

ASSET MANAGEMENT STRATEGY

2022-2032



Acknowledgement of Country

Snowy Monaro Regional Council acknowledges the Traditional custodians of the region's land and water, the Ngarigo, Walgalu, Southern Ngunnawal and Bidawal Peoples.

We pay our respects to Elders past, present and emerging.



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EXECUTIVE SUMMARY

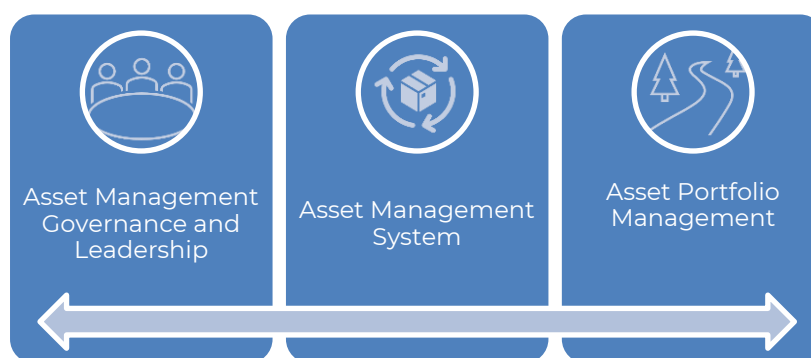
Snowy Monaro Regional Council (SMRC) is the custodian of assets with a replacement cost of over \$1.5 billion, funded by a revenue generated from the rateable population of 20,997 and an economy primarily driven by two industries - agriculture and tourism.

SMRC has a large portion of the infrastructure at a substandard and deteriorating condition. There has historically been a shortfall in investment in the infrastructure (both in maintenance and renewal of assets) due to insufficient revenue generated and a reliance upon grant funding. Under the current financial capacity there will be increasing losses of asset capacity and functionality, as well as an increasing likelihood of asset failure due to the deterioration in the condition of assets.

The purpose of the Asset Management Strategy (this document) is to provide a considered strategic response to the asset related challenges confronting SMRC and provide a management plan to implement changes within the organisation to improve the management and sustainability of assets that enable the liveability of residents and visitors to the region.

The Asset Management Strategy addresses three components of asset management – governance and leadership, asset management system and asset portfolio management (see Figure below).

Figure ES1: Components of the Asset Management Framework



The Asset Management Strategy has been prepared to be integrated with the Long Term Financial Plan and the Workforce Management Strategy – collectively providing the Resourcing Strategies to deliver the adopted Delivery Program and Strategic Community Plan.

Consistent with the Long Term Financial Plan (LTFP) and the Workforce Management Strategy, the following asset management strategies has been developed to inform three scenarios:

- Scenario 1 – enhanced management of assets through additional rate revenue generated through a 53% increase in rates including the rate peg in 2023/24, enabling additional expenditure in maintenance and renewal of assets.
- Scenario 2 – staged enhancement in the management of assets through additional rate revenue generated through a 55.25% increase in rates including the rate peg across five years (2023/24 to 2028/29), enabling a staged approach to additional expenditure in maintenance and renewal of assets.
- Scenario 3 – management of assets within the constraints of the current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. This case is not sustainable over the long-term due to insufficient investment in asset maintenance and renewal.

¹ LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

Table ES1: Summary of the Asset Management Strategy Outcomes – by LTFP Scenario

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
LEADERSHIP AND GOVERNANCE			
Integrated Planning Framework	<ul style="list-style-type: none"> The Council and Executive Leadership Team continuously review and maintain integrated Resourcing Strategies to deliver upon the Strategic Community Plan and the Delivery Program. The Chief Strategy Officer is responsible for facilitating reviews and seeking Council adoption at least annually. 		
Asset Management Policy and Strategy	<ul style="list-style-type: none"> Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. The Policy and Strategy clearly outline asset management objectives for the leadership and governance, asset management system and management of asset portfolios. 		
Service Planning	<ul style="list-style-type: none"> Service planning is a core component of the integrated planning framework. Council's decision on range and levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets. 		
	<ul style="list-style-type: none"> Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service. 	<ul style="list-style-type: none"> Decision will need to be made on temporary reduction in range and/or levels of service until sufficient funding is available. 	<ul style="list-style-type: none"> Decisions will need to be made on reduction in range and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.
Asset Management Advisory Group	<ul style="list-style-type: none"> The formation of an Asset Management Advisory Group chaired by the Chief Executive Officer and supported by the Chief Strategy Officer to establish coordination, accountability, collaboration and strategic thinking to the implementation and benefit realisation of the Asset Management Strategy. The Advisory Group will also provide regular reports to the Council on asset management performance and the realisation of the strategic objectives. 		
Decision Making	<ul style="list-style-type: none"> The decisions made by the Council and management as consistent with the Asset Management Policy, Asset Management Strategy and the adopted scenario outlined in the Long Term Financial Plan. Decisions are well informed by advice from management and the Asset Management Advisory Group. The Council may seek formal advice from the Asset Management Advisory Group prior to making decisions. 		
Culture	<ul style="list-style-type: none"> Implementation of the Workforce Management Strategy (especially the actions and values lead by the Council and management) supports the development of a workplace culture that shapes the best practice in management of assets. 		
Resource Allocation	<ul style="list-style-type: none"> Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service. 		
	<ul style="list-style-type: none"> Resources are temporarily constrained resulting in prioritisation 	<ul style="list-style-type: none"> Resources are constrained and allocated to address priorities and criticality of assets. 	
Performance Framework	<ul style="list-style-type: none"> Council and management are provided with regular reporting on performance against established objectives and performance targets. 		
ASSET MANAGEMENT SYSTEM			
Asset Management Information System (AMIS)	<ul style="list-style-type: none"> Through liaison with the system provider, Council has an optimal configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting. 		

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
	<ul style="list-style-type: none"> Additional GIS Officer enables AMIS to be integrated with the GIS system, with GIS established as the single point of truth. Recognition of assets and establishment of asset "shell" within AMIS created through GIS. Regular review of the AMIS to ensure the asset register reconciles with the GIS. 		<ul style="list-style-type: none"> AMIS is maintained as single point of truth with regular updates to GIS. Resources within the GIS team are constrained limiting the benefits of integrating GIS and AMIS.
GIS Mapping	<ul style="list-style-type: none"> Additional GIS Officer enhances the capacity of the organisation to benefit further from mapping and spatial recognition of assets, including establishing the GIS as a single-point-of-truth for assets. Enhances Council's capacity to plan, report and communicate with the community using mapping. 		<ul style="list-style-type: none"> Limited enhancements to the GIS capacity to improve the mapping recognition of assets.
Asset Management Team	<ul style="list-style-type: none"> Enhanced leadership, support and provision of training and development to develop expertise within the asset management team, enabling the team to provide better advice, reporting and support to decision making and the management of the asset portfolios. 		
Asset Management Plans	<ul style="list-style-type: none"> Asset Management Plan for each asset portfolio is enhanced with better planning and scheduling of inspections, operations, maintenance and renewal/replacement within the funding constraints. 		
Asset Valuations	<ul style="list-style-type: none"> Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets. Financial reporting of assets in the Annual Financial Reports, including the Schedules, more accurately reflects the actual condition, as well as estimates for the required maintenance expenditure and cost to restore assets to acceptable service level. 		
Training and Development	<ul style="list-style-type: none"> Through the provision of training and development (as outlined in the Workforce Management Strategy), the Councillors, management and officers are provided with adequate knowledge, skills and tools to undertake roles and responsibilities and to realise the desired outcomes outlined in this Strategy. 		
ASSET PORTFOLIO MANAGEMENT			
Understanding the Assets	<ul style="list-style-type: none"> Councillors, management and officers have a good understanding of the current assets, including access to the following accurate information about assets – condition, capacity, functionality, hierarchy, criticality, common asset failure causes, asset risk, future demand, lifecycle deterioration. 		
Asset Inspections	<ul style="list-style-type: none"> Condition and maintenance inspections are planned and scheduled to ensure the AMIS maintains an accurate record of asset condition, capacity and functionality. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects. 		
Planning	<ul style="list-style-type: none"> Asset managers maintain current Asset Management Plan that plans to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved information held within the AMIS and GIS. Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled/30% reactive works. 		
Acquisition	<ul style="list-style-type: none"> Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Adequate lead time is provided for the acquisition of assets (new, renewal/replacement or upgrades) through the integrated planning, including adequate funding identified in the LTFP. Decision gateways within the Project Management Framework ensures acquisition of assets (including construction) does not progress unless funding and other considerations are acceptable to proceed. 		

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Operations	<ul style="list-style-type: none"> Enhanced operations due to less emphasis upon inspection and mitigation of risks associated with deteriorating assets. 	<ul style="list-style-type: none"> In the short term, higher emphasis upon inspection and mitigation of risk of deteriorated assets while funding is increased in a staged approach. 	<ul style="list-style-type: none"> Due to lack of funding, a higher emphasis will need to be placed upon risk mitigation and higher frequency of inspections for early detection of asset failure (especially critical assets). Operations on deteriorating assets likely to result in higher operating costs and breaks in services due to asset failures.
Maintenance	<ul style="list-style-type: none"> Maintenance is adequate to maintain assets at an acceptable level of service. 	<ul style="list-style-type: none"> Maintenance is constrained in the short term while additional funding is gradually realised. Unsealed road maintenance is significantly reduced in the short term. 	<ul style="list-style-type: none"> Maintenance is significantly constrained, resulting in further deterioration of assets requiring earlier intervention to renew or replace assets. Unsealed road maintenance is significantly reduced with half of the kilometres able to be graded.
Renewal/Replacement	<ul style="list-style-type: none"> Assets will be renewed or replaced according to the planned useful life of assets. \$113 million will be invested on roads over 10 years. 	<ul style="list-style-type: none"> Scenario two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary treatments outlined above will be able to be fully funded. \$109 million will be invested on roads over 10 years. Scenario two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets. 	<ul style="list-style-type: none"> Renewals and replacement of assets is significantly constrained. \$73 million will be invested on roads over 10 years (\$40.4 million less than Scenario One). This is not a sustainable approach to maintaining assets. Only 24km of unsealed roads to be resheeted a year. Reseal program limited to a reseal every 25 years (or 30km a year). Heavy patching limited to 4,300m² per year. Council will rely almost entirely on grants to replace bridges. Renewal of building assets reduced by \$450,000 per year compared to Scenario One.
Disposal	<ul style="list-style-type: none"> No asset disposal is required. 	<ul style="list-style-type: none"> No asset disposal is required. 	<ul style="list-style-type: none"> Asset rationalisation will need to be considered to reduce the funding burden on asset maintenance and renewals and to mitigate the risk of assets that will deteriorate to an unacceptable condition.

1. INTRODUCTION

The Snowy Monaro Regional Council (SMRC) is the custodian of assets with a replacement cost of over \$1.5 billion that is funded by a revenue generated from the population of 20,997 and an economy that is primarily driven by two separate industries - agriculture and tourism.

SMRC is currently facing a situation where a large portion of the infrastructure under management is at substandard and deteriorating condition. There has historically been a shortfall in investment in the infrastructure (both in maintenance and renewal of assets) due to insufficient revenue generated and a reliance upon grant funding. This indicates under the current financial capacity there will be increasing losses of asset capacity and functionality, as well as an increasing likelihood of asset failure due to the deterioration in the condition of assets.

The provision of a large amount of infrastructure assets from a small rate base – including roads, drains, bridges, water networks, sewerage networks and public buildings - presents a range of challenges to the sustainability of the assets and the services that the assets enable. The challenge is significantly more complex for SMRC due to the age of the infrastructure, with a significant wave of assets requiring replacement and renewal. Financing needs are significant, requiring planning to address the large peaks and troughs in expenditure required to ensure deteriorating assets are renewed or replaced before reaching an unacceptable risk of failure.

The demand for new and improved services adds to the planning and financing challenges and necessitates decisions to be made to prioritise investments made on assets.¹ The acquisition of new assets also presents challenges in funding the ongoing operating costs necessary to provide the needed service over the assets' full life cycle.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 on variations between the budget and actual results,
 - any impact of such variances on the strategic longer-term plan,
 - report of operations with review of the performance of the Council against strategic objectives.³

The purpose of the Asset Management Strategy (this document) is to provide a considered strategic response to the asset related challenges confronting SMRC and

¹ LGPMC, 2009, Framework 2 Asset Planning and Management, p 2.

² LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 2-3.

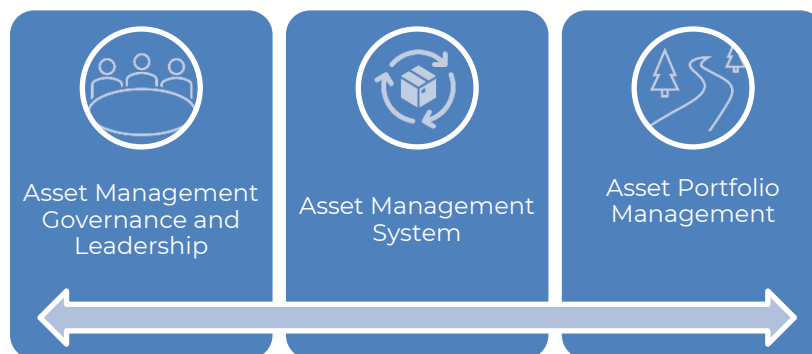
³ LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

provide a management plan to implement changes within the organisation to improve the management and sustainability of assets that enable the liveability of residents and visitors to the region.

The Asset Management Strategy addresses three components of asset management:

- **Asset Management Governance and Leadership** - provision of organisational leadership and governance arrangements to establish the decision-making frameworks and objectives that establish clear roles, responsibilities and expectations for the asset management system and management of asset portfolios. It also includes the development of an effective asset management culture across the organisation.
- **Asset Management System** - provision of the asset management system to plan, support and enable the managers of the asset portfolios with sufficient access to the necessary data, systems, processes and support to achieve optimal management of the assets.
- **Asset Portfolio Management** - direct management of the assets within each portfolio to achieve maximum community value from investments made in assets, including operating and maintaining assets at the lowest whole of life cost while meeting the service level requirements and managing risk of asset failure.

Figure 1: Components of the Asset Management Framework



2. STRATEGIC FIT

2.1 Vision for the Community

Council has adopted the following vision for the community's future, outlined in the Council Strategic Plan:

The Snowy Monaro Region is a welcoming diverse and inclusive community where everyone can belong, participate and work together. Our natural environment and heritage are preserved and enhanced for future generations.

The region offers a fulfilling quality lifestyle and is a place of opportunity, with education, training and economic opportunities for people of all ages and backgrounds.

2.2 Community Strategic Plan Objectives

The Community Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where the community wants to be. The objectives are the steps needed to get there. Specific goals and objectives relating to the delivery of services through infrastructure are shown in Table 6.

Table 1: Relevant Goals and Objectives

Goals	Objectives
<p>4.1 Our health is supported by fit for purpose infrastructure</p> <p>4.2 Transport infrastructure allows us to effectively move around the region and beyond as needed</p> <p>4.4 We have in place infrastructure that supports our lifestyles</p>	<ul style="list-style-type: none"> • Our water and wastewater infrastructure is well maintained and has capacity to meet growth across the region • Facilities exist to safely deal with waste from the community • Ensure land use planning provides for appropriate and sustainable transport infrastructure • Have in place current strategic plans for meeting the future transportation needs across the region • Develop and sustainably fund the existing transport infrastructure • Public buildings and facilities are set up to be accessible to all people • Have in place planning that identifies the infrastructure needed to support the community • Build a network of regional trails and accessible shared pathways • Provide well maintained sporting and leisure facilities

2.3 Asset Management Policy

Council's Asset Management Policy defines the Council's direction for asset management in accordance with the Strategic Plan and applicable legislation.

The asset management objective set by the Policy is:

To ensure the appropriate assets are in place to meet the agreed service levels and that those assets are managed efficiently and effectively.

The asset management policy statements outlined in the Policy are:

- a) All relevant legislative requirements together with political, social and economic environments are to be considered in assets management.
- b) Asset management principles will be integrated within existing planning and operational processes.
- c) Systematic and cyclic reviews will be applied to all asset classes and are to ensure

that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards

- d) The Council will move towards ensuring assets renewals and maintenance required to efficiently and effectively manage the assets will be fully funded in the annual budget estimates.
- e) Full lifecycle costs will be reported and considered in all decisions relating to new services and assets as well as the upgrading of existing services and assets.
- f) Asset valuations will be performed on a regular basis.

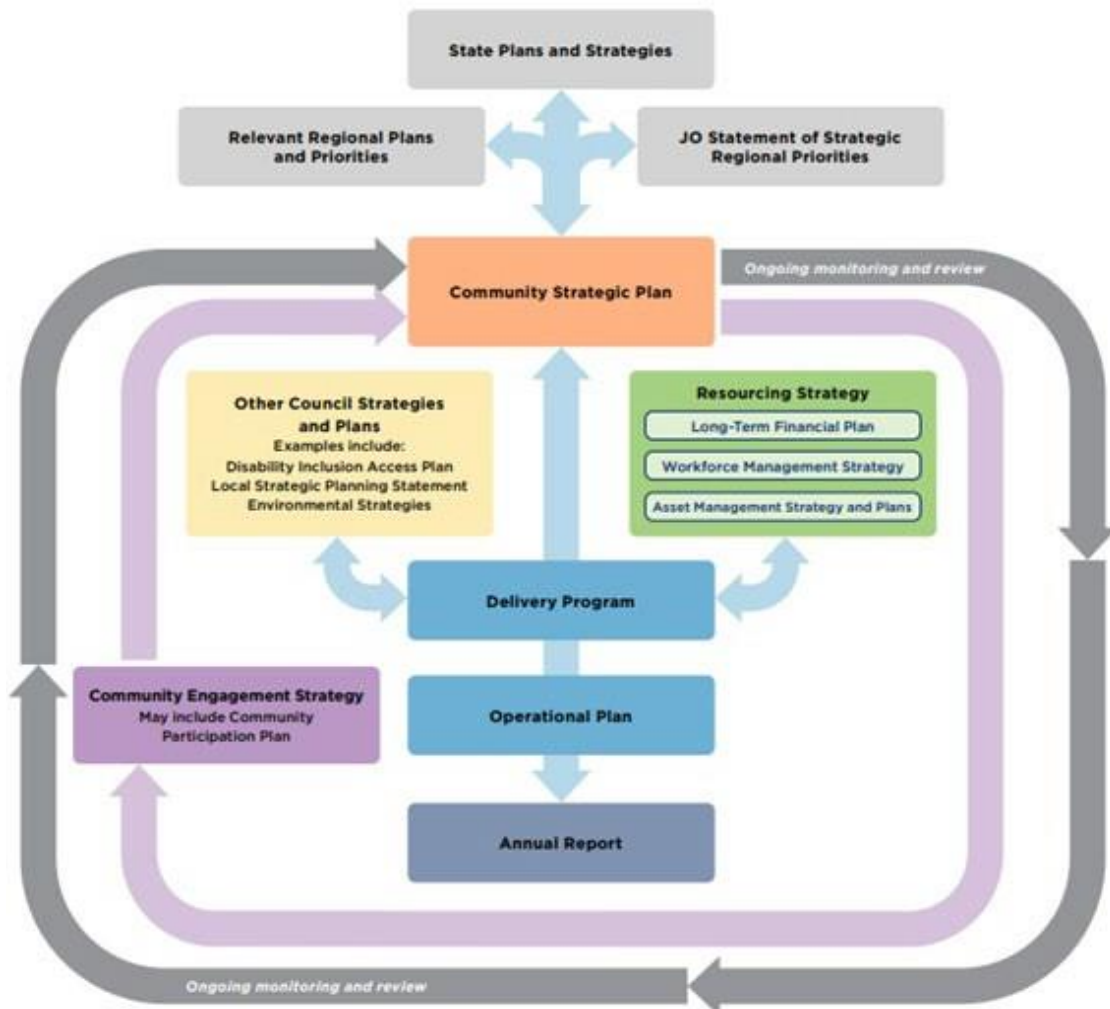
The principles outlined in the Policy outline Councils commitment to implementing a systematic asset management methodology, an inspection regime, transparent and responsible asset management processes (aligned with best practice) and that all Councillors and employees will take an integral part in overall management of Council assets.

A copy of Councils' Asset Management Policy can be found in Appendix B.

2.4 Integration with other Resource Strategy Planning

The Asset Management Strategy has been prepared to be integrated with the Long Term Financial Plan and the Workforce Management Strategy – collectively providing the Resourcing Strategies to deliver the adopted Delivery Program and Strategic Community Plan – see Figure 1 Integrated Planning and Reporting Framework

Figure 2: Integrated Planning and Reporting Framework



The integration of the plans includes three scenarios for the continued management of the Council's resources:

- Scenario 1 – Enhanced management of assets through additional rate revenue generated through a 53% increase in rates including the rate peg in 2023/24, enabling additional expenditure in maintenance and renewal of assets.
- Scenario 2 – Staged enhancement in the management of assets through additional rate revenue generated through a 55.25% increase in rates including the rate peg across five years (2023/24 to 2028/29), enabling a staged approach to additional expenditure in maintenance and renewal of assets.
- Scenario 3 – Management of assets within the constraints of the current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. This case is not sustainable over the long term due to insufficient investment in asset maintenance and renewal.

2.5 Other Related Strategies and Plans

Snowy Monaro Waste Management Strategy

The adopted strategy outlines how Council will work towards the ambitious targets set out in the NSW 20 Year Waste Strategy for waste diverted from landfill and recycling.

Key infrastructure actions outlined in the strategy are:

- Landfill upgrades
- Upgrade to transfer stations
- Conversion of drop off model service to collection and “bank of bins” service model
- Expansion of bank of bins
- Remediate legacy landfills and convert to emergency landfills where appropriate
- Upgrade collection trucks

Divestment of Residential Aged Care Services

On 21 October 2021, Council accepted an Evaluation Panel's recommendation to enter into a 12-month Due Diligence period for the divestment of Residential Aged Care Services through a transfer of the services to Sapphire Coast Community Aged Care. Due diligence has been extended and is ongoing.

If successful, the transfer would include the disposal of all assets, including land and buildings, at Yallambee Lodge in Cooma and Snowy River Hostel in Berridale.

2.6 Snowy Mountains Special Activation Precinct

The Snowy Mountains Special Activation Precinct (SAP) is a major state government funded project to ensure a year-round visitor economy, working closely with Council. The SAP Master Plan outlines a 40-year strategic plan for the precinct and is now in the delivery phase, having now finalised the Master Plan after years of intensive project work.

The Jindabyne Growth Precinct comprises seven sub-precincts that will support the visitor and population growth projected over the 40 years of the Master Plan. The resident and visitor population growth predicted to result from the SAP has been

modelled on the activation of year-round tourism and employment opportunities, investment in regional infrastructure and strengthening the visitor economy.

The NSW Government announced an estimated total funding of SAP of \$391.3 million starting in 2022 with completion in 2027. Included in the works funded by the NSW Government are assets to be transferred to Council, including responsibility to fund ongoing operations, maintenance and future renewal. Table 2 below outlines the assets proposed to be transferred to Council – totaling \$169.62 million.

The SAP provides a significant opportunity for Council to benefit from the development through externally funded asset renewals and upgrades and increased revenue from rates, annual service charges and other revenue sources. In particular, the renewal and upgrade of water and sewer assets in Jindabyne, as well as road works and precinct upgrades funded by the NSW Government replaces funding that Council would have had to fund internally or sought borrowings to address the depleted assets.

Table 2: Assets used for providing Services

Infrastructure Project	Estimated Handover	Construction Cost (M)	Comment
Claypits	2024	\$10.58	N/A
Town Centre	2025	\$57.1	N/A
Kosciuszko Road	2026	\$22.47	Includes only section being upgraded. Additional length past Barry Way will need to be considered by Council
Water Treatment Plant	2024	\$28.2	N/A
Sewerage Treatment Plant	2024	\$41.93	N/A
Water Services	2024	\$4.6	Includes reservoirs, pumps and network upgrades
Sewage Services	2024	\$4.74	Includes pumps, storage tanks and network upgrades
TOTAL		\$169.62	

Source – NSW Government

3. ALIGNMENT OF ASSETS TO SERVICES

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 3.

Table 3: Assets used for providing Services

Asset Class	Description	Services Provided
Transport infrastructure	Roads, bridges, footpath, kerb & gutter, islands & roundabouts	The roads network supports transportation and is important to the community and economic activities of the region.
Property	Land & Buildings	Building provided by Council support the administration, operational and social infrastructure for the community
Open space & recreation	Parks, reserves, playgrounds, swimming pools	Provide a mix of active and passive environments for the enjoyment of residents and visitors
Water	Water treatment plants, storage reservoirs, distribution network	Provides potable water to the community and assists firefighting activities.
Wastewater	Treatment plants, reticulation network	Provides sewerage services
Plant and equipment	Mobile and fixed plant and equipment.	Provided to enable the delivery of services and infrastructure.
Furnishing, fittings & equipment	Building and office furnishings as well as office equipment.	Provided to enable the delivery of services and infrastructure.
Other structures	Other assets owned by Council that do not fit into the above categories	Miscellaneous services

4. OVERVIEW OF CURRENT ASSETS

4.1 State of the Assets

The replacement cost of assets controlled by Council totals \$1,995 billion, the net carrying amount (the remaining value of the assets) being \$1,347 billion. Each year services provided by the Council consume approximately \$19.1 million in value of the controlled assets (as indicated by the depreciation expense).

As at 30 June 2022, the Council estimated that \$143.5 million is required to be spent on renewing and replacing assets to bring the assets to a satisfactory standard – often referred to as the value of the infrastructure backlog. The water supply network is estimated to have a backlog of assets of \$72.9m, with \$28.2m in the sewerage network and \$19.7m in roads.

The required expenditure on maintenance of assets was estimated to be \$26.6m compared to actual expenditure in 2022/23 of \$15.3m. Expenditure for water supply network and buildings is significantly below the required maintenance.

The financial status of the organisation's assets is shown in Table 4 plus Figures 3 and 4.

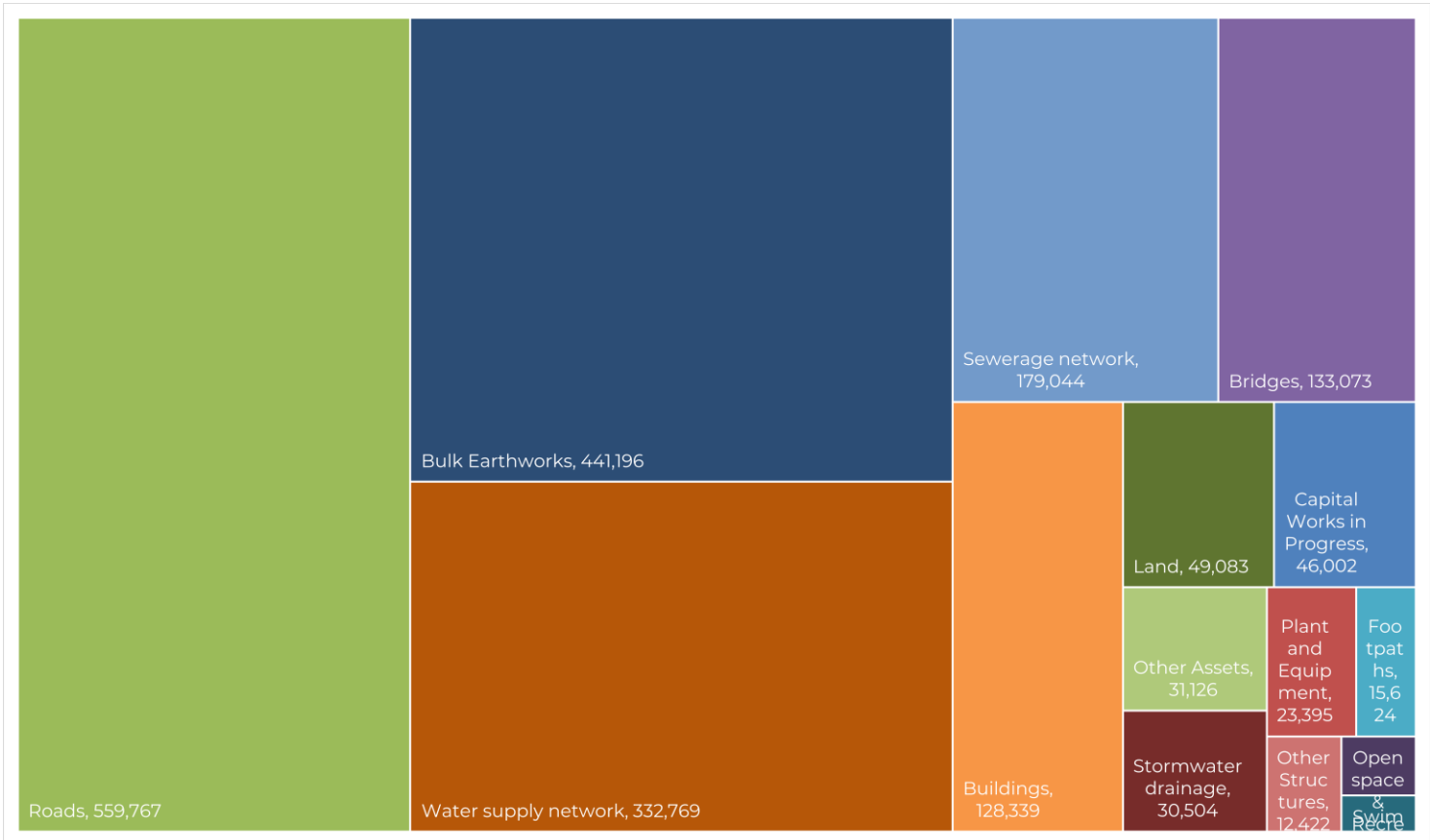
Table 5 and Figure 5 outline the current condition of each asset class, indicating that swimming pools, water supply network, sewerage network, bridges and other structures have the highest percentage of assets deemed to be in poor or very poor condition.

Table 4: Financial Status of the Assets as of 30 June 2022 - \$000s

Asset Class	Replacement Cost (\$000)	Net Carrying Amount (\$000)	Depreciation Expense (\$000)	Estimated Cost to Bring Assets to Satisfactory Standard (\$000)	Required Maintenance (\$000)	Actual Maintenance (\$000)
Capital Works in Progress	46,002	46,002	0	0		
Plant and Equipment	23,395	13,725	1,741	0		
Roads	559,767	366,214	7,030	19,686	7,277	7,443
Bridges	133,073	77,516	1,182	10,667	1,730	414
Footpaths	15,624	8,341	337	246	203	62
Buildings	128,339	40,702	2,621	8,126	4,224	526
Bulk Earthworks	441,196	441,196	0	0		
Stormwater drainage	30,504	20,812	288	722	275	28
Land	49,083	49,083	29	0	0	0
Open space & Recreation	7,686	4,910	247	486	231	762
Swimming Pools	4,705	2,697	86	1,248	47	82
Water supply network	332,769	151,177	2,138	72,869	7,986	2,744
Sewerage network	179,044	97,609	1,467	28,207	4,297	3,054
Other Structures	12,422	8,474	255	1,285	373	200
Other Assets	31,126	18,318	1,670	0	0	0
Total	1,994,735	1,346,776	19,091	143,542	26,643	15,315

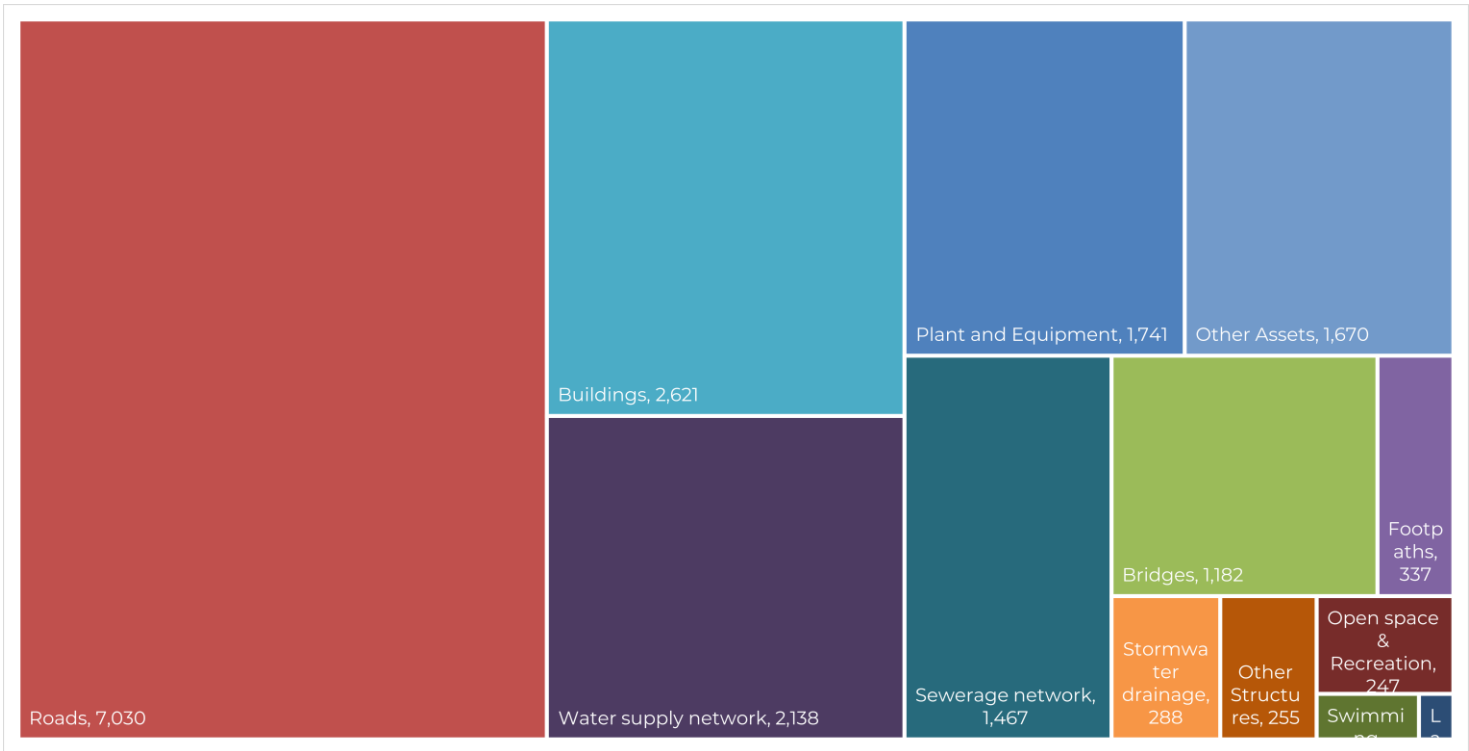
Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

Figure 3: Replacement Cost by Asset Class as of 30 June 2022 - \$000s



Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

Figure 4: Annual Consumption (Depreciation Expense) by Asset Class as of 30 June 2022 - \$000s



Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

Table 5: Condition of Assets as of 30 June 2022

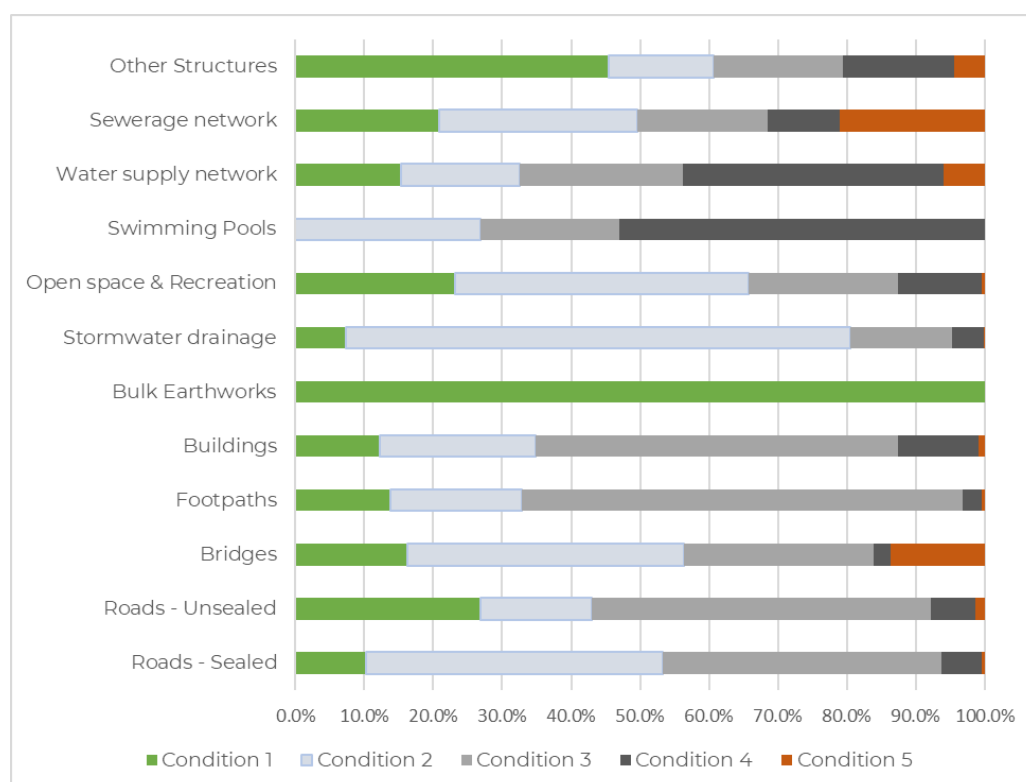
Asset Class	Assets in Condition as a Percentage of Gross Replacement Cost (%)				
	1	2	3	4	5
Roads - Sealed	10.3%	43.0%	40.4%	5.8%	0.5%
Roads - Unsealed	26.9%	16.1%	49.2%	6.4%	1.4%
Bridges	16.3%	40.1%	27.5%	2.4%	13.7%
Footpaths	13.8%	19.0%	64.0%	2.8%	0.4%
Buildings	12.3%	22.5%	52.6%	11.7%	0.9%
Bulk Earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Stormwater drainage	7.4%	73.1%	14.7%	4.7%	0.1%
Open space & Recreation	23.1%	42.7%	21.6%	12.2%	0.4%
Swimming Pools	0.0%	26.8%	20.2%	53.0%	0.0%
Water supply network	15.4%	17.1%	23.7%	37.9%	5.9%
Sewerage network	20.8%	28.8%	18.9%	10.5%	21.0%
Other Structures	45.5%	15.1%	18.8%	16.1%	4.5%
Total	36.9%	21.3%	26.3%	11.1%	4.5%

Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

Note - Condition assessment as per Integrated Planning and Reporting (IP&R) description

- 1 Excellent/very good - no work required (normal maintenance)
- 2 Good - only minor maintenance work required
- 3 Satisfactory - maintenance work required
- 4 Poor - renewal required
- 5 Very poor - urgent renewal/upgrading required

Figure 5: Condition of Assets as of 30 June 2022



Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

5. LEADERSHIP AND GOVERNANCE STRATEGIES

The ISO55000 standards state that leadership and commitment from all managerial levels is essential for successfully establishing, operating and improving asset management within the organisation. A key point is that the standards require leadership, rather than management, and that requires more than a dedicated team or function that focuses on the asset-management system.

SMRC acknowledges that to achieve a significant change in the asset management practices to meet the objectives and outcomes outlined in this strategy will require the Councillors and the Executive Management Team to lead the change.

Good leadership of asset management at SMRC is characterised by:

- Demonstrating a commitment to asset management
- Ensuring resources are available and sufficient
- Communicating and emphasising the importance of asset management
- Promoting cross-functional collaboration
- Supporting and guiding persons to contribute
- Promoting continual improvement

To enable the leadership, governance structures are required to be established to reinforce and enable embedding decision making and management practices that align to this strategy.

The strategic outcomes that are targeted through the implementation of this strategy are outlined in Table 6 and include the following functions:

- Integrated Planning Framework
- Asset Management Policy and Strategy
- Service Planning
- Asset Management Advisory Group
- Decision Making
- Culture
- Resource Allocation
- Performance Framework

Table 6: Summary of the Leadership and Governance Strategy Outcomes – by LTFP Scenario

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Integrated Planning Framework	<ul style="list-style-type: none"> The Council and Executive Leadership Team continuously review and maintain integrated Resourcing Strategies to delivery upon the Strategic Community Plan and the Delivery Program. The Chief Strategy Officer is responsible for facilitating reviews and seeking Council adoption at least annually. 		
Asset Management Policy and Strategy	<ul style="list-style-type: none"> Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. The Policy and Strategy clearly outline asset management objectives for the leadership and governance, asset management system and management of asset portfolios. 		
Service Planning	<ul style="list-style-type: none"> Service planning is a core component of the integrated planning framework. Council's decision on range and levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets. 		
	<ul style="list-style-type: none"> Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service. 	<ul style="list-style-type: none"> Decision will need to be made on temporary reduction in range and/or levels of service until sufficient funding is available. 	<ul style="list-style-type: none"> Decisions will need to be made on reduction in range and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.
Asset Management Advisory Group	<ul style="list-style-type: none"> The formation of an Asset Management Advisory Group chaired by the Chief Executive Officer and supported by the Chief Strategy Officer to establish coordination, accountability, collaboration and strategic thinking to the implementation and benefit realisation of the Asset Management Strategy. The Advisory Group will also provide regular reports to the Council on asset management performance and the realisation of the strategic objectives. 		
Decision Making	<ul style="list-style-type: none"> The decisions made by the Council and management as consistent with the Asset Management Policy, Asset Management Strategy and the adopted scenario outlined in the Long Term Financial Plan. Decisions are well informed by advice from management and the Asset Management Advisory Group. The Council may seek formal advice from the Asset Management Advisory Group prior to making decisions. 		
Culture	<ul style="list-style-type: none"> Implementation of the Workforce Management Strategy (especially the actions and values lead by the Council and management) supports the development of a workplace culture that shapes the best practice in management of assets. 		
Resource Allocation	<ul style="list-style-type: none"> Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service. 	<ul style="list-style-type: none"> Resources are temporarily constrained resulting in prioritisation 	<ul style="list-style-type: none"> Resources are constrained and allocated to address priorities and criticality of assets.
Performance Framework	<ul style="list-style-type: none"> Council and management are provided with regular reporting on performance against established objectives and performance targets. 		

6. ASSET MANAGEMENT SYSTEM STRATEGIES

The ISO 55001 International Standard sets out the requirements for establishing, establishing, maintaining, and improving an asset management system. The Standard is designed to enable an organisation to align and integrate its asset management systems with the strategic objectives and to support and enable management of the assets.

The asset management system includes:

- Asset management information system/s
- Management and decision-support tools and reporting
- Centralised processes and practices facilitated or completed by the corporate asset management team.
- Provision of tools and systems to asset managers to enable completion of asset management tasks.
- Training and development to enhance the capability and capacity of asset management roles and responsibilities.

The strategic outcomes that are targeted through the implementation of this strategy are outlined below in Table 7 and include the following functions:

- Asset Management Information System (AMIS)
- GIS Mapping
- Asset Management Team
- Asset Management Plans
- Asset Valuations
- Training and Development

Table 7: Summary of the Asset Management System Strategy Outcomes – by LTFP Scenario

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Asset Management Information System (AMIS)	<ul style="list-style-type: none"> Through liaison with the system provider, Council has an optimal configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting. 	<ul style="list-style-type: none"> Additional GIS Officer enables AMIS to be integrated with the GIS system, with GIS established as the single point of truth. Recognition of assets and establishment of asset "shell" within AMIS created through GIS. Regular review of the AMIS to ensure the asset register reconciles with the GIS. 	<ul style="list-style-type: none"> AMIS is maintained as single point of truth with regular updates to GIS. Resources within the GIS team are constrained limiting the benefits of integrating GIS and AMIS.
GIS Mapping	<ul style="list-style-type: none"> Additional GIS Officer enhances the capacity of the organisation to benefit further from mapping and spatial recognition of assets, including establishing the GIS as a single-point-of-truth for assets. Enhances Council's capacity to plan, report and communicate with the community using mapping. 		<ul style="list-style-type: none"> Limited enhancements to the GIS capacity to improve the mapping recognition of assets.
Asset Management Team	<ul style="list-style-type: none"> Enhanced leadership, support and provision of training and development to develop expertise within the asset management team, enabling the team to provide better advice, reporting and support to decision making and the management of the asset portfolios. 		
Asset Management Plans	<ul style="list-style-type: none"> Asset Management Plan for each asset portfolio is enhanced with better planning and scheduling of inspections, operations, maintenance and renewal/replacement within the funding constraints. 		
Asset Valuations	<ul style="list-style-type: none"> Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets. Financial reporting of assets in the Annual Financial Reports, including the Schedules, more accurately reflects the actual condition, as well as estimates for the required maintenance expenditure and cost to restore assets to acceptable service level. 		
Training and Development	<ul style="list-style-type: none"> Through the provision of training and development (as outlined in the Workforce Management Strategy), the Councillors, management and officers are provided with adequate knowledge, skills and tools to undertake roles and responsibilities and to realise the desired outcomes outlined in this Strategy. 		

7. ASSET PORTFOLIO STRATEGIES

Asset managers across Council are responsible for managing assets throughout the lifecycle of the asset, including the acquisition, operations, maintenance, renewal/replacement and disposal at end of life. While leadership and governance provide high level objectives, and the asset management system provides tools and support, managing the asset portfolio requires expertise in understanding and managing the asset portfolio.

Adopting an asset lifecycle management approach is considered by SMRC as a key strategy to improving the way each asset portfolio is managed and controlling the lifecycle costs of an asset. By adopting a whole-of-life view rather than making decisions based on the current lifecycle phase, or relying upon responding reactively to asset failures, managers of asset portfolios can balance operating versus capital expenditure and maintenance versus renewal/replacement decisions.

Asset reliability and performance are key outcomes that SMRC seeks to improve through asset lifecycle management. Reliability and performance of an asset is directly affected by the asset management approach, in particular the initial procurement or construction and ongoing maintenance of assets.

The strategic outcomes desired through improve management of the asset portfolios is outlined in Table 8 and includes:

- Understanding the Assets
- Asset Inspections
- Planning
- Acquisition
- Operations
- Maintenance
- Renewal/Replacement

Table 8: Summary of the Asset Management Strategy Outcomes – by LTFP Scenario

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Understanding the Assets	<ul style="list-style-type: none"> Councillors, management and officers have a good understanding of the current assets, including access to the following accurate information about assets – condition, capacity, functionality, hierarchy, criticality, common asset failure causes, asset risk, future demand, lifecycle deterioration. 		
Asset Inspections	<ul style="list-style-type: none"> Condition and maintenance inspections are planned and scheduled to ensure the AMIS maintains an accurate record of asset condition, capacity and functionality. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects. 		
Planning	<ul style="list-style-type: none"> Asset managers maintain current Asset Management Plan that plans to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved information held within the AMIS and GIS. Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled/30% reactive works. 		
Acquisition	<ul style="list-style-type: none"> Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Adequate lead time is provided for the acquisition of assets (new, renewal/replacement or upgrades) through the integrated planning, including adequate funding identified in the LTFP. Decision gateways within the Project Management Framework ensures acquisition of assets (including construction) does not progress unless funding and other considerations are acceptable to proceed. 		
Operations	<ul style="list-style-type: none"> Enhanced operations due to less emphasis upon inspection and mitigation of risks associated with deteriorating assets. 	<ul style="list-style-type: none"> In the short term, higher emphasis upon inspection and mitigation of risk of deteriorated assets while funding is increased in a staged approach. 	<ul style="list-style-type: none"> Due to lack of funding, a higher emphasis will need to be placed upon risk mitigation and higher frequency of inspections for early detection of asset failure (especially critical assets). Operations on deteriorating assets likely to result in higher operating costs and breaks in services due to asset failures.
Maintenance	<ul style="list-style-type: none"> Maintenance is adequate to maintain assets at an acceptable level of service. 	<ul style="list-style-type: none"> Maintenance is constrained in the short term while additional funding is gradually realised. Unsealed road maintenance is significantly reduced in the short term. 	<ul style="list-style-type: none"> Maintenance is significantly constrained, resulting in further deterioration of assets requiring earlier intervention to renew or replace assets. Unsealed road maintenance is significantly reduced with a half of the kilometres able to be graded.
Renewal/Replacement	<ul style="list-style-type: none"> Assets will be renewed or replaced according to the planned useful life of assets. \$113 million will be invested on roads over 10 years. 	<ul style="list-style-type: none"> Scenario Two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary 	<ul style="list-style-type: none"> Renewals and replacement of assets is significantly constrained. \$73 million will be invested on roads over 10 years (\$40.4 million less than Scenario One). This

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
		<p>treatments outlined above will be able to be fully funded.</p> <ul style="list-style-type: none"> • \$109 million will be invested on roads over 10 years. • Scenario Two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets. 	<p>is not a sustainable approach to maintaining assets.</p> <ul style="list-style-type: none"> • Only 24km of unsealed roads to be resheeted a year. • Reseal program limited to a reseal every 25 years (or 30km a year). • Heavy patching limited to 4,300m² per year. • Council will rely almost entirely on grants to replace bridges. • Renewal of building assets reduced by \$450,000 per year compared to Scenario One.
Disposal	<ul style="list-style-type: none"> • No asset disposal is required. 	<ul style="list-style-type: none"> • No asset disposal is required. 	<ul style="list-style-type: none"> • Asset rationalisation will need to be considered to reduce the funding burden on asset maintenance and renewals and to mitigate the risk of assets that will deteriorate to an unacceptable condition.

7.1 Overview of Roads

- Roads include the pavement, pavement seal, channels, culverts, landscape in road corridor and road sections outside the fog line within urban areas for the State controlled roads. The following hierarchy is used for the identification and planning of sealed roads:
 - Regional
 - Collector
 - Local
 - Minor Access

Condition and Performance

- The condition of the road network has been significantly impacted by recent weather events. While the Draft Annual Financial Statements indicates as of 30 June 2022 only 6.3% of the sealed road and 7.8% of unsealed network required renewal, the condition of the assets held within the asset register is highly unlikely to reflect the roads due to recent damage from weather events.
- Council is currently undertaking inspection of all damaged roads.
- Prior to recent events, a condition inspection was completed in 2019 which indicated that the collector, local and minor access sealed roads were in a fair condition, however regional roads were deteriorating and required additional maintenance/renewal. The inspection indicated that the unsealed road network was in a poorer condition with deterioration of the gravel on the roads and deformation of the pavements across the network.
- Use of heavy vehicles on Council controlled roads is accelerating the deterioration of the roads (roads were not designed or constructed for the current level of use by heavy vehicles).
- High percentage of the unsealed road in performing under desired level of service due to insufficient maintenance in recent years. Drainage infrastructure across the unsealed network is also insufficient to meet tolerances during weather events.
- Prior to the recent damage to the sealed road network, a majority of the sealed road network was performing reasonably well. Access is provided to all major points of interest and no additional roads have been identified to improve travel access.
- Performance of drainage is a concern with poor performing drainage resulting in early deterioration of the pavement.
- Some intersection upgrades have been identified for widening to assist with increased traffic volume.

Critical Assets

- Risk determines the criticality of the assets, in particular danger to life and injury from damaged roads.
- Currently the hierarchy is not defined to determine inspection frequency and treatment frequency based on criticality.

Key Strategic Issues

- Condition inspections are not programmed – currently undertaken as required.
- All but grading is currently reactive, including heavy patching (up to 20m² is considered maintenance), pothole repairs, crack sealing, edge break repair,

line remarking, drainage reinstatements, vegetation removal, signage repairs and furniture replacement.

- Recent required works on flood damaged roads has resulted in a discontinuation of annual maintenance programs.
- The grading program aims to complete 1,000km to 1,200km per year to ensure each road is graded at least once every two years (except for roads considered to be “as required”). This requires approximately \$1.8-\$2.16million in funding each year.
- Reseal program aims to renew the pavement seal on 1/15th or 62km of the network every year. At a cost rate of \$5.50/m² this would require annual funding of approximately \$2.046 million.
- For unsealed roads gravel resheeting is planned based gravel loss due to traffic volumes which equate to approximately 91.8km of road resheeted each year requiring annual funding of \$3.443 million:
- Heavy patching of areas less than 20m² are considered maintenance. Heavy patching of areas greater than 20m² is planned to be undertaken each year totaling 14,482m² of heavy patching each year at an annual cost of \$868,940.
- Further work is required to assess the criticality of roads to inform asset planning and inspection programs.
- Development of a pavement management system is required to inform the asset management planning for roads.

Table 9: Comparison of Capital Works for Road Assets by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Roads	116,269,218	106,900,738	72,751,982
TOTAL	116,269,218	106,900,738	72,751,982

Source – Long Term Financial Plan

Strategic Options

- Scenario One will enable \$113 million to be invested in road assets across the 10-year LTFP period, meeting the treatment objectives outlined above.
- Scenario Two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary treatments outlined above will be able to be fully funded.
- Scenario Two will result in deterioration of the roads in the short term, with a higher risk of further damage to roads due to insufficient protection of the pavements. The risk includes unplanned (and unfunded) rehabilitation required to address the damage caused to pavements that would more likely be prevented with the additional funding in Scenario One.
- Funding provided in Scenario Three in the LTFP is insufficient to meet the asset interventions identified above. Scenario Three provides \$40.4million less to capital works on road assets over the 10-year LTFP.
- With the funding restriction of Scenario Three, only 24km of unsealed roads would be resheeted each year, 30km of road would be resealed and approximately 4,300m² of heavy patching.
- To manage risk and public safety, under Scenario Three Council would need to consider closing roads and limiting access to heavy vehicles on the local road network.
- Prepare a pavement management system designed specifically for the roads within the Council region, including an optimal approach to maintenance and renewal of the road assets.

7.2 Overview of Bridges

- The Council has 155 bridges in total, ranging from footbridges, timber bridges and composite bridges of timber and steel. The age of the bridges ranges from 1937 – 2022.
- There are another eight bridges that are Transport for NSW bridge assets within the SMRC transport network.
- There are 34 bridges with load limits ranging from 3.9 tonnes (T) through to 98T. Currently, there are two bridges closed and not open to traffic with detours in place. All bridges have been subject to bridge inspections commencing in 2016 and, more recently, further engineering inspections have been undertaken throughout 2021. The Council is continuing to undertake a visual condition assessment and prepare maintenance schedules for the bridge assets.

Condition and Performance

- Approximately 23% of bridges are in a very poor condition, with a number of those bridges being timber bridges. There are 4% of bridges noted as being in poor condition, 21% in fair condition, 33% in good condition and 19% at very good condition.
- There are some aged bridges that are performing poorly, particularly when impacted by extreme weather events.
- Grant funding opportunities have been used to replace bridges prior to failure.

Critical Assets

- Bridges on transport networks resulting in emergency services vehicles not being able to respond through either load limit or closure
- Bridges on transport networks not allowing for business continuity, such as limiting access for maintenance and/or repair

Key Strategic Issues

- Strategically planned population growth areas already identified within the SMRC Draft Settlements Strategy and SMRC Draft Rural Land Use Strategy due to commence public exhibition in late 2022
- Capacity is limited by load limits on some bridges
- Understanding and adapting to the economic growth of the region; particularly in relation to forestry, agriculture and tourism being the main economic drivers. Employment lands study has been undertaken for the SMRC region to assist in informing transport route requirements.
- New draft South East and Tablelands Regional Transport Plan prepared by the NSW state government is imminent, and will assist in informing future transport infrastructure needs across the region
- Public safety is a major risk that is being mitigated through weight limits and bridge closures.
- School bus routes being compromised through bridge closures and having to use detours
- Business continuity due to bridge closures and detour routes
- Economic impacts through bridge closures and load limits (logging trucks, stock trucks having to use detours impacting supply chains)

Table 10: Comparison of Capital Works for Bridge Assets by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Bridges	17,675,613	17,675,613	13,675,613
TOTAL	17,675,613	17,675,613	13,675,613

Source – Long Term Financial Plan

Strategic Options

- Focus has been on replacing timber bridges with very poor condition, high maintenance, high traffic, load limits and longest detour routes as a criteria for renewal. Through Transport for NSW Fixing Country Bridges Program, the Council has successfully replaced two timber bridges in 2022 with a further five receiving funding in July 2022 to be replaced over the next two years.
- Timber bridges are being replaced with composite concrete and steel bridges utilising the InQuik modular component system. The Council has identified a further ten high priority timber bridges for replacement, to seek further grant funding opportunities when available.
- Scenario One and Scenario Two provide sufficient cash to enable the Council to apply for one 50/50 grant funded bridge replacement a year (total estimated cost of \$1m per year).
- Scenario Three does not provide sufficient funding to enable Council to contribute funding towards bridge replacement, relying upon external grant funding (assumed to be \$500,000 each year). Scenario Three is not a sustainable approach to funding the renewal of the remaining substantial number of bridges in the very poor condition rating.
-

7.3 Overview of Buildings

- Responsibility for building assets is currently decentralised to the following business units:
 - Built and Natural Environment – cemeteries
 - Community Services - community halls, aquatic centre facilities, residential care facilities, libraries, truck wash, saleyards, caravan parks, Youth Hub, showgrounds, parks, recreational facilities and sportsgrounds.
 - Infrastructure – administration buildings, depots and rental properties
 - Resource and Waste – waste facilities
 - Water and Wastewater – facilities across the water and sewer networks

Condition and Performance

- A majority of the specialised and non-specialised buildings across the region are in an acceptable condition (52.6%), with 12.6% in a poor or very poor condition and requiring renewal. The Council has estimated \$8.126m is required to bring the assets to an acceptable condition.
- While nearly all current building assets are providing an acceptable level of service, to maintain acceptable performance of the assets a high level of reactive maintenance is necessary.
- Most operational facilities are ageing, and the design and functionality of the buildings do not support best practice and operational costs are inefficient.

Critical Assets

- Administration centres and operational facilities at depots
- Facilities identified for use in emergency management or as an evacuation centre
- High use community facilities
- Aged care facilities
- Other operational facilities necessary for continuation of essential services

Key Strategic Issues

- Condition inspections are not programmed and almost entirely reactive to a failure or a reported issue with an asset
- No centralised procurement and need to revise the contractor list.
- Maintenance is almost entirely reactive
- There is little integration between the operational management of buildings and the asset register
- Asset management systems are not used by the facility managers – work tickets are not raised and little or no history of maintenance recorded.
- Skilled and experienced property staff within the current teams not being used to the potential that the staff could be providing.

Strategic Options

- Scenario One will enable \$1,800,000 to be allocated to the renewal of buildings each year, which is sufficient to address in a prioritised order all building assets across the region. However, this may still result in some less critical assets being closed in the short term while other more critical assets are being renewed – this is less likely than in Scenario Three.
- Scenario Two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets with a higher risk of less crucial assets being closed due to poor condition until the additional funding can be allocated.
- Scenario Three in the LTFP will result in further deterioration of building assets.
- Scenario Three will enable \$950,000 to be allocated each year to the renewal of critical assets. Assets not considered to be critical will continue to deteriorate and will require closure once the risk of the assets is considered unacceptable.
- Complete a detailed condition inspection of all facilities, including identification of defects, compliance matters and assessment of current condition of building components.
- Develop a Building Maintenance Plan as a component within the Buildings Asset Management Plan and resource sufficiently to transition from current almost completely reactive maintenance practices to 70% planned/30% reactive maintenance.
- Develop a centralised role and responsibility (eg. Property Coordinator/ Maintenance) for management of the buildings asset class providing expertise in the planning, operations and maintenance of building assets – including restructure of current property maintenance roles under the new centralised role
- Explore opportunities to rationalise the current facilities to reduce the maintenance and renewal demand.

Table 11: Comparison of Capital Works for Building Assets by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Buildings Non-specialised	27,044,880	24,044,880	10,844,880
Buildings Specialised	27,550,970	27,550,970	28,100,970
TOTAL	54,595,850	51,595,850	38,945,850

Source – Long Term Financial Plan

7.4 Overview of Stormwater

- There is limited information on the stormwater network and the degree to which this information had been captured or its accuracy varies across the region.
- 4.2km of stormwater culvert (open drains) are registered within the assets along with 76.2km of stormwater pipe attached to 421 culverts.

Condition and Performance

- The majority of assets are showing in an acceptable condition (95.2%) with 4.8% noted as being in poor or very poor condition. The Council has estimated \$8.126m is required to bring the assets to an acceptable condition.
- While nearly all current assets are providing an acceptable level of service these are assets where the condition can change rapidly as deterioration is generally not visible and the condition assessment does not include invasive testing of the concrete structures.

Critical Assets

- Pipes under roads with large diameters.

Key Strategic Issues

- Lack of information on the entire network.
- Condition inspections are not programmed and almost entirely reactive to a failure or a reported issue with an asset
- Maintenance is almost entirely reactive
- There is little integration between the operational management of the stormwater network and the asset register

Strategic Options

- While Scenario One allocates \$300,000 in funding to renewal of stormwater assets, with additional funding is available in the rural and urban roads operating funds to maintain the existing assets.
 However, this may still result in some less critical assets being closed in the short term while other more critical assets are being renewed – this is less likely than in Scenario Three.
- Scenario Two allocates \$300,000 in funding to renewal of stormwater assets. Funding for maintenance will be limited in the first five years of the LTFP. There is a higher risk of less crucial assets being closed due to poor condition until the additional funding can be allocated.
- Scenario Three in the LTFP will result in further deterioration of stormwater assets.

- Scenario Three will enable nil funds to be allocated each year to the renewal of stormwater assets. Funding available to maintain existing drainage assets is insufficient. Assets will continue to deteriorate and will require removal once the risk of the assets is considered unacceptable.
- Capture all assets managed by the council within the asset register.
- Complete an invasive condition inspection of critical stormwater pipes, including identification of defects, compliance matters and assessment of current condition of building components.

Table 12: Comparison of Capital Works for Stormwater Assets by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Stormwater Channels	300,000	300,000	0
TOTAL	300,000	300,000	0

Source – Long Term Financial Plan

7.5 Overview of Other Open Space Recreation and Other Structures

- Assets included in the portfolio include park embellishments, recreational and sporting facilities, showgrounds, streetscape, public amenities, trails and paths, shelters, playgrounds, lights, racecourse, irrigation systems, aerodrome, monuments and memorials.
- Levels of service reasonably consistent across the region, although the condition of assets differ across the region. Irrigation systems vary significantly across the region.
- Recent investments in safety lighting and transitioning to solar lighting.
- Currently each township is serviced individually, rather than with the provision of regional facilities.
- New installations, such as boat ramps, rest stops and main street refurbishments have recently been completed.
- The Recreation Strategy is being developed to establish forward vision, including hierarchy of services provided.

Condition and Performance

- The majority of the assets are ageing. Showgrounds (in particular Nimmitabel and Dalgety) are in poor condition, amenities require renewal (in particular at Cooma showgrounds currently closed and Nimmatabel showgrounds).
- Some parks and playground embellishments do not meet standards.
- Some of the infrastructure assets in Jindabyne are under the dam's full water supply level (some of the issues are being addressed through the SAP).
- Most of the tennis courts are managed by sporting organisations, however the majority are in poor condition.
- Some facilities that are under s355 Committees are in poor condition and communities are requesting maintenance or renewal of the facilities.
- Maintenance of the current trails is undertaken by volunteers. The Council is seeking agreement with volunteers that maintain the trails to provide additional funding for increased maintenance. The Council is seeking enhanced oversight of the maintenance undertaken.
- Public lighting, both public safety and sporting grounds, is ageing and requires upgrading to LED across the region.

- Access roads into public recreational sites are in poor condition.
- Across the Council there has been significant investment in the past 5-6 years to the playgrounds and park embellishments.
- Cooma Showground provides a high level of service. Jindabyne Sportsground is heavily used and performing well, as is Bombala Bicentennial Park,
- Parks and reserves are difficult to maintain with recent weather events with high demand on mowing. Drainage in parks is not performing well, resulting in inundation, pooling and wet areas that cannot be maintained.
- There is some conflict in uses, for example cricket and football on the same facilities. Some fields have “drop-in” cricket pitches that require attention to maintain. Lighting provided for some sporting fields is insufficient and in aged condition.
- Irrigation systems are performing poorly across the region and require replacement.

Critical Assets

- High use assets – sporting grounds, major parks, mountain bike trails
- Sites used for emergency response – Cooma Showgrounds, Jindabyne John Connors Oval, Cooma Rotary Oval, Bombala Exhibition Showground and aerodrome.
- Monuments and memorials

Key Strategic Issues

- There is only one dog park provided – currently in Cooma. There are also a range of off-leash areas. There is a high level of expectation that more dog parks will be provided.
- Jindabyne Sportsground currently experiences high level of use (including conflicting uses)
- High View Park (Jindabyne) requires upgrade to meet growing demand
- Management of public safety risks is important – including playgrounds, walking bridges, trails, trees in public space, concrete pathways, fencing, lighting of public spaces
- Vandalism of amenities is high
- Sporting facilities play surface areas is a high demand for continued maintenance, including sufficient irrigation for sporting facilities
- There is a high financial risk due to asset failure with insufficient reserves to fund asset replacement
- Playground inspections are the highest priority, with scheduled assessments established. Inspections of other built assets are currently not programmed.
- Tree assessment is programmed and inspected, and tree maintenance scheduled
- Maintenance on playgrounds and other built structures is predominantly reactive.

Strategic Options

- All three scenarios indicate a high level of investment in Other Open Space Recreation – this is due to a large \$21 million investment (mostly grant funded) in 2022/23 and 2023/24 in projects – such as \$10.5m Lake Jindabyne Shared Trail, Strengthening Communities Safer Places, pool upgrades and

skate park upgrades.

- From 2025/26 funding significantly reduces in Scenario One to \$275,000 per year for Other Open Space Recreation and \$100,000 per year for Other Structures. While this is an increase in the historical funding from the Council's general revenue, this will require well planned and prioritised renewals to ensure the assets and levels of service are maintained.
- Under Scenario Two there is no funding for Other Open Space Recreation renewals until the 2027/28 financial year. This will result in a higher risk of asset deterioration resulting in withdrawal of assets from service until the funding is provided in later years to renew or replace deteriorated assets.
- Under Scenario Three Funding for Other Structures reduces to \$50,000 per year. This will result in a deterioration of assets, most likely requiring the rationalisation of less critical assets and a reduction in levels of service in the medium to long term.

Table 12: Comparison of Capital Works for Open Space Recreation and Other Structure Assets by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Other Open Space Recreation	23,450,912	22,350,912	23,675,912
Other Structures	1,769,423	1,569,423	1,319,423
TOTAL	25,220,335	23,920,335	24,995,335

Source – Long Term Financial Plan

7.6 Overview of Water Supply Network

- Water supply is currently through three water treatment plants in Cooma, Bombala and Dalgety. Other areas are supplied by raw water pumping stations.
- Construction of the water treatment plant (WTP) in Cooma underwent a major upgrade in the 1970s and another upgrade of mechanical and electrical components in 1995.

Bombala WTP was constructed in the 1960s with a minor upgrade in 2018. Dalgety is a small membrane package plant installed in 2006. The age of a majority of the distribution network reflects the age of the treatment plants.
- Water filtration plant is scheduled to be constructed in Jindabyne contributed by the State Government through SAP development.
- Replacement of the Bombala WTP is scheduled in 2022/24 to upgrade the treatment and capacity.
- A new WTP is scheduled for Delegate in 2022/24 to improve water supply to Delegate.
- Raw water supply and rising mains related to both Bombala and Delegate will be upgraded with the completion of the upgrades of WTP in Bombala and Delegate.

Condition and Performance

- Condition of assets generally reflect the age of the network and the history of renewals.
- Network is ageing, in particular in areas that have not had component upgrades – in particular Adaminaby, East Jindabyne, Jindabyne, Kalkite and Nimmitabel.

- Reservoirs are generally in fair condition with external contractors undertaking scheduled conditional assessments.
- Snowy Reservoir in central west Cooma failed in 2020 and is planned to be rebuilt in 2024.
- Main bursts and failures in the pipelines in Bombala are indicative of poor condition of pipes.
- The section of Cooma mains have also been a focus in recently years to address pipes in poor condition.
- Telemetry equipment is operational, however, at end of life and not adequately supported.
- Quality of water in Jindabyne is greatest concern with lack of ability to treat the raw water during we weather events – this will be addressed through the planned new WTP through the SAP.
- Water supply through damaged mains to Eucumbene is a concern, in particular sufficient pressure for firefighting, being addressed in future years capital works.
- Level of treatment in general is low where there is no WTP, relying upon quality of the raw water supply and limited treatment (mostly filtration and chemical treatment).
- Security of raw water is a concern in Cooma and Bombala, based on periods of drought and raw water storage in the towns.

Critical Assets

- Treatment plants
- Raw water pumps
- Reservoirs
- Rising main (Cooma to Reservoirs)
- Telemetry

Key Strategic Issues

- The capacity of supply to Berridale is constrained mainly due to storage in reservoirs which will soon limit further development in the supply area. The supply line is through a 150mm gravity fed line. Hydraulic modelling has been completed highlighting the supply constraints to Berridale.
- Supply to Kalkite also constrains development, due to ability to maintain reservoir levels. Requires a duplication of a dedicated supply line to the reservoir.
- Boiled water alerts in Jindabyne are a reputational and health threat to the community, plus an issue for a growing tourism industry and increasing visitor numbers – this is being addressed through the SAP development
- Continuity of water supply is a concern, mainly due to lack of contingency in the network, and vulnerability to asset failures (eg. electrical failure to treatment pumps).
- Availability of funding in reserves is a concern given the need to upgrade and address the backlog in renewals. The Council has completed preliminary demand plans for capital works renewal and upgrades. Funding availability is a major constraint to programming the capital works demand into the LTFFP and Annual Budget.
- Until recently, condition inspection of all infrastructure was outsourced. Recently, some inspections have been brought inhouse, with continued

reliance on outsourced inspectors (e.g. structural engineers, specialist technologies).

- Focus on scheduled maintenance is on treatment and pumps, with documented programs.
- Routine flushing is undertaken to address quality of water issues.
- High reliance currently on reactive maintenance, reflecting the age of the assets.
- Critical spares are maintained in stores as contingency for asset failure.
- Levels of service are documented in the Operational Plan for response time for customer requests, water quality and asset failures.

Strategic Options

- All three scenarios in the LTFP provide the same level of investment in the capital works program for the water supply network assets. Funding for water supply services does not differ across the three scenarios.
- Council may need to consider debt funding the upgrades and renewals of assets that are causing the issues above to address the risk in the short term. This will require a revision of water pricing to enable the borrowings to be serviced through increased revenue.

Table 13: Comparison of Capital Works for Water Supply Network by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Water supply network	59,887,700	59,887,700	59,887,700
TOTAL	59,887,700	59,887,700	59,887,700

Source – Long Term Financial Plan

7.7 Overview of Sewer Network

- There are eight STPs – Cooma, Nimmitabel, Adaminaby, Bombala, Delegate, Jindabyne, Kalkite and Berridale.
- The oldest plants are in Adaminaby and Nimmitabel – constructed in the 1960s. A new STP was constructed in Bombala in 2021. Berridale WTP upgrade is approximately 15 years old (and currently under capacity). Remaining plants were constructed in the 1970s. Upgrades were completed in Cooma in the 1990s.
- Jindabyne STP is under capacity, with a planned upgrade STP through the SAP in 2023/5.
- Kalkite STP is currently being scoped for an upgrade to address future growth demand and to improve the treatment of wastewater.
- There has been a focus in recent years on refurbishment or replacement of pump stations. Other pump station refurbishments or replacement are planned in the next 2-3 years to address critical pump stations.
- Rising main in Cooma is being investigated for replacement (1.6km of mains or approx.)

Condition and Performance

- Treatment plants are generally well maintained and in fair to good condition.
- Pump stations in Jindabyne are ageing and are a concern.
- High level of electrical faults, mainly in East Jindabyne.
- Telemetry is at end of life and has limited support.
- Wet weather flow events have occurred and exceedances in outflows have occurred due to weather events.
- Reported incidents are addressed acceptably (eg. spills due to breakages) and chokes have occurred with rectification without replacement of pipe.

- Sewer networks are generally performing at an acceptable level.
- Recent and planned upgrades of aged treatment facilities will result in continued improved performance.

Critical Assets

- Treatment plants
- Pump stations
- Telemetry

Key Strategic Issues

- Berridale, Jindabyne and Kalkite experiencing growth. Jindabyne STP is being upgraded through the SAP. Berridale is being investigated for options.
- Environmental threat is the key risk, in particular the performance of pump stations surrounding Jindabyne and potential for burst of rising mains.
- There is an established CCTV inspection program for sewer mains, with the relining program following the inspection in the smaller towns. Larger towns (being Cooma and Jindabyne) still require CCTV to be completed.
- Condition inspections are mostly outsourced, with routine inspections completed on pump stations.
- Maintenance on critical assets (treatment plants and pump stations) generally completed through programmed works.
- Manholes requires additional attention and funding with a large number of manholes at Condition 4 or worse (requiring renewal).
- High reliance currently on reactive maintenance, reflecting the age of the assets.
- Pump stations faults are occurring at a high frequency.
- Critical spares are maintained in stores as contingency for asset failure.
- Levels of service are documented in the Operational Plan for response time for reactive maintenance and addressing customer request.
- Availability of funding in reserves is a concern given the need to upgrade and address backlog in renewals. Council has completed preliminary demand plans for capital works renewal and upgrades. Funding availability is a major constraint to programming the capital works demand into the LTFP and Annual Budget.

Strategic Options

- All three scenarios in the LTFP provide the same level of investment in the capital works program for the water supply network assets. Funding for water supply services does not differ across the three scenarios.
- Council may need to consider debt funding the upgrades and renewals of assets that are causing the issues above to address the risk in the short term. This will require a revision of sewer pricing to enable the borrowings to be serviced through increased revenue.

Table 14: Comparison of Capital Works for Water Supply Network by LTFP Scenario

Asset Class	Scenario One	Scenario Two	Scenario Three
Sewer network	61,631,207	61,631,207	61,631,207
TOTAL	61,631,207	61,631,207	61,631,207

Source – Long Term Financial Plan

8. CAPITAL WORKS PLAN SCENARIOS

Table 15: Comparison of Capital Works by LTFP Scenario

Service	Scenario One	Scenario Two	Scenario Three
Planned Capital Works			
Bridges	17,675,613	17,675,613	13,675,613
Buildings Non-specialised	27,044,880	24,044,880	10,844,880
Buildings Specialised	27,550,970	27,550,970	28,100,970
ICT Replacement	450,000	450,000	450,000
Office Equipment	1,342,685	1,342,685	892,685
Other Open Space Recreation	23,450,912	22,350,912	23,675,912
Other Structures	1,769,423	1,569,423	1,319,423
Plant & Equipment (incl Fleet	35,226,081	35,226,081	35,226,081
Resource and Waste	14,894,542	14,894,542	14,894,542
Roads	113,979,718	105,136,088	72,751,982
Stormwater	3,880,000	3,880,000	1,180,000
Wastewater	61,631,207	61,631,207	61,631,207
Water	59,887,700	59,887,700	59,887,700
TOTAL	388,783,731	375,640,101	324,530,995
Type of Investment			
New	36,674,408	36,674,408	36,674,408
Upgrade	34,093,701	34,093,701	34,093,701
Renewal	318,015,622	304,871,992	253,762,886
Funding			
General Fund - General Revenue	95,163,100	81,019,470	32,160,364
General Fund - Grant Funding	114,153,606	114,153,606	111,903,606
General Fund - Borrowings	4,150,000	5,150,000	5,150,000
General Fund - Reserves	53,798,118	53,798,118	53,798,118
General Fund - Uncompleted works	0	0	0
Water Fund - General Revenue	0	0	0
Water Fund - Reserves	38,137,700	38,137,700	38,137,700
Water Fund - Grant Funding	21,750,000	21,750,000	21,750,000
Sewer Fund - General Revenue	0	0	0
Sewer Fund - Reserves	38,731,207	38,731,207	38,731,207
Sewer Fund - Grant Funding	22,900,000	22,900,000	22,900,000
TOTAL	388,783,731	375,640,101	324,530,995

Source – Long Term Financial Plan

8.1 Scenario One - Capital Works Plan - 2022/23 - 2031/32 (\$)

Table 16: Capital Works Plan – Scenario One

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Planned Capital Works										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	250,000	4,250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,971,338	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	21,768,183	10,441,806	10,441,806	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300000	300000	300000	300000	300000	300000	300000	300000	300000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
TOTAL	110,848,270	61,559,933	37,100,214	25,960,449	21,146,896	28,859,470	24,896,856	25,851,768	33,321,532	19,238,343
Type of Investment										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	48,803,508	34,600,214	25,960,449	21,146,896	28,859,470	24,896,856	25,851,768	33,321,532	19,238,343
Funding										
General Fund - General Revenue	2,407,766	16,823,529	9,483,780	9,485,871	9,488,014	9,490,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	4,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
TOTAL	110,848,270	61,559,933	37,100,214	25,960,449	21,146,896	28,859,470	24,896,856	25,851,768	33,321,532	19,238,343

8.2 Scenario Two - Capital Works Plan - 2022/23 - 2031/32 (\$)

Table 17: Capital Works Plan – Scenario Two

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Planned Capital Works										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	0	5,000,000	0	0	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,696,338	0	0	0	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	19,259,163	7,404,236	7,404,236	5,815,670	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300000	300000	300000	300000	300000	300000	300000	300000	300000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
TOTAL	110,848,270	57,875,913	33,887,644	21,747,879	19,712,426	28,259,470	24,896,856	25,851,768	33,321,532	19,238,343
Type of Investment										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	45,119,488	31,387,644	21,747,879	19,712,426	28,259,470	24,896,856	25,851,768	33,321,532	19,238,343
Funding										
General Fund - General Revenue	2,407,766	13,139,509	5,271,210	5,273,301	8,053,544	8,890,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	5,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
TOTAL	110,848,270	57,875,913	33,887,644	21,747,879	19,712,426	28,259,470	24,896,856	25,851,768	33,321,532	19,238,343

8.3 Scenario Three - Capital Works Plan - 2022/23 - 2031/32 (\$)

Table 18: Capital Works Plan – Scenario Three

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Planned Capital Works										
Bridges	1,800,000	7,875,613	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings Non-specialised	4,094,880	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Buildings Specialised	21,300,970	200,000	2,700,000	2,700,000	200,000	200,000	200,000	200,000	200,000	200,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	82,000	83,640	85,731	87,874	90,071	92,322	94,630	96,996	99,421
Other Open Space Recreation	13,279,574	7,996,338	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Other Structures	869,423	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	11,941,567	6,516,666	6,516,666	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Stormwater	1,180,000	0	0	0	0	0	0	0	0	0
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
TOTAL	110,848,270	49,508,317	28,950,074	21,810,309	14,496,756	22,209,330	18,246,716	19,201,628	26,671,392	12,588,203
Type of Investment										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	36,751,892	26,450,074	21,810,309	14,496,756	22,209,330	18,246,716	19,201,628	26,671,392	12,588,203
Funding										
General Fund - General Revenue	2,407,766	5,021,913	3,083,640	3,085,731	3,087,874	3,090,071	3,092,322	3,094,630	3,096,996	3,099,421
General Fund - Grant Funding	66,922,993	25,659,652	6,773,735	5,534,545	1,086,804	1,081,399	1,308,409	1,275,979	1,200,309	1,059,779
General Fund - Borrowings	150,000	0	2,500,000	2,500,000	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
TOTAL	110,848,270	49,508,317	28,950,074	21,810,309	14,496,756	22,209,330	18,246,716	19,201,628	26,671,392	12,588,203

Source – Long Term Financial Plan

9. CRITICAL ASSETS AND RISK MANAGEMENT

Critical assets are identified in Appendix C.

Risk management strategies currently in place are shown in Table 10.

Table 19: Risk Management Strategies

Critical Asset	Risk	Risk Management Strategies
Water Treatment Plants	Failure of treatment Process through loss of power, contamination in catchments	NSW Health Protocols Drinking Water Management Strategy Access to a generators
Pump Stations (water)	Failure of pumps	Access to a generators Access to backup pumps, duty stand by and emergency pumps
Sewer Treatment Plants	Failure of treatment process through loss of power, contamination	NSW EPA requirements Pollution Incident response Management Plan NSW Health notification and Snowy Hydro if applicable
Pump Stations (sewer)	Failure of pumps	Access to a generators Access to backup pumps, duty stand by and emergency pumps
Bridges	Partial or complete loss of service capacity due to structural or other reasons	Detours and prioritisation of resources to restoring access.
Unsealed roads	Partial or complete loss of service capacity due to weather event	Prioritisation of resources to restoring access.

10. ACTIONS, TIMEFRAMES AND PROJECTED RESOURCES REQUIRED TO IMPROVE ASSET MANAGEMENT CAPABILITY

The tasks required to improve financial and asset management maturity are shown in Table 20.

Table 20: Asset Management Improvement Plan

Ref	Action	Responsibility	Target Date	Resources
1	Review and maintain integrated Resource Strategies, including integration between asset management plans, Asset Management Strategy and the LTFP.	Chief Strategy Officer	Ongoing	N/A
2	Effectively communicate the Council's decisions on policy and strategy throughout the organisation.	General Manager	Ongoing	N/A
3	Establish service planning as central to the integrated planning framework, including community engagement on satisfaction and importance of range and levels of service.	Chief Strategy Officer	Ongoing	N/A
4	Establish the Asset Management Advisory Group and consider an independent observer to assist the formation of the group	General Manager	2023	Internal staff time Meeting fees for external observer
5	Establish an asset performance management framework	Chief Strategy Officer	2023	Internal staff time
6	Review configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting.	Chief Strategy Officer	2023	Internal staff time
7	Establish a training and development program aimed at improving the leadership and management of assets.	Chief Workforce Officer	2023	Internal staff time
8	Review the componentisation and useful life assumptions for the valuation of assets and calculation of depreciation.	Chief Finance Officer	2023	Internal staff time
9	Enhance the maturity of the Asset Management Plans, in particular the understanding of assets, inspections and the lifecycle management approach.	Asset Managers	2023	Internal staff time

Ref	Action	Responsibility	Target Date	Resources
10	Review and improve accuracy and currency of asset registers, annually in preparation for asset valuations.	Asset team	Ongoing	Internal staff time
11	Recording of operating and maintenance costs are recorded	Finance and Operational staff	2024	Internal staff time
12	Develop a process to improve linking of customer requests to asset records	Assets & Operational staff	2024	Internal staff time
13	Identify critical assets in each category and develop plans to manage the associated risk	Operational and Risk Management staff	2024	Internal staff time
14	Develop a process to improve the quality of asset condition data	Assets & Operational staff	Ongoing	Internal staff time
15	Progress the maturity of asset management planning from 'core' to 'advanced' level	Asset team	2026	Internal staff time

11. APPENDICES

Appendix A: Asset Management Maturity Assessment

Following amalgamation in May 2016, Council has focused on consolidation of asset data from the three former systems into a single asset register, with the current Civica Authority system going live on July 1, 2020.

No recent Asset Management Maturity Assessment has been undertaken, but with the current review and update of the suite of asset management documentation, we believe that Council will be at a “core” level of asset management maturity.

A formal Asset Management Maturity Assessment will be undertaken and the result included in the next revision of this document.

Appendix B: Asset Management Policy

Policy

Asset Management

Responsible Portfolio	Strategy Portfolio	Document Register ID	250.2022.[document number].1
Policy owner	Team Leader Asset Management	Review date	Date [document date]
Date of Council Meeting	Date Approved [checklist 25002 10 DD LAST VALUE]	Resolution Number	Number [checklist 25002 11 DD LAST VALUE]
Legislation, Australian Standards, Code of Practice	Local Government Act 1993 Local Government (General) Regulation 2021		
Aim	To ensure agreed service levels can be provided throughout the Snowy Monaro Region.		

1 Objective

To ensure the appropriate assets are in place to meet the agreed service levels and that those assets are managed efficiently and effectively.

2 Policy Statement

- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Council will move towards ensuring asset renewals and maintenance required to efficiently and effectively manage the assets will be fully funded in the annual budget estimates.
- Full lifecycle costs will be reported and considered in all decisions relating to new services and assets as well as the upgrading of existing services and assets.
- Asset valuations will be performed on a regular basis.

3 Principles

- Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices 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 for service delivery.
- Council's assets, including physical assets and employees, will be safeguarded by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

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Revision Date:

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- d) All councillors and employees will take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- e) Transparent and responsible asset management processes that align with demonstrated best practice will be in place.
- f) Asset management will relate directly to the delivery plan and its actions and activities.

4 Responsibility

Councillors are responsible for:

- a) adopting the policy
- b) adopting and asset management strategy
- c) adopting asset management plans for each class of assets and
- d) ensuring that sufficient resources are applied to manage the assets.

The Chief Executive Officer has overall responsibility for:

- a) assisting the councillors in developing an asset management strategy
- b) enacting the actions within the strategies and plans
- c) establishing procedures to guide the asset management process and
- d) reporting the status and effectiveness of asset management within Council.

5 Review Date

This policy is to be reviewed within 12 months of a Council election unless set out otherwise within legislation.

6 Related Documents

This procedure should be read in conjunction with the following documents:

Documentation	
250.2021.24.1	Asset Valuation Procedure
250.2021.22.1	Asset Data Acquisition and Disposal Procedure
250.2016.212.2	Developer Built Assets Procedure

Variation

Council reserves the right to review, vary or revoke this policy.

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Appendix C: Critical Assets

Critical assets currently identified are shown below. This list will be refined and updated in future revisions of this document.

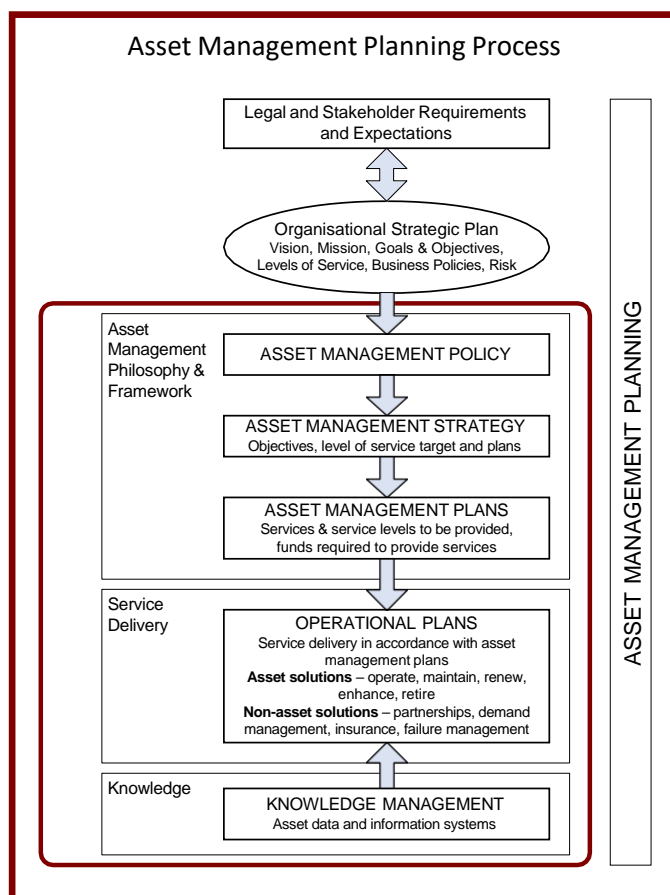
Critical Asset	Failure Mode	Impact
Water Treatment Plants	Failure of treatment process through loss of power, contamination in catchments	Inability to provide safe water to community Impact on public health and essential community services Impact of Council reputation
Pump Stations (water)	Failure of pumps	Inability to provide safe water to community Impact on firefighting capability of community Impact of Council reputation
Sewer Treatment Plants	Failure of treatment process through loss of power, contamination	Potential Environmental pollution incident Impact on Council reputation
Pump Stations (sewer)	Failure of pumps	Potential health hazard if service not provided Impact on Council reputation
Bridges	Partial or complete loss of service capacity due to structural or other reasons	Loss of access to served area Increased travel times Impact on emergency services
Unsealed roads	Partial or complete loss of service capacity due to weather event	Loss of access to served area Increased travel times Impact on emergency services

Appendix D: Background Information

D.1 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 different 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 strategy and funding plan.



D.2 Financial & Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 practice areas have been developed from these elements to assess maturity under the National Frameworks.

The core competencies are:

Financial Planning and Reporting

- Strategic Longer-Term Plan
- Annual Budget
- Annual report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council intends to carry out a formal maturity assessment in the near future, and the result of this assessment will be incorporated into future iterations of this strategy.

Anecdotally, Council's level of asset management maturity is rated as being at the "core" level.

For further information

The Snowy Monaro 2042 Community Strategic Plan, 2022-26 Delivery Program, Operational Plan and Annual Reports can be viewed on Council's website.

 www.snowymonaro.nsw.gov.au

 Snowy Monaro Regional Council

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Your feedback

A copy of this Plan can be obtained from Council's website:
www.snowymonaro.nsw.gov.au

We are interested to know your thoughts about this Plan. Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of services, plans and reports.

If you would like to comment, or require additional information regarding this report please contact us.

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