising Main	CICL	Pipework	140
Sewer Passive Asset	Rising Main	GRP	Pipework	140
Sewer Passive Asset	Rising Main	MSCL	Pipework	140
Sewer Passive Asset	Rising Main	MS	Pipework	140
Sewer Passive Asset	Rising Main	PE	Pipework	100
Sewer Passive Asset	Rising Main	UPVC	Pipework	120

Sewer Passive Asset	Sewer Point	Inspection Riser	Inspection Riser	85
Sewer Passive Asset	Sewer Point	Manhole Circular - Concrete - Precast	Manhole Circular - Concrete - Precast	100
Sewer Passive Asset	Sewer Point	Scour Valve	Scour Valve	70
Sewer Passive Asset	Sewer Point	Stop Valve	Stop Valve	70

6.3. Classification

The classifications of Sewer Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5 - Classification

Asset Description	Classification
Sewer Trunk Mains	1
Sewer Rising Mains	1
Pump stations	1
Treatment Plants	2
Sewer Collection Mains	3
Sewer Manholes	4

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the sewerage assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities.

Table 6 - Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kpi's, ensures Council is getting value for money. • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
State Government	• Regulation of LWU provision of Water and Sewage services		Review of Best Practice and DWQM documentation Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The AMP provides clear guidelines for the effective management of the assets owned and operated by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions. Regulates Council in relation to the operation of its waste facilities, truck wash and waste water treatment plants.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.

Table 7 - Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective sewerage system which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the sewerage systems is acceptable to the wider community.

Levels of service (LOS) indicators have been developed for the services provided by the Sewerage Network based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Council's current service targets are in Table 8; Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8 - Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted sewerage services
Function	Ensure that sewerage services meet and comply with all NSW Department of Planning and the Environment requirements under the Local Government Act.
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate sewerage services to meet user requirements
Regulatory Compliance	Ensure Compliance with NSW- EPA Regulations and conditions of operation relating to protection of the environment.
Function/Accessibility	Ensure sewerage services are available to all occupied properties
Cost Effectiveness	Provide Sewerage services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as electricity costs, inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to its original condition (e.g. unblock sewer choke, pump maintenance, STP maintenance).

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally (e.g. frequency and cost of road sewer relining, pipeline replacement and pump replacement).

- **Upgrade**
  The activities to provide a higher level of service (e.g. increasing pump output, treatment plant capacity etc.) or a new service that did not exist previously (e.g. network extension etc.).

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9 - Intervention Levels

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Sewer Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational Services identified relevant to this plan include:

- Asset Inspections
- Land Rates
- Electrical Supply
- Engineering Management
- Telemetry & Other System Monitoring
- Insurances
- Customer Request Management
- Emergency Management

Asset Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations & delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council currently is developing a condition inspection programme that is to be completed by an independent consultant or internal specialised staff. This condition inspection programme includes the above ground infrastructure on all of Councils Water and Sewerage Asset sites.

Below Ground Assets: Council has an ongoing program of CCTV inspections and reporting on the condition of its underground sewerage network. As a result, the past four (4) years Narromine Shire has relined all category 5 and 4 rated lines found thus far. Some category 3 lines and one category 2 line has also been done where it is of operational and financial expedience to do so.

Table 10 - Summary of Inspections

Inspection	Frequency
Condition Assessments of all Above Ground Assets	Four Yearly
Pipe Network	Ten Yearly
Sewer Pump Stations	Annually
Manhole	Ten Yearly
Plant Inspections	Annually
Safety Inspections	Annually
Condition inspection of failed asset (i.e. sewer choke) incl. CR	Per occurrence

All condition assets are reviewed and recommended during the revaluation period.

12. Maintenance

Maintenance Work is the regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation. These activities are required to ensure that the assets reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset
2. Predictive Maintenance – condition monitoring activities used to predict failure
3. Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11 - Planned Maintenance Activities and frequency

Activity	Frequency	Category
Pump Station Cleaning	Fortnightly	Periodic - Preventative
Pump Station Major Clean and Vacuum	Annually	Periodic - Preventative
Pump Station Service Maintenance includes pumping mechanical, hydraulic and electrical testing and maintenance	Annually	Periodic - Predictive

Activity	Frequency	Category
Telemetry and Control System Inspection including back up including back up battery change	Two Yearly	Preventative - Periodic
Rising Main cleaning and camera inspection	Five Yearly	Predictive - Periodic
Reticulation Mains Cleaning and CCTV Inspection	Five Yearly	Periodic - Predictive

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

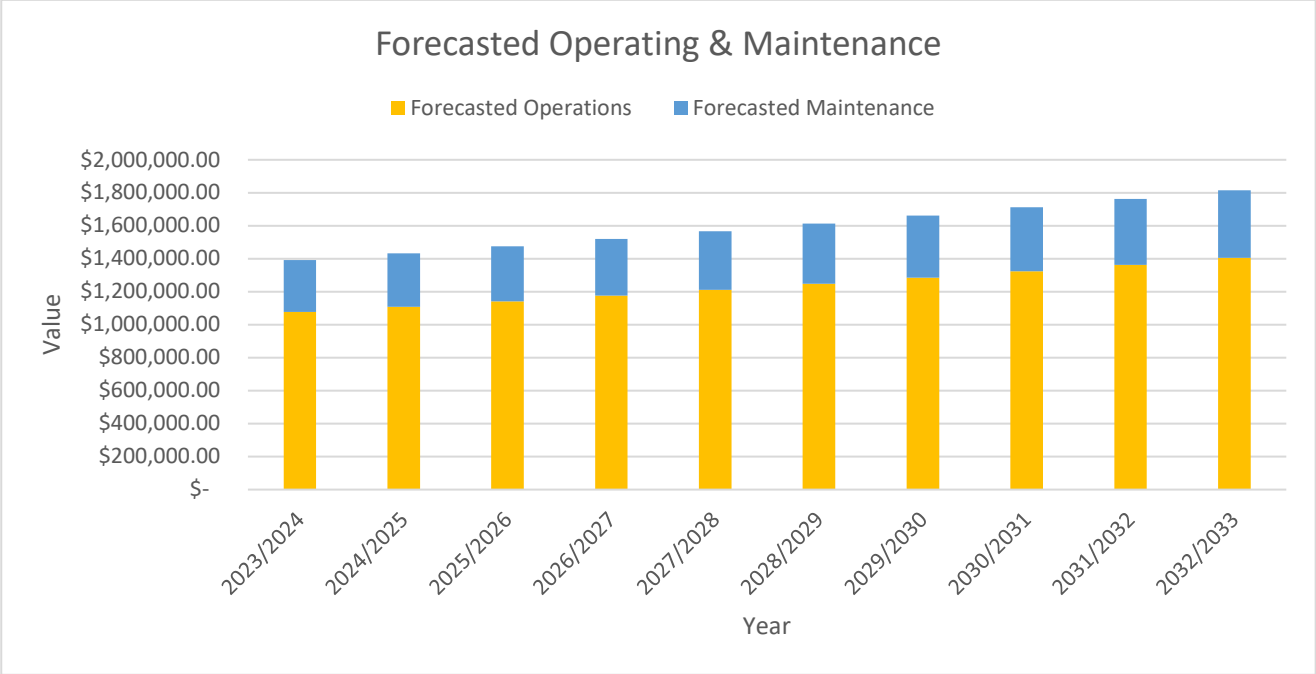
Due to health risks and legislative requirements, Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to a sewerage system that has sufficient capacity for current and projected growth requirements.
- Sewage treatment and effluent disposal is managed in accordance with the principles of ecologically sustainable development.
- The operation of the sewage treatment system results in high quality services to customers.
- All trade waste dischargers in the Shire are licensed with a charging structure that reflects costs of treatment and encourages onsite treatment of trade waste.

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four-year average to project the following ten years.

Figure 3 - Projected Operations & Maintenance Expenditure



Routine Maintenance Programming
A maintenance program has been development and includes future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

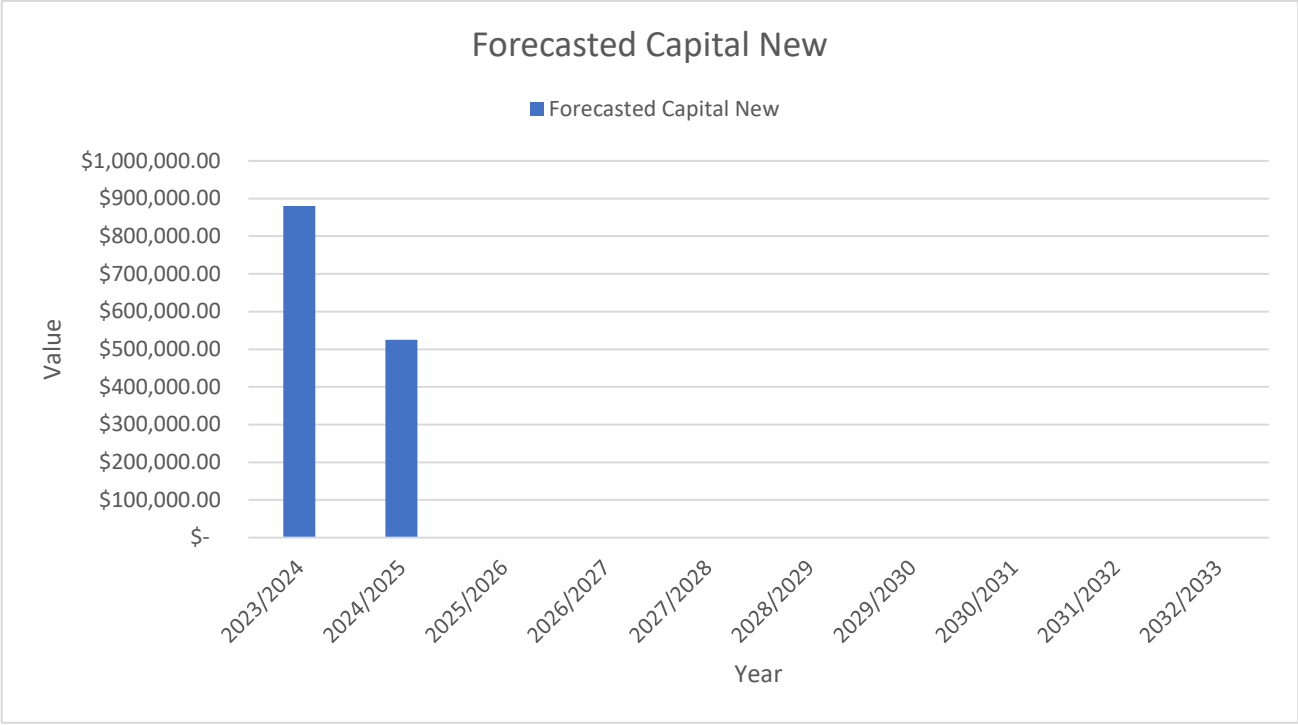
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4 – Ten (10) Year Capital Works for Upgrades



A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, or replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion. It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life.

As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g., resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Water Services Association of Australia (WSAA)
- Relevant Australian Standards

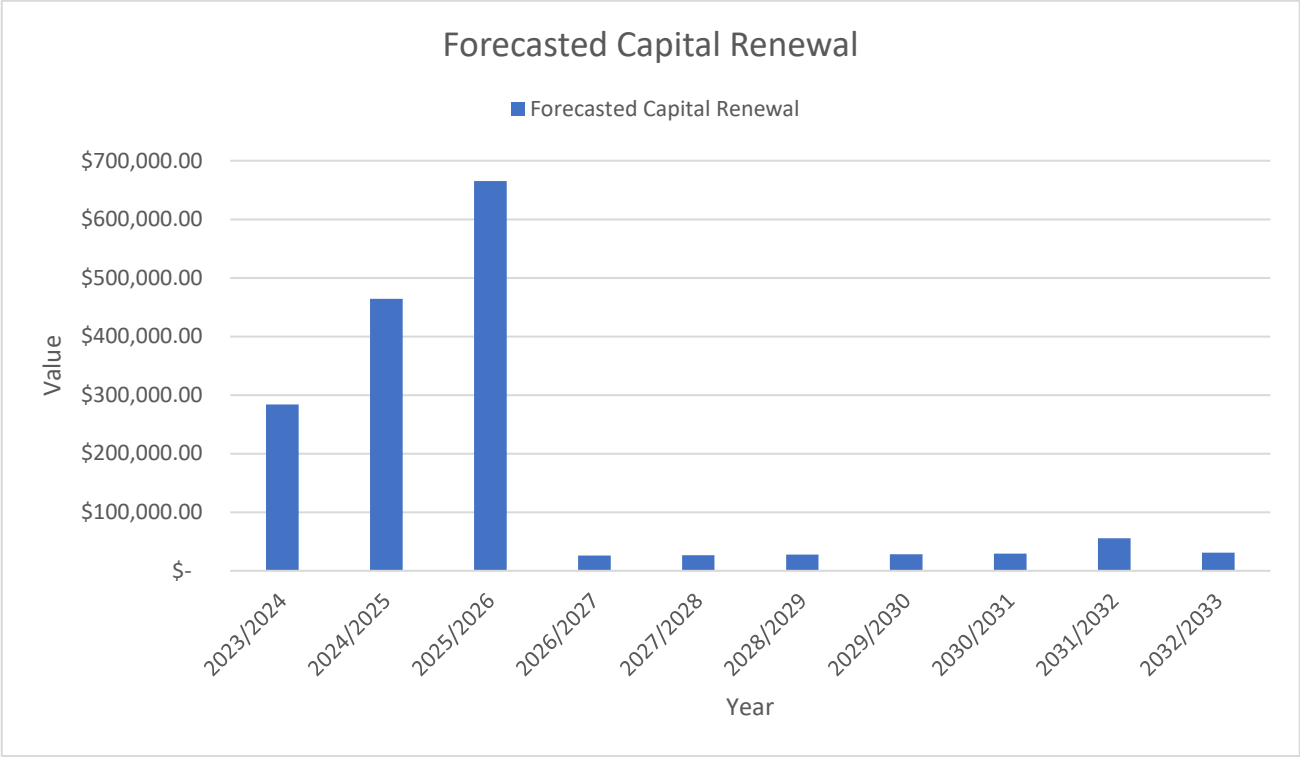
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.
- The projected capital renewal program is shown in Appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $1,637,919 on renewals over the next ten years.

Figure 5 - Proposed Renewal Allocations Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will decommission and dispose of the asset unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for the disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory or environmental needs.

14.1 Future Demands

ABS census data statements regarding demand within the shire can be seen below:

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:

In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:

Table 12 - Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

14.1.1 Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to the locality of Dubbo, land availability and the flood levee.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13 – Total data for dwellings in Township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.1.2 Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.

It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.1.3 Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15 – Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.2 Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the sewer related assets indicates that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of sewer assets service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.3 Demand Impacts on Assets

A steady development growth in Narromine will lead to an increase in usage through the existing network. Council must ensure they understand their network capacity requirements to allow for increased volumes. This understanding will be better informed when the currently underway IWCM Strategy is completed.

14.4 Demand Management Plan

14.4.1 Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major assets.

14.4.2 Asset Programs to Meet Demands

Asset programs to meet future demands within existing networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine. A clear understanding of the existing network capacity will be essential in this process.

14.4.3 Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing network when considering demand increase due to infill development.
- Effective control over the assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.
- Review the history of development applications within existing suburbs of Narromine to more accurately predict infill development and the increased demand to the existing networks. Ensure existing network restrictions do not prevent land development and economic growth in Narromine.

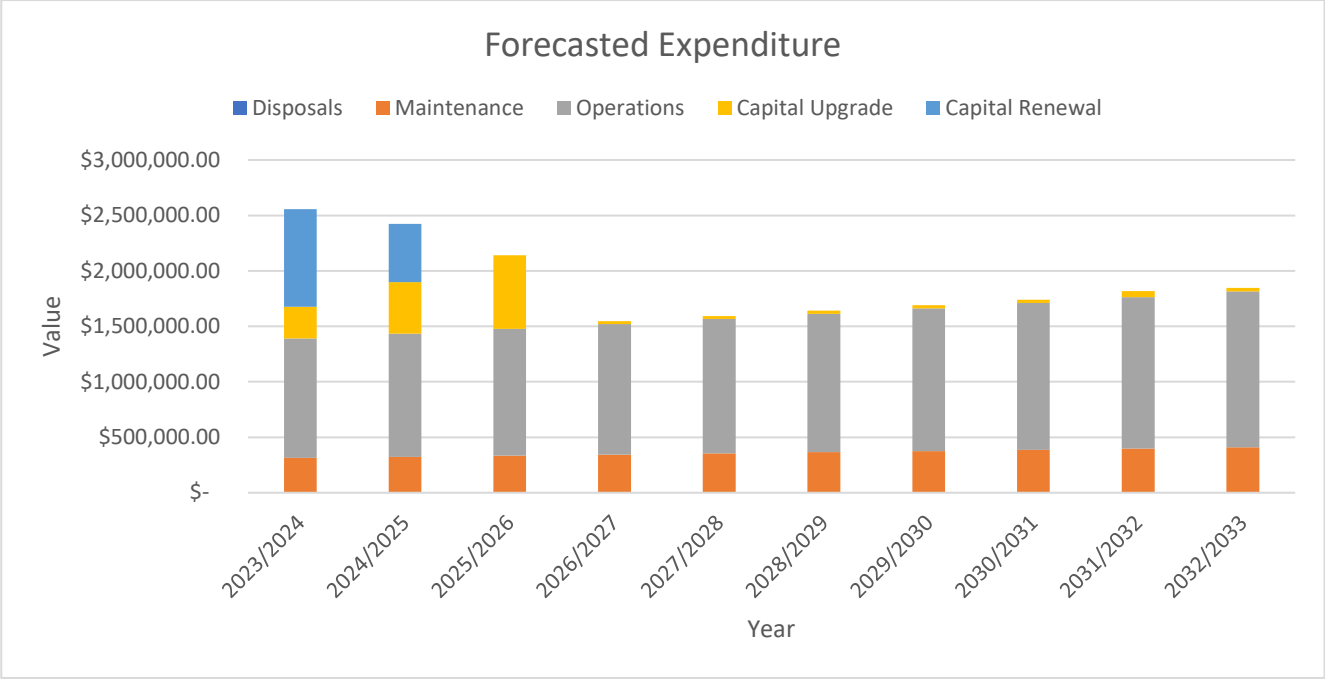
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1 Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6 - Projected Operating and Capital Expenditure and Budget



15.2 Financial Sustainability in Service Delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3 Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. The purpose of the Asset Management Plans and long term financial plan and strategies are required to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on;

Funding Strategy
Projected expenditure identified is to be funded from future operating and capital budgets from reserves and grant funding. The funding strategy is detailed in the organisation's 10 year long term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) based on condition have been developed by considering both environmental, health and safety, and infrastructure capabilities. The KPM's are to be reviewed to align with the Technical LOS and the Strategies identified in the CSP that support the outcomes identified in Levels of Service section of this document. Table 15 also aligns with Councils Strategic Business Management Plan.

DESCRIPTION	UNIT	LEVEL OF SERVICE TARGET
AVAILIBILITY OF SERVICE:		
• Connections for Domestic Sewage		Available to all houses, units of business in the defined service area
• Trade waste acceptance		In accordance with approval conditions for each discharge
UNCONTROLLED, UNEXPECTED:		
• Public Property - sensitive areas e.g. main street, hospitals or schools	Frequency	< 2 per years
• Public Property - other areas	Frequency	< 5 per 10km main per year
95th PERCENTILE REPONSE TIMES TO SYSTEM FAULTS *Defined as the elapsed time to once staff have been informed of failure.*		
Priority 1: (failure to contain sewage within the sewer system or any problem affecting a critical user at a critical time)		
Response time:		
• Working hours	Minutes	60
• After Hours	Minutes	180
Priority 2: Minor failure to contain sewage within the sewer system or any problem affecting a critical user at a non-critical time		
Response time:		
• Working hours	Minutes	180
• After Hours	Minutes	240
Priority 3: Minor failure to contain sewage affecting a single property or as bad odours		
Response time	minutes	180
RESPONSE TIMES TO CUSTOMER COMPLAINTS AND INQUIRIES OF A GENERAL NATURE *Defined as a minor operational problem, complaint or enquiry that can be addressed at a mutually convenient time.*		
• Time to advise customer of intended action.	Working Days	Respond to 95% of written complaints within 10 working days
	Working Days	Respond to 95% of written complaints within 2 working days
ODOURS / VECTORS		
• Number of incidents annually that result in complaints		<2
IMPACT OF STP ON SURROUNDING RESIDENTS		
• Max noise level above background noise	dB	<5

Table 16 - Performance Measures

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination, or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed Asset Monitoring.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1 Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to be following the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2 Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and 'Konect Manager' with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work orders.

18.3 Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4 Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5 Workforce Planning and Training

Council currently employs trained operators in operations for the Sewerage Asset Class as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy and is developing a position/skills matrix that is to be employed within its operations.

18.6 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents; and
- The degree to which the four (4)year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan.
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services
- Telemetry Data primarily used for measuring the operational performance of the Asset and ensuring that the infrastructure is delivering the performance requirements of the customer.

In addition to the Asset Management Strategy, Table 16 includes improvements to the management and planning of assets.

18.7 Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plant is categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17 - Asset Management Improvements – Sewer

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	Completed
2	Performance	Review Renewal of all Assets	1	Ongoing
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	Ongoing
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Complete
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	In progress
11	Service Focus	LOS Performance Measurement	1	Ongoing
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Sewer Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	Complete

19.1 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and will be amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process and the requirement for annual review of Strategic Planning for delivery of water services as part of the NSW Water Supply Regulatory Framework via: Division 2 Part 3 Chapter 6 of the Local Government Act 1993.

The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

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21. Appendix A: Ten Year Capital Works Program

Table 18 Capital Works Life Cycle Renewal

Capital Works Program											
	1	2	3	4	5	6	7	8	9	10	
Description	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**Comment /Recommendation**
Life Cycle Renewal Minor											
Telemetry High End Server, Drives and Software	20,000	→	→	→	→	→	→	→	25,335		Total $40,000-50% Water and 50% Sewer Capex
Minor Capital Works	23,774	24,487	25,222	25,978	26,758	27,561	28,387	29,239	30,116	31,020	100%Council Funded
Life Cycle Renewal Major											
New Switch Boards Year 1= Trangie/4 Stations Year 2 Narromine /7 Stations	240,000	440,000									100%Council Funded
Sewer Main Replacement-Relining Program	→	→	640,042						640,042		100%Council Funded
Total	283,774	464,487	665,264	25,978	26,758	27,561	28,387	29,239	695,493	31,020	**100%Council Funded**

Table19 Capital Works Program

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Capital Works Program											
	1	2	3	4	5	6	7	8	9	10	
Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Comment /Recommendation
New Acquisitions											
Narromine Head of works and Tankered Waste Recieval Station		400,000	400,000								100%Council Funded
Treatmrent Plant Head of works and final polishing system	280,000										100%Council Funded
Narromine New PS and Rising Mains (SPS 1)		124,886									May not be required imediatley if upgrades will suffice
Remediation of Old STP Site	60,000										100%Council Funded
Non Destructive Excavation Vacume Trailer (Plant)	140,000										100%Council Funded
Total	**480,000**	**524,886**	**400,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	100%Council Funded

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Waste
(AMP3)

Narromine
SHIRE COUNCIL

Contents

1. Executive Summary

Council's intention is to provide the Shire with waste services through infrastructure that is serviced and maintained to a level that reflects the communities' expectations and operates in a manner that is both functional and cost effective.

The waste services have a Gross Carrying Value (GCV) of approximately $908,583 as at 30 June 2022 (excl. plant), as reflected in the Financial Statements C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision-making process and is presented at a high level to provide key information that can be used in determining the levels of service program scheduling, funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy
- Narromine Shire Council – Waste Management Strategy May 2020

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the waste assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan.
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan.
- Ensures the management of waste infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan.
- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

Of the $488,765,243 (CV) of assets Council owns and/or is responsible for maintaining, 0.20% of these assets are Waste Assets covered in this plan.

The Gross Carrying Value (GCV) of Council's Assets is defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

The Council's Waste Asset Class has a $908,583 GCV and a $350,852 NCV, which represents 0.10% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2. Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community (Ratepayers, Businesses etc);
- Developers;
- Regulators;
- Councillors; and
- Council Staff – Asset Management Working Group, etc.

1.3. Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4. Waste Supplies

Narromine Shire Council supplies waste services to the township of Narromine, Trangie and Tomingley.

The supply of waste services is critical to community and environmental health. It is critical that systems do not deteriorate to a level where community or environmental health is at risk or compromised.

1.5. Waste Services

In summary, the Waste Services comprises of the following major assets:

- Buildings;
- Internal Roads;
- Security devices such as fencing, CCTV;
- Access Management;

- Signage; and
- Plant & Equipment

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Buildings	Ea	6.0	30
Internal Roads	Km	1.10	10
Fencing	Km	1.80	10

While a number of assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing its end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, further puts additional strain on existing assets.

1.6. Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable waste services to its customers and environment and to meet legislative requirements

2. Operate, maintain, renew and the upgrade of:
   - Buildings;
   - Internal Roads;
   - Security devices such as fencing, CCTV;
   - Access Management;
   - Signage; and
   - Plant & Equipment.

   to meet service levels set by Council and to meet statutory requirements and;

3. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long-term plans to ensure a sustainable waste business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations)

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently un-serviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

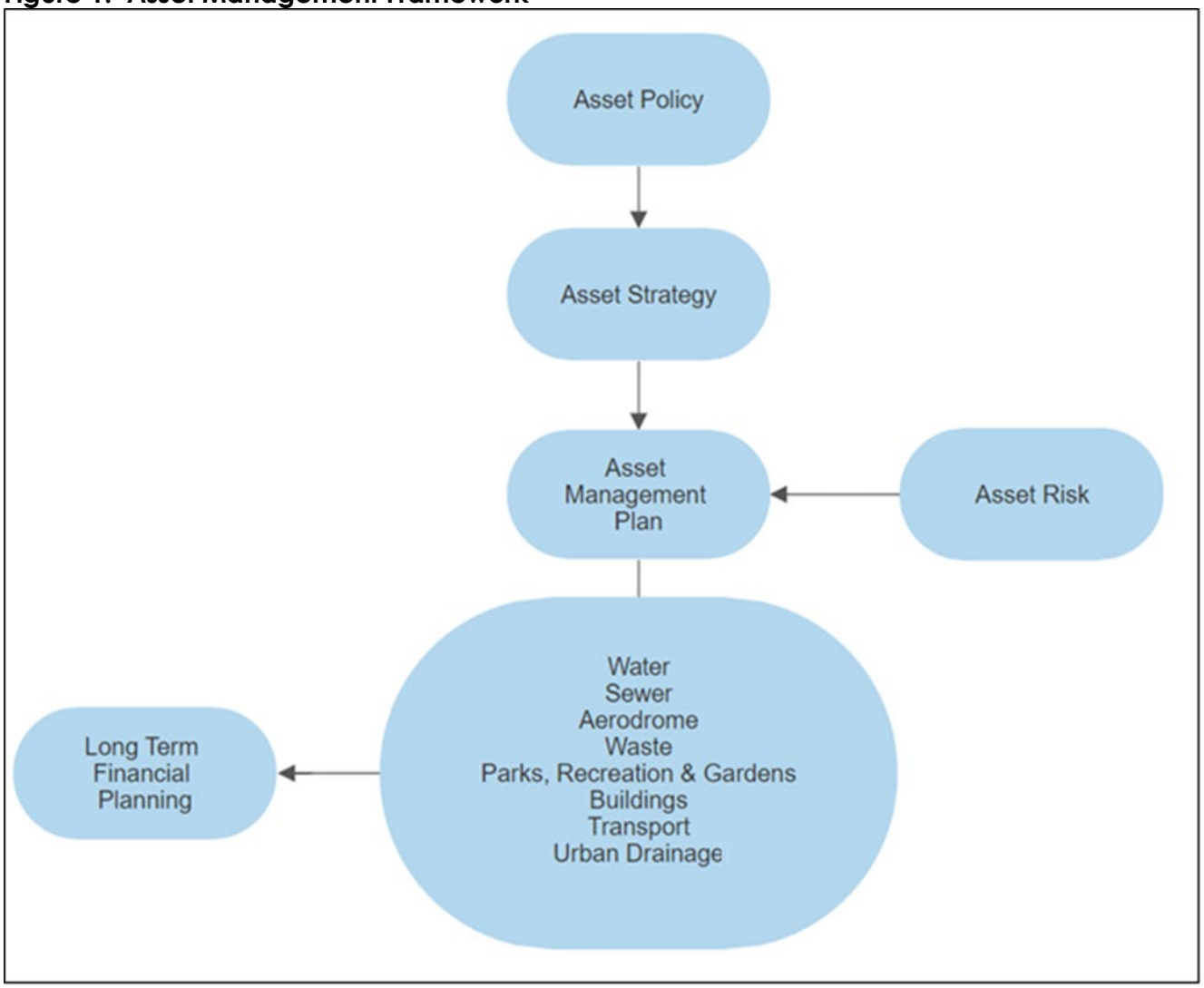
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this plan framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1: Asset Management Framework

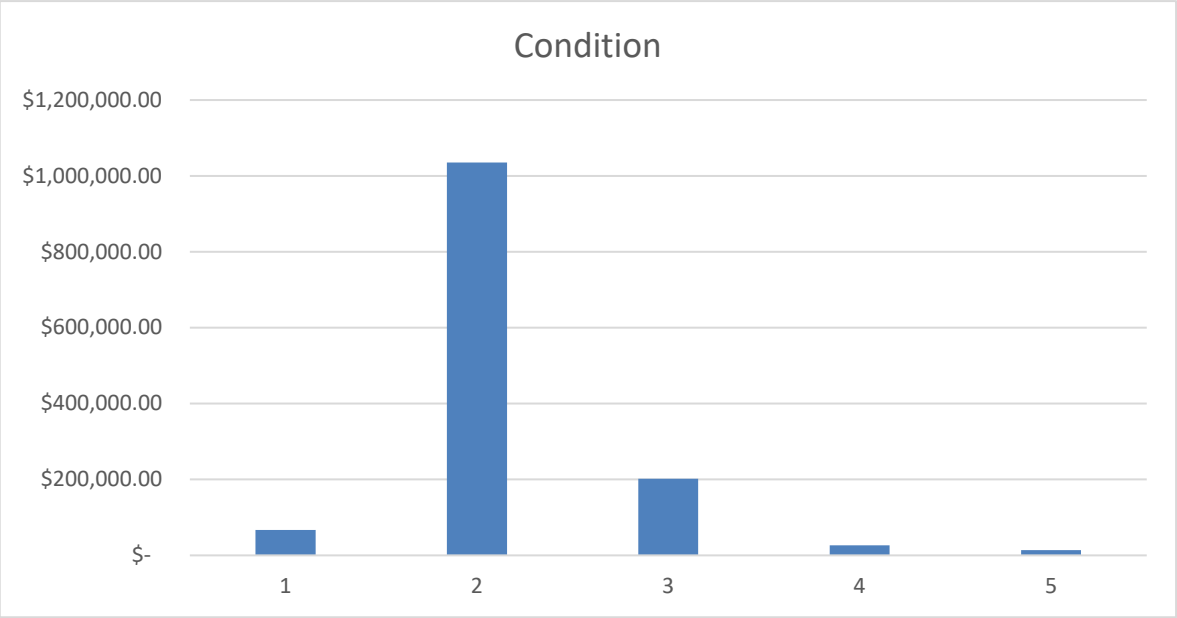


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Waste assets have been condition rated externally during a revaluation specifically to the Assets associated over various years.

Figure 2: Current condition of assets – Value based.



3.2. Other Criteria

The process of managing our waste assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Waste Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy chapter 17 Asset Management Practices.

Ultimately, final decisions and management of assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting documentation

Supporting documentation is presented in the table below:

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.

Table 2: Supporting Documentation

6. Services Provided and their Classification

6.1. Services Provided

Council provides the communities of Narromine, Trangie and Tomingley with waste services that meet current standards as outlined in our customer levels of Service.

Assets covered within this Asset Management Plan can be seen in the appendix. The following table is a summary of these assets.

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Buildings	Ea	6.0	30
Internal Roads	Km	1.10	10
Fencing	Km	1.80	10

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Asset Class	Component	Useful Life
Buildings	Sub-structure	50
Buildings	Super structure	50
Buildings	Finishes	15
Buildings	Fittings	10
Buildings	Services	25
Buildings	Finishes	9
Internal Road	Formation	100
Internal Road	Pavement	20
Internal Road	Wearing Surface	15
Fencing	External Chain Fence	50

6.3. Classification

The classifications of waste assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5: Service Classification

Asset Description	Classification
Security	1
Buildings	1
Internal Roads	1
Signage	2
Litter Fences	3
Heavy Machinery	1
Medium Fleet	2
Light Vehicles	3
Small Equipment – High Risk	1
Small Equipment – Medium Risk	3
Small Equipment – Low Risk	5

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the waste assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities.

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
State Government	• Regulation of Waste Services	• The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kpi's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Review of Best Practice and DWQM documentation Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management
- and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by Asset Management Plans for sustainable service delivery.
The Waste Avoidance and Resources Recovery Act 2001	This Act repeals and replaces the Waste Minimisation and Management Act 1995. It establishes a scheme to promote extended producer responsibility in place of industry waste reduction plans.
National Construction Code	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
The Protection of the Environment Operations (Waste) Regulation 2005	Establishes the EPA, the Board of the EPA, two community consultation forums, and the NSW Council on Environmental Education, and requires the EPA to make a report on the state of the environment every three years.
Local Government (General) Regulation 2021	Determines
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the State.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective waste services which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the Waste Service systems is acceptable to the wider community.

Levels of service (LOS) indicators have been developed for the services provided by the Waste Services based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these Community Levels of Service (CLOS), Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Council's current service targets are in Table 8. Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Waste Services
Function	Ensure the Waste services meets Department of Health approval conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Waste services to meet user requirements
Function/Accessibility	Ensure Waste services are available to all occupied properties
Cost Effectiveness	Provide Waste services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as electricity costs, inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to its original condition.

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally.

- **Upgrade**
  The activities to provide a higher level of service (e.g. increased capacity of front end loader/compactor, upgraded capacity of land etc.) or a new service that did not exist previously (e.g. purchase of new land etc.).

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Levels

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Waste Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified relevant to building services include:

- Asset Inspections;
- Land Rates;
- Electricity;
- Engineering Management;
- Telemetry & Other System Monitoring;
- Insurances;
- Customer Request Management; and
- Emergency Management.

Asset Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring, as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations & delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils Waste Assets such as internal road network, tip face, buildings etc. Any specialised condition rating requirements will be undertaken by a specialist.

Below Ground Assets: The condition inspections of underground Assets are not applicable to this Asset Management Plan, however, operationally Council monitors the existing waste deposits located underground.

Table 10: Summary of inspections

Inspection	Frequency
Condition Assessments of all Above Ground Assets	Annually
Buildings	Annually
Road Network	Annually
Plant and Equipment	Daily
Security Fencing	Annually
Condition inspection of failed asset (i.e. road deformation) incl. CR	Per occurrence

All condition assets are reviewed and recommended by external parties during the revaluation period.

12. Maintenance

Maintenance Work is the regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation. These activities are required to ensure that the asset reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism. Councils' maintenance technical standard is to be undertaken in accordance with adopted operational NATSPEC documents.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset
2. Predictive maintenance – condition monitoring activities used to predict failure
3. Preventive maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11: Planned Maintenance Activities and frequency

Activity	Frequency	Category
Road Maintenance Grade	Annually	Periodic
Pest Management	Annually	Periodic
Heavy Plant Maintenance	As per Vehicle Operations Manual	Preventative
Medium Vehicle Maintenance	As per Vehicle Operations Manual	Preventative
Light Vehicle Maintenance	As per Vehicle Operations Manual	Preventative

Reactive Maintenance
Unplanned repair work that is carried out in response to service requests and management supervisory directions.

Specific Maintenance
Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance
Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

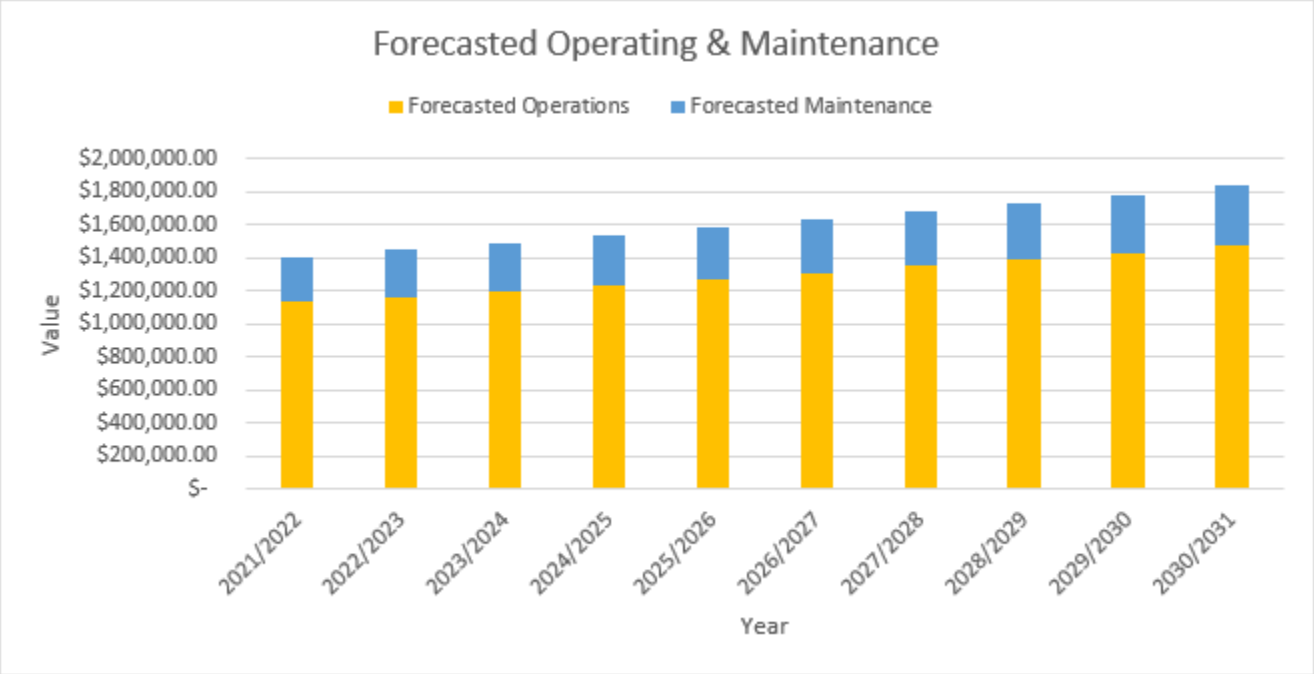
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to waste services that has sufficient capacity for current and projected growth requirements
- Waste service disposal is managed in accordance with the principles of ecologically sustainable development
- The operation of the waste services results in high quality services to customers
- All recycled waste for distribution is undertaken in accordance with relevant environmental legislation

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four (4) year average to project the following ten years.

Figure 3 - Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

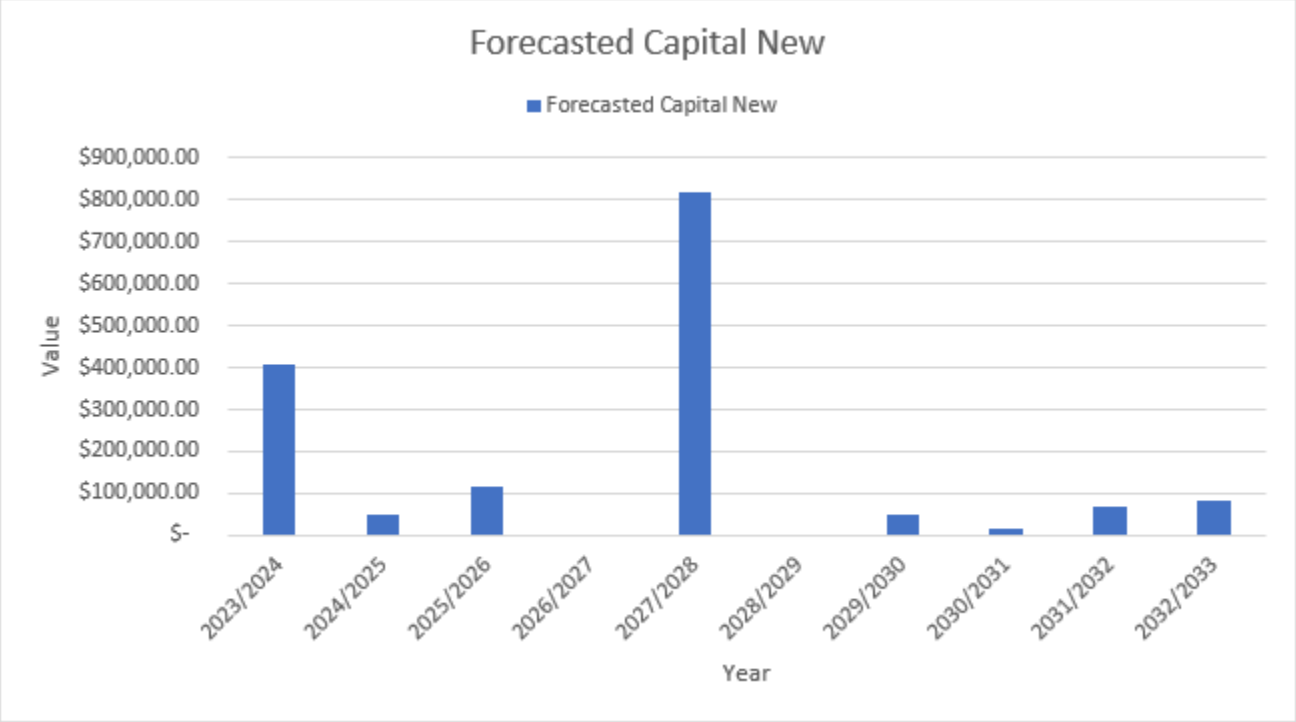
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4 : Ten (10) Year Capital Works Program



A detailed table of the ten-year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g., resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 - uses asset register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 - uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 - uses a combination of average network renewals plus defect repairs in the renewal plan and defect repair plan worksheets on the 'expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Relevant EPA guidelines and Standards;
- Natspec Specifications; and
- Relevant Australian Standards.

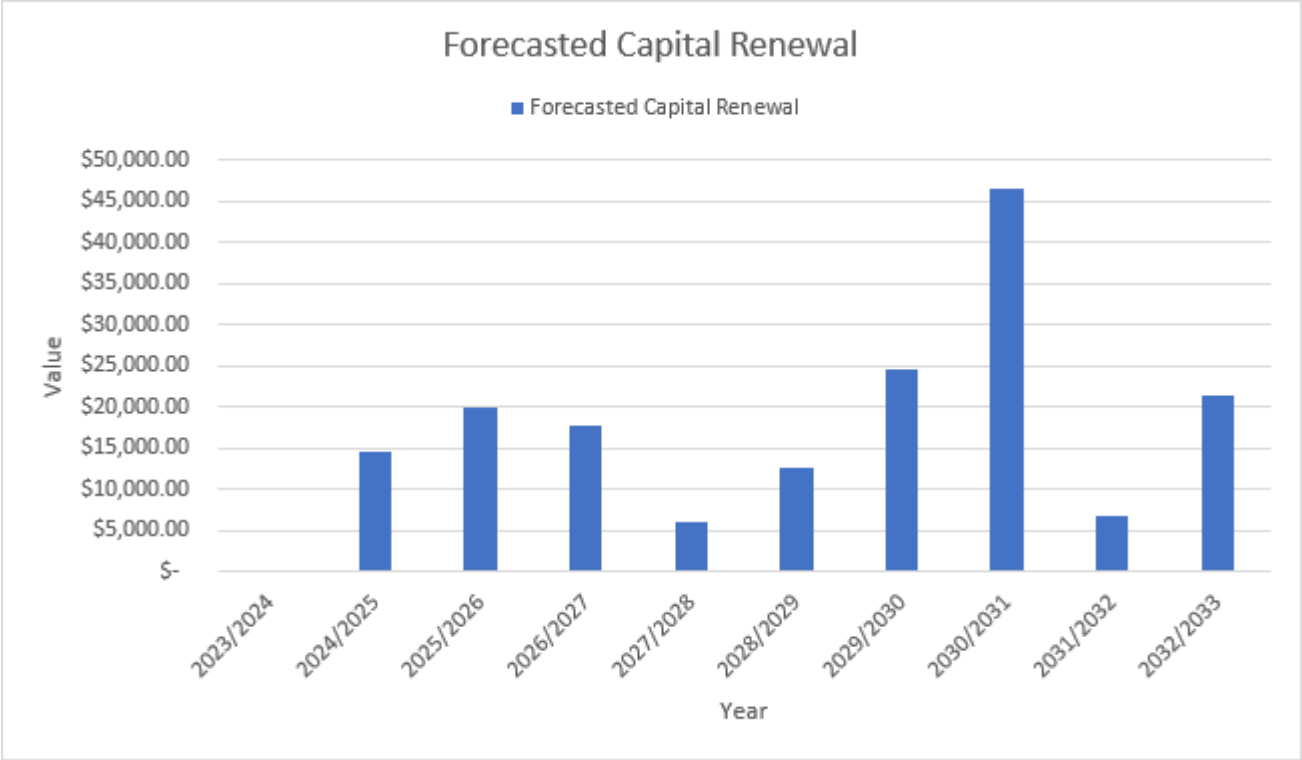
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in figure 5.
- The projected capital renewal program is shown in appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $170,682 on renewals over the next ten years.

Figure 5: Proposed Renewal Allocations Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

The Narromine Waste Management Strategy identified different disposal options regarding converting Waste Facilities to Transfer Stations. Council is in the process of reviewing and data collection regarding the feasibility of these options.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and;
- Increased costs from creation or acquisition of new assets.

14.2. Demand forecast

ABS census data statements regarding demand within the shire can be seen below:

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:
In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:

Table 12: Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

The census study area did not change during each period.

14.2.1. Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to land availability.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13: Total data for township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.2.2. Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.
It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.2.3. Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15: Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.3. Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the waste related assets indicate that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of waste assets service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.4. Demand Impacts on Assets

A steady development growth in the existing suburbs of Narromine will lead to an increase in waste generation. Council must ensure they understand future generation and capacity requirements to allow for increased waste volumes.

14.5. Demand Management Plan

14.5.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its waste assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major waste assets.

14.5.2. Asset Programs to Meet Demands

Asset programs to meet future demands can only be conducted once studies are completed to plan and understand future urban infill within Narromine.

14.5.3. Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing water network when considering demand increase due to infill development.

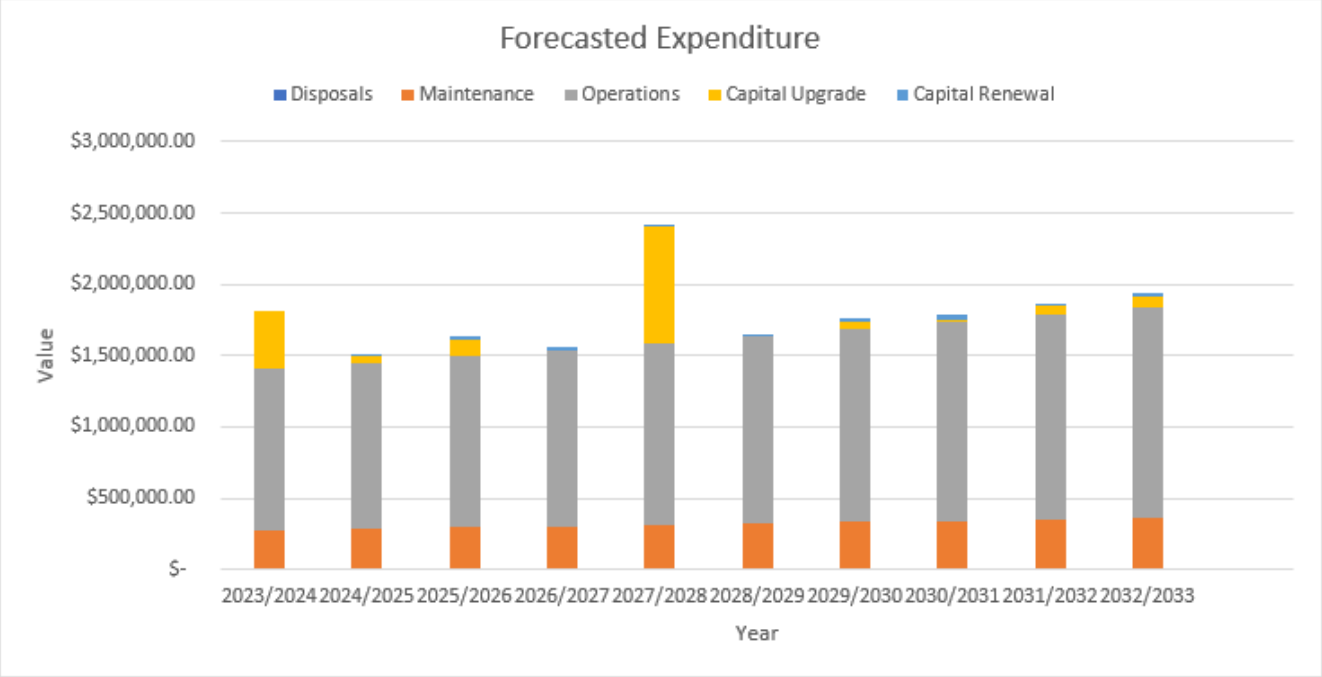
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1 Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Forecasted Expenditure



15.2 Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3 Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure.

Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. The purpose of the Asset Management Plans and long term financial plan and strategies are required to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Funding Strategy
Projected expenditure identified in Figure 6 is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are to be reviewed to align with the Technical LOS and the Strategies identified in Levels of Service section of this document.

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measure
Community Levels of Service							
Quality	Environmental / Health & Safety	Rubbish is collected without spillage or damage to property	Customer Service requests	<2 complaints per quarter	Satisfactory	Excellent to Good	TBD
Function	Health & Safety	Rubbish is collected to schedule	Customer requests relating to missed collection	Zero reported incidences	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Service is safe and free from hazards	Reported accidents	Zero reported accidents	Satisfactory	Excellent to Good	TBD
Technical Levels of Service							
Condition	Health & Safety	Machinery is reliable and well maintained	Machine availability	100% compliance with schedule	Satisfactory	Excellent to Good	TBD
Accessibility	Infrastructure	Provision of waste collection	Percentage of properties unable to be collected due to accessibility	99.9% compliance	Satisfactory	Excellent to Good	TBD
Cost Effectiveness	Operational	Provide service in cost effective manner	Budget compliance	Expenses within budget	Satisfactory	Excellent to Good	TBD

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measure
Safety	Health & Safety	Ensure facilities (Landfill) are safe	Regular safety audits carried out, action customer request within 5 working days	Safety inspections – Clear of contaminants, objects that could cause injury	Satisfactory	Excellent to Good	TBD

Table 16: Performance Measures

Notes:

1. Rubbish collection is a contracted service therefore Performance Measures associated with the collection of rubbish should be referred to in the contractual documentation with the contractor.
2. Income for recycled rubbish such as crushed concrete or scrap metals is to be added to this plan at a later date as outlined in the improvement plan.

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination, or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1. Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to be in compliance with the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Konect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work order.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost and performance of each asset.

18.5. Workforce Planning and Training

Council currently employs trained operators in operations for Waste Asset Class as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy is developing a position/skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents.
- The degree to which the four (4) year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan.
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services

In addition to the Asset Management Strategy, Table 17 includes improvements to the management and planning of waste assets.

18.7. Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plan will be categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2022/23
2	Performance	Review Renewal of all Assets	1	2022/23
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	2023/24
5	Knowledge	Input Maintenance Program into AMS	2	2024/25
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Complete
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	2022/23
11	Service Focus	LOS Performance Measurement	1	Ongoing

#	Type	Task	Priority	Expected Completion
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Water Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GiS system	4	2023/24
17	Knowledge	Review Narromine Waste Strategy	1	2024/25

19.1. Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process. The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

Abs.gov.au. 2022. *Search Census data | Australian Bureau of Statistics*. [online] Available at: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> [Accessed 28 April 2022].

Planning.nsw.gov.au. 2022. *Projections*. [online] Available at: <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections> [Accessed 28 April 2022].

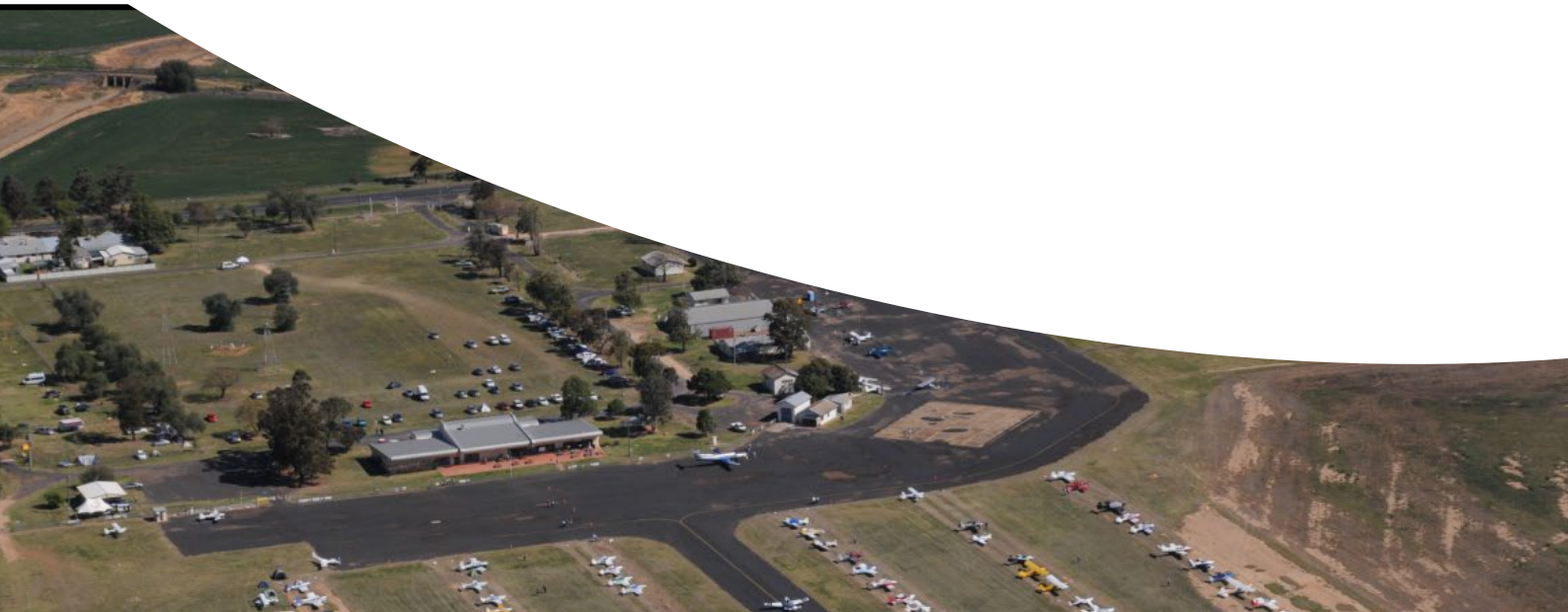
21. Appendix A: Ten Year Capital Works Program

	1	2	3	4	5	6	7	8	9	10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
LIFE CYCLE CAPITAL										
NARROMINE										
35405 - Narromine Waste Depot Buildings - - General Capital Repairs			11,255		11,941		12,668		13,439	
35384 - Narromine Waste Depot Road - Wearing Surface - Reseal								13,798		
35384 - Narromine Waste Depot Road - Pavement - Gravel Resheet					5,970					
35389 - Narromine Waste Depot Security - CCTV - Upgrade	22,830					6,149				
35389 - Narromine Waste Depot Security - Fencing - Upgrade										13,439
TRANGIE										
35417 - Trangie Waste Depot Buildings - - Capital Repairs				14,100					16,346	
35412 - Trangie Waste Depot Road - Pavement - Gravel Resheet								6,922		
35427 - Trangie Waste Depot Security - CCTV - Upgrade				5,796					6,720	
35427 - Trangie Waste Depot Security - Fencing - Upgrade										6,720
Emergency Shower/Eye Wash										
TOMINGLEY										
35476 - Tomingley Waste Depot Road - Pavement - Gravel Resheet			3,377					3,914		
35479 - Tomingley Waste Depot Security - Fencing - Upgrade									9,980	
Emergency Shower/Eye Wash - Tomingley										

NEW, ACQUISITION AND/OR UPGRADE										
NARROMINE										
Fencing, lighting, security & hard stand for return and earn										
Skip Bin Purchase				**13,911**				**15,657**		
Office & Amenities		**104,750**								
Cyclic Signage Management									**6,720**	
Fencing Night Soil Paddock		**53,316**								
Trash Screen Mobile Plant	**19519**							**24,725**		
Shed Extension			**47,450**							
Hard Stand				**101,593**						
Irrigation Upgrade	**36,850**					**45,321**				
Fire Fighting Tanks incl. Pumps and Sprays	**32,862**									
Trees for Perimeter										
Slashing Attachment for Bobcat								**9,786**		
Truck Wash Road and Drainage Modifications	**77250**									
Transfer Station Design	**35000**									
Transfer Station Rehabilitation						**750,000**				
TRANGIE										
Purchase Mobile Generator			**1,688**							
Irrigation Upgrade						**24,597**				
Trees for Perimeter										**6,720**
Cyclic Signage Management									**6,720**	
Transfer Station Design	**20600**									
Transfer Station Rehabilitation		**250,000**								
TOMINGLEY										

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Aerodrome
(AMP4)



Contents

1. Executive Summary

Council provides Aerodrome Infrastructure and Services in the township of Narromine through the Narromine Aerodrome.

The Narromine Aerodrome currently has a GCV of approximately $17,988,000 as at 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision-making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy

A Narromine Aerodrome Strategy has been adopted by Council, which has included stakeholder consultation.

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the aerodrome assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan;
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan;
- Ensures the management of aerodrome infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed

The Gross Carrying Value (GCV) of Councils Assets is defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less the depreciation over time.

Council's Aerodrome Asset Class has a $17,988,000 GCV and a $3,879,000 NCV, this represents 1.14% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2 Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff – Asset Management Working Group, etc.

1.3 Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4 Aerodrome Services

Narromine Shire Council supplies aerodrome infrastructure and services to the township of Narromine only.

Two major runways exist which cater for the adjacent industrial and residential estates.

The local airstrip in Trangie was disposed of in 2021 as per Council resolution.

The supply of aerodrome services is critical to the community. It is critical that systems do not deteriorate to a level where community users are at risk or compromised.

In summary, the aerodrome services comprise of the following major assets:

- Taxiways
- Aprons
- Runways
- Footpaths

- Furniture
- Navigation Aids
- Security Devices
- Buildings
- Plant & Equipment
- Water reticulation main

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Runway	km	3,108	7
Taxiway	km	1,935	27
Apron	m^2	29,515	40
Footpath	m	193	10
Buildings	ea.	13	20

While a number of assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing its end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, further puts additional strain on existing assets.

1.5 Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable aerodrome services to its customers and environment and to meet legislative requirements

2. Operate, maintain, renew and the upgrade of:

- Taxiways;
- Aprons;
- Runways;
- Footpaths;
- Furniture;
- Navigation Aids;
- Security Devices;
- Buildings; and
- Plant and Equipment,

to meet service levels set by Council and to meet statutory requirements.

3. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long-term plans to ensure a sustainable business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations).

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently un-serviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

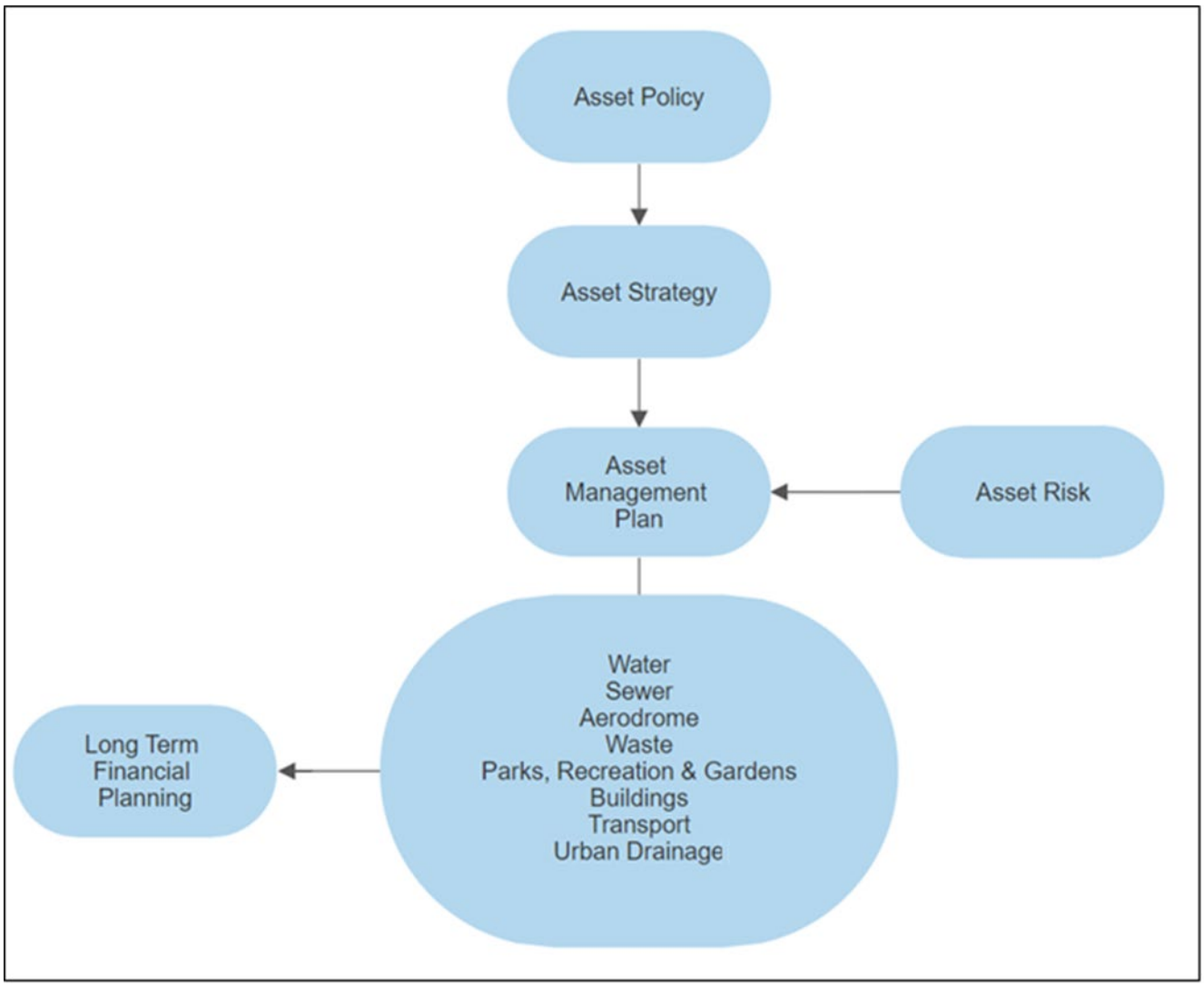
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1: Asset Management Framework

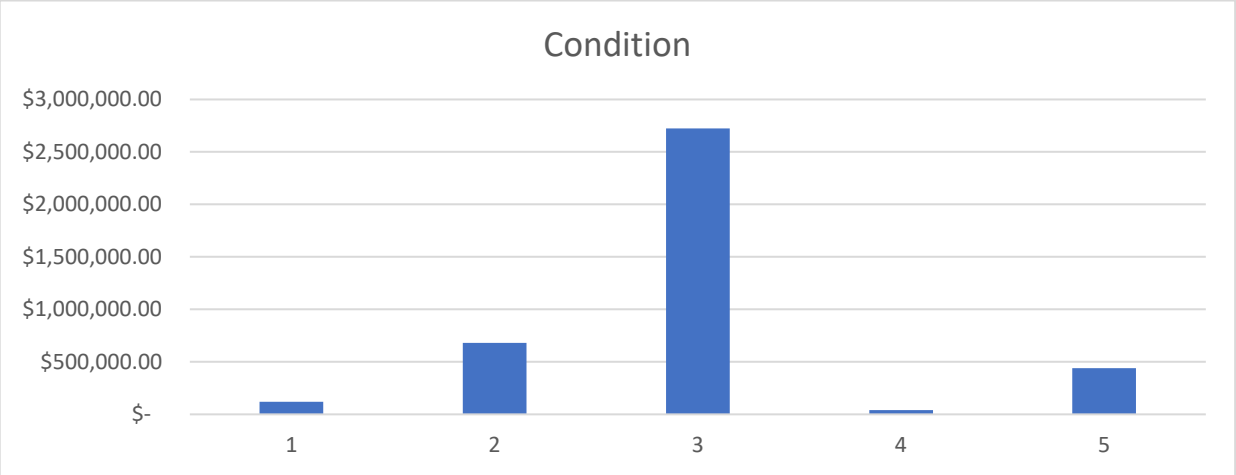


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Aerodrome assets have been condition rated externally during a revaluation.

Figure 2: Condition of our assets



3.2. Other Criteria

The process of managing our aerodrome assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Aerodrome Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy chapter 17 Asset Management Practices.

Ultimately, final decisions and management of Assets are to be conducted by the Councillors, General Manager and Directors, this plan and others are only to guide Council on decisions to be made.

5. Supporting documentation

Supporting documentation is presented in the table below:

Table 2: Supporting Documentation

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition
Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity

6. Services Provided and their Classification

6.1. Services Provided

Council provides the community of Narromine with aerodrome infrastructure and services that meet current standards as outlined in our Customer Levels of Service.

Assets covered within this Asset Management Plan can be seen in the appendix. The following table is a summary of these assets:

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Runway	km	3,108	7
Taxiway	km	1,935	27
Apron	m^2	29,515	40
Footpath	m	193	10
Buildings	ea.	13	20

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Asset Class	Asset Type	Asset Subtype	Useful Life Max
Aerodrome	Runway	Formation	100
Aerodrome	Runway	Pavement	50
Aerodrome	Runway	Wearing Surface	15
Aerodrome	Taxiway	Formation	100
Aerodrome	Taxiway	Pavement	50
Aerodrome	Taxiway	Wearing Surface	15
Aerodrome	Apron	Formation	100
Aerodrome	Apron	Pavement	50
Aerodrome	Apron	Wearing Surface	15
Aerodrome	Signage		10
Aerodrome	Navigations Aids		10
Aerodrome	Lighting System		30

6.3 Classification

The classifications of Aerodrome Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below:

Table 5: Classification

Asset Description	Classification
Runway	1
Taxiway	2
Apron	2
Buildings	1
Footpaths	3
Signage	1
Navigations Aids	2
Lighting System	1

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the Aerodrome assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities:

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kpi's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
Federal, State Government and other Regulating Bodies i.e. CASA	• Regulation of Aerodrome and its operations		Review of Best Practice and Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management
- and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Aerodrome legislation – Civil Aviation Safety Authority (CASA) Standards – Part 139 – Aerodromes (CASA – MOS – 139)	Details specific technical specifications for aerodromes and their use.
National Construction code	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective Aerodrome Infrastructure and Systems which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the Aerodrome systems is acceptable to the wider community.

Levels of service (LOS) indicators have been developed for the services provided by the Aerodrome Infrastructure based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Aerodrome Services to users
Function	Ensure the Aerodrome Infrastructure & Services meet Department of Health approval conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Aerodrome Infrastructure & Services to meet user requirements
Function/Accessibility	Ensure Aerodrome Infrastructure & Services are available to all occupied properties
Cost Effectiveness	Provide Aerodrome Infrastructure & Services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as electricity costs, inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to its original condition (e.g. vegetation mowing, runway sweeping, indicator painting).

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally (e.g. runway resealing, line marking, gable replacement etc).

- **Upgrade**
  The activities to provide a higher level of service (e.g. increasing plane landing capacity, upgrading communication network etc.) or a new service that did not exist previously (e.g. helicopter landing pad etc.).

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Level

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Aerodrome Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified include:

- Asset Inspections
- Land Rates
- Electrical Supply
- Engineering Management
- Telemetry & Other System Monitoring
- Insurances
- Customer Request Management
- Emergency Management

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations and delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils aerodrome assets such as internal road network, runways, vegetation, apron and taxiways. Any specialised condition rating requirements will be undertaken by a specialist.

Below Ground Assets: Below ground asset inspections are undertaken by independent consultants and contractors that have the capacity to do so, in the aerodrome infrastructure below ground assets include fuel tanks.

Table 10: Summary of Inspections

Inspection	Frequency
Condition Assessments of all Above Ground Assets	Annually
Buildings	Annually
Road Network	Annually
Plant and Equipment	Daily
Security Fencing	Annually
Condition inspection of failed asset (i.e. runway deformation) incl. condition rating	Per occurrence

The condition of assets is reviewed and recommended by external parties during the revaluation period.

12. Maintenance

Maintenance Work is the regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation and rehab. These activities are required to ensure that the asset reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset
2. Predictive Maintenance – condition monitoring activities used to predict failure
3. Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11: Planned Maintenance Activities and frequency

Activity	Frequency	Category
Vegetation Mowing	Monthly	Periodic
Maintenance Grading, Line Marking Etc	Annually	Periodic

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

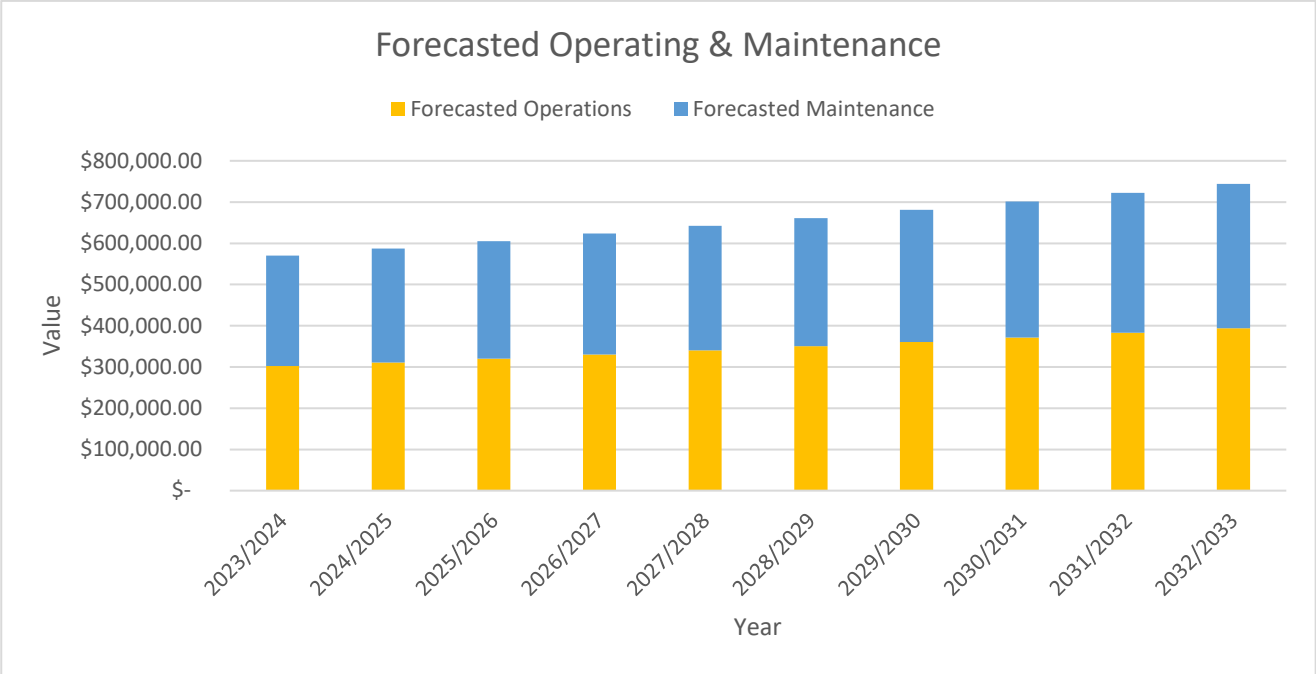
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to aerodrome infrastructure that has sufficient capacity for current and projected growth requirements
- Aerodrome is managed in accordance with the CASA and other Legislative requirements
- The operation of the Aerodrome Infrastructure results in high quality services to customers

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four (4) year average to project the following ten years.

Figure 3: Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

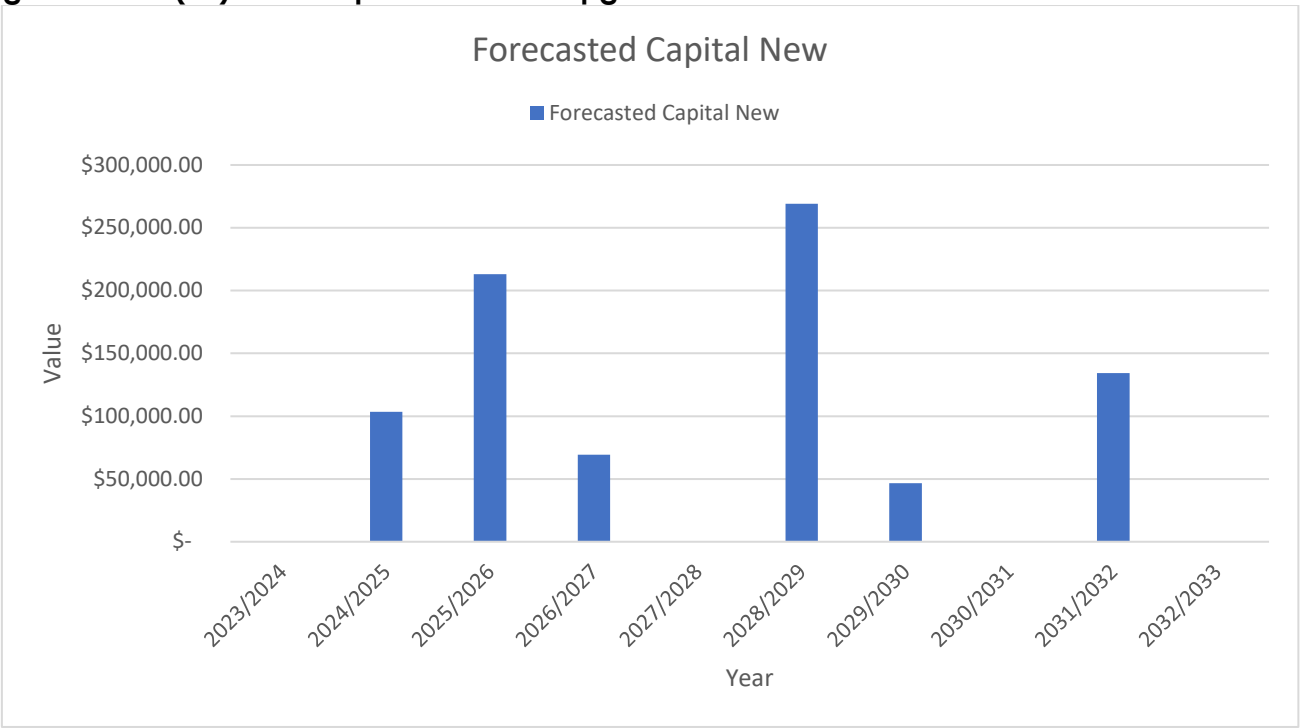
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4: Ten (10) Year Capital Works for Upgrades



A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g., resurfacing or resheeting a material part of a taxiway, landing strip, or replacing a material section of a drainage network with pipes of the same capacity.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Relevant Standards from the Civil Aviation Safety Authority (CASA)
- Relevant Australian Standards

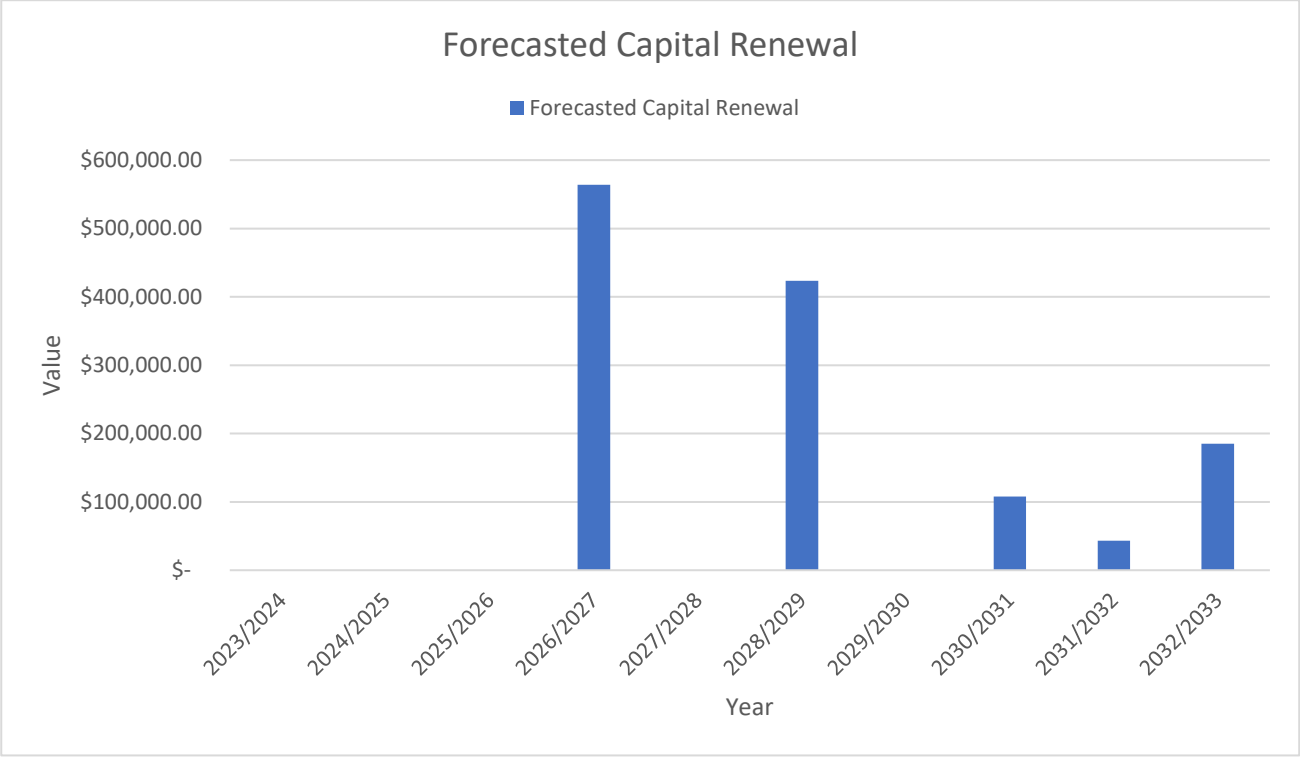
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.
- The projected capital renewal program is shown in Appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $1,323,318 on renewals over the next ten years.

Figure 5: Proposed 10 Year Renewal Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

ABS census data statements regarding demand within the shire can be seen below:

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:

In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:

Table 12: Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

The census study area did not change during each period.

14.1.1. Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to land availability.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13: Total data for township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.1.2. Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.

It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.1.3. Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15: Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.2. Forecast

Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the aerodrome related assets indicates that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of aerodrome assets service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

Demand Impacts on Assets

A steady development growth in Narromine will lead to an increase in usage through the existing network. Council must ensure they understand their Aerodrome network capacity requirements to allow for increased volumes.

14.3. Demand Management Plan

14.3.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major assets.

14.3.2. Asset Programs to Meet Demands

Asset programs to meet future demands within existing networks can only be conducted once studies are completed to plan and understand future urban development within Narromine.

14.3.3. Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing network when considering demand increase due to infill development.
- Effective control over the assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.
- Ensure existing network restrictions do not prevent land development and economic growth in Narromine.
- Develop an understanding of future requirements of Aerodrome users and operators

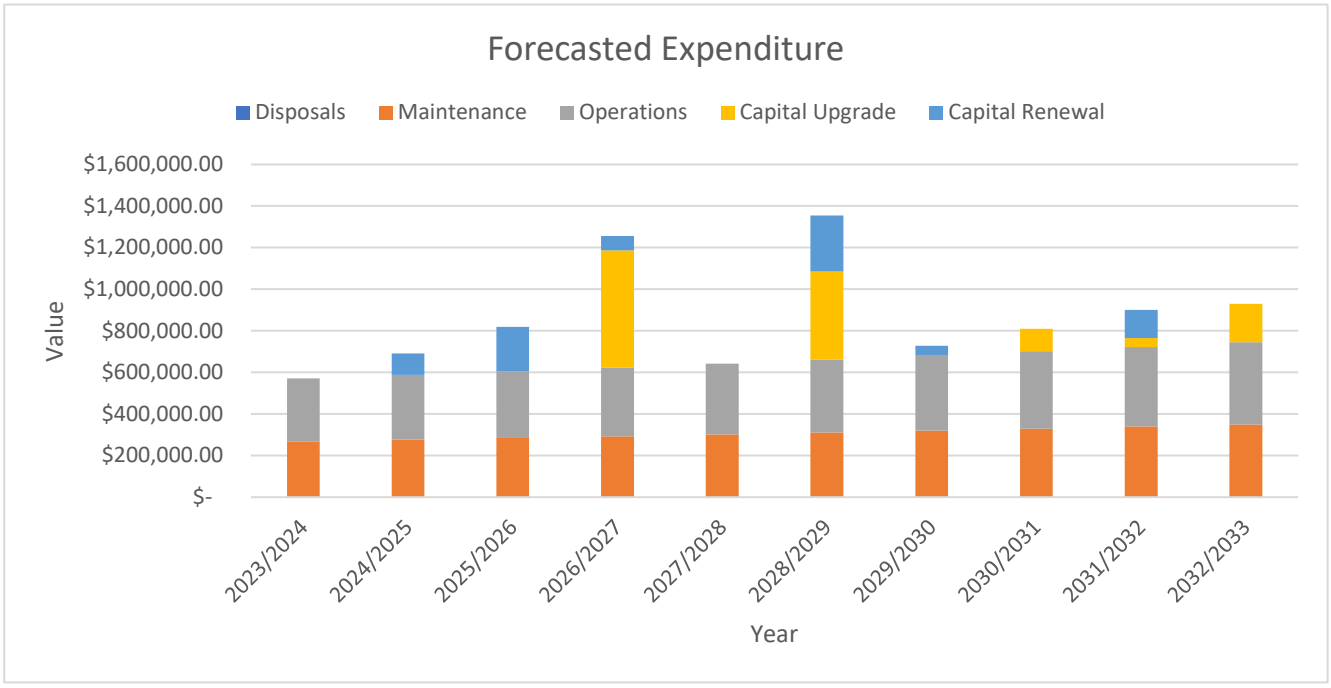
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1. Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2. Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3. Long Term Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve, and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner.

The purpose of the Asset Management Plans and long term financial plan and strategies are required to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Funding Strategy

Projected expenditure identified in Appendix A is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long term financial plan.

Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are to be reviewed to align with the Technical LOS and the Strategies identified in Levels of Service section of this document.

Key Performance Measures	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
COMMUNITY LEVELS OF SERVICE							
Quality	Environmental / Health & Safety	Aerodrome meets CASA and user expectations requirements	User complaints	Less than three per year	Good	Excellent to Good	Less than four per year
Function	Operational / Health & Safety	Aerodrome is serviceable and accessible to aircraft	User complaints	Nil	Excellent	Excellent to Good	Nil
Safety	Health & Safety	Hazards on the movement area are minimised or, where possible, eliminated	Aircraft incidents or aerodrome serviceability deficiency	Less than five per year	Excellent	Excellent to Good	Less than five per year
	Health & Safety	Incursions onto airside area	NSC Aerodrome Vehicle Control Policy	Less than three per year	Good	Excellent to Good	Less than five per year
TECHNICAL LEVELS OF SERVICE							
Condition	Operational	Aerodrome meets CASA and user expectations requirements	CASA aerodrome audit	Requests for Corrective Action less than 3	Excellent	Excellent to Good	Audit findings addressed as per Corrective Action Plan and Requests for Corrective Action less than 1

Key Performance Measures	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
	Health & Safety	Loose stones and surface texture of sealed surfaces on movement area	Visual and tactile assessment	Satisfactory surface texture and loose stone count	Average	Excellent to Good	Loose stone count is above average
Amenity	Operational	Maintenance of remainder of airside area outside movement area	Mowing conducted as required to minimise animal hazard	Nil complaints received and nil record of bird strikes	Excellent	Excellent to Good	Nil complaints received and nil record of bird strikes
Cost Effectiveness	Operational	Provide appropriate aerodrome facilities commensurate with level of use and value to the community	Avg. Maintenance cost per year is $184,000 (Narromine)	On or Under budget	Excellent	Excellent to Good	On Budget
	Operational	Provide an aerodrome that meets the current and foreseeable needs of users in line with community expectations and available resources.	Users and community agree with resources allocated to aerodrome	Less than 10 complaints per year	Excellent	Excellent to Good	5-8 complaints per year

Table 16: Performance Measures

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1. Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Konect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work order.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5. Workforce Planning and Training

Council currently employs trained operators in operations for the Aerodrome Reporting Officer as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy is developing a position / skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long-Term Financial Plan and Community/Strategic Planning processes and documents;
- The degree to which the 4-year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan.
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services; and
- Telemetry Data primarily used for measuring the operational performance of the Asset and ensuring that the infrastructure is delivering the performance requirements of the customer.

In addition to the Asset Management Strategy, Table 16 includes improvements to the management and planning of Aerodrome assets.

18.7. Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plant will be categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2022/23
2	Performance	Review Renewal of all Assets	1	2022/23
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	2023/24
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Complete
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	Complete
11	Service Focus	LOS Performance Measurement	1	Ongoing
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Aerodrome Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AMS to the GIS system	4	2023/24
17	Knowledge	Review of the Aerodrome Manual to meet CASA standards	1	2022/23

19.1. Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process.

The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

Abs.gov.au. 2022. *Search Census data | Australian Bureau of Statistics*. [online] Available at: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> [Accessed 28 April 2022].

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21 Appendix A: Ten Year Capital Works Program

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
CAPITAL LIFE CYCLE	.	.	.	.	.	.	.	.	.	.
Runway 11/29 - Wearing Surface - Reseal				560,602						
Runway 11/29 - Line Marking - Line Renewal				3,169						
Runway 04/22 - Wearing Surface - Reseal						422,345				
Runway 04/22 - Line Marking - Line Renewal						1,088				
Taxiway A - Wearing Surface - Reseal								19,669		
Taxiway A - Line Marking - Line Renewal										
Taxiway B - Wearing Surface - Reseal								19,878		
Taxiway B - Line Marking - Line Renewal										
Taxiway D - Wearing Surface - Reseal								68,305		
Taxiway D - Line Marking - Line Renewal										
Apron - Wearing Surface - Reseal										185,072

Apron - Line Marking - Line Renewal										
Taxiway C - Wearing Surface - Reseal									13,103	
Taxiway C - Line Marking - Line Renewal									132	
Taxiway E - Wearing Surface - Reseal									6,048	
Taxiway E - Line Marking - Line Renewal									60	
Aeroclub Car Park - Wearing Surface - Reseal									7,257	
Aeroclub Car Park - Line Marking - Line Renewal									60	
Internal Roads - Wearing Surface - Reseal									16,127	
Internal Roads - Line Marking - Line Renewal									403	
NEW, ACQUISITION AND/OR UPGRADE		.	.	.	.	.	.	.	.	.
New Gravel Taxi-way										
Tree Removal										
Additional Cable Tie Downs										

Old Hangar Slab Removal		63,258								
Irrigation & Landscaping - Aerodrome Entrance			100,578							
Irrigation & Landscaping - Other Public Area				69,394						
Additional Grass Runway						85,937				
Irrigation of Grassed Runway						60,210				
Glider Trailer Parking Area Development							46,686			
Crack Sealing Program			112,551			122,987			134,392	
Building #8 Disposal		40,271								

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Community & Recreational Facilities
(AMP5)

Contents

1. Executive Summary

Council's intention is to provide the Shire of Narromine with Recreation and Community Facilities via infrastructure that is serviced and maintained to a level which reflects the community's expectations and operates in a manner that is both functional and cost effective.

The Recreation and Community Services currently has a GCV of approximately $19,301,930 on 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the Recreational & Community Facilities assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan;
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan;
- Ensures the management of Recreational & Community Facilities infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring performance;
  Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks; and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.

The Gross Carrying Value (GCV) of Councils Assets are defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

Council's Recreation and Community Services Asset Class has a $19,301,930 GCV and a $12,798,620 NCV, which represents 3.68% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2 Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff – Asset Management Working Group, etc.

1.3 Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4 Recreational & Community Facilities Supplies

Narromine Shire Council supplies recreational and community facilities infrastructure and services to the townships of Narromine, Trangie and Tomingley.

In Narromine, Trangie and Tomingley, there are currently a wide range of facilities open to the public which include parks, ovals, sports complexes, race courses and showgrounds to name a few.

The supply of recreational and community facilities services is critical to the community especially in terms of public health and wellbeing. It is critical that systems do not deteriorate to a level where community users are at risk or compromised.

1.5 Recreational & Community Facilities Services

In summary, the recreational and community facilities comprise of the following major assets:

- Cemeteries
- Sports Complex
- Parks
- Ovals
- Gardens
- Sports Grounds
- Swimming Pools
- Showgrounds

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Cemeteries	Ea.	2	NA
Sports Complex	Ea.	1	35
Parks	Ea.	13	NA
Ovals (excl. Sporting Ovals)	Ea.	3	NA
Sports Grounds	Ea.	2	NA
Swimming Pools	Ea.	2	2
Showgrounds	Ea.	2	20

While a number of assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing their. end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, further puts additional strain on existing assets.

1.6 Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable Recreational & Community Facilities services to its customers and environment and to meet legislative requirements.

2. Operation, maintenance, renewal and the upgrade of:
- Cemeteries;
- Sports Complex;
- Parks;
- Gardens;
- Sports Grounds;
- Swimming Pools; and
- Showgrounds,

to meet service levels set by Council and to meet statutory requirements.

3. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long term plans to ensure a sustainable business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations)

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently un-serviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

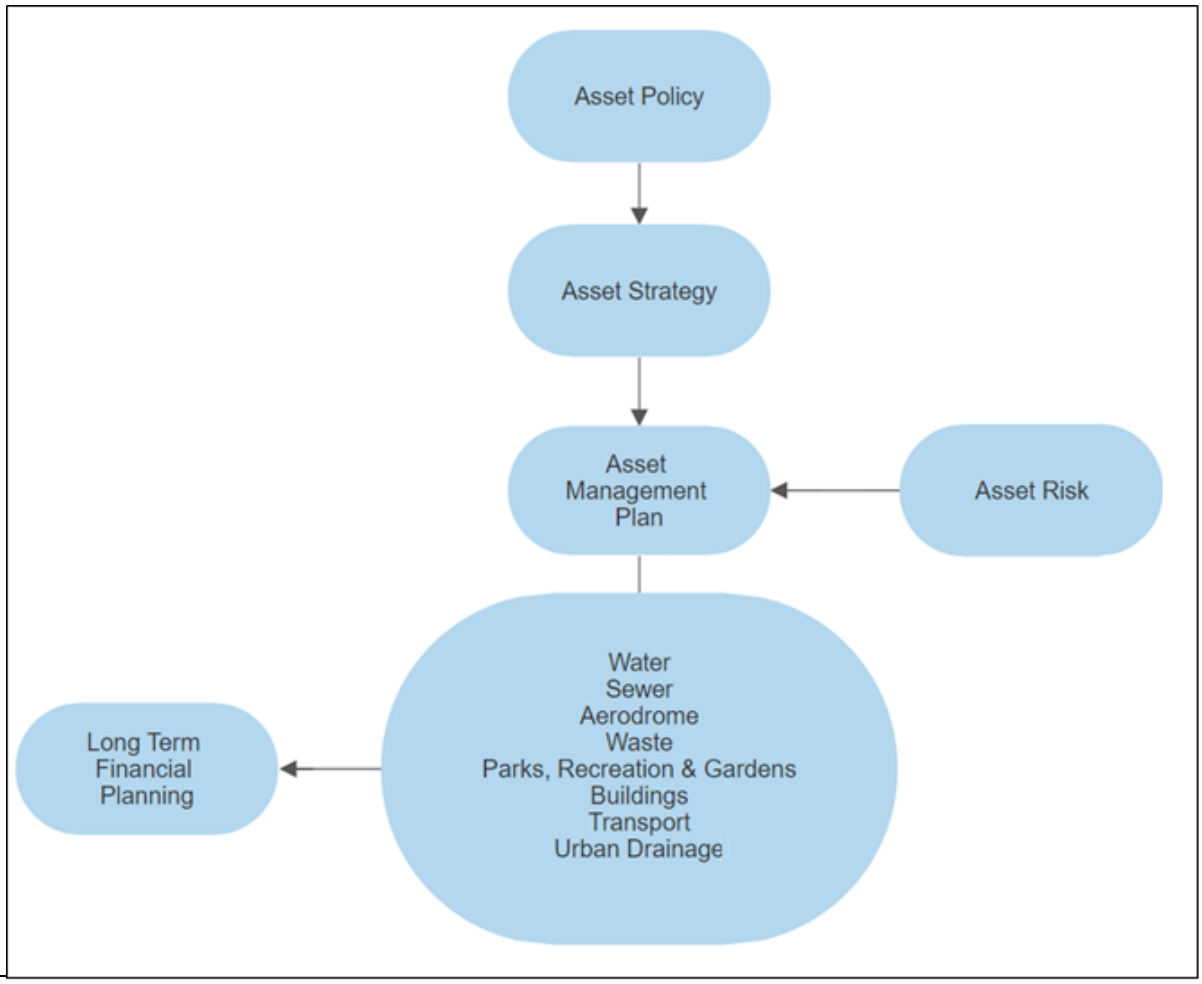
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based.
Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1: Asset Management Framework

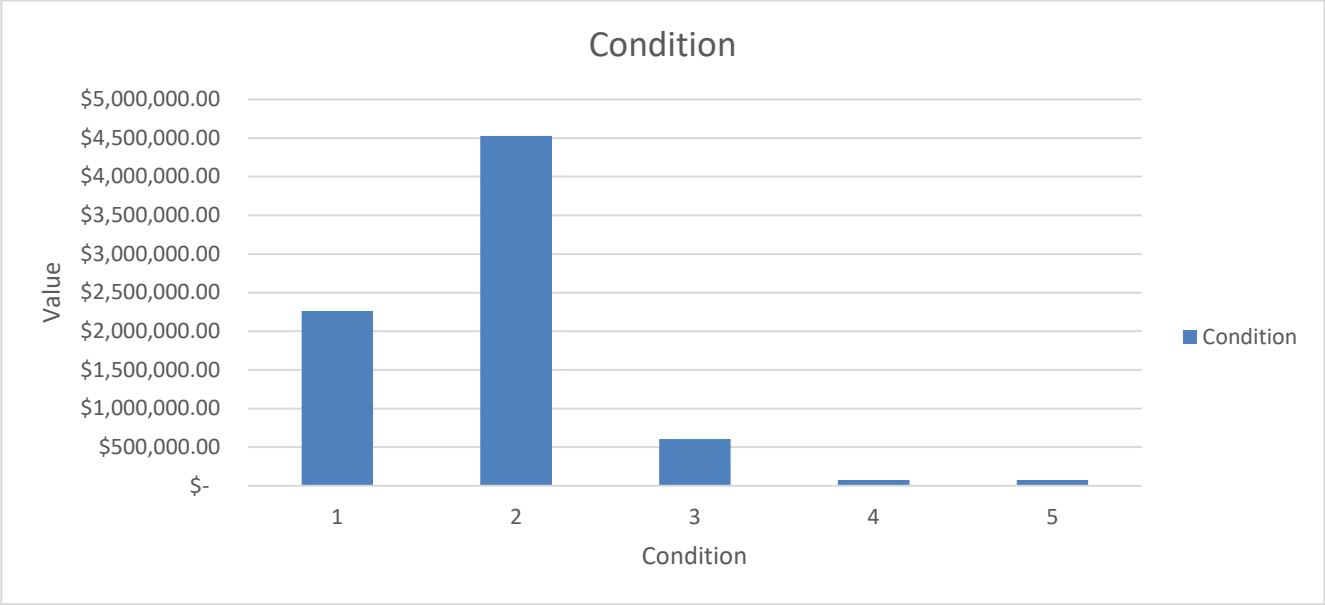


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Recreational & Community Facilities assets have been condition rated externally during a revaluation.

Figure 2: Asset Conditions



3.2. Other Criteria

The process of managing our recreational and community facilities assets is one of continually improving the knowledge Council has, including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Recreational & Community Facilities Assets

Appendix A conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy

Ultimately, final decisions and management of assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting Documentation

Supporting documentation is presented in the table below:

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition
Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity

Table 2: Supporting Documentation

6. Services Provided and their Classification

6.1. Services Provided

Council provides the community of Narromine, Trangie and Tomingley with recreational and community facility infrastructure and services that meet current standards as outlined in our customer levels of Service.

Assets covered within this Asset Management Plan can be seen in the appendix. The following table is a summary of these assets.

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Cemeteries	Ea.	1	NA
Sports Complex	Ea.	1	35
Parks	Ea.	13	NA
Ovals (excl. Sporting Ovals)	Ea.	3	NA
Sports Grounds	Ea.	2	NA
Swimming Pools	Ea.	2	2
Showgrounds	Ea.	2	20

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Asset Class	Sub-Asset Class	Component	Theoretical Useful Life
Recreational & Community Facilities	Buildings	Sub-structure	50
Recreational & Community Facilities	Buildings	Super structure	50
Recreational & Community Facilities	Buildings	Finishes	15
Recreational & Community Facilities	Buildings	Fittings	10
Recreational & Community Facilities	Buildings	Services	25
Recreational & Community Facilities	Buildings	Finishes	9
Recreational & Community Facilities	Internal Road	Formation	100
Recreational & Community Facilities	Internal Road	Pavement	20

Asset Class	Sub-Asset Class	Component	Theoretical Useful Life
Recreational & Community Facilities	Internal Road	Wearing Surface	15
Recreational & Community Facilities	Fencing	External Chain Fence	50
Recreational & Community Facilities	Play Equipment		25
Recreational & Community Facilities	Furniture	BBQ	5
Recreational & Community Facilities	Furniture	Benching	25
Recreational & Community Facilities	Pumps		20
Recreational & Community Facilities	Pool Liner		50
Recreational & Community Facilities	Culverts		50
Recreational & Community Facilities	Artificial Turf		5
Recreational & Community Facilities	Shade Structure		10
Recreational & Community Facilities	Protective Coating of Surface		20
Recreational & Community Facilities	Basketball Ring		20

6.3. Classification

The classifications of Recreational & Community Facilities Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Hierarchy	Asset Category	Sub-Type	Description
1	Parks	Highest Value Parks	High profile, well used space, embellishments including landscaping, park furniture, playground equipment, lighting. Asset in good condition operationally and aesthetically.
2	Parks	Medium Value Parks	Used space, embellishments may include landscaping, park furniture, playground equipment. Asset in fair condition operationally and aesthetically.
3	Parks	Low/Minimal Value Parks	Local space, often small, minimal infrastructure. Health and safety issues addressed.
4	Parks	Undeveloped, Underutilised Parks	Undeveloped land or under-utilised open space. Future use under consideration. Health and safety issues addressed within available funds. Relatively undisturbed bushland.
1	Sports Grounds	District Sports Ground	Well used asset, substantial infrastructure, high standard of maintenance when in play, major events.
2	Sports Grounds	High Use Local Sporting Field	High use, basic infrastructure, regular maintenance when in play. Asset in fair condition operationally.
3	Sports Grounds	Low Use Local Sporting Field	Basic infrastructure, local low use only
1	Cemeteries	High Visitation, Active Burial Site	Large sites, regular burials, high visitation
2	Cemeteries	Low Visitation, Potential Burial Site	Small sites, irregular to nil burials, low visitation
3	Cemeteries	Historic burial site	Historic value, little use, nil burials
2	Playgrounds	Local Playground	High use, asset in fair condition operationally.
1	Gardens	Highest Value Gardens	High public profile, significant importance to overall town amenity and civic pride
2	Gardens	Medium Value Public Gardens	Medium profile, medium importance to overall town amenity and civic pride
1	Public Domain / Open Space	High Visibility Public Domain/ Open Space	High profile, high importance to overall town amenity and civic pride

Hierarchy	Asset Category	Sub-Type	Description
2	Public Domain / Open Space	Low/Minimal Value Public domain	Low profile, low importance to overall town amenity and civic pride. Laneway inspections. Health and safety issues addressed as required.
3	Public Domain / Open Space	Undeveloped Public Reserves	Ad hoc, basic seasonal maintenance if required
1	Tree Maintenance	Less than 1 year old	Watering and maintenance as required
2	Tree Maintenance	More than 1 year old	Maintenance as required
1	Facilities	Occupied daily, High usage, integral facility to the town	- Swimming Pools: Narromine - Swimming Pools: Trangie - Sports Complex - Showgrounds: Narromine - Showgrounds: Trangie - Hub N Spoke - Pound
2	Facilities	Other	- Saleyards

Table 5: Classification

7. Stakeholder Management

Council has several methods for collecting feedback on their performance in managing the recreational and community assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kip's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
Federal, State Government and other Regulating Bodies	• Regulation of Recreational & Community Facilities and its operations		Review of Best Practice and Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management
- and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Legislation	Requirement
Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
National Construction code	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.
Contaminated Land Management Act	Sets out specific requirement in connection with the land remediation of land.
Threatened species conversation Act 1995	Developing strategies to tackle biodiversity loss requires the identification and understanding of the threatening processes that lead to the extinction of species, populations and ecological communities such as weeds, feral animals and climate change.
Child Protection Act	Provides requirements in relation to the protection of children in public spaces.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective recreational and community facilities infrastructure and systems which are customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the recreational and community facilities systems is acceptable to the wider community.

Levels of service (LOS) indicators have been developed for the services provided by the Recreational & Community Facilities Infrastructure based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Recreational & Community Facilities Services to users
Function	Ensure the Recreational & Community Facilities Infrastructure & Services meet Department of Health approval conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Recreational & Community Facilities Infrastructure & Services to meet user requirements
Function/Accessibility	Ensure Recreational & Community Facilities Infrastructure & Services are available to all occupied properties
Cost Effectiveness	Provide Recreational & Community Facilities Infrastructure & Services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as electricity costs, inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to its original condition.

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally.

- **Upgrade**
  The activities to provide a higher level of service or a new service that did not exist previously.

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Levels

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Recreational & Community Facilities Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified relevant to Recreational & Community Facilities Services include:

- Asset Inspections
- Land Rates
- Electrical Supply
- Engineering Management
- Insurances
- Customer Request Management
- Emergency Management

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with safety, environmental, operations and delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils Assets such as play equipment. Any specialised condition rating requirements will be undertaken by a specialist.

Below Ground Assets: Below ground Asset Inspections are undertaken by independent consultants and contractors that have the capacity to do so.

Table 10: Summary of Inspections

Inspection	Frequency
Condition Assessments	Yearly
Asset BBQ's	Yearly
Asset Amenities	Yearly
Playgrounds	Yearly
Water Features	Yearly
Picnic Shelters	Yearly

All condition assets are reviewed and recommended by external parties during the revaluation period.

12. Maintenance

Maintenance Work is the regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation and rehab. These activities are required to ensure that the asset reach their expected useful life with no addition to their existing useful life and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset.
2. Predictive Maintenance – condition monitoring activities used to predict failure.
3. Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based.

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11 - Planned Maintenance Activities and frequency

Activity	Frequency	Activity
Mowing (Summer)	Weekly	Mowing (Summer)
Mowing (Winter)	Fortnightly	Mowing (Winter)
Turf Renovation	Biannual	Turf Renovation

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

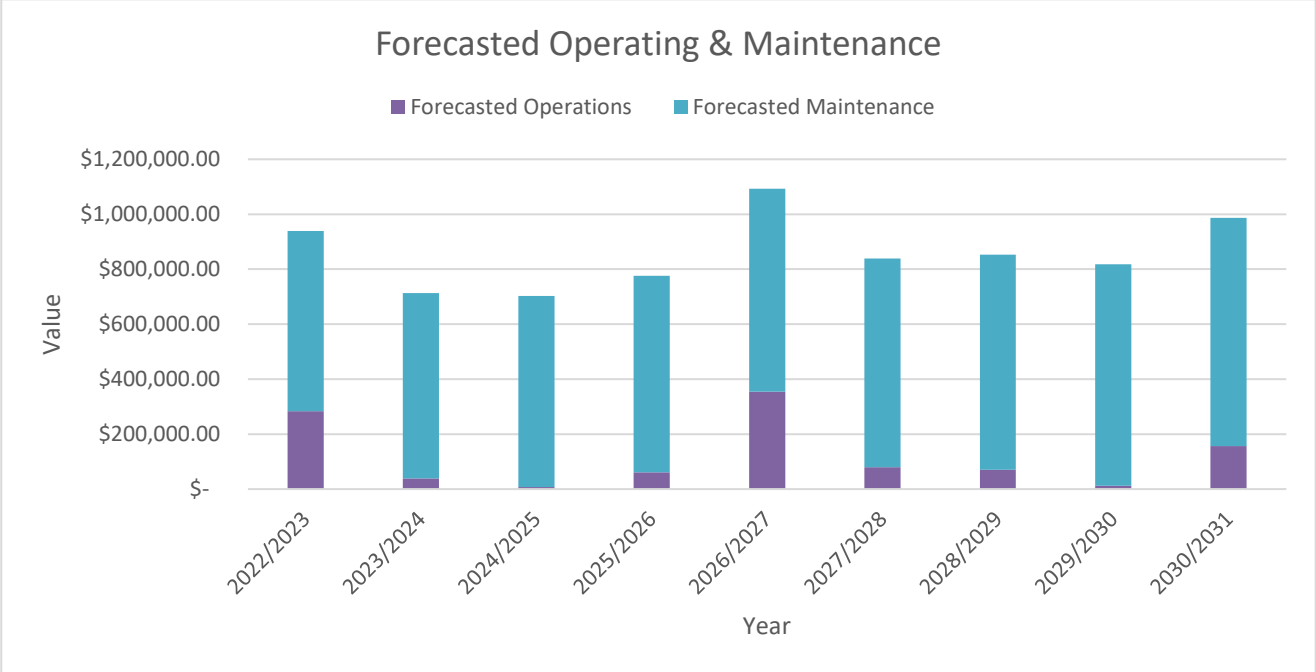
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to recreational and community facilities infrastructure that has sufficient capacity for current and projected growth requirements
- Recreational and community facilities are managed in accordance with Legislative requirements
- The operation of the recreational and community facilities infrastructure results in high quality services to customers

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four (4) year average to project the following ten years.

Figure 3: Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

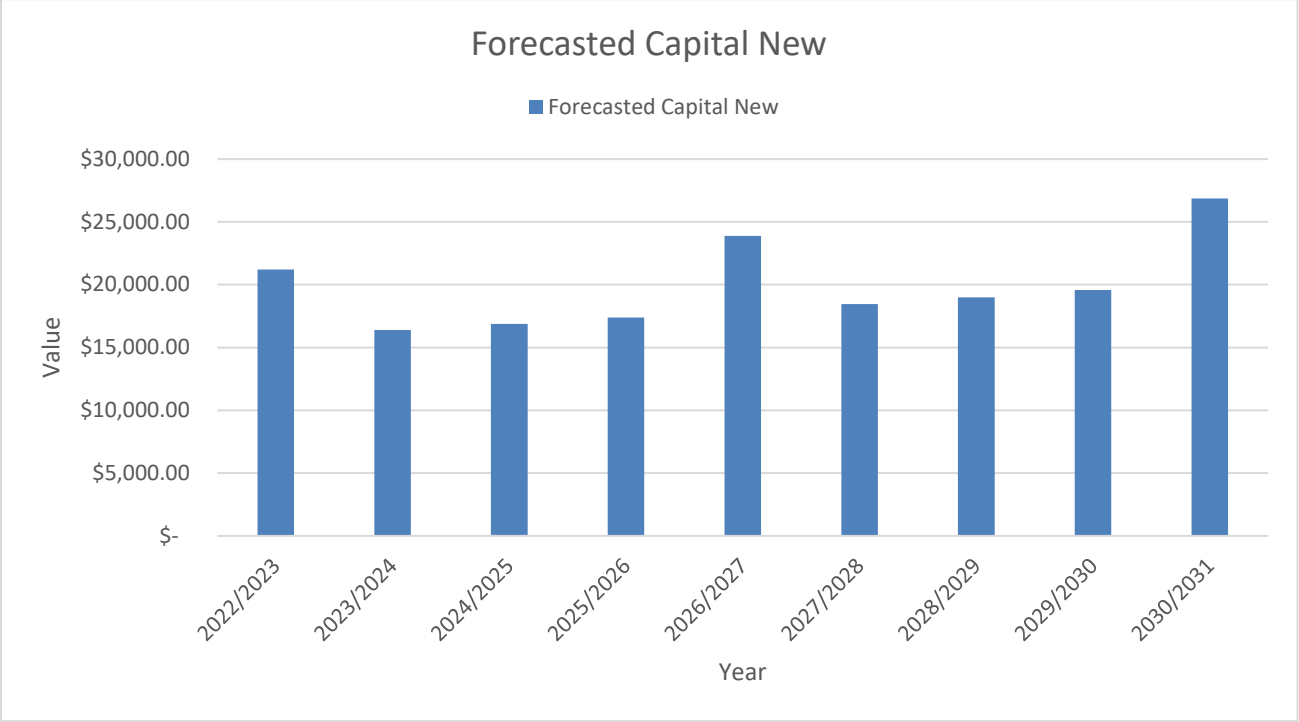
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4: Projected Operations & Maintenance Expenditure



A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing an oval, renewal of a playground, soft fall etc.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- Supplier, Manufacturer's Specifications
- Relevant Australian Standards

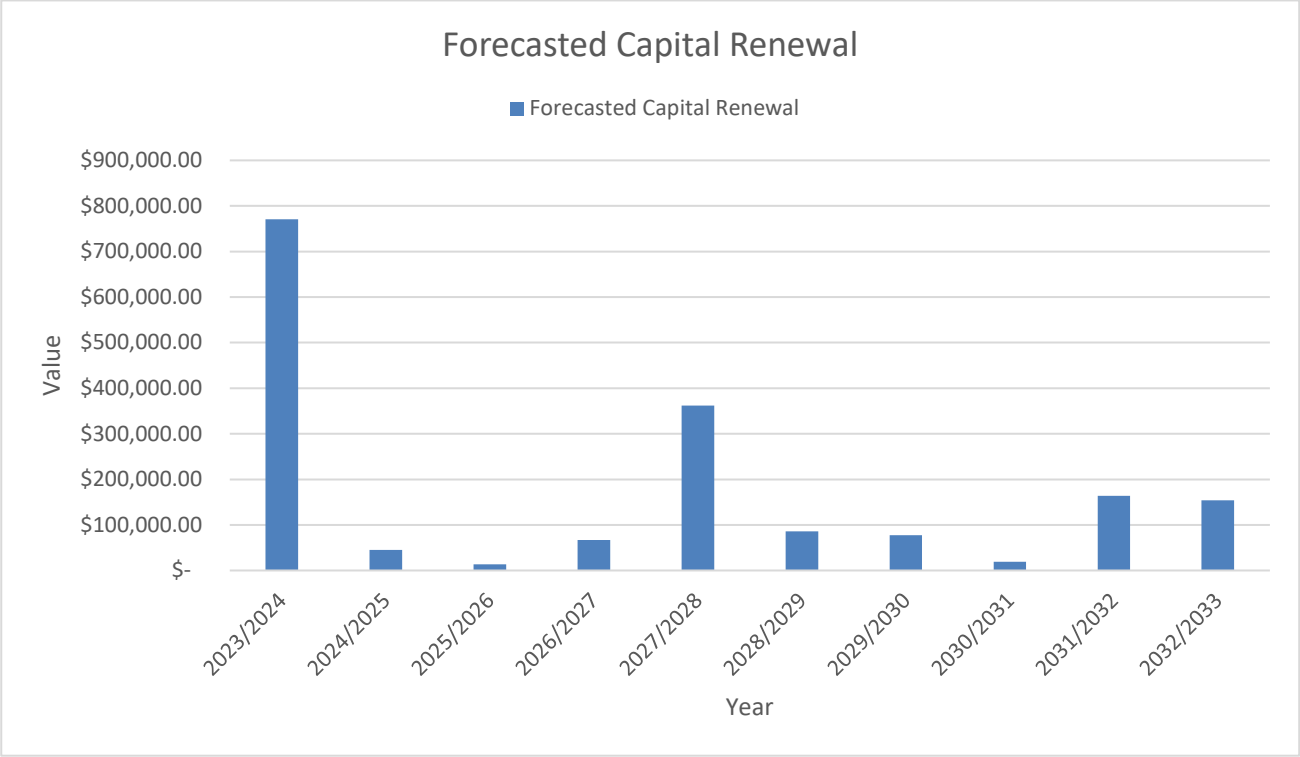
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.
- The projected capital renewal program is shown in Appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $1,758,855 on renewals over the next ten years.

Figure 5: Proposed Renewal Allocations Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

14.2. Demand forecast

ABS census data statements regarding demand within the shire can be seen below:

Note: ABS data and Council data may not be the same

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:
In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:
Table 12: Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6,460	-1.3%

The census study area did not change during each period.

14.2.1. Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to land availability.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13: Total data for township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.2.2. Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.
It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1,425	1.3%
Trangie	2021	613	-7.5%	702	630	1,340	-6.3%

14.2.3. Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15: Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.3. Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the recreational and community facilities related assets indicate that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of recreational and community facilities assets service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.4. Demand Impacts on Assets

A steady development growth in the existing suburbs of Narromine will lead to an increase in usage through the existing network. Council must ensure they understand their network capacity requirements to allow for increased volumes.

14.5. Demand Management Plan

14.5.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major assets.

14.5.2. Asset Programs to Meet Demands

Asset programs to meet future demands within existing networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine. A clear understanding of the existing network capacity and demand requirement will be essential in this process.

14.5.3. Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing network when considering demand increase due to infill development.
- Effective control over the assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.

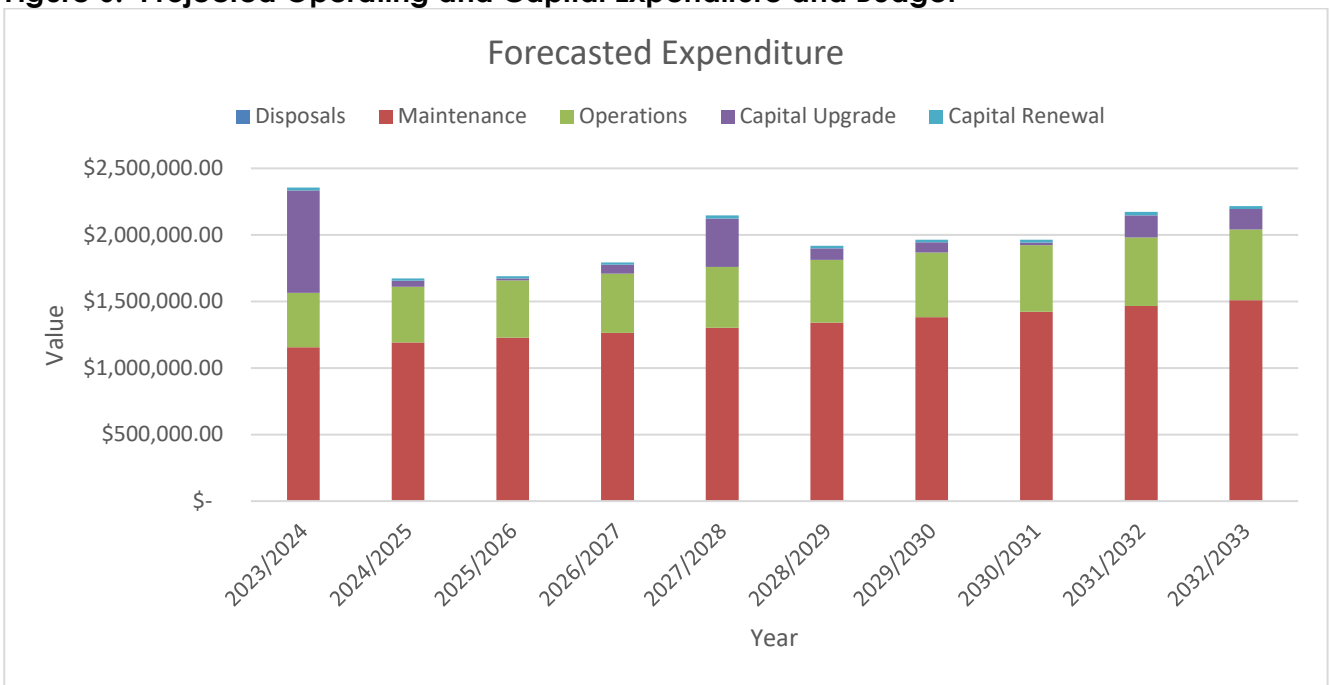
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1. Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2. Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3. Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the Asset Management Plans and long-term financial plan including strategies that are required to attempt to bridge the gap associated, such as, but not limited to:

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Funding Strategy
Projected expenditure identified in Appendix A is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are to be reviewed to align with the Technical LOS and the Strategies identified in Levels of Service section of this document.

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measures
COMMUNITY LEVELS OF SERVICE							
Quality	Operational	Provide clean accessible well-maintained recreational services	Customer services requests/complaints, customer surveys	<5 complaints per month	Satisfactory	Excellent to Good	TBD
Function	Operational / Health & Safety	Recreation Facilities are fit for purpose, meet users' requirements & industry standards	Customer service requests/complaints, customer surveys	< 2 complaints per month	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Provide safe suitable facilities, free from hazards	Reported accidents	Zero reported accidents	Satisfactory	Excellent to Good	TBD
TECHNICAL LEVELS OF SERVICE							
Condition	Operational	Recreation Facilities functionality is not compromised by condition	Regular condition inspections	Allocate appropriate funding and resources	Satisfactory	Excellent to Good	TBD

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measures
Function /Accessibility	Operational	Legislative compliance	Provide access and service for all user groups	100% compliance	Satisfactory	Excellent to Good	TBD
Cost Effectiveness	Operational	Provide service in cost effective manner	Budget compliance	Expenses within budget	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure facilities are safe	Regular safety audits carried out, action customer request within 5 working days	Safety inspections – electrical tagging/testing as per standards, Legislative audit. –Safety inspection, 6 months/annually -Defects repaired within approved timeframes	Satisfactory/Ongoing	Excellent to Good	TBD

Table 16: Performance Measures

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination, or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1. Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Konect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and;
- Producing work orders.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5. Workforce Planning and Training

Council employs operators' as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy is developing a position/skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents;
- The degree to which the four (4) year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan; and
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services

In addition to the Asset Management Strategy, Table 16 includes improvements to the management and planning of Recreational & Community Facilities assets.

18.7. Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 16.

The improvement plant will be categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2022/23
2	Performance	Review Renewal of all Assets	1	2022/23
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	Ongoing
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Ongoing
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	Ongoing
11	Service Focus	LOS Performance Measurement	1	Ongoing

#	Type	Task	Priority	Expected Completion
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Recreational & Community Facilities Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	2023/24
18	Knowledge	Develop Master Plan for Dundas Park/Payton Oval	1	In Progress

19.1. Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process.

The Asset Management Plan has a life of 4 years along with the Long Term Financial Plan.

20. References

Abs.gov.au. 2022. *Search Census data | Australian Bureau of Statistics*. [online] Available at: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> [Accessed 28 April 2022].

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21. Appendix A: Ten Year Capital Works Program

PLAY GROUND EQUIPMENT	1	2	3	4	5	6	7	8	9	10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Argonauts Park - Playground Equipment - REPLACEMENT / REHABILITATION				23,185						
Commodore Park - Playground Equipment - REPLACEMENT / REHABILITATION					17,911					
McKinnon Park - Playground Equipment - REPLACEMENT / REHABILITATION						24,597				
Trangie Tennis Courts Upgrade	600,000									
Upgrade Public Facilities Dundas Park	160,000									
Rotary Park Playgrounds - Playground Equipment - REPLACEMENT / REHABILITATION										26,879
TRANGIE										
Argonauts Park Playground - Playground Equipment - REPLACEMENT / REHABILITATION							25,335			
Bicentennial Park Playground - Playground Equipment - REPLACEMENT / REHABILITATION									26,878	
TOMINGLEY										
Dicken Park Playground - Playground Equipment - REPLACEMENT / REHABILITATION										
NEW, ACQUISITION AND/OR UPGRADE										

SURFACE REPLACEMENT	1	2	3	4	5	6	7	8	9	10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Argonauts Park - Playground Surface - REPLACEMENT / REHABILITATION										3,361
Fowler Engine Restoration	5,000									
Commodore Park - Playground Surface - REPLACEMENT / REHABILITATION					2,985				3,360	
Dundas Park - Playground Surface - REPLACEMENT / REHABILITATION		13,659				15,373				
McKinnon Park - Playground Surface - REPLACEMENT / REHABILITATION			4,221				4,750			
Rotary - Endurance Equipment Surface - REPLACEMENT / REHABILITATION				7,245				8,155		
Rotary - Strength Equipment Surface - REPLACEMENT / REHABILITATION					1,194				1,344	1,345
Rotary Park - Playground Equipment Surface - REPLACEMENT / REHABILITATION										
Apex Park - Basketball Court Surface - REPLACEMENT / REHABILITATION					71,643					
Apex Park - Netball Court Surface - REPLACEMENT / REHABILITATION					193,436					
TRANGIE										
Argonauts Park - Playground Surface - REPLACEMENT / REHABILITATION					14,329					
Swift Park - Playground Surface - REPLACEMENT / REHABILITATION					14,329					
TOMINGLEY										
Dicken Park - Surface - REPLACEMENT / REHABILITATION					9,314					

Eric Woods - Surface - REPLACEMENT / REHABILITATION										
NEW, ACQUISITION AND/OR UPGRADE										
NARROMINE										
TRANGIE										
TOMINGLEY										

	1	2	3	4	5	6	7	8	9	10
SPORTS GROUND FACILITIES	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Argonauts Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION										2,689
Argonauts Park - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Commodore Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION									4,032	
Dundas Park - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
McKinnon Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION				3,478						
McKinnon Park - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Rotary Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION										
Rotary Park - FENCING - REPLACEMENT / REHABILITATION										2,689

Rotary Park - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Noel Powell Oval - TABLES & CHAIRS - REPLACEMENT / REHABILITATION										
Noel Powell Oval - LIGHTING - REPLACEMENT / REHABILITATION							40,537			
Noel Powell Oval - FENCING - REPLACEMENT / REHABILITATION										2,689
Noel Powell Oval - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Cale Oval - LIGHTING - REPLACEMENT / REHABILITATION						39,356				
Cale Oval - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Dundas Oval - TABLES & CHAIRS - REPLACEMENT / REHABILITATION				3,478						
Dundas Oval - FENCING - REPLACEMENT / REHABILITATION				23,185						
Dundas Oval - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Payten Oval - TABLES & CHAIRS - REPLACEMENT / REHABILITATION			3,377							
Payten Oval - LIGHTING - REPLACEMENT / 5 REHABILITATION									43,005	
Payten Oval - FENCING - REPLACEMENT / REHABILITATION					29,851					
Payten Oval - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	
Olsen Park - FENCING - REPLACEMENT / REHABILITATION									26,878	
Main Street & Other - TABLES & CHAIRS - REPLACEMENT / REHABILITATION		3,278								
Main Street & Other - SIGNAGE - REPLACEMENT / REHABILITATION									2,688	

TRANGIE										
Argonauts Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION								3,914		
Argonauts Park - FENCING - REPLACEMENT / REHABILITATION		21,855								
Main Street & Other - TABLES & CHAIRS - REPLACEMENT / REHABILITATION										
Main Street & Other - FENCING - REPLACEMENT / REHABILITATION									26,878	
Tomingley										
Dicken Park - TABLES & CHAIRS - REPLACEMENT / REHABILITATION										
Dicken Park - FENCING - REPLACEMENT / REHABILITATION										
Dicken Park - SIGNAGE - REPLACEMENT / REHABILITATION										
ACQUISITION, NEW AND/OR OTHER CAPITAL WORKS										
NARROMINE										
BIN UPGRADES					5,970				6,720	

	1	2	3	4	5	6	7	8	9	10
IRRIGATION	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
ACQUISITION, NEW AND/OR OTHER CAPITAL WORKS										
NARROMINE										
Irrigation / Sprinkler Upgrade Program										
TRANGIE										
Irrigation / Sprinkler Upgrade Program										
TOMINGLEY										

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Transport
(AMP6)

Contents

1. Executive Summary

Council's intention is to provide the Shire with transport services via infrastructure that is serviced and maintained to a level which reflects the community's expectations and operates in a manner that is both functional and cost effective.

The Transport Network currently has a Gross Carrying Value (GCV) of approximately $289,755,079 as at 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy
- NSW Government – Draft Central West and Orana Regional Transport Plan.

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the transport assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic plan;
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan;
- Ensures the management of Transport infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost effective management strategies for the longer term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks; and
- Having a long term financial plan which identified required, affordable expenditure and how it will be financed.

The Gross Carrying Value (GCV) of Councils Assets are defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

Council's Transport Network Asset Class has a $289,755,079 GCV and a $232,785,583 NCV, this represents 66.80% of Council total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2. Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff

1.3. Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4. Transport Supplies

Narromine Shire Council supplies transport infrastructure and services to the entire shire council with regional, rural and urban road networks and associated infrastructure such as bridges, rural drainage, floodway's, signage, footpath etc.

The supply of transport services is critical to the community. It is critical that systems do not deteriorate to a level where community users are at risk or safety compromised.

The transport services comprise of the following major assets:

- Road Formation
- Road Pavement
- Road Seal/ Wearing Course
- Floodways
- Roadside furniture such as signage, guideposts, barriers, etc.
- Footpaths
- Bridges and Large Culverts
- Car Parks

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Road Formation	Km	1,574	NA
Road Pavement	Km	1,186	20
Road Seal	Km	819	15
Floodway's	Km	49.80	11
Footpath	Km	20.66	22
Bridges incl. Large Culverts	Ea.	52	30

While several assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing the end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, further puts additional strain on existing assets.

1.5. Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable Transport services to its customers and environment and to meet legislative requirements;

2. Operate, maintain, renew and the upgrade of:
   - Road Formation
   - Road Pavement
   - Road Seal
   - Floodways
   - Signage and
   - Footpaths,

   to meet service levels set by Council and to meet statutory requirements; and

3. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long term plans to ensure a sustainable business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations).

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently unserviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

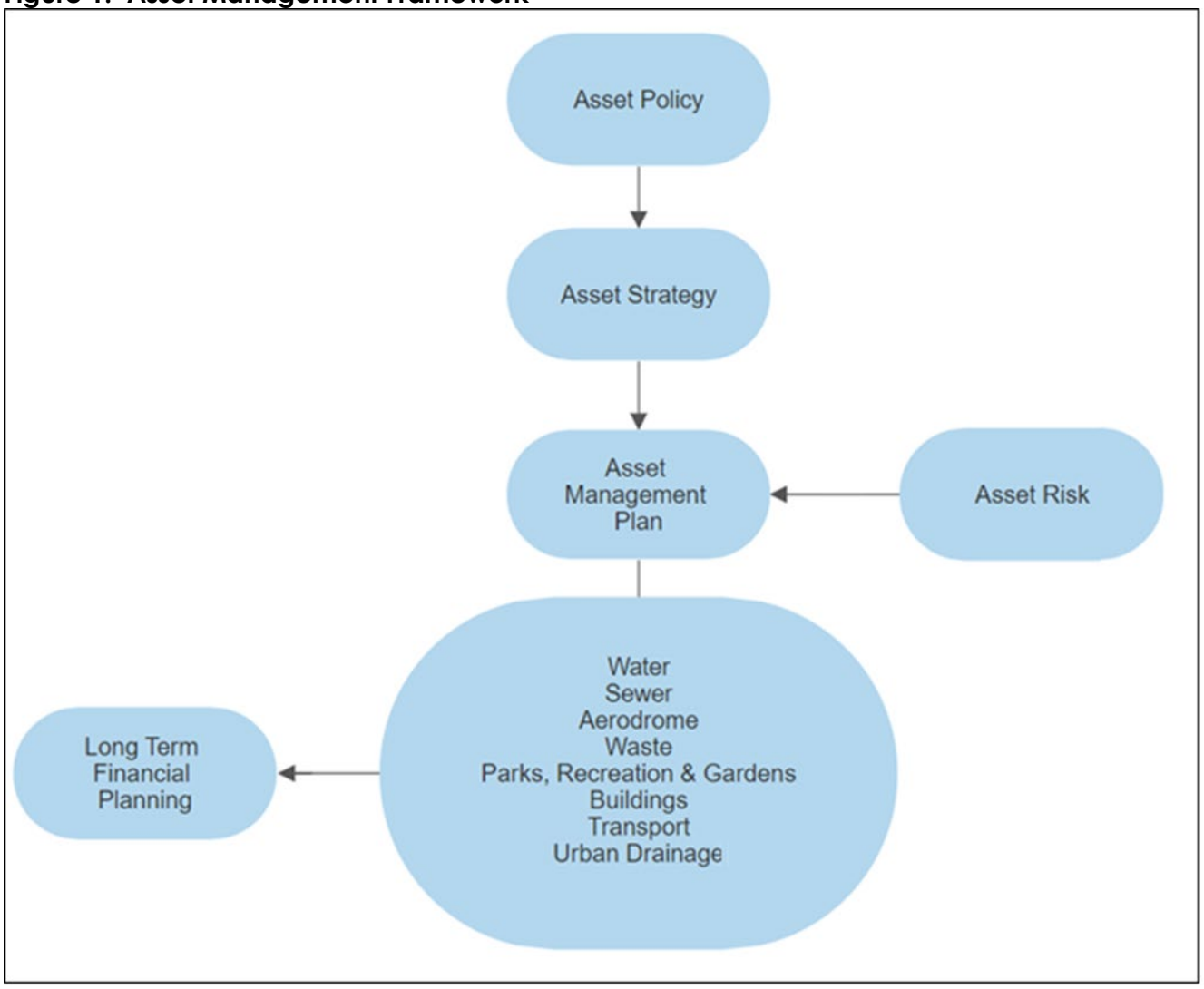
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1: Asset Management Framework

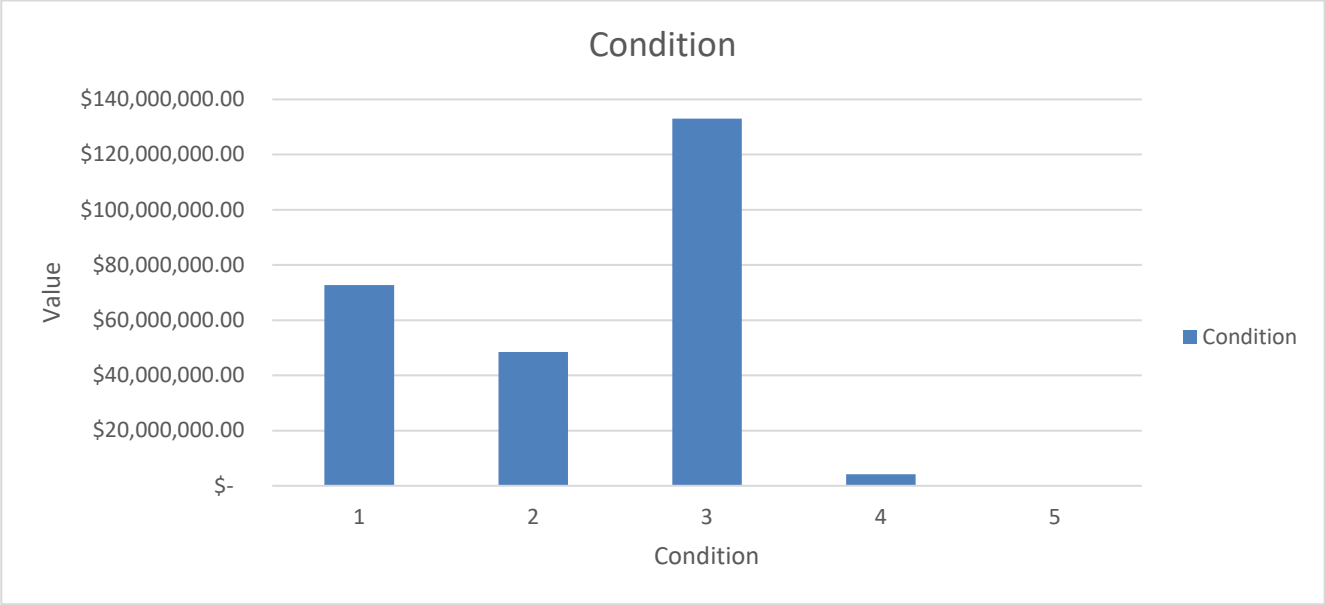


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Transport assets have been condition rated externally during a revaluation in the year of 2021.

Figure 2: Road Asset Condition



3.2. Other Criteria

The process of managing our transport assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Transport Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy.

Ultimately, final decisions and management of assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting documentation

Supporting documentation is presented in the table below:

Table 2: Supporting Documentation

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Management Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations.
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition
Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity
Western NSW Regional & Local Road Plan	Deals with strategic improvements to the Narromine Shire Council

Pedestrian Access and Mobility Plan 2012.	Recommends a range of pedestrian improvements throughout the towns, many of which have been implemented
Roads Manual	A Seven Part Manual that in detail outlines how Narromine Shire Council Manages the Roads. The Parts include: - Part One: Introduction - Part Two: Administration - Part Three: Asset Planning - Part Four: Operations - Part Five: Finance - Part Six: Reporting And Part Seven: Implementation. This Manual is currently under review.
Defect Operations Management Plan	Plan that outlines the details associated with management of defects and REFLECT system.

6. Services Provided and their Classification

6.1. Services Provided

Council provides the community of Narromine with transport infrastructure and services that meet current standards as outlined in our Customer Levels of Service.

Assets covered within this Asset Management Plan can be seen in Appendix A. The following table is a summary of these assets:

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Road Formation	Km	1,574	NA
Road Pavement	Km	1,186	20
Road Seal	Km	819	15
Floodway's	Km	49.80	11
Footpath	Km	20.66	22
Bridges incl. Large Culverts	Ea.	52	30

6.2. Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Description	Material	Theoretical Useful Life
Footpath	Gravel	50
Footpath	Reinforced Concrete	50
Hand railing	Steel	20
Pedestrian Crossing Linemarking	Thermoplastic	10
Median	Reinforced Concrete	50
Crash Barrier	Reinforced Concrete	50
Bus Shelter	Steel	30
Guard Railing	Steel	30
Signage	Steel	5
Longitudinal, Transverse Linemarking	Water Based Paint	5
Wearing Surfacing	Bitumen Surfacing	10
Wearing Surface	Asphalt	20
Pavement	Select Fill	20
Pavement	DGB20	20

Description	Material	Theoretical Useful Life
Pavement	DGS40	20
Formation	Soil	100
Superstructure	Reinforced Concrete	100
Abutments	Reinforced Concrete	100
Substructure	Reinforced Concrete	100

6.3. Classification

The classifications of transport assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5: Classification

Cl	Description	Image	Function
1	Arterial Road		**Primary:** • AADT > 500 **Secondary:** • Traffic movement between regions and service centres.

Cl	Description	Image	Function
			• Permanent School Bus
2	Sub-Arterial Roads		**Primary:** • 150< AADT <499 **Secondary:** • Traffic movement between collector or access road and arterial road. • Permanent School Bus
3	Collector Road		**Primary:** • 70< AADT <149 **Secondary:** • Traffic movement between access road and arterial or sub-arterial road. • Permanent School Bus
4	Access Road		**Primary:** • 20<AADT<69 **Secondary:** • Road to access limited properties where people actually reside (rural: ≥ 4 houses). • Permanent School Bus OR Route used to access permanent school bus
5	Convenience Links		**Primary:** • AADT<19 **Secondary:** • Road to access limited properties where people actually reside (rural: ≤ 3 houses) • Route used to access a permanent school bus
6	Service Track		**Primary:** • AADT<5 **Secondary:** • Access to Private or single property

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the transport assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities:

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kip's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
Federal, State Government and other Regulating Bodies	• Regulation of Transport and its operations on specific assets tied to that body e.g. State Highways		Review of Best Practice and Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Legislation	Requirement
Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
National Construction code	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing sustainable, safe, reliable and cost-effective Transport Infrastructure. Ongoing consultation is undertaken with the community to ensure the provision of the transport system is acceptable to the wider community.

Levels of Service (LOS) indicators have been developed for the services provided by the transport infrastructure based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Transport Services to users
Function	Ensure the Transport Infrastructure & Services meet Regulation conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Transport Infrastructure & Services to meet user requirements
Function/Accessibility	Ensure Transport Infrastructure & Services are available to occupied properties and other external users
Cost Effectiveness	Provide Transport Infrastructure & Services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to their original condition, such as maintenance grading, pothole repair etc.

- **Renewal**
  The activities that return the service capability of an asset to that which it had originally, such as gravel resheeting, line marking, sign replacement, reseals etc.

- **Upgrade**
  The activities to provide a higher level of service (e.g. user access capacity, upgrading gravel road to sealed road etc.) or a new service that did not exist previously (e.g. green field road construction etc.).

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Community Service Intervention Target

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Transport Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified relevant to transport services include:

- Asset Inspections
- Engineering Management
- Telemetry & Other System Monitoring
- Insurances
- Customer Request Management
- Emergency Management

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations & delivery.

A full list of condition inspections is outlined in the inspection program.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils transport assets such as road network. Any specialised condition rating requirements will be undertaken by a specialist, for example structural assessment of bridges.

Below Ground Assets: Below ground asset inspections are undertaken by independent consultants and contractors that have the capacity and experience to do so. Below ground assets typically include culverts or drainage structures.

Table 10: Summary of inspections

Classification	Asset	Frequency
Arterial – Such as regional roads	Sealed Roads	Fortnightly
Arterial Roads	Kerb & Gutter	Biannual
Arterial Roads	Footpaths	Annual
Sub-Arterial Roads	Sealed Roads	Yearly
Sub-Arterial Roads	Kerb & Gutter	Biannual
Sub-Arterial Roads	Footpaths	Annual
Collector Roads	Sealed Roads	Fortnightly
Collector Roads	Unsealed Roads	Biannual
Collector Roads	Kerb & Gutter	Annual
Collector Roads	Footpaths	Annual
Access Roads	Sealed Roads	Annual
Access Roads	Unsealed Roads	Annual
Convenience Links	Unsealed Roads	Annual
Service Track	Unsealed Roads	ADHOC

All condition assets are reviewed and recommended by external parties during the revaluation period.

12. Maintenance

Maintenance Work is regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation. These activities are required to ensure that the assets reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset.
2. Predictive Maintenance – condition monitoring activities used to predict failure.
3. Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based.

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table:

Table 11: Planned Maintenance Activities and frequency

Activity	Frequency	Category
Vegetation Mowing	Monthly	Periodic
Road Maintenance Grading	Annually	Periodic

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

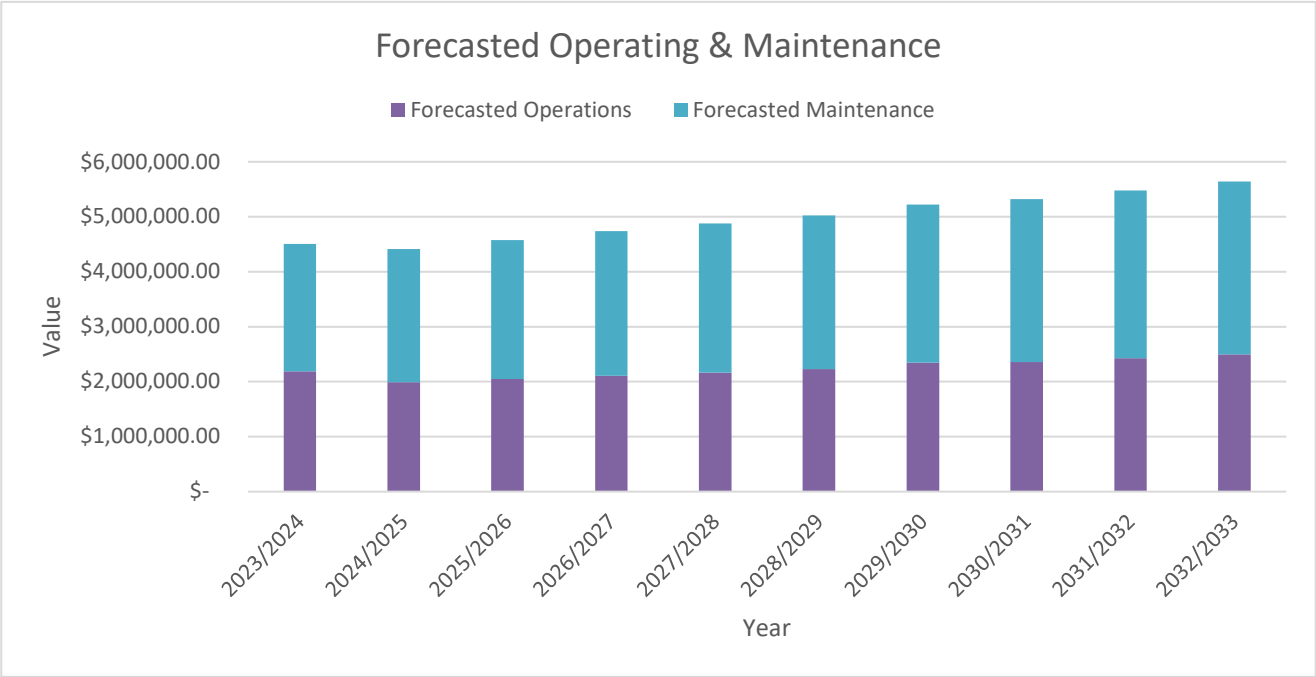
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to transport infrastructure that has sufficient capacity for current and projected growth requirements
- Transport is managed in accordance with relevant guidelines and other Legislative requirements
- The operation of the transport infrastructure results in high quality services to customers.

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four year average to project the following ten years.

Figure 3 - Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

<u>New</u>

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

<u>Expansion</u>

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

<u>Upgrade</u>

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the assets design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programs.

Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs.

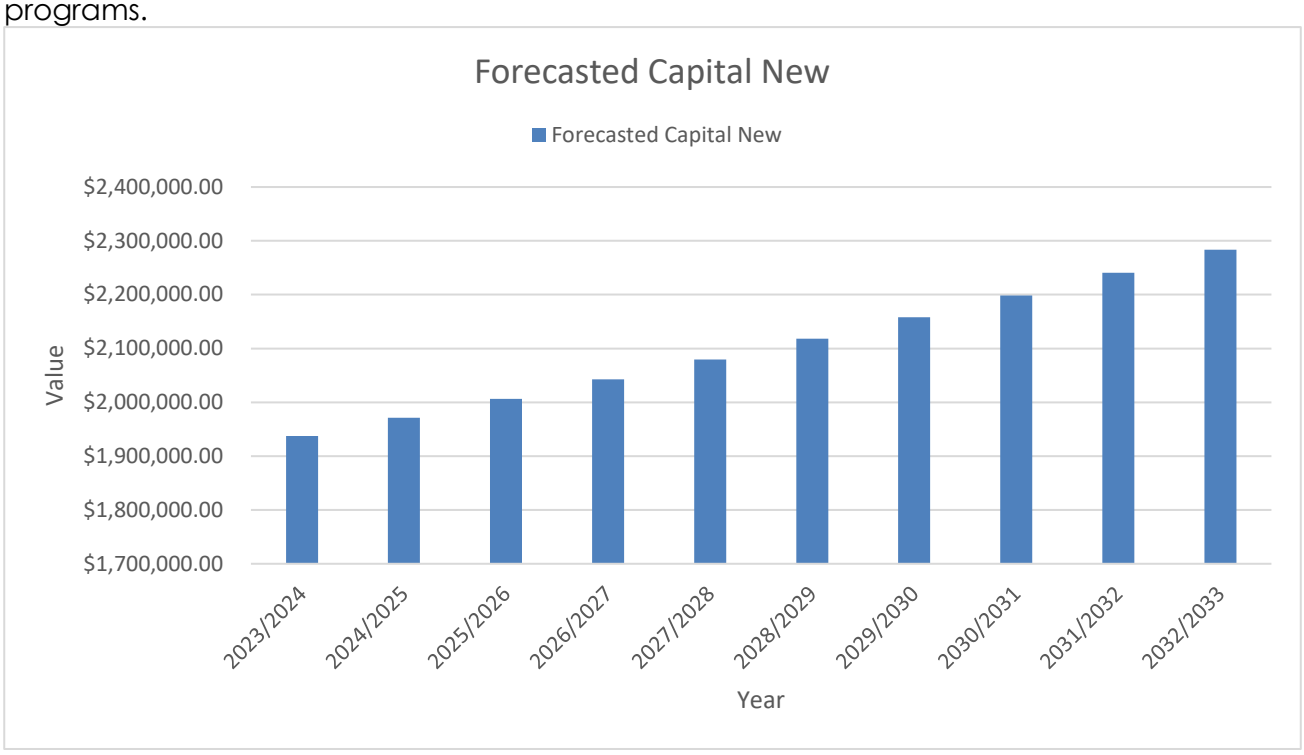


Figure 4: Ten (10) Year Capital Works for Upgrades

Any construction work in accordance with hierarchy is classed as renewal.
A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restores, rehabilitates, or replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g., resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programs.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- AustRoad Guidelines
- Relevant Australian Standards
- Australian Research Board (ARRB) publications and Best Practice Guides

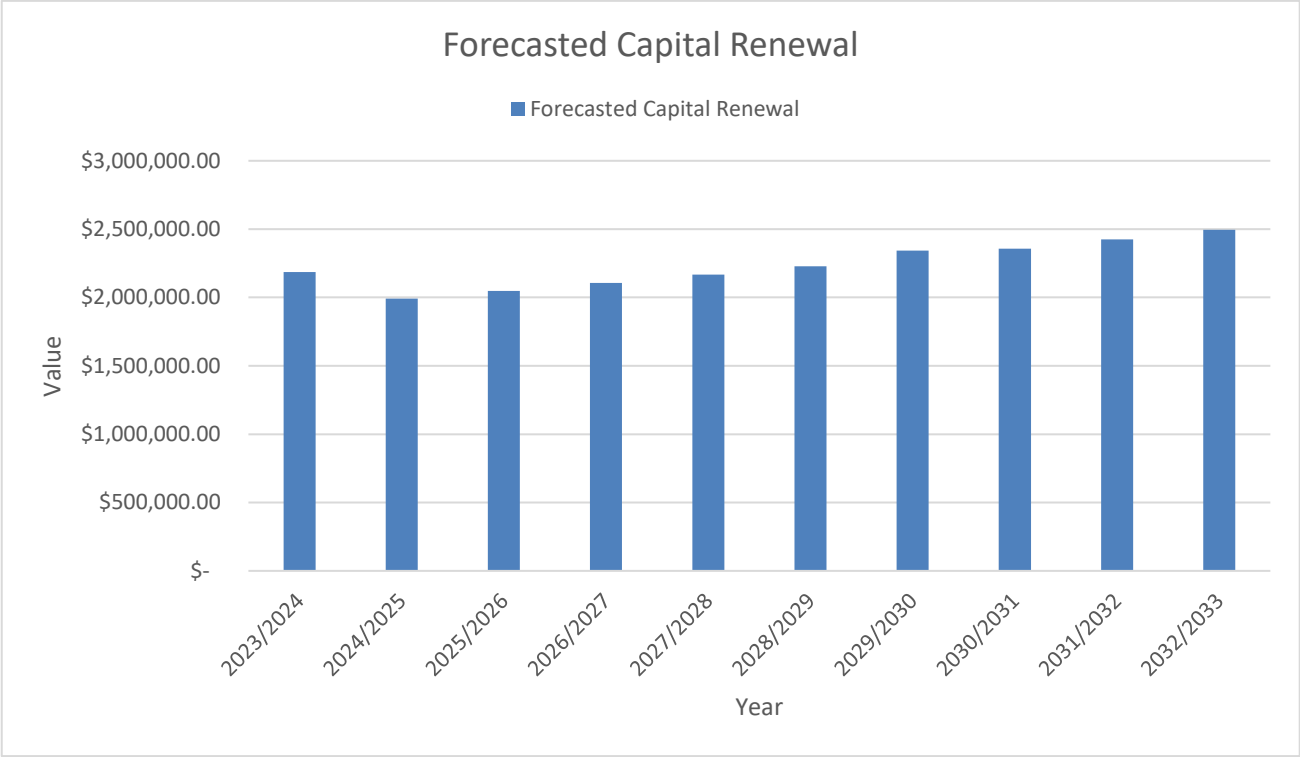
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.
- The projected capital renewal program is shown in Appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $22,346,555 on renewals over the next ten years.

Figure 5: Proposed Renewal Allocations Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, they will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can, therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

14.2. Demand forecast

ABS census data statements regarding demand within the shire can be seen below:

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:
In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:

Table 12: Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

The census study area did not change during each period.

14.1.1. Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to the locality of Dubbo, land availability and the flood levee.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13: Total data for township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.1.2. Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.
It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2001	674		754	708	1466	
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.1.3. Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.
A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15: Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.2. Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the transport related assets indicates that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of transport asset service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.3. Demand Impacts on Assets

A steady development growth in Narromine as well as a change in interstate transport movement, will lead to an increase in usage through the existing network. Council must ensure they understand their network capacity requirements to allow for increased volumes, and changes in design vehicles.

14.4. Demand Management Plan

14.4.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program that will assist in the allocation of funds and in minimising risk when managing the major assets.

14.4.2. Asset Programs to Meet Demands

Asset programs to meet future demands within existing networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine, Trangie and Tomingley. A clear understanding of the existing network capacity will be essential in this process.

14.4.3. Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing network when considering demand increase due to development and interstate movements.
- Effective control over the assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.
- Review the history of development applications within existing suburbs of Narromine to more accurately predict infill development and the increased demand to the existing networks. Ensure existing network restrictions do not prevent land development and economic growth in Narromine.

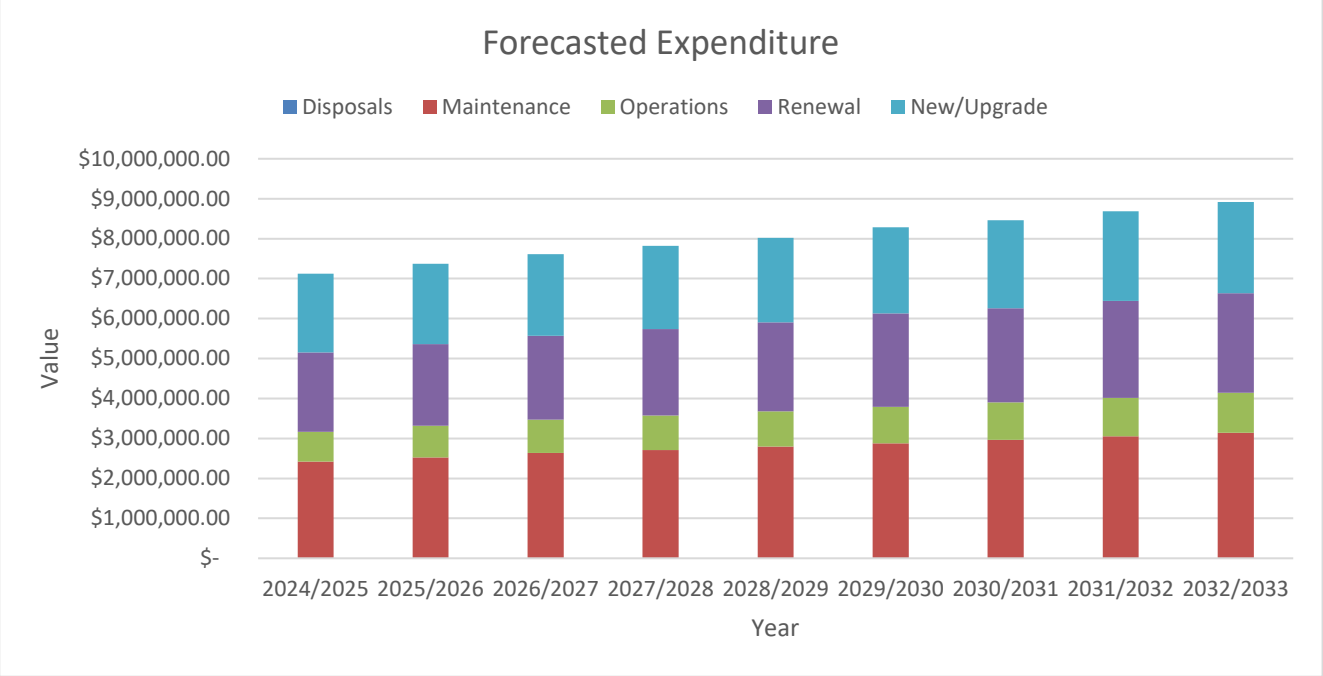
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1. Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2. Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3. Long Term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle cost estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicates a gap in the reserve.

The life cycle cost and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays, and the service consequences if funding is not available, will assist organisations in providing services to their communities in a financially sustainable manner. The purpose of the Asset Management Plans, long term financial plan and strategies are to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements.

Funding Strategy
Projected expenditure identified is to be funded from future operating and capital budgets, reserves and grant funding. The funding strategy is detailed in the organisation's 10-year long term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are reviewed to align with the Technical LOS and the Strategies identified in the Levels of Service section of this document.

Table 16: Key Performance Measures

Key Performance Measure	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
COMMUNITY LEVELS OF SERVICE							
Quality	Operational	Construct a road to the design standards and guidelines adopted	Customer Service request	<10 requests per month	Needs improvement	Excellent to Good	TBD
Function	Infrastructure	Ensure the requirements for travel time and availability	Customer service request relating to travel time and road conditions availability	95% compliance	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure roads are safe, free from hazards as best reasonably practicable	Limit the number injury accidents /incidents	< 10 reported accidents per annual	Satisfactory	Excellent to Good	TBD
TECHNICAL LEVELS OF SERVICE							
Condition	Infrastructure / Operational	Provide a road that meets the minimum condition adopted	Sealed and unsealed condition inspections	Inspections as per Inspection Manual	Satisfactory	Excellent to Good	TBD

Key Performance Measure	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
Function /Accessibility	Infrastructure	Legislative compliance	Provide access and service for all user groups	100% compliance	Satisfactory	Excellent to Good	TBD
Cost Effectiveness	Operational	Provide service in cost effective manner	Budget compliance	Expenses within budget	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure safe roads, free from hazards as best reasonably practicable	Regular safety audits carried out, action customer request within 10 working days	Safety inspections – carried out monthly	Satisfactory /Ongoing	Excellent to Good	TBD

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination, or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1 Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Reflect" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work and valuation;
- Valuation and depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work order.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5. Workforce Planning and Training

Council employs operators' part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy and is developing a position/skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents; and
- The degree to which the four (4) year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan.
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services.

In addition to the Asset Management Strategy, Table 16 includes improvements to the management and planning of transport assets.

18.7. Field Logs

As per the improvement plan, as the Level of Service performance measurements are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plan will be categorised by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the organisation including operational asset management, such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2022/23
2	Performance	Review Renewal of all Assets	1	2022/23
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	Ongoing
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Complete
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	Complete (AMS)
11	Service Focus	LOS Performance Measurement	1	Ongoing
12	Skills	Development of an Operational Staff skills matrix	2	2023/24

#	Type	Task	Priority	Expected Completion
13	Performance	Risk Management Plan for Transport Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	2023/24
18	Performance	Update the Roads Manual/Strategy to align with current practice	1	Complete

19.1 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process.

The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

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21. Appendix A: Ten Year Capital Works Program

	1	2	3	4	5	6	7	8	9	10
RURAL ROAD RESEAL	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
RENEWAL										
Rural Road Reseal Program	633,948	652,966	672,555	692,732	713,514	734,920	756,967	779,676	803,067	827,159

	1	2	3	4	5	6	7	8	9	10
RURAL ROAD RENEWAL PROGRAM	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
RENEWAL										
Gravel Resheet Program	371,315	382,454	393,928	405,746	417,918	430,456	443,370	456,671	470,371	484,482
Rural Culvert Replacement Program	116,699	120,200	123,806	127,520	131,346	135,286	139,345	143,525	147,831	152,265

	1	2	3	4	5	6	7	8	9	10
REGIONAL ROAD RESEAL PROGRAM	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
RENEWAL										
Regional Road Reseal Program	412,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909	537,566

	1	2	3	4	5	6	7	8	9	10
REGIONAL ROAD REPAIR GRANT	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
NEW, ACQUISITION AND/OR UPGRADE										
Capital Upgrade Program	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000

URBAN ROAD RESEALS	1 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
NEW, ACQUISITION AND/OR UPGRADE										
Narromine	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120952.9
Trangie	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53756.73
Tomingley	17,040	17,552	18,078	18,620	19,179	19,754	20,347	20,957	21,586	22233.58
FOOTPATHS	**1** **2023/24**	**2** **2024/25**	**3** **2025/26**	**4** **2026/27**	**5** **2027/28**	**6** **2028/29**	**7** **2029/30**	**8** **2030/31**	**9** **2031/32**	**10** **2032/33**
NEW, ACQUISITION AND/OR UPGRADE										
Narromine	90,564	93,281	96,079	98,961	101,930	104,988	108,138	111,382	114,724	118165.7
Trangie	45,282	46,640	48,039	49,480	50,965	52,494	54,069	55,691	57,362	59082.86
Tomingley	15,094	15,546	16,013	16,493	16,988	17,498	18,023	18,563	19,120	19693.6

BRIDGES (OPERATIONAL)	1 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
NEW, ACQUISITION AND/OR UPGRADE										
Bridge Strategy Capital Program	250,000	0	0	0	0	0	0	0	0	0
Annual Bridges Maintenance Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100000

OTHER GRANTS	1 2023/24	2 2024/25	3 2025/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
RENEWALS										
LRCIP3 – Roads	999,380									
LRCIP3 – Footpaths	200,000									
RFR8	1,575,222									
Roads To Recovery	909,690									
Storm And Flood	2,500,000									
RRIP	3,250,000									
FCR Bridge Loading	850,000									

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Buildings
(AMP7)

Contents

1. Executive Summary

Council's intention is to provide the Shire with Buildings services via infrastructure that is serviced and maintained to a level which reflects the community's expectations and operates in a manner that is both functional and cost effective.

Council's buildings currently have a Gross Carrying Value (GCV) of approximately $47,222,000 as at 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the building assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan;
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan;
- Ensures the management of Buildings infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks; and
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed

The Gross Carrying Value (GCV) of Council's Assets is defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

Council's Building Asset Class has a $47,222,000 GCV and a $19,906,000 NCV, which represents 5.70% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2. Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff

1.3. Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4. Building Assets

Narromine Shire Council provides building infrastructure and services to the township of Narromine, Trangie and Tomingley.

The supply of building services is critical to the community. It is critical that systems do not deteriorate to a level where community users are at risk or compromised.

1.5. Buildings Services

In summary, the Buildings Services comprise of the following major assets:

- Civic Buildings
- Community Buildings
- Recreation Buildings
- Public Amenities / Storage
- Leased Buildings
- Other equipment

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Civic Buildings	Ea.	17	30
Community Buildings	Ea.	31	30
Recreational Buildings	Ea.	56	20
Public Amenities / Storage	Ea.	18	30

While a number of assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing their end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, puts further additional strain on existing assets.

1.6. Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable buildings services to its customers and environment and to meet legislative requirements.
2. Operate, maintain, renew and the upgrade of infrastructure within this class as mentioned to meet service levels set by Council and to meet statutory requirements; and
3. Within a 10 year planning horizon, and going forward, continue with the implementation of relevant strategies and long-term plans to ensure a sustainable business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations)

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently unserviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

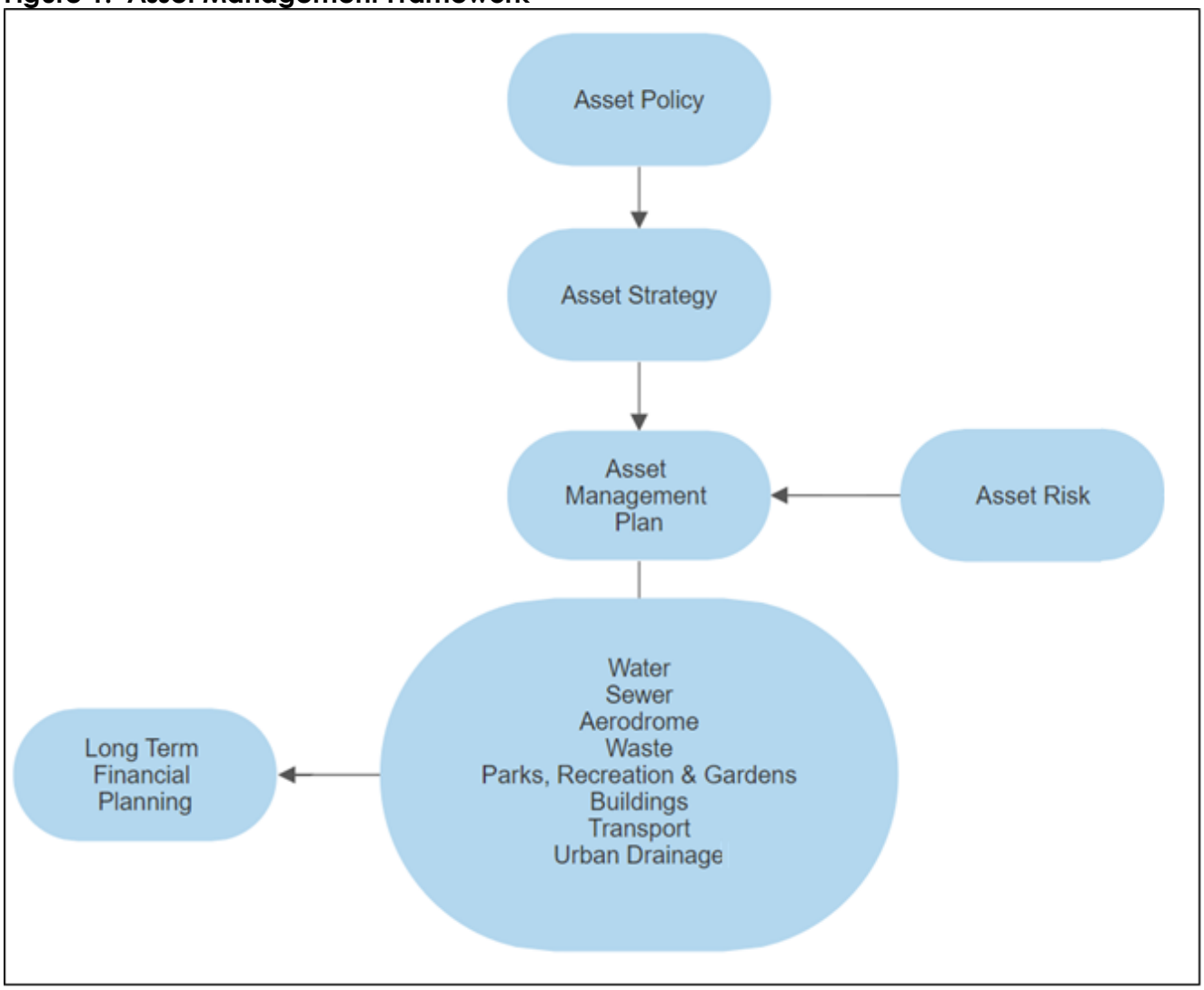
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based. Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- Levels of Service
- Future Demand
- Life Cycle Management
- Monitoring

Figure 1: Asset Management Framework

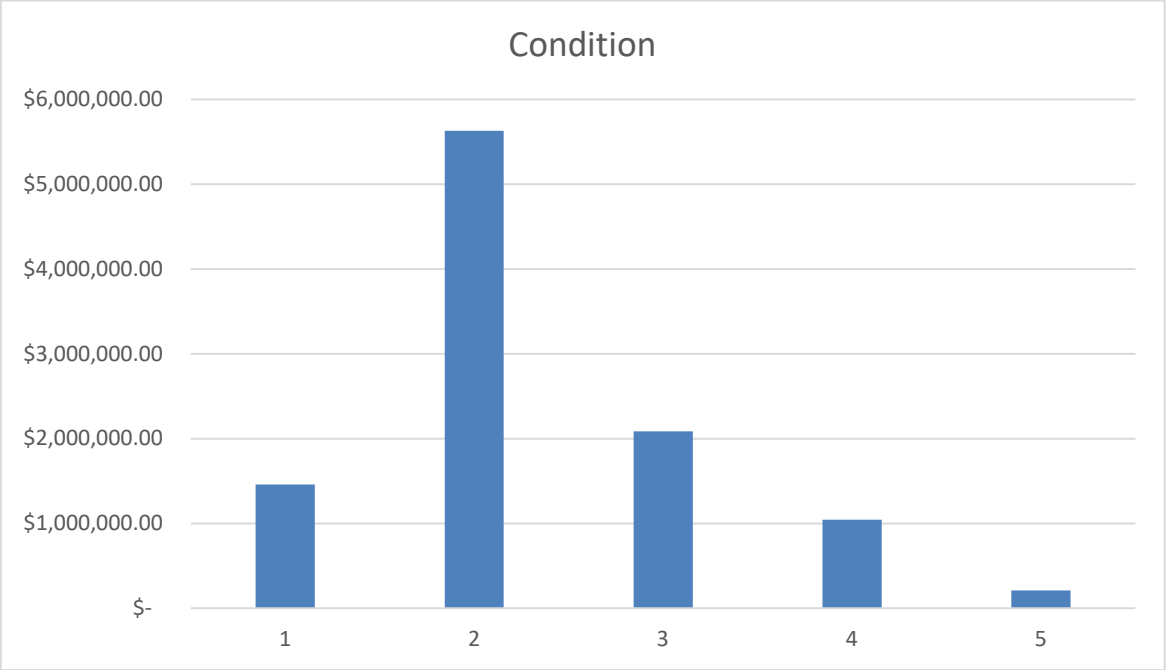


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Buildings assets have been condition rated externally during a revaluation.

Figure 2: Asset Condition



3.2. Other Criteria

The process of managing our buildings assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Buildings Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy.

Ultimately, final decisions and management of assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting Documentation

Supporting documentation is presented in the table below

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Management Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition
Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity
Western NSW Regional & Local Road Plan	Deals with strategic improvements to the Narromine Shire Council
Pedestrian Access and Mobility Plan 2012.	Recommends a range of pedestrian improvements throughout the towns, many of which have been implemented

Defect Operations Management Plan	Plan that outlines the details associated with management of defects and REFLECT system.

Table 2 - Supporting Documentation

6. Services Provided and their Classification

6.1. Services Provided

Council provides the community of Narromine with buildings infrastructure and services that meet current standards as outlined in our Customer Levels of Service.
Assets covered within this Asset Management Plan can be seen in Appendix A. The following table is a summary of these assets.

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Civic Buildings	ea.	17	30
Community Buildings	ea.	31	30
Recreational Buildings	ea.	56	20
Public Amenities / Storage	ea.	18	30

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Asset Class	Component	Useful Life
Buildings	Sub-structure	50.00
Buildings	Super structure	50.00
Buildings	Finishes	15.00
Buildings	Fittings	10.00
Buildings	Services	25.00

6.3. Classification

The classifications of Buildings Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5 - Classification

Class	Description	Image	Function	Examples
1	Civic buildings		• House the corporate and/or administrative functions of council • Occupied more than 30 hours per week • Occupied by Permanent Council staff • Require a high standard of presentation, access, safety and maintenance • Buildings that require access and facilities for the disabled	Council Chambers, Administration buildings, Depots, Rural Fire Service and State Emergency Services, Hub'n'Spoke, Medical Centre Trangie Doctors Surgery
2	Community buildings		• Used regularly by Council staff or the public • Occupied more than 30 hours per week • Buildings that owned by council but are leased • Buildings that require access and facilities for the disabled	Libraries, Museums, Commercial premises
3	Recreation buildings		• House community and cultural activities • Occupied less than 30 hours per week • Do not require the highest standards of presentation	Community Centres, Halls, Club houses, grandstands, Pavilions,
4	Amenity/storage buildings		• Used for storage, workshops, and other operational uses • Only occupied for short periods • May not be fully enclosed	Toilet blocks, Storage sheds, warehouses, Treatment plant, shade shelters

Class	Description	Image	Function	Examples
5	Leased Buildings		• Buildings that house community and cultural activities, with the community groups providing minor maintenance and cleaning. • Buildings that are leased, with the lessees determining the day-to-day requirements of the building. Buildings that are not accessed by Council staff unless requested to do so.	

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the Buildings assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities:

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kip's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
Federal, State Government and other Regulating Bodies	• Regulation of Buildings and its operations on specific assets tied to that body e.g. State Highways		Review of Best Practice and Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management
- and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Policy and Strategic Plan. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council must meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Legislation	Requirement
Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
National Construction code	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.
Children and Young Persons (Care and Protection) Act 1998	Provides protection of children in public spaces.
Building Code of Australia (National Construction Code)	Provides for the achievement and maintenance of acceptable standards of structural sufficiency, safety, health and diversity for the community now and in the future.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective Buildings Infrastructure and Systems which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the building systems is acceptable to the wider community.

Levels of service (LOS) indicators have been developed for the services provided by the Buildings Infrastructure based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured, provide the detail on how we determine whether we are delivering what the community are asking for.

Council's current service targets are in Table 8; Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Community Service Target

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Buildings Services to users
Function	Ensure the Buildings Infrastructure and Services meet Regulation conditions
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Buildings Infrastructure & Services to meet user requirements
Function/Accessibility	Ensure Buildings Infrastructure & Services are available to occupied properties and other external users
Cost Effectiveness	Provide Buildings Infrastructure and Services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to its original condition, such as window and door treatments, electrical, testing and tagging, fire safety etc.

- **Renewal**
  The activities that return the service capability of an asset up to that which it had originally, such as electrical, painting, furniture, fire safety etc.

- **Upgrade**
  The activities to provide a higher level of service or a new service that did not exist previously.

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 9.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Levels

Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

Each assets condition is kept in the Buildings Asset Register and is maintained on a cyclic basis.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified relevant to Building Services include:

- Asset Inspections
- Land Rates
- Electricity
- Engineering Management
- Insurances
- Customer Request Management
- Emergency Management

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations and delivery.

A full list of condition inspections is outlined in the inspection program, currently under development in conjunction with the Narromine Shire Council Inspection Manual.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils Buildings Assets such as external fixtures, flooring etc. Any specialised condition rating requirements will be undertaken by a specialist for example structural assessment of buildings.

Below Ground Assets: Below ground Asset Inspections are undertaken by independent consultants and contractors that have the capacity and experience to do so. Below ground assets include electrical connections.

Table 10 - Summary of inspections

Inspection	Frequency
Condition Assessments of all Above Ground Assets	Annually
Buildings	Annually
Road Network	Annually
Plant and Equipment	Daily
Security Fencing	Annually
Condition inspection of failed asset (i.e. electrical) incl condition rating	Per occurrence

All condition assets are reviewed and recommended by external parties during the revaluation period.

12. Maintenance

Maintenance Work is the regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation and rehab. These activities are required to ensure that the asset reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset
2. Predictive Maintenance – condition monitoring activities used to predict failure
3. Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table.

Table 11: Planned Maintenance Activities and Frequency

TASK	Classification				
	1	2	3	4	5
Service and maintain sprinkler and hydrant fire system	Annual	Annual	Annual	NA	NA
Inspect and service air conditioning	Annual	Annual	Annual	NA	NA
Inspect gutter systems and clear as necessary	Annual	Annual	Annual	Annual	NA
Automatic door service	As Required	As Required	As Required	NA	NA
Inspect emergency lighting systems and smoke detectors	Annual	Annual	Annual	Daily	NA
Vermin inspection and laying of baits	Biannual	Biannual	Biannual	As Required	NA
Check & tag fire extinguishers	Annual	Annual	Annual	NA	NA
Clear trees and foliage from roofing and building	As Required	As Required	As Required	As Required	NA
Termite inspection (where applicable)	As Required	As Required	As Required	NA	NA
Clean amenities	Daily	Daily	Daily	NA	NA
General Cleaning	Daily	Daily	Daily	NA	NA

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

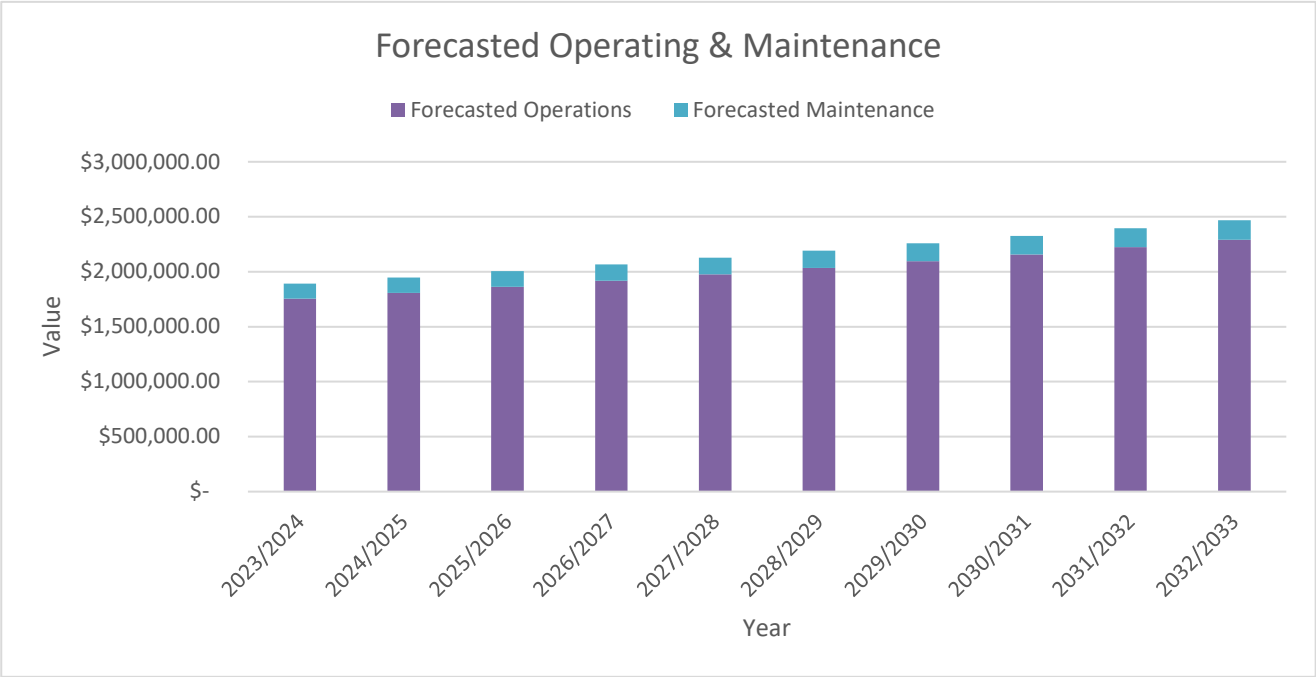
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to buildings infrastructure that has sufficient capacity for current and projected growth requirements
- Buildings are managed in accordance with relevant guidelines and other Legislative requirements
- The operation of the buildings infrastructure results in high quality services to customers

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four-year average to project the following ten years.

Figure 3: Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the asset's design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

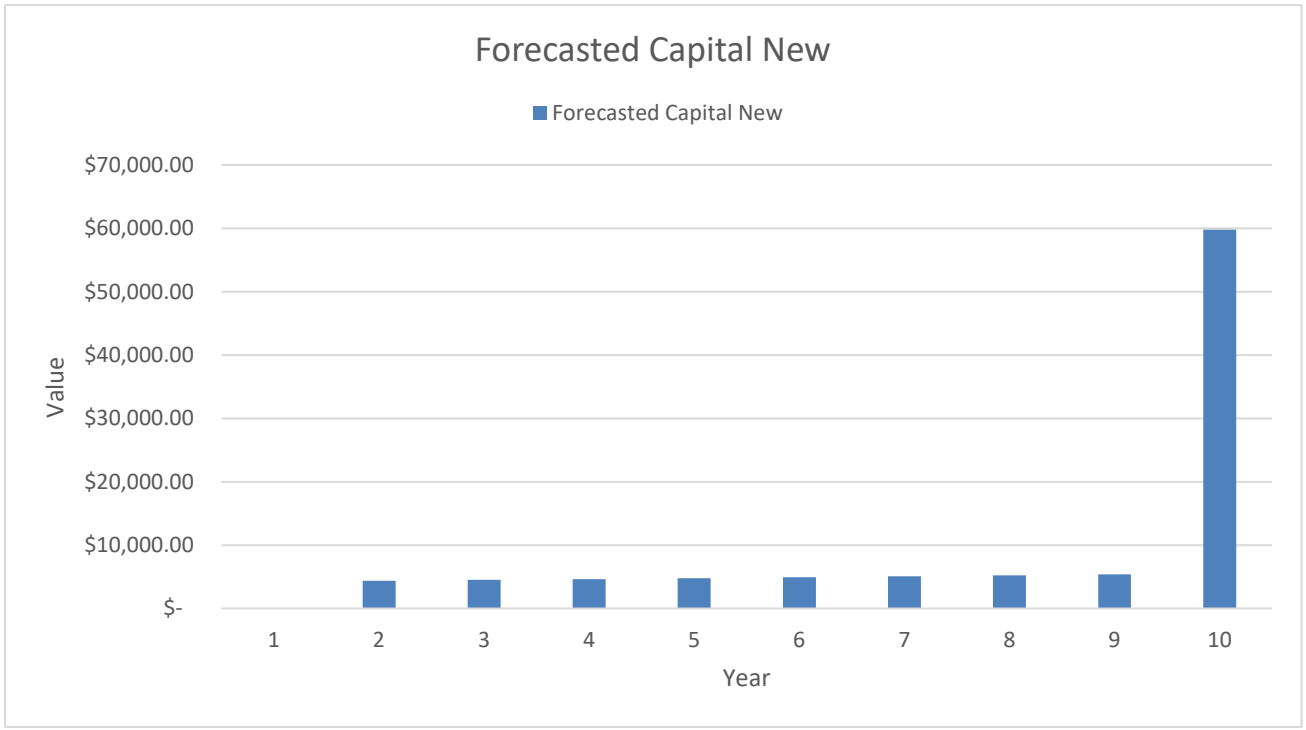
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Figure 4: Ten (10) Year Capital Works for Upgrades



A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally.

It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life.

As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programmes.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems, or
- Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- National Construction Code
- Relevant Australian Standards
- Supplier Specifications

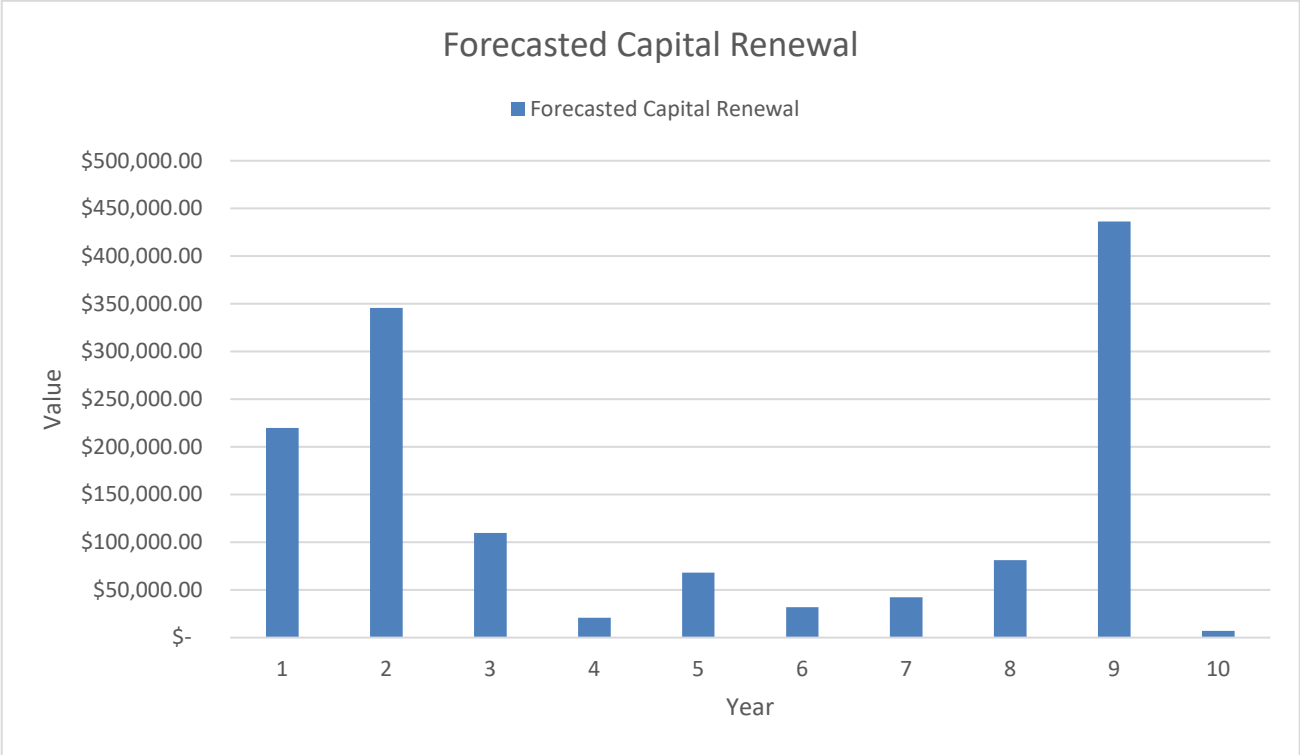
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 5.
- The projected capital renewal program is shown in Appendix A.

Figure 5 indicates that, based on current projections, Council will spend approximately $1,864,892 on renewals over the next ten years.

Figure 5: Proposed Renewal Allocations Program



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for the disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

14.2. Demand forecast

ABS census data statements regarding demand within the shire can be seen below:

Note: ABS data and Council data may not be the same

2016:

In the 2016 Census, there were 6,541 people in Narromine (A) (Local Government Areas). Of these 50% were male and 50% were female. Aboriginal and/or Torres Strait Islander people made up 20% of the population.

2021:
In the 2021 Census, there were 6,460 people in Narromine (A) (Local Government Areas). Of these 51% were male and 49% were female. Aboriginal and/or Torres Strait Islander people made up 17% of the Local Government Area population.

The total data from abs.gov.au for Narromine Shire Council can be seen in the following table:

Table 12: Australian Bureau of Statistics Data

Town	Year	Value	Percentage Change	Population Value	Percentage Change
NSC	2016	2,897	-2.6%	6,541	-2.1%
NSC	2021	2,871	-0.9%	6460	-1.3%

The census study area did not change during each period.

14.2.1. Narromine

Narromine ABS study area experienced a small decline in population between the study in 2016 and the study of 2021 of 32 persons. It's expected that Narromine's future population growth will primarily occur in residential developments to the East and South of the township due to land availability.

A summary of Narromine's data from abs.gov.au for the post code 2821 can be seen in the following table:

Table 13: Total data for township of Narromine

Town	Year	Dwelling	%	Male	Female	Population	%
Narromine	2016	2,100	-1.1%	2,353	2,452	4,810	-2.7%
Narromine	2021	2,089	-0.5%	2,386	2,399	4,779	-0.7%

14.2.2. Trangie

Trangie ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 85 persons.

It's expected that Trangie's future population growth will primarily occur in residential developments to the West and East of the township.

A summary of Trangie's data from abs.gov.au for the post code 2823 can be seen in the following table:

Table 14: Total data for dwellings in Township of Trangie

Town	Year	Dwelling	%	Male	Female	Population	%
Trangie	2016	659	-1.4%	744	683	1425	1.3%
Trangie	2021	613	-7.5%	702	630	1340	-6.3%

14.2.3. Tomingley

Tomingley ABS study area experienced a decline in population between the study in 2016 and the study of 2021 of 36 persons. Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine. It is expected the township will grow in dwellings and population.

A summary of Tomingley's data from abs.gov.au for the suburb of Tomingley can be seen in the following table:

Table 15: Total data for dwellings in Township of Tomingley

Town	Year	Dwelling	%	Male	Female	Population	%
Tomingley	2016	138	-31.2%	171	134	306	-7.8%
Tomingley	2021	169	18.3%	184	156	342	10.5%

14.3. Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with the building related assets indicates that expectations increase over time, particularly in areas that impact on risk. Information on community expectation of building assets service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.4. Demand Impacts on Assets

A steady development growth in Narromine will lead to an increase in usage through the existing network. Council must ensure they understand their network capacity requirements to allow for increased volumes.

14.5. Demand Management Plan

14.5.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program will assist in the allocation of funds and in minimising risk when managing the major assets.

14.5.2. Asset Programs to Meet Demands

Asset programs to meet future demands within existing networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine and Trangie. A clear understanding of the existing network capacity will be essential in this process.

14.5.3. Key Considerations/Recommendations

- Conduct studies to identify capacity constraints in the existing network when considering demand increase due to infill development.
- Effective control over the assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.

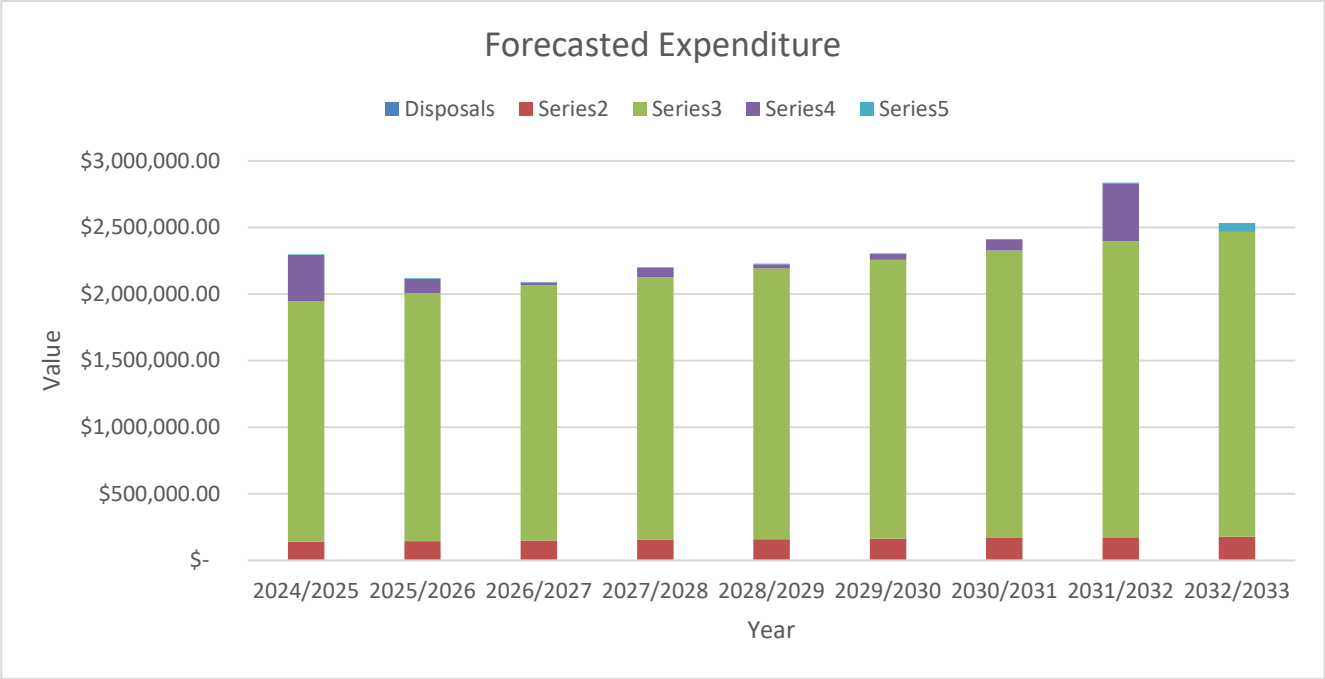
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1. Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2. Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3. Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle costs estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve and a negative gap indicated a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing services to their communities in a financially sustainable manner. This is the purpose of the Asset Management Plans and long term financial plan and strategies are required to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Funding Strategy
Projected expenditure identified in Appendix A is to be funded from future operating and capital budgets. The funding strategy is detailed in the organisation's 10 year long-term financial plan.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Development of Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are to be reviewed to align with the Technical LOS and the Strategies identified in Levels of Service section of this document.

Key Performance Measure	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
COMMUNITY LEVELS OF SERVICE							
Quality	Operational	Provide clean accessible well-maintained facility	Customer services requests/complaints, customer surveys	<5 complaints per year/per building	Satisfactory	Excellent to Good	TBD
Function	Infrastructure	Facilities are fit for purpose, meet users' requirements & industry regulatory standards	Customer service requests/complaints, customer surveys	< 3 complaints per year/per building	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure facilities are safe	Reported accidents	Zero reported accidents	Satisfactory	Excellent to Good	TBD
TECHNICAL LEVELS OF SERVICE							
Condition	Operational	Building/Office equipment / Furniture & Fittings/ Other Equipment functionality is not compromised by condition	Regular condition inspections	Allocate appropriate funding and resources	Satisfactory	Excellent to Good	TBD

Key Performance Measure	Capability Considerations	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Services (4 Years)	Current Performance Measures
Function / Accessibility	Health & Safety / Operational	Legislative compliance	Provide access and service for all user groups	100% compliance	Satisfactory	Excellent to Good	TBD
Cost Effectiveness	Operational	Provide service in cost effective manner	Budget compliance	Expenses within budget	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure facilities are safe	Regular safety audits carried out, action customer request within 5 working days	Safety inspections: - Electrical tagging/testing as per standards, Legislative audit. - Safety inspection, 6 months/annually - Defects repaired within approved timeframes	Satisfactory/ Ongoing	Excellent to Good	TBD

Table 16 - Performance Measures

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination, or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1. Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority" and "Konnect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and;
- Producing work order.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision-making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5. Workforce Planning and Training

Council currently employs operators as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy is developing a position/skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long-Term Financial Plan and Community/Strategic Planning processes and documents;
- The degree to which the 5 year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan; and
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services.

In addition to the Asset Management Strategy, Table 17 includes improvements to the management and planning of Buildings assets.

18.7. Field Logs

As per the improvement plan as the Level of Service performance measures are formed and data is generated, data associated with the performance will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 16.

The improvement plant will be categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2022/23
2	Performance	Review Renewal of all Assets	1	2022/23
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	2023/24
5	Knowledge	Input Maintenance Program into AMS	2	2023/24
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	Complete
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	2022/23
11	Service Focus	LOS Performance Measurement	1	Ongoing

#	Type	Task	Priority	Expected Completion
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Buildings Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	Complete

19.1. Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process.

The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

Abs.gov.au. 2022. *Search Census data | Australian Bureau of Statistics*. [online] Available at: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> [Accessed 28 April 2022].

Planning.nsw.gov.au. 2022. *Projections*. [online] Available at: <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections> [Accessed 28 April 2022].

21. Appendix A: Ten Year Capital Works Program

	1	2	3	4	5	6	7	8	9	10
COMMUNITY BUILDINGS	**2023/24**	**2024/25**	**2024/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Narromine, Waste Facility, Staff Room - INTERNAL WALLS & ROOFING - REHAB / REPLACEMENT									6,720	
Narromine, Waste Facility, Staff Room - INTERNAL FLOORING - REHAB / REPLACEMENT									6,720	
CALE OVAL - CLUB HOUSE, GRANDSTAND & FACILITIES										
NEW TENNIS COURT CLUBHOUSE										
NARROMINE POUND	70,000									
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185.45		2,319		2,460		2,610		
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251		2,388		2,534		2,688	
Aeroclub - STRUCTURE - UPGRADES										
Aeroclub - INTERNAL - UPGRADES		316,512								
TRANGIE										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM										
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185		2,319		2,4560		2,610		
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251.02		2,388		2,534		2,688	

CIVIC BUILDINGS	1 2023/24	2 2024/25	3 2024/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Council Chamber - ROOF - RENEWAL / REHAB										
Council Chamber - FLOORING - RENEWAL / REHAB									65,222	
Council Chamber - INTERNAL WALLS & ROOFING - RENEWAL / REHAB									40,317	
Council Chamber – Amenities	95,000									
Council Chamber - FIXTURES - RENEWAL / REHAB										
Council Chamber - FENCING - RENEWAL / REHAB										
Administration Buildings - ROOF - RENEWAL / REHAB			9,701							
Administration Buildings - FLOORING - RENEWAL / REHAB									40,317	
Administration Buildings - INTERNAL WALLS & ROOFING - RENEWAL / REHAB									40,317	
Administration Buildings - FIXTURES - RENEWAL / REHAB			15,417							
Administration Buildings - FENCING - RENEWAL / REHAB										
Council Chamber Rear Shed - INTERNAL WALLS & ROOFING & ROOFING - RENEWAL / REHAB										
Council Chamber Rear Shed) - FLOORING - RENEWAL / REHAB										
CAPITAL ACQUISITION, NEW AND/OR UPGRADE										
Council Chamber - REAR SHED FLOORING	20,000									
AIR CONDITIONING CAPITAL UPGRADE PROGRAM										
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185		2,318		2,459		2,609		
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251		2,388		2,533		2,687	
Administration Buildings - EXTERNAL WALLS - UPGRADE			29,848							
Administration Buildings - MODIFICATIONS TO BUILDING - UPGRADE										
TOTAL EXPENDITURE ON EXISTING ASSETS			25,119						186,175	

NARROMINE DEPOT	1 2023/24	2 2024/25	3 2024/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
28328 - NARROMINE DEPOT WORKSHOP (147.981106, -32.032811) - INTERNAL FITTINGS - RENEWAL / REHAB			20,600		20,600					
NARROMINE DEPOT (147.981106, -32.032811) - WEARING SURFACE - RENEWAL / REHAB									23,185	
NARROMINE DEPOT – SKILLIION	15,000									
NARROMINE DEPOT (147.981106, -32.032811) - LINE MARKING - RENEWAL / REHAB								25,000		
TRANGIE										
28501 - TRANGIE DEPOT (147.981106, -32.032811) - INTERNAL FITTINGS - RENEWAL / REHAB										
28501 - TRANGIE DEPOT (147.981106, -32.032811) - WEARING SURFACE - RENEWAL / REHAB									10,000	
CAPITAL ACQUISITION, NEW AND/OR UPGRADE										
NARROMINE										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM								39,393		
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM							25,860			
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM		15,000								
STORE OFFICE UPGRADE	20,000									
STORES UPGRADE										
SKILLION ROOFING NARROMINE DEPOT										
TRANGIE										
DEPOT BUILDING UPGRADES										30,000
DEPOT PARKING FLOORING UPGRADES										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM										
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM										
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM										

LIBRARY	1 2023/24	2 2024/25	3 2024/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Narromine, Narromine Library - INTERNAL FLOORING - RENEWAL / REHAB										
Source Funding										
Council										
Grant										
TRANGIE										
Trangie, Trangie Library, - INTERNAL FLOORING - RENEWAL / REHAB					31,941					
CAPITAL ACQUISITION, NEW AND/OR UPGRADE										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM				5,796						
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185		2,319		2,460		2,610		2,767
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251		2,388		2,534		2,688	

	1	2	3	4	5	6	7	8	9	10
MEDICAL CENTRE	**2023/24**	**2024/25**	**2024/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**
CAPITAL ACQUISITION, NEW AND/OR UPGRADE										
Narromine										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM										
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185		2,318		2,459		2,609		2,767
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251		2,388		2,533		2,687	
Trangie										
AIR CONDITIONING CAPITAL UPGRADE PROGRAM										
ELECTRICITY CAPITAL UPGRADE PROGRAM										
EQUIPMENT CAPITAL UPGRADE PROGRAM		2,185		2,318		2,459		2,609		
SECURITY & SAFETY SYSTEMS CAPITAL UPGRADE PROGRAM			2,251		2,388		2,533		2,687	

PUBLIC AMENITIES	1 2023/24	2 2024/25	3 2024/26	4 2026/27	5 2027/28	6 2028/29	7 2029/30	8 2030/31	9 2031/32	10 2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Cemetery (Dappo Rd) Cemetery Toilet Block,										
Narromine Waste Facility (Gainsborough Rd) Narromine WMF										
Noel Powell Ovals (Culling St) Noel Powell Toilet		5,464								
Narromine, Cale Oval Toilet Block				5,796						
Narromine, Dundas Park Toilet Block					5,970					
Narromine, Toilet Block, Showground							6,334			
Narromine, Dundas Park Toilet Block								6,524		
Narromine, Payten Park Toilet Block									6,720	
Tomingley Cemetery (Tomingley Cemetery Rd) Cemetery Toilet										

Narromine
SHIRE COUNCIL

Draft
Asset Management Plan
Drainage
(AMP8)

Contents

1. Executive Summary

Council provides urban drainage services across the Narromine, Trangie and Tomingley communities through the drainage collection network and rural road culverts.

The drainage network had a Gross Carrying Value (GCV) of approximately $25,783,000 on the 30 June 2022, as reflected in the Financial Statements Note C1-7 Infrastructure, Property, Plant and Equipment.

This plan assists Council in the decision-making process and is presented at a high level to provide key information that can be used in determining the levels of service, program scheduling and funding requirements etc.

This Plan should be read in conjunction with the following related planning documentation:

- Narromine Shire Council - Community Strategic Plan
- Narromine Shire Council – Delivery Program
- Narromine Shire Council – Operational Plan
- Narromine Shire Council – Asset Management Strategy
- Narromine Drainage Strategy and Trangie Drainage Strategy

1.1. Goals and Objectives of asset ownership

Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Over time Council has acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective and sustainable manner for present and future consumers. The key elements of infrastructure asset management are:

Council operates and maintains the drainage assets to achieve the following strategic objectives:

- Provides infrastructure to a standard that supports the outcomes identified in Council's Community Strategic Plan;
- Ensures that the system is maintained at a safe and functional standard, as set out in this Asset Management Plan;
- Ensures the management of drainage infrastructure assets, to deliver the requirements of Council's Asset Management Policy and Strategic Asset Management Plan;
- Providing a defined level of service and monitoring performance;
- Managing the impact of growth through demand management and infrastructure investment;
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service;
- Identifying, assessing and appropriately controlling risks; and
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

The Gross Carrying Value (GCV) of Councils Assets are defined as the initial cost to Council or the price Council will pay to replace the asset. The Net Carrying Value (NCV) of the assets is defined as the cost of the asset less depreciation over time.

Council's Drainage Network Asset Class has $25,783,000 GCV and a $16,290,000 NCV, which represents 4.67% of Council's total Assets.

In the Community Strategic Plan 2032, Council has identified four (4) priority themes with related goals and objectives that relate to the management of their assets. These are outlined in the Asset Management Strategy and shown below:

1. Vibrant Communities
2. Growing Our Economy
3. Protecting and Enhancing Our Environment
4. Proactive Leadership

1.2. Stakeholders

The stakeholders identified for this plan and its implementation are, but are not limited to:

- The Community – Ratepayers, Businesses, etc;
- Developers;
- Regulators;
- Councillors; and
- Council Staff

1.3. Plan Framework

The key elements of the plan are:

- Levels of Service;
- Future Demand;
- Life Cycle Management;
- Financial Summary;
- Asset Management Practices;
- Monitoring; and
- Asset Management Improvement Plan.

1.4. Drainage Services

Narromine Shire Council provides drainage services to the township of Narromine, Trangie and Tomingley.

In Narromine, eight (8) separate sub catchments exist within the urban environment which drain to individual outlets including natural detention basins. For flows of the water see the Narromine Drainage Strategy.

In Trangie, two (2) separate sub catchments exist within the urban environment and only a single underground pipe network exists. For information about the strategic direction of Trangie see the Trangie Drainage Strategy. Very little fall exists within the highest point and the catchment outlet.

The supply of drainage services is critical to community and environmental health as well as to protect assets. It is critical that systems do not deteriorate to a level where community or environmental health, or assets, are at risk or compromised.

In summary, the drainage collection network comprises of the following major assets:

- Underground Pipe network
- Lined Open Channel Drainage
- Unlined Open Channel Drainage
- Kerb and Gutter incl. pits
- Gross Pollutant Traps
- Detention Basins
- Retention Basins
- Urban Drainage Culverts
- Rural Drainage Culverts

A breakdown of the major assets is given in the table below:

Table 1: Major Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Lined Open Channel Drainage	Km	0.66	30
Urban Unlined Open Channel Drainage	Km	14.04	NA
Kerb and Gutter incl. pits	Km	79.45	30
Gross Pollutant Traps	Ea.	1	10
Detention Basins	Ea.	10	NA
Retention Basins	Ea.	2	NA
Rural Drainage Culverts	Ea.	751	30
Urban Drainage Culverts	Ea.	421	30

For the purposes of this plan, rural unlined drainage, better known as table drains, are not included.

While several assets have been renewed as part of an ongoing asset renewal or replacement program, some assets are nearing the end of theoretical useful life and will require replacement or renewal. Development pressures due to growth, puts further additional strain on existing assets.

Our Commitment

Council plans to provide the following:

1. Provide safe, reliable and sustainable drainage services to its customers and environment, and to meet legislative requirements;
2. Operate, maintain, renew and upgrade infrastructure to meet service levels set by Council and to meet statutory requirements; and
3. Within a 10 year planning horizon continue with the implementation of relevant strategies and long term plans to ensure a sustainable business.

It should be appreciated that Council does not have sufficient funds in the Reserve to provide some services to the desired service levels (technical or community expectations)

Works and services that cannot be provided under present funding levels, include substantial expansion of services into presently unserviced areas without substantial investigation or capital expansion.

Council will continue to apply for funding from various agencies for asset renewal, replacement or upgrades.

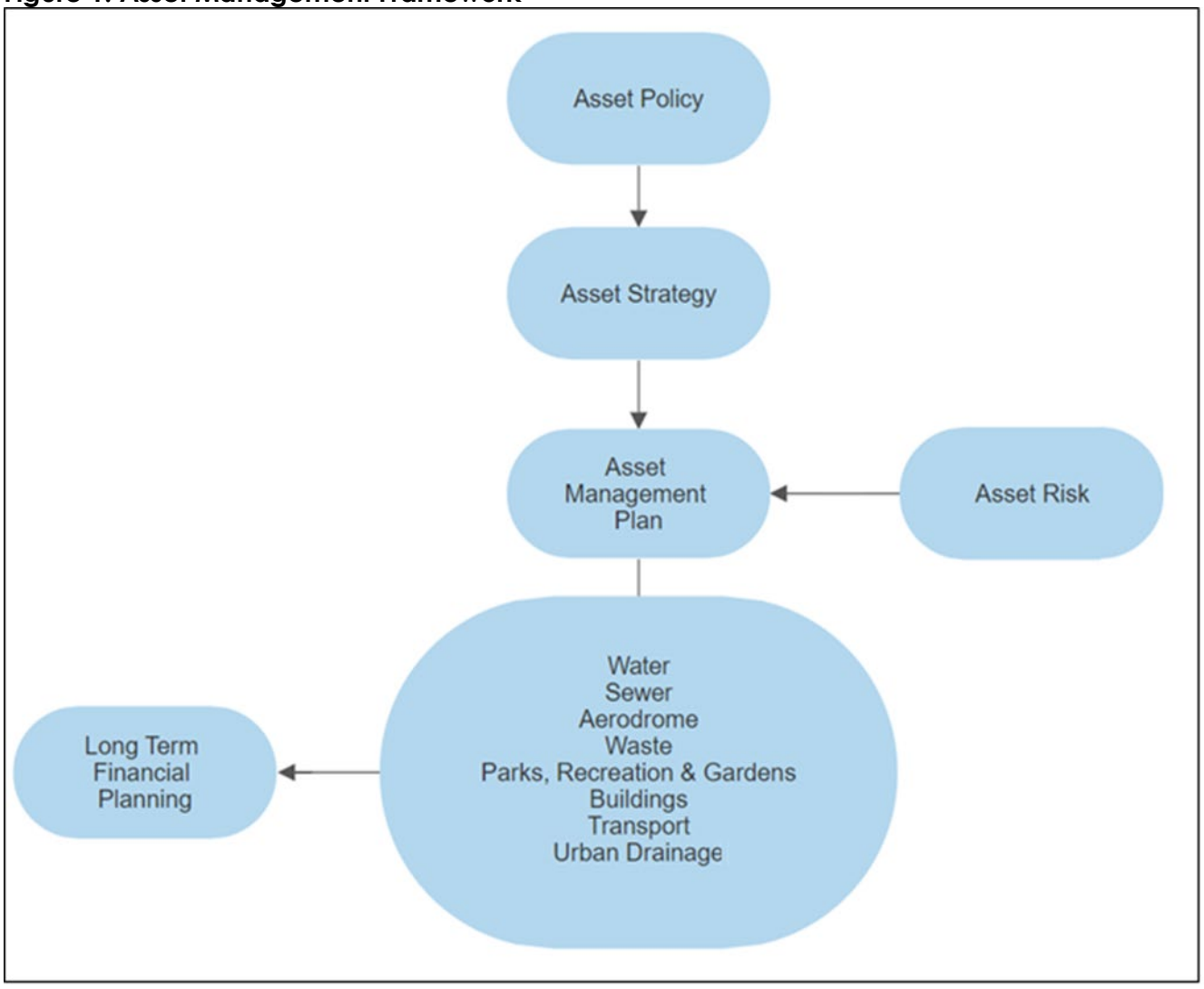
2. Planning Framework

A planning framework outlines how conceptually the strategic plan will be based.
Framework details the activities that are performed within the organisation's strategy plan.

Key elements of this framework are:

- **Levels of Service**
- **Future Demand**
- **Life Cycle Management**
- **Monitoring**

Figure 1: Asset Management Framework

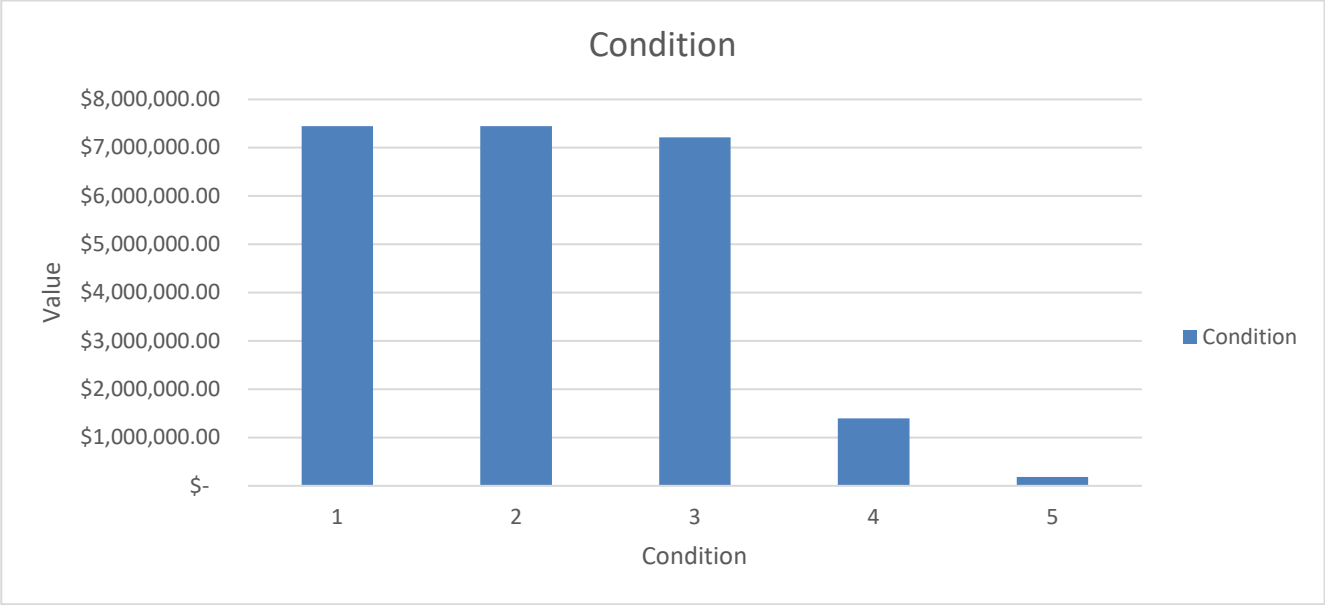


3. Asset Conditions

3.1. Value Based

The current condition of our assets is shown in Figure 2 based on the value of each asset in each of the 5 conditions ranging from 1 to 5, with 1 being near new and 5 as a completely failed asset. Drainage assets have been condition rated externally during a revaluation.

Figure 2: Drainage Asset Condition



3.2. Other Criteria

The process of managing our drainage assets is one of continually improving the knowledge Council has including maintaining up to date asset registers, condition ratings, the cost of work on the asset and the rate at which assets deteriorate and reach their intervention level.

Customer request data is analysed during the Asset Performance evaluation and Operational Management of the Asset and not used for determining the condition of an asset.

The attached Asset Register contains the condition of assets.

4. Future Planning for Drainage Assets

Table 17 conveys the list of planned required improvements for this Asset Class in relation to asset management principles.

4.1 Asset Management Practices

Asset Management Practices are generally uniform across the board. These Practices have been outlined in the Asset Management Strategy.

Ultimately, final decisions and management of Assets are to be conducted by the Councillors, General Manager and Directors. This plan and others are only to guide Council on decisions to be made.

5. Supporting documentation

Supporting documentation is presented in the table below:

Table 2: Supporting Documentation

Document / System	Content
Community Strategic Plan	Outcomes and Strategies identified by the community.
Council Asset Management Policy	How we manage assets.
Asset Management Strategy	Overall direction of asset management and portfolio summary.
Asset Management Manual	Procedures and Processes that guide the management of assets.
Condition Assessment Manual	Details on the process of assessing condition, including photographic examples of various conditions.
Enterprise Risk Management Plan	The identification and management of strategic risks across Council operations
Asset Management System (CIVICA)	Electronic system that contains the asset register, condition ratings and uses to model future renewals.
Maintenance Program	Document outlining all scheduled maintenance requirements for the financial year as set out by the Asset Management Plan
GIS (Map Info / QGIS / Intramaps)	Geographical information system that produces maps of assets.
Narromine Drainage Strategy	Strategy relating to the urban stormwater flow within the township of Narromine
Trangie Drainage Strategy	Strategy relating to the urban stormwater flow within the township of Narromine
Drainage Model	Model that defines the levels of the township of Narromine and includes the catchment flows
Business Continuity Plan	Outlines Council's procedures relating to emergencies in association with certain events.
Macquarie River Flood Plain Risk Management	Risk Management associated with the potential Macquarie River flooding
Asset Acquisition Plan	Plan outlining the processes for acquiring Assets and required approvals prior to doing so, excluding development acquisition

Asset Disposal and Transfer Plan	Plan outlining the processes for disposal and transferring of Assets and required approvals prior to doing so
Complete Asset Management System (CAMS)	NATSPEC documentation outlining the CAMS associated with the operational activities for the Asset Class and measuring the performance of the activity

6. Services Provided and their Classification

6.1. Services Provided

Council provides the communities of Narromine, Trangie and Tomingley with drainage systems that meet current standards as outlined in our Customer Levels of Service.

Assets covered within this Asset Management Plan can be seen in Appendix A. The following table is a summary of these assets:

Table 3: Summary of Parent Assets

Asset Description	Unit of Measurement	Units	Average Asset Age (Years)
Lined Open Channel Drainage	Km	0.66	30
Urban Unlined Open Channel Drainage	Km	14.04	NA
Kerb and Gutter incl. pits	Km	79.45	30
Gross Pollutant Traps	Ea.	1	10
Detention Basins	Ea.	10	NA
Retention Basins	Ea.	2	NA
Rural Drainage Culverts	ea.	751	30
Drainage Culverts	ea.	421	30

6.2. Theoretical Useful Life

Useful life is the period over which an asset is expected to be available for use by an entity. This is usually in the form of years depending on the asset class.

Table 4: Useful Life

Description	Material	Useful Life
Boxed Kerb & Gutter	Plain Concrete	50
Vehicle Layback	Plain Concrete	50
Concrete - Pipe Culvert	Reinforced Concrete	50
Concrete - Boxed Culvert	Reinforced Concrete	50
Open Channel Drain	Reinforced Concrete	50
Open Channel Drain	Loam	100
Kerb incl. Pit	Reinforced Concrete	50
Formation	Soil	100
Gross Pollutant Trap	Concrete	50

6.3. Classification

The classifications of Drainage Assets aim to reflect optimum asset management practices for the capital, maintenance, and operational prioritisation of Assets. This will allow Council to have a more relevant grading of its assets, to determine intervention levels, renewal costs based on risk, design of asset for upgrade or new development and prioritisation of assets during emergencies.

The hierarchy identifies different intervention levels for different assets depending on their assessed criticality and consequence rating. Details of the classification components are contained below.

Table 5: Classifications

Asset Description	Classification
Underground Pipe network	1
Gross Pollutant Traps	1
Retention Basins	1
Detention Basins	2
Lined Open Channel Drainage	3
Kerb and Gutter incl. pits	4
Unlined Open Channel Drainage	5

7. Stakeholder Management

Council has a number of methods for collecting feedback on their performance in managing the drainage assets. These have been used to measure customer expectations and include:

- Narromine Shire Council - Community Survey 2022;
- Informal feedback from stakeholders; and
- Analysis of community service requests and complaints.

The table below describes stakeholder roles and responsibilities:

Table 6: Stakeholder Management

Stakeholder	Stakeholder Issues	Key messages	Participation & Feedback
Councillors	• Have a say in proposed strategy	• This Strategic plan is a communication tool and a way to a sustainable fair network, without burdening residents, business, or industry. • The system determines the requirement and priority of the work. • Regular benchmarking and quality management and measuring kpi's, ensures Council is getting value for money, • A strategy and a fair planning and delivery mechanism in place. • Certainty and trust of Project delivery when proposed.	Councillor Workshop, and community consultation
Residents	• Have a say in proposed strategy • Perception of fairness • Getting value for money		Community consultation
State Government	• Regulation of Waterways		Review of Best Practice and documentation Provision of Capital Funding via Grants
Council Indoor Staff	• Have a say in proposed strategy, • Minimal additions to current workloads		Engineering and Assets team reviews, Councillor workshop
Council Outdoor Staff	• Have a say in proposed strategy, • Structured programs • Want to understand place in process		Team leader workshops Engineering and Assets team reviews

8. Strategic and Corporate Goals

The Asset Management Plan provides clear guidelines for the effective management of the assets owned by Council. Local Authorities exist principally to supply core services that meet the needs of their communities.

Council's goal in managing assets is to meet the required level of service in a sustainable manner for present and future stakeholders. The key elements to strategic goals of asset management are:

- Demonstrating responsible stewardship;
- Taking a life cycle approach to asset ownership;
- Defining the infrastructure assets physically and financially;
- Providing a defined Level of Service and monitoring the performance against service levels and service expectations;
- Understanding and meeting the demands of growth through demand management and infrastructure investment;
- Managing risks associated with asset failure; and
- Support long term financial planning.

Council's objective is to ensure financial strategies underpin Council's Asset Management Strategy and Asset Management Policy. Its goal is to have long term vision for sustainability. In order to do so, it is important to prepare and review the Council's short and medium term financial plans for Risk Management, Plant & Equipment, Information Technology, Section 7.11 and 7.12 Contributions and Asset Management Plans.

Acting as a leader in the delivery of social, financial, environmental, and operational objectives, Council needs to have good governance and administrative support. Council's other goals are to plan, manage and fund Council's public assets to meet the community expectations and defined levels of services. Furthermore, the safety of the community is paramount and is acknowledged and supported through proactive policies, programs and strategies.

9. Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. Relevant legislation is shown in Table 7.

Legislation	Requirement
Local Government Act 1993.	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
The Australian Accounting Standards	The Australian Accounting Standards Board Standard, AASB 116 Property Plant & Equipment requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out).
Roads Act 1993.	Other issues affecting asset service levels include judicial decisions relating to Council's role as roads authority for local roads as conferred by the Roads Act 1993, and legislative powers granted to public utilities relating to road openings.
Environmental Planning and Assessment Act 1979.	Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state.
Protection of the Environment Operations Act 1997	Sets out Council responsibility and powers of local area environment and its planning functions.
Local Government (General) Regulations 2021.	Determines developer charges.
Independent Pricing and Regulatory Tribunal Act 1992	Gives powers to the Independent Pricing and Regulatory Tribunal to inquire into and regulate prices. IPART has developed a set of consistent pricing principles to be adopted by local government authorities. Charging guidelines. Trend towards a user pay system in the industry.
Soil Conservation Act 1938	Conserves soil resources and farm water resources and the mitigation of erosion and land degradation. Preservation of watercourse environments.
Catchment Management Act 1989	Promotes the coordination of activities within catchment areas. This Act has implications for the management of river quality and quantity. Requirement for ongoing management plan.

Legislation	Requirement
Water Management Act 2000	The act provides for sustainable and integrated management of NSW's water sources, water rights, licences, allocations
Public Health Act 2010	Prevention of the spread of disease. Effluent disposal methods. Delivery of quality Waste Water.
Work Health and Safety Act 2011 (and Regulations)	Council's responsibility to ensure health, safety and welfare of employees and others at places of work.

Table 7: Legislative Requirements

10. Levels of Service

10.1. Introduction

Council is responsible for providing a safe, reliable and cost-effective drainage collection system which is customer focused, enhances the environment and caters for the sustainable growth of the Shire. Ongoing consultation is undertaken with the community to ensure the provision of the drainage systems are acceptable to the wider community.

Levels of Service (LOS) indicators have been developed for the services provided by the drainage network based on the objectives set in Council's Community Strategic Plan. These objectives have been used to define Community Levels of Service (CLOS), which relates to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost efficiency and legislative compliance.

From these CLOS, Technical Levels of Service (TLOS) have been developed that detail how these services will be delivered in terms of quantity, frequency and standard.

Finally, Key Performance Measures and how they will be measured provide the detail on how we determine whether we are delivering what the community are asking for.

Table 8 summarises at a high level what the community desires for each asset and how Council will deliver it.

Table 8: Key Performance

Key Performance Measure	Level of Service Objective
Community Levels of Service	
Quality	Provide safe uninterrupted Drainage services up to ARI 1:5
Function	Ensure the Drainage service meets the design and required parameters
Safety	Ensure works do not create safety hazards
Technical Levels of Service	
Condition	Provide appropriate Drainage services to meet user requirements
Function/Accessibility	Ensure Drainage services are available to all occupied properties
Cost Effectiveness	Provide Drainage services in a cost-effective manner
Safety	Effectiveness of WH & S programs and work method Statements/Standard Operating Procedures

10.2. Community Levels of Service

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the Asset Management Plan are:

- *Quality* *How good is the service?*
- *Function* *Does it meet users' needs?*
- *Safety* *Is the service safe?*

10.3. Technical Levels of Service

Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that Council undertakes, to best achieve the desired community outcomes.

Technical levels of service measures are aligned with annual budgets covering:

- **Operations**
  The regular activities to provide services such as electricity costs, inspections, administration etc.

- **Maintenance**
  The activities required to retain assets as near as practicable to their original condition (e.g. mow unlined open channel, cleaning drainage network of debris etc).

- **Renewal**
  The activities that return the service capability of an asset to that which it had originally (e.g. pipeline replacement and lined open channel drainage replacement).

- **Upgrade**
  The activities to provide a higher level of service (e.g. increasing pipe sizes for drainage output, increasing detention basin capacity etc.) or a new service that did not exist previously (e.g. network extension etc.).

10.4. Intervention Levels

Council maintains a Condition Assessment Manual, detailing the frequency of inspection as well as the condition rating to be utilised for all assets. This data is recorded in the Council Asset Management System and is used to predict the timing of renewal and maintenance requirements in the Long Term Financial Plan.

Assets are rated on a 1 (Near New) to 5 (Completely Failed) scale consistent with the IPWEA models as outlined in the IPWEA Practice Notes. Details on how Council assesses condition and further information on the rating scale are contained in the Condition Assessment Manual and in summary can be seen in Table 8.

The intent of Council is not to undertake renewal on an asset until it reaches its 'Intervention Level'. That is, the condition at which the community has determined renewal is required, based on the LOS analysis, or due to environmental or health factors. Typically, assets will be renewed between condition 3 and 4, which ranges from fair to poor, depending on their classification.

Table 9 outlines the rating scale and association with the remaining life percentages. These ratings are also applied to Long Term Renewal Planning.

Table 9: Intervention Levels

Intervention Levels Condition Rating	Description	Remaining Life / CWDV (% of CRC)
1	Excellent condition: Only planned maintenance required.	100-80%
2	Very good: Minor maintenance required and planned maintenance.	80-60%
3	Good: Significant maintenance required.	60-40%
4	Fair: Significant renewal/upgrade required.	40-20%
5	Poor: Unserviceable.	20-0%

The attached Asset Register contains the condition of assets.

11. Operations

Operational activities are regular activities required to continuously provide the service including inspections, electricity costs, fuel, and overheads.

Some of the Operational services identified relevant to drainage services include:

- **Asset Inspections**
- **Land Rates**
- **Electrical Supply**
- **Engineering Management**
- **Insurances**
- **Customer Request Management**
- **Emergency Management**

Inspections

Inspections can be in the form of condition, compliance, operational, project etc. Asset Management principles focus on the condition inspections for programming and monitoring as other areas, staff and positions within Council are responsible for the delivery and reporting of other inspections associated with operations and delivery.

A full list of condition inspections is outlined in the inspection program.

Above Ground Assets: Council currently undertakes inspections on its above ground assets. This condition inspection programme includes the above ground infrastructure on all of Councils drainage assets such as kerb and gutter.

Below Ground Assets: Council is developing a CCTV inspection and reporting program to identify the condition of its underground drainage network.

Table 10: Summary of Inspections

Inspection	Frequency
Condition Assessments of all Above Ground Assets	Annually
Pipe Network	Four Yearly
Condition inspection of failed asset or defect (i.e. pipe break) including condition rating	Per occurrence

All condition assets are reviewed and recommended by external consultants during the revaluation period.

12. Maintenance

Maintenance Work is regular ongoing work that is necessary to ensure the asset is as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets functional, excluding rehabilitation. These activities are required to ensure that the assets reach their expected useful life, with no addition to their existing useful life, and typically increases as the asset ages. It includes work on an asset where a portion of the asset may fail and need repairs to make it operational again. It may be planned or reactive maintenance work, where works that are programmed, are cyclic in nature and reactive is not programmed and usually reactive such as storm damage or vandalism.

Maintenance may be classified as Planned, Reactive, Specific or Unplanned Maintenance.

Planned Maintenance

Planned Maintenance falls into three categories:

1. **Periodic Maintenance – also known as routine maintenance necessary to ensure the reliability or to sustain the design life of an asset**
2. **Predictive Maintenance – condition monitoring activities used to predict failure**
3. **Preventive Maintenance – maintenance that can be initiated without routine or continuous checking and is not condition based**

Some of the relevant planned maintenance activities and the frequency they are undertaken can be seen in the following table:

Table 11: Planned Maintenance Activities and frequency

Activity	Frequency	Category
Mowing of Unlined Open Channel Drains	Monthly	Periodic
Cleaning of debris from Network	Annually	Periodic
Cleaning blockages in culverts	Quarterly	Preventative / Predictive

Reactive Maintenance

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

Specific Maintenance

Maintenance work to repair components or replaced sub-components that need to be identified as a specific maintenance item in the maintenance planning.

Unplanned Maintenance

Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Adjusting Levels of Service

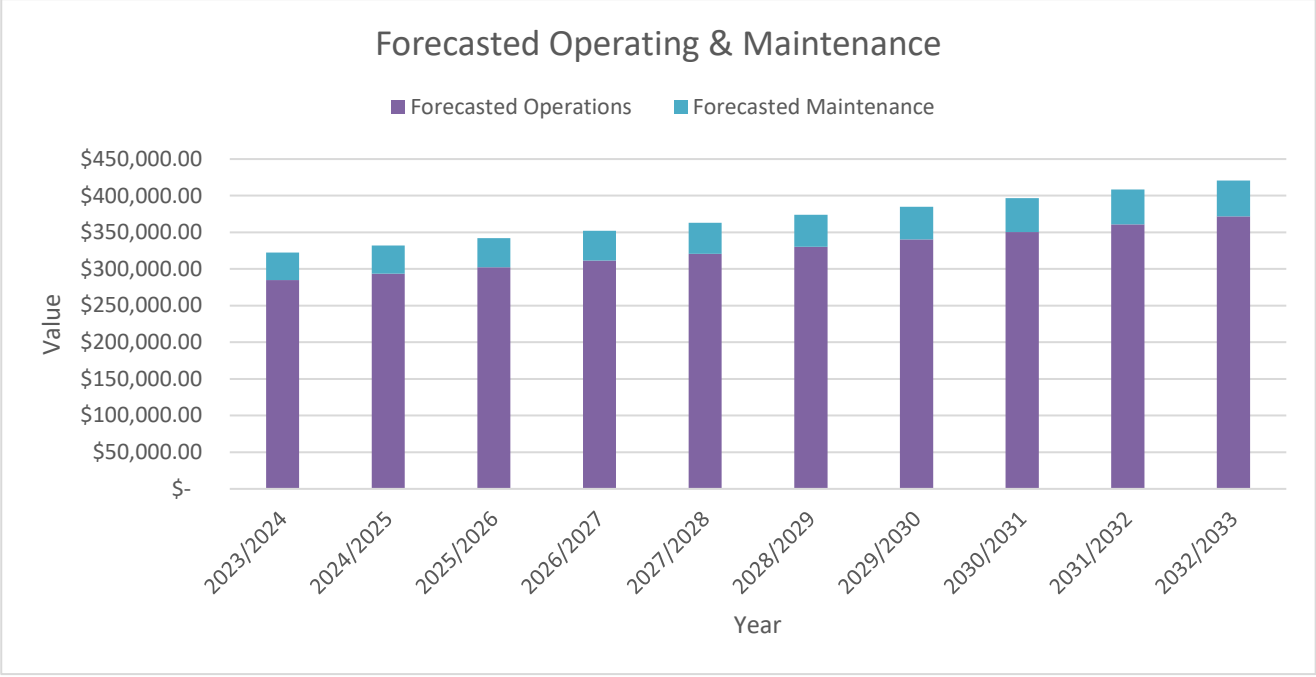
Due to the health risks and legislative requirements Council is obligated to maintain its existing LOS. Currently Councils LOS are based on:

- The community has access to a drainage system that has sufficient capacity for current and projected growth requirements
- Drainage is managed in accordance with the principles of ecologically sustainable development
- The operation of the drainage system results in high quality services to customers
- All stormwater levies are expended in accordance with the Asset Management Plan.

The proposed maintenance programs are detailed in the Annual Maintenance Program.

Figure 3 outlines the increase using a four year average to project the following ten years.

Figure 3: Projected Operations & Maintenance Expenditure



Routine Maintenance Programming

A maintenance program is currently under development and will include future routine maintenance programming documents.

13. Capital

Capital Work is the act of acquisition by creating, renewing, upgrading and/or disposing of an asset. The acquisition lifecycle activity identifies the additional assets that will be added to the asset portfolio over the planning period. This includes assets that are purchased, constructed, or contributed. Acquisition expenditure may be classified as:

New

Expenditure which creates a new asset providing a new service/output that did not exist beforehand.

Expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users.

Upgrade

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. The asset, or infrastructure network, will therefore deliver a higher level of service to the user and extends its life.

Renewal

Renewal expenditure is major work, which does not increase the assets design capacity but restores, rehabilitates, replaces, or renews an existing asset to its original capacity. Assets requiring renewal are generally identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programs.

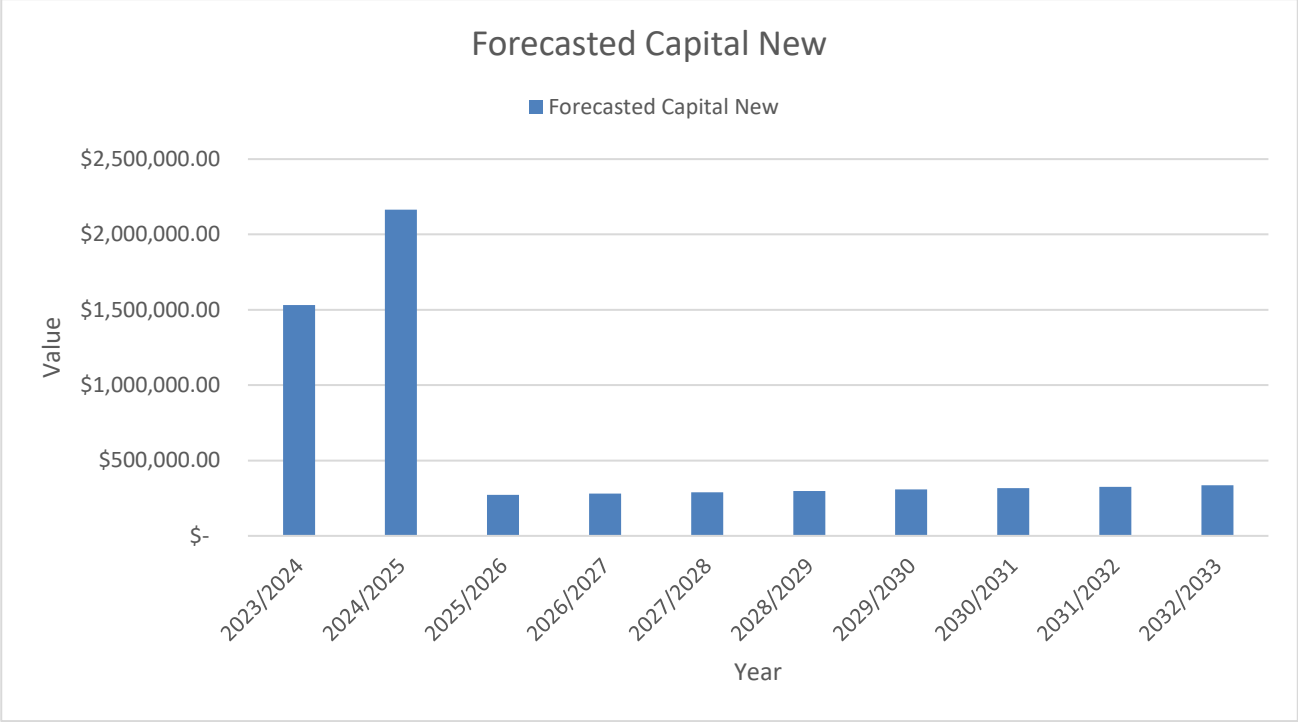
Disposal

Disposal of an asset is classed as a Capital work due to the costs associated.

13.1. New / Upgrade / Expansion

New assets and upgrade/expansion of existing assets are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with other organisations and statutory regulatory requirements, or business improvements. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs.

Figure 4: 10 year Capital Works Program



A detailed table of the ten year works program can be seen in Appendix A.

13.2. Renewal / Rehabilitation

Renewal expenditure is major work that restore, rehabilitates, replaces an existing asset to its original capacity. Work over and above restoring an asset to original capacity is classed as an upgrade or expansion.

It is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. Renewal activities allow the service to continue to be used after the original asset has reached the end of its useful life. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. replacing a material section of a drainage network with pipes of the same capacity.

Assets requiring renewal are identified from estimates of remaining life and condition assessments. Assets that are scheduled for renewal are assessed to verify the remaining life/ serviceability and to develop a preliminary renewal estimate. These assets are prioritised based on that assessment and available funds, then scheduled in future works programs.

Assets requiring renewal are identified from one of three methods provided in the 'Expenditure Template".

- **Method 1 uses Asset Register data to project the renewal costs for renewal years using acquisition year and useful life, or**
- **Method 2 uses capital renewal expenditure projections from external condition modelling systems, or**
- **Method 3 uses a combination of average network renewals plus defect repairs in the Renewal Plan and Defect Repair Plan worksheets on the 'Expenditure template'.**

Method 1 is the primary method for this Asset Management Plan but also in conjunction with asset inspections and prioritisation based upon hierarchy and condition rating.

13.3. Renewal Standards

Renewal work is carried out in accordance with the following Standards and Specifications:

- **Australian Rainfall and Run-off 2017**
- **Relevant Australian Standards**
- **Suppliers Specifications and Guidelines**

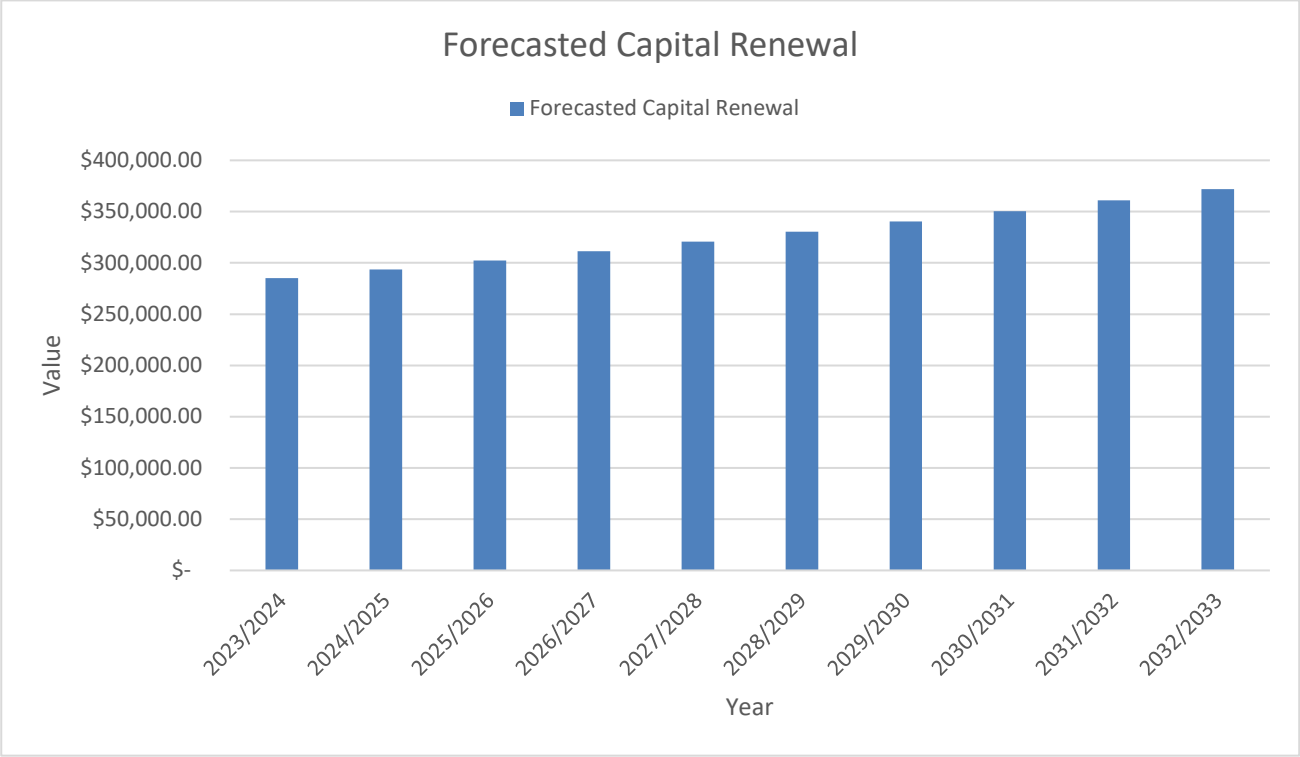
13.4. Summary of Projected Renewal Expenditure

A summary of projected renewal expenditure includes the following:

- **Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Figure 4.**
- **The projected capital renewal program is shown in Appendix A.**

Figure 5 indicates that, based on current projections, Council will spend approximately $3,267,205 on renewals over the next ten years.

Figure 5: 10 Year Capital Works for Upgrades



13.5. Disposal Plan

Disposal is any activity associated with the disposal of a decommissioned asset including sale, demolition and/or relocation. Assets with a condition rating of 5 (poor condition), where Council has received no contact through the Customer Request System indicates that the community doesn't require the asset (as they have not raised concerns or complaints about the asset condition). These assets may be considered redundant or not utilised and therefore, with the approval of the General Manager and Council at a Council meeting, they will be decommissioned and disposed of unless considered critical infrastructure by the Council.

Through careful analysis of all the existing assets, Council may become aware of assets no longer required. Revenue can, therefore, increase through their disposal. An example of this may be surplus areas of land. An added advantage is if such assets are sold, there will be a saving on maintenance expenditure in relation to those assets.

There are currently no plans for disposal of assets in this Asset Class.

14. Future Demands

New works are those works that create a new asset that did not previously exist, or works, which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social, regulatory, or environmental needs.

14.1. Demand Drivers

Demand drivers can be broadly divided into two categories:

- Demand for increased levels of service such as improvements to network capacity; and
- Increased costs from creation or acquisition of new assets.

14.2. Demand forecast

ABS census data statements regarding demand within the shire can be seen below:

2016:
The 2016 Census data indicates that there were 6,444 people in Narromine (A) (Local Government Areas). Of these 49.9% were male and 50.1% were female. Aboriginal and/or Torres Strait Islander people made up 19.9% of the population.

2021:
The 2021 Census data indicates that there were 6,360 people in Narromine (A) (Local Government Areas). Of these 50.6% were male and 49.4% were female. Aboriginal and/or Torres Strait Islander people made up 20.4% of the population.

The total dwellings in Narromine Shire Council as per the ABS website.

Table 12 - Australian Bureau of Statistics Data

LGA	Year	Value	Percentage Change
NSC	2016	2,695	-1.71%
NSC	2021	2,835	+5.20%

14.2.1 Narromine

According to the 2021 Census data Narromine has experienced a decrease in population of 32 persons between 2016 and 2021.

It is expected that Narromine's future population growth will primarily occur in residential developments to the east and south of the Township due to the availability of land. The water assets in these developments will be handed over to Narromine Shire Council to maintain and manage increasing current total water asset value and maintenance costs over the period of this AMP. It should be noted that investigations are still required to determine the feasibility of future developments.

Narromine's total dwelling information can be seen in the following table:

Table 13 – total data for dwellings in Township of Narromine

Town	Year	Value	Percentage Change
Narromine	2016	1,558	-2.09%
Narromine	2021	1,607	+3.1%

14.2.2 Trangie

According to the 2021 Census data Trangie has experienced a decrease in population of 115 persons between 2016 and 2021.

The water assets in any future private developments will be handed over to Narromine Shire Council to maintain and manage increasing current total water asset value and maintenance costs over the period of this Asset Management Plan, which is expected to be no greater than 1%.

Trangie's total dwelling information can be seen in the following table:

Table 14 – total data for dwellings in Township of Trangie

Town	Year	Value	Percentage Change
Trangie	2016	396	-3.2%
Trangie	2021	400	+1%

14.2.3 Tomingley

Tomingley experienced an increase in population between 2016 and 2021 of 36 persons.

Tomingley's future population growth will primarily occur due to mining developments within the area due to the existing local gold mine.

Tomingley's total dwelling information can be seen in the following table:

Table 15 – Total data for dwellings in Township of Tomingley

Town	Year	Value	Percentage Change
Tomingley	2016	138	+2.4%
Tomingley	2021	169	+22.4%

14.3. Anticipated Changes in Customer Expectations

Based on experience to date, community expectations on quality, delivery and costs associated with drainage related assets indicates that expectations increase over time, particularly in areas that impact on risk.

Information on community expectation of drainage asset service levels has not been accumulated over enough time to project likely future expectations, but it is reasonably safe to assume that these will not be lower over the period of this Asset Management Plan.

14.4. Demand Impacts on Assets

A steady development growth in Narromine will lead to an increase in run off due to an increase in permeable surfaces. Council must ensure they understand the drainage network capacity requirements to allow for increased stormwater volumes.

14.5. Demand Management Plan

14.5.1. Asset and Non-Asset Solutions

Techniques available to Narromine Shire Council to assist the management of its drainage assets include the development of a detailed hierarchy linked to service levels and a capital evaluation program that will assist in the allocation of funds and in minimising risk when managing the major water assets.

14.5.2. Asset Programs to Meet Demands

Asset programs to meet future demands within existing drainage networks can only be conducted once studies are completed to plan and understand future urban infill within Narromine, Trangie and Tomingley. A clear understanding of the existing network capacity will be essential in this process.

14.5.3. Key Considerations/Recommendations

Implement findings of drainage studies to improve drainage characteristics.

Effective control over the drainage assets handed over to Council by private developers ensuring assets are designed to minimise maintenance.

Ensure existing drainage network restrictions do not prevent land development and economic growth in Narromine, Trangie and Tomingley.

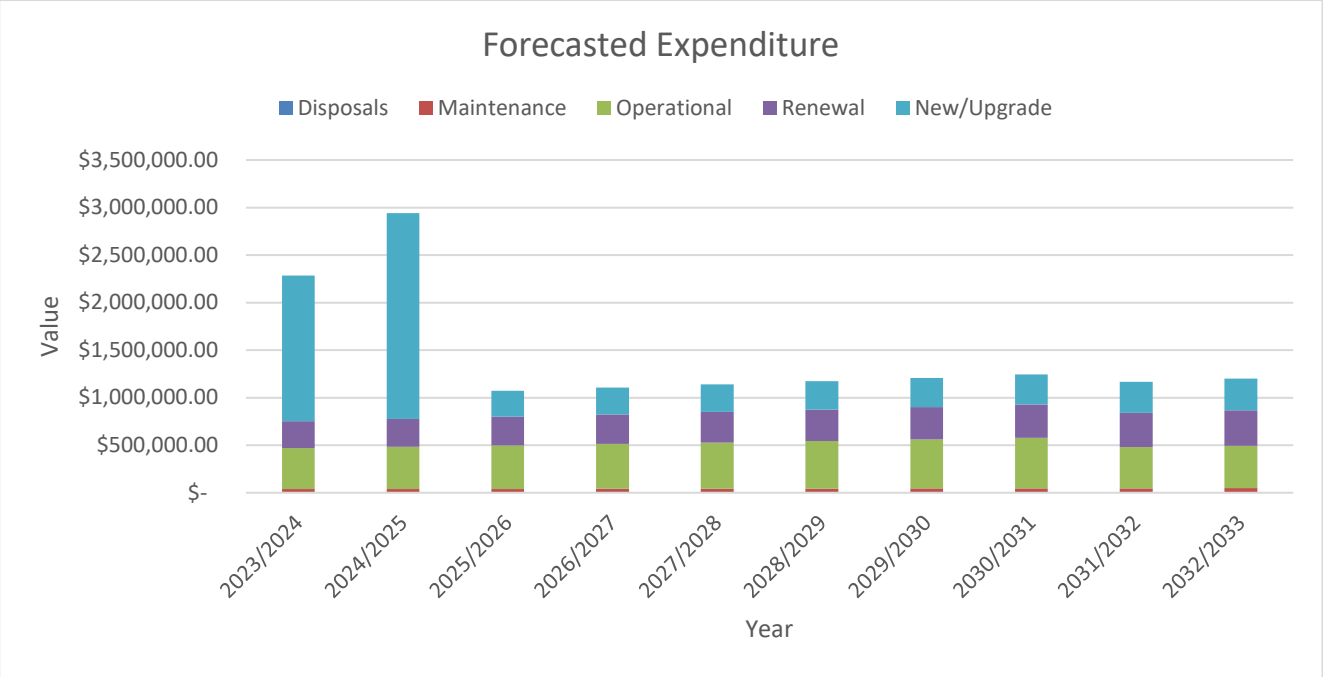
15. Financial Plan

This section contains the financial requirements resulting from all the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

15.1 Financial Statements and Projections

The financial projections are shown in Figure 6 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets), net disposal expenditure and estimated budget funding.

Figure 6: Projected Operating and Capital Expenditure and Budget



15.2. Financial sustainability in service delivery

There are three key indicators for financial sustainability, that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

15.3. Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense).

Life cycle cost estimates can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital expenditure. Life cycle expenditure peaks and troughs will experience volatility primarily due to the timing of the capital work due to the sharp increase of the costs associated with the work.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. A positive gap indicates a surplus reserve, and a negative gap indicates a gap in the reserve.

The life cycle costs, and life cycle expenditure estimates comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays, and the service consequences if funding is not available, will assist organisations in providing services to their communities in a financially sustainable manner. The purpose of the Asset Management Plans and long term financial plan and strategies are to bridge the gap associated with (but not limited to):

- Reduction in level of service for capital, maintenance or operational;
- Sale of disused assets;
- Grant funding;
- Increased revenue;
- Improved technology; and
- Reduction in service requirements, and so on.

Key Assumptions made in Financial Forecasts
This section details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented, to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

- Asset useful lives are achieved before they require replacement.
- Regulation does not require significant change to the operations.
- The operating environment (physical, demographic, and technical) does not change significantly.
- Operating and maintenance averages and associated costs do not fluctuate substantially.
- All delivery requirements can be met within the allotted time.

16. Key Performance Measures

Key Performance Measures (KPM's) have been developed by considering environmental, health and safety, operational and infrastructure capabilities. The KPM's are reviewed to align with the Technical LOS and the Strategies identified in Levels of Service section of this document.

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measured
Community Levels of Service							
Quality	Infrastructure	Flow of water is to a minimum of ARI 1:5 (AEP 18.13%)	Proven Customer requests	<2 complaints per quarter during the rain event	Satisfactory	Excellent to Good	TBD
Function	Infrastructure	Zero overflow of water during a 1:5 (AEP 18.13%) rain event	Proven Customer requests	Zero reported incidences per annum	Satisfactory	Excellent to Good	TBD
Safety	Environment	Zero pondage of water in drainage network > 1 week ***after*** rain fall	Zero confirmed reports of water pondage	Zero reported accidents per annum	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	No reports of near misses in conjunction with Council Infrastructure	Zero confirmed reports of near misses	Zero reported accidents per annum	Satisfactory	Excellent to Good	TBD
Technical Levels of Service							
Condition	Operational	All asset conditions are maintained to a level of 3-4	Condition inspections / Revaluation	100% compliance with maintenance	Satisfactory	Excellent to Good	TBD

Key Performance Measure	Capability Consideration	Level of Service Objective	Performance Measure Process	Desired Level of Service	Current Level of Service	Predicted Level of Service (4 years)	Current Performance Measured
Accessibility	Infrastructure	Provision of connection to the drainage network including network expansion into existing	Percentage of properties unable to be connect to the existing network	99.9% compliance	Satisfactory	Excellent to Good	TBD
Cost Effectiveness	Infrastructure	Provide service in cost effective manner	Budget compliance	Expenses within budget	Satisfactory	Excellent to Good	TBD
Safety	Health & Safety	Ensure facilities are safe	Regular safety audits in conjunction with the condition inspections are carried out, action customer requests within 5 working days	Safety inspections – Clear of contaminants, objects that could cause injury	Satisfactory	Excellent to Good	TBD
Quality	Infrastructure / environment	Design, construct and maintain Infrastructure to appropriate technical standards such as NATSPEC or adopted Council Technical Procedures	Technical Specification checklists and document storage	NATSPEC	Satisfactory	Excellent to Good	TBD

Table 16: Performance Measures

Notes:

1. KPM's are developed at a High Level, see other strategic documents for more detailed information about strategic performance.
2. Rain Events are measured.
3. ARI 1:5 is used as a reasonable level of rain event for Urban Stormwater Drainage Model.

17. Risk Management Plan

Narromine Shire Council is committed to a structured and systematic approach to the management of risk and has committed resources to the implementation of an Enterprise Risk Management Program. This program aims to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

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

Council is committed to the identification and elimination or reduction of risks associated with hazards that arise throughout Council operations as far as reasonably practicable. To facilitate this process an Enterprise Risk Management Plan has been developed.

18. Asset Monitoring

The Asset Improvement Plan is intended to provide improvements in the knowledge of our assets and their management. This plan will ensure that acceptable progress is made on improving asset management processes and procedures and that progress can be verified and quantified. This improvement plan should ensure asset management progresses at an acceptable pace and moves in the "right" direction - that is "improvement" is embedded in the process.

18.1. Accounting/ Financial Systems

Council uses an application called Authority for its core Financial Management. The financial system is managed by Council's Finance and Corporate Strategy Department. Financial reporting is to follow the requirements of the Local Government Act 1993 and relevant Australian Accounting Standards.

18.2. Asset Management Information System (AMIS)

Council has installed an Asset Management System 'Authority", "Reflect" and "Konect Manager" with the following functionality:

- Asset Register;
- Capital Values;
- Defect Management;
- Customer Request Management;
- Asset capitalisation;
- Inspection/defect logging;
- Store dimension/ numeric data;
- Historic information about each assets condition, work & valuation;
- Valuation & depreciation;
- Condition or failure mode ratings;
- Maintenance management with periodic/cyclic scheduling; and
- Producing work order.

18.3. Geographical Information System (GIS)

Council currently has Intramaps and QGIS as its GIS. GIS allows users to spatially visualise both data and information – primarily to assist with decision making and planning. GIS is a corporate tool that presents an efficient means of accessing, analysing, and reporting corporate data.

18.4. Customer Request Management System (CRM)

Council currently operates a Customer Request Management System in "Authority". This system links the customer request to a property identifier.

It is recognised that it is important to integrate the AMIS with GIS, CRM and Finance for tracking complaints and responses against individual assets effectively and efficiently. This will provide information relating to the operational cost of each asset.

18.5. Workforce Planning and Training

Council currently employs trained operators in operations for the Drainage Asset Class as part of its recruitment process. Job specific training is identified during annual performance appraisals where relevant training requirements are discussed and included in a training plan.

Council currently has a succession strategy and is developing a position/skills matrix that is to be employed within its operations.

18.6. Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into the organisation's Long Term Financial Plan and Community/Strategic Planning processes and documents;
- The degree to which the four (4) year detailed works programs, budgets, corporate business plans and organisational structures consider the 'global' works program trends provided by the asset management plan; and
- Measurement of particulars associated with general inspections on a frequency base to measure the performance of the operations vs the AMP LOS. Reporting of the outcomes of these performance measures will be as required by the General Manager and Director of Infrastructure and Engineering Services

Table 17 includes improvements to the management and planning of drainage assets.

18.7. Field Logs

As per the improvement plan as the Level of Service performance measurements are formed and data is generated, data associated with the key performance measurement will be attached to the Asset Management Plan in future years.

19. Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 17.

The improvement plan will be categorized by the following types:

- Legislative: compliance requirements
- Performance: development of existing asset principles associated performance of assets and staff
- Knowledge: based on improvement of asset knowledge base or development of existing asset knowledge base
- Service Focused: improvements associated with the development of services
- Skills: any skills associated with the improvement of Asset Management within the Organisation including operational asset management such as Human Resources.

Table 17: Asset Management Improvements

#	Type	Task	Priority	Expected Completion
1	Legislative	Revaluation of Assets	1	2024/25
2	Performance	Review Renewal of all Assets	1	2021/22
3	Knowledge	Update Asset Register	3	Ongoing
4	Knowledge	Finalise Maintenance Program	2	Cote
5	Knowledge	Input Maintenance Program into AMS	2	Ongoing
6	Performance	Maintain Levels of Service	3	Ongoing
7	Knowledge	Develop 10 Year Plans	3	Ongoing
8	Performance	Review Inspection Procedures	2	2022/23
9	Knowledge	Update Attributes in AMS	3	Ongoing
10	Service Focus	Review Levels of Service	2	2022/23
11	Service Focus	LOS Performance Measurement	1	Ongoing
12	Skills	Development of an Operational Staff skills matrix	2	2023/24
13	Performance	Risk Management Plan for Drainage Assets	1	Ongoing
14	Performance	Align AMP with Business Continuity Plan	5	As required
15	Legislative	Review of existing inspections program and compliance with Legislation	1	2023/24
16	Knowledge	Link Assets in AIMs to the GIS system	4	2023/24
17	Knowledge	Determine and input income of Infrastructure into the AMP to determine Return on Asset (ROA)	4	2023/24
18	Service Focus	Implement findings of drainage strategies	1	Ongoing

19.1. Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any material changes in levels of service and/or resources available to provide those services because of the budget decision process.

The Asset Management Plan has a life of four (4) years along with the Long Term Financial Plan.

20. References

Abs.gov.au. 2022. *Search Census data | Australian Bureau of Statistics*. [online] Available at: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> [Accessed 28 April 2022].

Planning.nsw.gov.au. 2022. *Projections*. [online] Available at: <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections> [Accessed 28 April 2022].

21. Appendix A: Ten Year Capital Works Program

STORMWATER DRAINAGE	1	2	3	4	5	6	7	8	9	10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
LIFE CYCLE CAPITAL COSTS										
NARROMINE										
Lined & Unlined Open Channel Drain - Capital Program				8,695					10,079	
Underground Drainage Pipe Network - CCTV And Cleaning Program					59,703					69,212
Wetlands - Capital Program			11,255			12,299			13,439	
TRANGIE										
Lined & Unlined Open Channel Drain - Capital Program	150,000.00				5,970					
TOMINGLEY										
Lined & Unlined Open Channel Drain - Capital Program	10,000.00					3,075				
NEW, ACQUISITION AND/OR UPGRADE										
NARROMINE										
Urban Storm Water Environmental - Safety & Control Program		13,659	14,069	14,491	14,926	15,373	15,835	16,310	16,799	17,303
Urban Storm Water Strategy - Capital Program	212,180.00	218,545	225,102	231,855	238,810	245,975	253,354	260,955	268,783	276,846
Wetlands - Capacity Upgrade	1,075,865.00									
Flood Mitigation Narromine Levee Project										
Northern Catchment Stormwater Project	100,000.00									
TRANGIE										
Urban Storm Water Environmental - Safety & Control Program										
Urban Storm Water Strategy - Capital Program	53,045.00	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212

KERB & GUTTER	1	2	3	4	5	6	7	8	9	10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
LIFE CYCLE CAPITAL RENEWAL PROGRAM										
NARROMINE	75,000.00	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,793
TRANGIE	50,000.00	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
TOMINGLEY				23,185	23,881	24,597	25,335	26,095	26,878	27,684
NEW, ACQUISITION AND/OR UPGRADE										
NARROMINE										
A 'Beckett Street	50,000.00									
Meringo Street	40,836.00									